

The 40-Hour Week:
A Proposal To Increase The Productivity
of Non-Managerial Civilian Municipal Workers

A Report of the Citizens Budget Commission
December 2002

Foreword

Founded in 1932, the Citizens Budget Commission (CBC) is a nonpartisan, nonprofit civic organization devoted to influencing constructive change in the finances and services of New York State and New York City governments. This report was prepared under the auspices of the CBC's Technology and Public Services Committee, which we co-chair. The other members of the Committee are: Paul F. Balsler, Marc H. Bell, Alan M. Berman, Mark Brossman, Lawrence B. Bittenwieser, Morton Egol, Kenneth D. Gibbs, Peter C. Hein, Brian T. Horey, Jerome E. Hyman, David B. Kelso, Barbara Shattuck Kohn, Hugh R. Lamle, James L. Lipscomb, Stanley Litow, William F. McCarthy, Frank J. McLoughlin, David I. Moskovitz, Steven M. Polan, Jules Polonetsky, Carol Raphael, Edward L. Sadowsky, Lee S. Saltzman, Larry A. Silverstein, Joan Steinberg, Robert W. Strickler, Robert V. Tishman, W. James Tozer, Jr., Ronald G. Weiner, Howard Wilson, and Eugene J. Keilin, ex-officio.

The Technology and Public Services Committee has a mandate to review the delivery of public services and recommend ways that these services can be delivered more efficiently and effectively. Since 1997 the Committee has emphasized the use of information technology to change the way government operates and improve the productivity of State and City agencies. In 1998 it issued its first report pursuing this theme, *Opportunities to Improve Municipal Revenue Collection by Using Information Technology*. That report identified ways that revenue collection could be simplified in order to save the City administrative costs, and provide even greater savings to private firms and households in reduced time required to file tax forms and other paperwork.

In 2000 the Committee released a review of the New York State Department of Correctional Services, *Making More Effective Use of New York State's Prisons*, which considered alternative sentencing policies as well as technological innovations in prison management. The annual savings from the recommendations in that report were estimated at nearly \$100 million.

Also in 2000 this Committee joined forces with the CBC's Budget Policy Committee to issue two reports focusing on the then-current round of collective bargaining between the City and its unions—*Using Collective Bargaining to Improve Public Education* and *The Citizens' Stakes in Collective Bargaining*. While examining a wide range of measures to improve productivity, these reports recommended bargaining strategies that would facilitate technological changes to make possible the Commission's goal of a smaller and better-paid municipal workforce.

As the City's fiscal situation deteriorated in 2001 and 2002, the need for a more efficiently managed municipal budget became more urgent. In response, the Committee embarked on a research plan to identify significant opportunities to increase productivity and efficiency in the City's operations.

This research plan has led to five projects in 2002 to assist the City to develop a plan to improve productivity in all City agencies. First, the Committee released a report outlining how better use of information technology and other changes could save the City \$200 million per year by streamlining the procurement process. That report, *No Small Change: Opportunities for Streamlining Procurement in New York City*, appears to have helped spawn a Mayoral procurement reform initiative in fiscal year 2003.

This report addresses an opportunity to reduce personnel costs. The vast majority of civilian employees work only a 35-hour week. By moving to a 40-hour week, the City would be adopting a practice common in the public sector in other areas and prevalent among private employers in the New York area. The savings would be approximately \$500 million annually.

The remaining three projects on the Committee's agenda address reform of the City's special education programs, more efficient deployment of personnel in the Police Department, and energy conservation among municipal agencies. These reports have been prepared in conjunction with a December 2002 conference organized by the Citizens Budget Commission to help the City of New York develop policies to balance its budget. The conference and related material were made possible by generous support from the Charles H. Revson Foundation, the Rockefeller Foundation, and the Nathan Cummings Foundation. The views expressed are solely the responsibility of the Commission.

Charles Brecher, Research Director, prepared this report. He received assistance from Amy Greer and Douglas Offerman of the CBC staff. Nikki Macdonald, Publications Coordinator, prepared the report for publication. An electronic version of the report is available on the CBC's website at www.cbcny.org.

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Executive Summary

Of the nearly 250,000 full-time employees of the City of New York, about 80,000 are “non-managerial civilians.” This means they are not teachers or other types of educators at the Department of Education or the City University; they are not uniformed employees such as police officers, firefighters or correction officers; and they are not managers such as Commissioners or other senior officials. Of these 80,000 civilians, less than 10,000 are required to work a 40-hour week. About 3,400 civilians work a 37.5-hour week, and more than 67,000 work a 35-hour week.

This report recommends that those civilians not working a 40-hour week be required to do so. The estimated savings to the City from this change would be \$498 million annually. This savings would be realized because fewer workers could accomplish the same amount of work. About 8,500 positions could be eliminated if all civilians worked a 40-hour week. The average savings per worker would be about \$58,000 including salary, fringe benefits and space costs.

Two obstacles must be overcome in order to achieve the full, potential savings. First, there is a high degree of occupational specialization among the civilians. If fewer than eight workers do the same job, then it might not be possible to reallocate the work among a smaller group and accomplish the same volume of work in a 40-hour week as was done by more employees in a 35-hour week. In fact, the City's civilian employees are divided among more than 1,100 different job titles, but most are in positions with many incumbents. Only about 7 percent of the workers, or about 5,700, are in job titles with less than eight incumbents in the same agency. For these workers the shift to a 40-hour week should be accompanied by the sharing of work across agencies and combining tasks now limited to narrowly defined job descriptions, known as “broad-banding.”

The second potential obstacle is geographic dispersion of workers among many different locations, making it difficult for a smaller number of workers to share tasks. In fact, civilian employees work at 1,556 different locations. However, most are concentrated at a few large locations; fully 73 percent, or about 49,000 are at facilities with at least 100 civilian workers. About 22 percent are at locations with 10 to 100 workers, and less than 5 percent are at locations with fewer than 10 workers. For those at the smaller locations, the shift to a 40-hour week should be accompanied by relocation to more concentrated offices or dividing time among two or more locations.

In this period of difficult fiscal times, it is reasonable to require a 40-hour week for City employees. Many similar federal employees have a 40-hour week; workers in other large cities such as Los Angeles, San Francisco, Phoenix and Washington, D.C., have a 40-hour week; nationally, among all state and local government employees, fully 85 percent of the blue-collar workers and 64 percent of the white-collar workers (except teachers) have a 40-hour week. Among private employers in the New York area, the median workweek is close to 40 hours for many occupations similar to those of municipal civilian employees.

Introduction

This report presents and examines a deceptively simple idea: That a large group of municipal employees, about 67,000 “non-managerial civilians,” increase their workweek from 35 to 40 hours. The purpose of this change is to yield a substantial savings for the City and its taxpayers by enabling fewer workers to provide the existing package of public services.

In order for there to be savings from an extended workweek, the employees must, in fact, do additional work in the added hours, and the number of workers used to accomplish the necessary tasks must be reduced. The change from a 35-hour to a 40-hour workweek should permit a reduction of 12.5 percent in the number of workers needed to perform the same amount of work.¹ For non-managerial civilian employees of the City of New York this would represent a reduction of more than 8,000 jobs, with potential savings approaching \$500 million annually.² The employees involved in this promising change are currently working under expired contracts, so it is possible that any new arrangement could be implemented promptly.

Although this report focuses on an extended workweek as a means to increase productivity, there are also possibilities for maintaining services with fewer workers by extending the amount of time worked during the entire year. Currently, civilian employees receive a substantial amount of time off during the year. There are 12 holidays. Most workers are entitled to 12 sick days annually, which they can accrue in unlimited numbers. The number of vacation days varies with longevity. New workers are entitled to 15 days annually; those with five to eight years of service receive 20 days; those with eight to 15 years receive 25 days, and those with more than 15 years receive 27 days. Together these benefits reduce the number of days a municipal employee works from a theoretical total of 260 days (five days for 52 weeks) to between 209 and 221, a reduction of between 15 and 20 percent. Savings might be achieved by curbing the number of these days.

The remainder of this report contributes to the development of an extended workweek in three ways. The first section describes more fully the nature of the City’s workforce and identifies the types of workers who would be affected by a shift from a 35-hour to a 40-hour workweek. The next section considers some of the practical obstacles to achieving the full potential savings from a longer workweek and suggests how they could be accommodated. The final section presents an estimate of the potential savings from a longer workweek taking into account savings from lower fringe benefits costs and other factors as well as reduced aggregate salary payments.

¹ The arithmetic is illustrated in this relevant example. A group of 80,000 working a 35-hour week produces 2.8 million hours of labor; the same 2.8 million hours requires a group of 70,000 working a 40-hour week. The 10,000 change from 80,000 to 70,000 workers is a 12.5 percent reduction.

² See the section of this report below on “How Much Could Be Saved?” for details of the savings estimate.

Who Works For The City?

Early in 2002 newly elected Mayor Michael Bloomberg was surprised to learn that there was no clear or widely agreed upon way to answer the question, “How many people work for the City?” The answer varied depending on two considerations.

First, there were no firm boundaries defining the “City.” While a mayor might be most concerned with the agencies reporting to him, there were “non-mayoral” agencies (notably the former Board of Education and the City University of New York) with staffs that are legally City employees. From other perspectives, the range of the municipal workforce extended even further to include many agencies legally independent of the City, but dependent on it for substantial subsidies and, therefore, often linked in practice to the same terms and conditions of employment as the City agencies. This latter group includes the Heath and Hospitals Corporation, the Housing Authority, public libraries, and many cultural institutions.

Second, the definition of an “employee” was also ambivalent. The City has staff in categories other than full-time, salaried workers, including part-timers and seasonal workers. There were no generally accepted rules relating to whether and how to count those other than full-time staff.

In his Executive Budget for fiscal year 2003, Mayor Bloomberg established a new and clearer format for identifying City employees. From an organizational perspective, workers are divided among mayoral agencies, covered organizations, and a variety of agencies with non-City employees paid in part by City subsidies. The number of workers is presented for those with full-time status; all others are counted in terms of “full-time equivalents,” a mechanism for converting part-time workers into numbers equivalent to full-time positions. As shown in Table 1, by the largest count the “City” had 365,709 full-time equivalent workers, although only 304,574 were legally City employees. The numbers for those with full-time positions were 306,590 and 248,911, respectively.

The smallest of these numbers is most relevant for exploring the possibility of an extended workweek. Part-time workers would not be involved in the change, since they now work less than 35 hours per week. The City does not directly determine or negotiate over the terms of employment for the agencies that it partly subsidizes but does not control, so their workers would not be directly or immediately affected. However, in many cases the work rules for these agencies are patterned after those of City agencies and eventually workers in these “non-City” agencies might adopt whatever arrangement is negotiated with direct City employees. The fiscal implications of this are considered in the last section of this report relating to potential savings.

Table 1
City of New York
Number of Positions
(as of February 28, 2002)

	Full-time Positions Only	Full-time Equivalent Positions
Mayoral Agencies	142,563	161,759
Police	47,223	52,944
Fire	15,702	15,822
Sanitation	10,153	10,214
Correction	12,113	12,157
Social Services	12,342	14,381
Admin. For Children's Services	7,301	7,712
Homeless Services	1,526	2,036
Public Health	3,133	5,454
Housing Preservation and Development	2,369	2,601
Environmental Protection	5,389	5,721
Finance	2,030	2,365
Transportation	3,948	4,255
Parks	1,930	6,454
Citywide Administrative Services	1,561	1,907
All Other Mayoral	15,843	17,736
Covered Organizations	106,348	142,815
Board of Education	102,515	136,595
City University	3,833	6,220
Subtotal - City Employees	248,911	304,574
Non-City Employees Paid in Part by City Subsidies	57,679	61,135
Health and Hospitals Corp.	35,331	37,941
Housing Authority	14,717	14,863
Libraries	3,802	4,428
Cultural Institutions	1,706	1,728
School Construction Authority	933	933
New York Employees Retirement System	338	369
Economic Development Corp.	328	344
Teachers Retirement System	307	308
Police Pension Fund	65	66
All Other	152	155
Grand Total	306,590	365,709

Source: City of New York, Office of Management and Budget, *Executive Budget Fiscal Year 2003*, Message of the Mayor, April 17, 2002.

The nearly quarter million full-time City employees can be divided into four groups differing with respect to their work schedules and pay arrangements. (See Table 2.) The largest group, representing about four of every ten workers, is pedagogical employees. The vast majority work in public schools as teachers, principals, and in other positions related to educating children. Their schedule is linked to the school year and school day, with most required to spend less than 35 hours per week at school for fewer than 40 weeks per year.³ Another 2,258 pedagogues work as instructors, professors and in other roles at the community colleges of the City University of New York. (Those at the senior colleges of the City University are legally State employees.) Their schedules are related to the academic year and to the number of courses they are required to teach each semester.

Table 2
City of New York
Full-Time Employees by Category
(May 2002)

	Number	Percent Distribution
Pedagogical Employees	96,547	39.0%
Board of Education	94,289	38.0
City University	2,258	1.0
Uniformed Employees	66,736	26.9
Police Dept.	37,059	14.9
Fire Dept.	11,409	4.6
Dept. of Corrections	10,408	4.2
Dept. of Sanitation	7,860	3.2
Civilian Managers	4,329	1.7
Non-Managerial Civilians	80,203	32.4
Total	247,815	100.0%

Sources: City of New York, Office of Payroll Administration, Report PHCEM883, May 25, 2002; Pedagogical employees of the Board of Education are as of February 28, 2002. City of New York, Office of Management and Budget, *Executive Budget Fiscal Year 2003*, Message of the Mayor, April 17, 2002, Exhibit 5A, p. 266.

A second major group is uniformed employees, representing about one of every four City workers. They are found in four departments—Police, Fire, Corrections and Sanitation. Each has a distinct schedule and/or pay arrangement. Police officers work in shifts of eight hours and 35 minutes, with the shifts occurring seven days per week and in four overlapping times of each day.

³ See Citizens Budget Commission, *Using Collective Bargaining to Improve Public Education* (NY: Citizens Budget Commission, April 31, 2000).

The police typically work 202 shifts or about 1,734 hours per year. Correction officers staff the City's jails around the clock in shifts similar to those established for police officers. Firefighters work in shifts of nine and 15 hours with six shifts of each length required over a 25-day scheduling cycle.⁴ Uniformed sanitation workers collect refuse and perform other duties in set daily shifts, but their pay varies depending on whether they work a two-person truck or another assignment and whether those assigned to a truck meet productivity targets for the volume of refuse collection.

City employees who are neither pedagogues nor members of a uniformed force are categorized as "civilians." Of the civilians, about 4,320 have managerial status. This group includes commissioners, assistant and deputy commissioners and other high-level staff. They have broad responsibilities and relatively high salaries. The mean salary of a civilian manager in 2002 was \$84,035, more than double the average for a non-managerial civilian.⁵ The workweek for this group often may be more than 35 or 40 hours, and this does not necessarily require additional compensation. There may be more effective ways to pay municipal managers, including greater incentive payments for meeting performance goals, but this is beyond the scope of this report.

The expanded workweek is most relevant for the nearly one of every three City workers who is a non-managerial civilian. At least one or more of this group of over 80,000 is found in each of the City's 127 separate agencies. However, as shown in Table 3, more than half (40,906) are concentrated in five agencies.

The largest group of non-managerial civilians (11,799) is in the Human Resources Administration, which includes the Department of Social Services. They are predominantly white-collar positions involving administration of cash assistance to needy families and individuals. The second-largest group (9,109) is in the Police Department. This includes about 2,000 traffic enforcement agents, about 3,000 administrative aides, and more than 1,100 police communication technicians, as well a variety of other specialized positions in auto repair, photography, and other fields. The Board of Education represents another large group (7,752). While the Board's non-pedagogical workers include more than 1,200 clerical aides and associates and more than 500 secretaries, they also include numerous others in more than 200 separate job titles that cover both blue-collar and technical fields. The Administration for Children's Services, which provides preventive and protective services to children, also has more than 7,000 non-managerial civilians. About 4,300 of this group are child protective and child welfare specialists and their supervisors, with the rest divided among more specialized casework and care tasks, and numerous administrative and maintenance positions. The fifth-largest agency is the Environmental Protection Administration, which operates the city's water and sewer systems. Its more than 5,000 non-managerial civilians are divided among more than 150 different job titles.

⁴ See Citizens Budget Commission, *The Citizens Stakes in Collective Bargaining* (NY: Citizens Budget Commission, December 13, 2000), especially pp. 34-39.

⁵ City of New York, Office of Payroll Administration, "Mean Salary and Range by Title," Report PHCEM883, May 25, 2002, p. 339.

Table 3
City of New York
Non-managerial Civilian Workers by Agency
(May 2002)

	Number of Workers	Percent of Total^a
Agencies with 5,000 or more	40,906	51.0
HRA/DSS	11,799	14.7
Police Dept.	9,109	11.4
Board of Ed.	7,752	9.7
Admin. Children's Services	7,061	8.8
Environmental Protection	5,185	6.5
Agencies with 1,000 - 5,000	29,482	36.7
Fire Dept.	4,295	5.4
Dept. of Transportation	3,818	4.8
Dept. of Health	2,780	3.5
Housing Preservation & Dev.	2,221	2.8
Dept. Sanitation	2,119	2.6
Dept. Finance	1,878	2.3
Dept. Parks & Recreation	1,824	2.3
CUNY	1,692	2.1
Office of Probation	1,485	1.9
Homeless Services	1,415	1.8
Citywide Admin. Services	1,414	1.8
Manhattan DA	1,263	1.6
Dept. Design & Construc.	1,110	1.4
Brooklyn DA	1,091	1.4
Law Dept.	1,077	1.3
Agencies with 500 to 1,000	3,901	4.9
Bronx DA	777	1.0
Dept. Juvenile Justice	715	0.9
Dept. Buildings	688	0.9
Office of the Mayor	610	0.8
Queens DA	567	0.7
Comptroller	544	0.7
All Other Agencies	5,914	7.4
TOTAL	80,203	100.0%

Source: City of New York, Office of Payroll Administration, Report PHCEM883, May 25, 2002.

Note: ^aFigures may not add to total due to rounding.

While just over half the non-managerial civilians are in five agencies, the other half are spread among 122 units where their numbers range from just one to nearly 4,300. Also shown in Table 3 are 15 agencies with between 1,000 and 5,000 non-managerial civilians. These organizations represent nearly 30,000 such workers, or more than one-third the total. Six agencies with between 500 and 1,000 non-managerial civilians bring the total for these relatively large agencies to nearly 93 percent of the total. The remaining 7 percent are in numerous agencies including 57 separate Community Boards, each of which has between one and three non-managerial civilians.

The organizational dispersion of non-managerial civilians is accompanied by a high degree of occupational segmentation and specialization. The approximately 80,000 workers are spread among fully 1,117 different job titles.⁶ This vast diversity in work can be described in terms of three types of jobs. First, and perhaps best conforming to public impressions of municipal civilians, are the administrative, clerical and support positions found in virtually all public agencies. As shown in Table 4, approximately 35,500 civilians work in 57 job titles that have more than 100 incumbents and are found in multiple agencies. The 13 largest of these job titles, with more than 700 incumbents each, are identified in the table. They include more than 8,200 clerical associates, 5,600 principal administrative associates, 2,000 associate staff analysts, and 1,600 secretaries. In addition to these white-collar jobs, the large multiple agency titles also include many blue-collar positions, such as the more than 1,000 auto mechanics.

The second broad category is large job titles for which the work is unique to a single agency. As shown in Table 4, approximately 34,000 civilians work in 70 job titles that are concentrated in one agency or type of agency, and which have at least 100 incumbents. The 16 largest of these job titles each has more than 700 incumbents; these positions are identified in Table 4. These agency-specific positions include more than 2,200 police administrative aides (a civilian position unique to the Police Department), 1,900 caseworkers (found in three social service agencies), approximately 1,900 eligibility specialists and 1,500 job opportunity specialists who administer public assistance benefits in the Department of Social Services, and large numbers of child protective and child welfare workers (and their supervisors) in the Administration for Children's Services. Also included in this group are the traffic enforcement agents working at the Police Department and the emergency medical service workers staffing ambulances in the Fire Department.

The third group of civilians is a diverse set of less than 11,000 workers spread among about 1,000 job titles with relatively few (less than 100) incumbents. This proliferation of job titles reflects in part legitimate needs for particular specialized skills and knowledge. For example, among these job titles are air pollution inspectors, glaziers, actuaries, and ferry captains. But it may also reflect a failure to update job requirements or take advantage of opportunities to merge titles as technology changes. Consider, for example, that the City employs 41 blacksmiths, a skill that is not in wide demand and that might be combined with others to reflect new technology.

⁶ The number of titles is a count of those specified in City of New York and District Council 37, AFSCME, "1995-2001 Citywide Agreement," Appendix A, pp 54-75.

Table 4
City of New York
Large Civilian Job Titles
(May 2002)

	Number of Workers	Percent of Total^a
Large Job Titles Spread Among Multiple Agencies	35,508	44.3%
More than 700 Incumbents	25,189	31.4%
Clerical Associate	8,207	10.2%
Principal Administrative Associate	5,642	7.0%
Associate Staff Analyst	2,032	2.5%
Secretary	1,600	2.0%
Community Associate	1,315	1.6%
Clerical Aide	1,067	1.3%
Auto Mechanic	1,009	1.3%
Fraud Investigator	994	1.2%
Computer Specialist – Software	960	1.2%
Administrative Staff Analyst	921	1.1%
Staff Analyst	872	1.1%
Community Assistant	747	0.9%
Community Coordinator	723	0.9%
100 to 700 Incumbents (44 Titles)	10,319	12.9%
Large Job Titles Concentrated in One or a Few Agencies	34,080	42.5%
More than 700 Incumbents	21,135	26.4%
Police Administrative Aide	2,210	2.8%
Caseworker	1,915 ^b	2.4%
Eligibility Specialist	1,897	2.4%
Emergency Medical Technician	1,889	2.4%
Traffic Enforcement Agent	1,868	2.3%
Child Protection Specialist	1,863	2.3%
Job Opportunity Specialist	1,497	1.9%
Assistant District Attorney	1,312 ^c	1.6%
Police Communications Technician	1,102	1.4%
Child Welfare Specialist	1,095	1.4%
Child Welfare Specialist Supervisor	787	1.0%
Senior Police Administrative Aide	764	1.0%
Associate Job Opportunity Specialist	756	0.9%
Probation Officer	747	0.9%
Sewage Treatment Worker	731	0.9%
Substance Abuse Prevention Specialist	702	0.9%
100 to 700 Incumbents (54 Titles)	12,945	16.1%
Total Large Job Titles	69,588	86.8%
Total All Job Titles	80,203	100.0%

Source: City of New York, Office of Payroll Administration, Report PHCEM883, May 25, 2002.

Notes: ^aFigures may not add to total due to rounding. ^bTotal includes Department of Social Services, Administration for Children's Services, and Department of Homeless Services. ^cTotal is for Six District Attorney's Offices.

The multiplicity of job titles also reflects a tendency in municipal government to create overly specialized positions. In some instances job titles may be created to provide opportunities for “promotion” in lieu of pay raises for those at the top end of the pay scale in a particular title. For example, there are not only air pollution inspectors, but also senior air pollution inspectors. Consider, also, that within an agency there are likely to be community service aides, community assistants, community associates, community coordinators, assistant community liaison workers, community liaison workers, senior community liaison workers, and principal community workers. Each of these job titles has a separate pay scale, with the overall range from \$23,080 for a community service aide to \$56,721 for a community coordinator with seniority. Also, special titles with restrictive entry requirements may be created in order to limit opportunities for more senior positions to those with experience in the agency rather than open the job to outside competition.

A final important point about the civilian, non-managerial workforce is that a significant fraction of them already work a 40-hour week. While a 35-hour week is the norm, fully 150 different job titles covering 9,778 workers currently require a 40-hour week.⁷ The largest occupations within this group are traffic enforcement agents, park workers, and custodians. An additional 16 job titles, the largest of which are probation officers and their supervisors and emergency medical services staff covering ambulance shifts, require a 37.5-hour rather than a 35-hour week. This leaves more than 67,000 civilian workers in jobs that are scheduled for 35 hours per week.

Is the 40-Hour Week Practical?

Given the complexity of the municipal civilian workforce, it is reasonable to ask if the movement to a 40-hour week as a way to achieve savings is truly practical. Remember, the goal is to have a smaller number of workers accomplish the same amount of work. Two factors could make this difficult—occupational specialization and geographic dispersion. In each case the evidence suggests the problem is real, but there are reasonable strategies to overcome the limitations.

⁷ In addition, 30 houseparents and four senior houseparents, who supervise youths in City operated group homes, are on duty 60 hours per week. See City of New York and District Council 37, *op. cit.*

Occupational Specialization

In order for the 40-hour week to achieve savings, the work now done by a larger number of workers during a 35-hour period must be completed by a smaller number of workers during 40 hours. That is, the work must be redistributed. It is easy to envision such a change for the workers in the large occupations that are specific to a particular agency. For example, given more time, fewer eligibility specialists can process the same number of welfare applications, and fewer child protection specialists can investigate the same number of abuse and neglect reports. In instances where a large number of people are doing the same type of work in the same agency, the necessary redistribution of work is relatively easy to accomplish.

The more difficult case is when a relatively small number of people are doing similar work. In practice, the minimum number of people in the same job needed to accomplish redistribution sufficient to eliminate a full-time position is eight. That is, eight people working 35 hours per week yield the same total number of hours of labor (280) as seven people working 40 hours per week.

The vast majority of municipal civilians are in job titles in which at least eight people work in the same agency in the same title. As shown in Table 5, only 7.1 percent of the non-managerial civilians or 5,693 workers are in positions that have less than eight incumbents in an agency. As might be expected, this proportion is smaller among the large agencies and greatest in the small agencies such as the 57 Community Boards, that each has less than eight total employees. At the Department of Social Services, the agency with the greatest number (11,799) of non-managerial civilians, only 198 or less than 2 percent, are in job titles with fewer than eight incumbents.

In order to permit the 7 percent of workers in this situation to share work productivity, some special arrangements would have to be devised. Possibilities include sharing work among those doing the same job in several different agencies, and sharing work among those with similar job titles in the same or multiple agencies. The latter approach is similar to the “broadbanding,” or combining of similar job titles into a broader common job title, that some enlightened municipal managers have sought for many years.

Broadbanding, or pooling of work among people in similar job titles, could extend the feasibility of the 40-hour week to many workers in small job titles in an agency. Consider the Department of Juvenile Justice, with 142 or nearly 20 percent of its workers in small job titles. This group includes seven senior cooks who might join with the nine cooks in sharing work; it includes four clerical aides who might join seven clerical associates to share work; it includes three community assistants who might join 38 community associates, and numerous other examples of ways this approach might overcome obstacles posed by excessive occupational specialization.

Table 5
Non-Managerial Civilians in Job Titles with
Fewer Than Eight Incumbents by Agency
(May 2002)

	Total	Number in Small Titles	Percent in Small Titles
HRA/DSS	11,799	198	1.7%
Police Department	9,109	230	2.5
Board of Education	7,752	600	7.7
Agency for Childrens Services	7,061	115	1.6
Environmental Protection	5,185	188	3.6
Fire	4,295	216	5.0
District Attorneys (6)	4,032	218	5.4
Dept. of Transportation	3,818	313	8.2
Health	2,780	236	8.5
Housing	2,221	211	9.5
Sanitation	2,119	228	10.8
Finance	1,878	100	5.3
Parks & Rec.	1,824	139	7.6
CUNY	1,692	196	11.6
Dept. of Correction	1,526	180	11.8
Probation	1,485	68	4.6
Homeless	1,415	164	11.6
Citywide Admin. Services	1,414	226	16.0
Dept. Design and Const.	1,110	138	12.4
Law Dept.	1,077	80	7.4
Dept. of Juvenile Justice	715	142	19.9
Buildings	688	90	13.1
Office of Mayor	610	95	15.6
Comptroller	544	78	14.3
Dept. of Mental Health	173	44	25.4
Large Agencies Subtotal	76,282	4,493	5.9%
All Other Agencies	3,921	1,200	30.6%
Total	80,203	5,693	7.1%

Source: City of New York, Office of Payroll Administration, Report PHCEM883, May 25, 2002.

Geographic Dispersion

A second potential obstacle to redistributing work is the geographic dispersion of municipal employees. Most agencies have multiple work locations. For example, workers at the Department of Social Services work at welfare centers spread among the five boroughs, civilians at the Police Department may be spread among multiple precincts, and similar situations may

prevail at a variety of other agencies. If there are not at least eight workers doing the same job at a location, then this physical separation could be an obstacle to redistributing work.

In reality, on any given day, nobody knows where all the City's workers are. Many work in “the field,” meaning they have tasks to perform outside an office. Inspectors are visiting restaurants and construction sites; caseworkers are in homes counseling families. However, the extent of geographic dispersion can be explored using “workplace locations” identified by the City's Office of Payroll Administration. These are building locations to which workers are assigned and that serve as their base of operations, if not their exclusive place of work.

Among non-managerial civilian workers there are fully 1,556 different work locations. However, about 40 percent of the jobs are at 31 locations that each has at least 500 workers. Table 6 identifies the eight largest locations, with more than 1,000 workers each; they include addresses familiar to many who have had business with the City including One Police Plaza and One Centre Street. Another one-third of the jobs are at locations with 100-500 workers, bringing the total at relatively large concentrations offering good possibilities for sharing work to nearly three-quarters.

Table 6
City of New York
Work Locations for Civilian, Non-managerial Employees
(May 2002)

	Number of Locations	Number of Workers^a	Percent of Total Workers
Locations with more than 1,000 workers	8	10,354	15.3
150 William Street, Manhattan		1,793	
100 Gold Street, Manhattan		1,562	
1 Centre Street, Manhattan		1,436	
1 Police Plaza, Manhattan		1,195	
130 John Street, Manhattan		1,178	
40 Worth Street, Manhattan		1,137	
30-30 Tomson Avenue, Queens		1,039	
1 Metro Tech, Brooklyn		1,014	
Locations with 500 – 1,000 workers	23	16,338	24.2
Locations with 100 – 500 workers	113	22,668	33.5
Locations with 10 – 100 workers	460	15,136	22.4
Locations with less than 10 workers	952	3,108	4.6
Total	1,556	67,604	100.0

Source: Unpublished data made available by the City of New York, Office of Payroll Administration.

Note: ^aIncludes only workers in job titles with a 35-hour workweek.

For the remaining one-in-four civilian workers, geographic dispersion may represent an obstacle to efficient work sharing. More than 20 percent of the total civilian workers are in locations with between ten and 100 workers, suggesting some potential for work redistribution. Among the 5 percent in locations with less than ten workers, the possibilities are more limited.

Two strategies can be used to overcome the obstacles posed by geographic dispersion. In some instances, it may be possible to relocate workers and concentrate the same tasks in a more central location. While access to services by clients is an important concern, many of the instances in which civilian workers are isolated at different locations may involve support tasks rather than direct contact with clients. New information technology could facilitate the simultaneous concentration of many support tasks at a central location with access to necessary information by line workers at field stations.

In other instances it may be possible to have workers divide their time among two or more locations. Consider a hypothetical example of an agency with 64 workers in a given title. They are divided among 11 locations of which three have eight workers each and eight have five workers each. The goal is to reduce the needed number of workers by eight from 64 to 56. In three of the locations, a shift to a 40-hour week would permit a reduction from eight to seven workers. In the other five locations the staffing pattern could be changed to have four workers permanently at each location and three workers dividing time among the five locations. Such rotating schedules, spread over suitable periods depending on the nature of the work, could make it possible to achieve savings from the 40-hour week even where workers are spread among numerous locations.

Other Considerations

In addition to the important issues of occupational specialization and geographic dispersion, two other potential issues should be considered. First, demand for services may vary during times of the day, and a longer day worked by fewer staff may reduce the capacity to meet peak-hour demand. This warrants further exploration, but it is likely that most of the support services provided by civilians are not affected by peak-hour demand patterns. Moreover, this problem is not most efficiently resolved by increasing full-time staff. Instead, peak-hour demand would be more efficiently met by increasing part-time staff during the peak periods.

Second, it should be recognized that the combination of reduced staff and longer workweeks would have little or no impact on the amount of overtime. The purpose of the shift to a 40-hour week is to accomplish the *same* amount of work with fewer staff. Overtime represents *additional* work beyond that accomplished currently by a larger staff working 35 hours or in the future by a smaller staff working 40 hours. To the extent additional demand arises, it would still require overtime from those working the extended workweek. However, the longer workweek would result in a lower hourly overtime rate. Hourly overtime rates are calculated based on the maximum scheduled hours per year. For a person working 40 hours the rate would be lower than for someone working 35 hours at the same annual salary. This would yield savings in overtime expenses even though the volume of overtime hours would not necessarily change.

How Much Could Be Saved?

The fiscal implications of moving civilians from a 35-hour to a 40-hour week can be analyzed in two steps. First, it is instructive to calculate the potential gross savings. Second, it is important to consider why those savings should help to close the City's budget gap rather than to increase the pay of the workers involved.

The Aggregate Savings

The key factor in achieving savings from the 40-hour week is the number of positions that can be eliminated. As illustrated earlier, the maximum number is one of every eight positions currently working 35 hours per week. Since the number of non-managerial civilians working a 35-hour week is currently 66,984⁸, then the maximum number of positions that could be eliminated is 8,373. Occupational specialization and geographic dispersion could reduce that number, but strategies previously identified can make possible achieving the maximum savings.

Salary	\$ 41,592
Employee Payroll Taxes	\$ 3,280
Social Security	\$ 2,579
Medicare	\$ 582
Unemployment Insurance	\$ 119
Workers Compensation	\$ 400
Health Insurance	\$ 5,043
Union Welfare Fund	\$ 1,475
Pension Contribution	\$ 2,911
Office Space Costs	\$ 3,300
TOTAL	\$ 58,001

Sources: See text.

The average salary in fiscal year 2002 of a person in one of the non-managerial civilian positions working a 35-hour week is \$41,592.⁹ This suggests a maximum potential savings in salaries of about \$348 million annually.

However, when a position is eliminated, more than the salary is saved. Additional savings result from lower payroll taxes, lower fringe benefits, lower pension contributions, and reduced office space needs. The estimated savings per worker for these items are summarized in Table 7.

The employer payroll taxes include federal Social Security taxes of 6.2 percent, federal Medicare taxes of 1.4 percent, and unemployment insurance payments (based on 1.4 percent up to \$8,500). In addition the City provides statutorily determined workmen's compensation benefits that average about \$400 per worker.¹⁰ Together these items total \$3,680 annually for an average worker.

⁸ This figure is calculated by subtracting workers in job titles with 60, 40, and 37.5-hour workweeks from the 80,203 total shown in earlier tables. This figure differs slightly from the total shown in Table 6, which is taken from a different data set from the Office of Payroll Administration that includes work location codes.

⁹ Calculated by CBC staff based on data provided by the Office of Payroll Administration.

¹⁰ For fiscal year 2001 the City's payments for workmen's compensation claims were \$138,368,725. See City of New York, *Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year Ended June 30, 2001*,

The major fringe benefits provided municipal workers are health insurance and supplementary benefits provided through union welfare funds. The City pays the cost of comprehensive health insurance based on the prevailing premium for the Health Insurance Plan of Greater New York (HIP). Currently these premiums are \$2,656 annually for a single individual and \$6,506 annually for a family. Based on the recent mix of coverage (individual versus family) selected by municipal workers, the average premium cost to the City is \$5,043 annually.¹¹ The City's contribution to union welfare funds varies among the unions, but is \$1,475 per member for members of District Council 37, the largest union representing civilian workers.

Non-managerial civilians are members of one of two different public pension plans. The civilians at the Board of Education participate in the New York City Board of Education Retirement System and the other civilians in the New York City Employees Retirement System (pedagogues and each of the uniformed forces each have their own separate retirement funds). The City's contributions to these funds are based on actuarial assumptions and vary based on changes in the benefit structure and in the annual investment performance of the funds. For the purposes of estimating savings, it is reasonable to assume an average contribution of about 7 percent of salaries, a figure that is consistent with recent history and financial plan projections.¹²

The remaining component of the estimated savings is a reduced need for office space. The 40-hour week would reduce the number of workers and thereby reduce the volume of office space the City must operate or lease for its staff. A conservative estimate, based on adjusting private sector norms, is that the marginal space per worker is 150 square feet and costs an average \$22 per square foot; this yields an annual savings per job of \$3,300. As shown in Table 7, the total savings per worker from all components is \$58,001.

The previous estimate of 8,373 positions eliminated among those now working 35 hours per week combined with the per worker savings yield a maximum annual savings of about \$486 million. In addition, recall that another 3,407 civilians work a 37.5-hour week. Moving this group to a 40-hour week would eliminate another 213 positions, for an additional savings of about \$12 million, bringing the total to about \$498 million.

It also is likely that if the City adopted a 40-hour week for all its civilian employees, then non-City agencies dependent on City funding would follow suit. The pattern has been similar work rules for employees of these entities, and it would be reasonable to expect them to move to the more efficient practice. Recall from Table 1, that these agencies have more than 57,000 full-time employees. This report has not examined the extent to which these workers are in titles that could achieve savings from the extended work hours, but it is likely that similar savings could apply to the vast majority of these positions. If about 50,000 of these workers were affected by the change, and if the average savings were equal to that among the City's positions, then the

Schedule G6, p. 204. This sum is divided by the number of full-time equivalent City employees (304,574) shown in Table 1 to yield the estimate of \$400 per employee.

¹¹ According to data supplied by the New York City Office of Labor Relations, 38 percent of workers are covered by individual contracts and 62 percent by family contracts.

¹² See Citizens Budget Commission, *The Citizens Stakes in Collective Bargaining*, *op. cit.*, pp. 16-20 for information on trends in pension fund contributions.

aggregate savings for such agencies would be about \$360 million annually. Much of these savings would accrue to the agencies involved rather than the City, but the City could reasonably make proportional reductions in its subsidies to these agencies and thereby reap some savings for itself.

Should There Be Gain-sharing?

When workers agree to a change in work rules that increases productivity, it often is appropriate to share some of the savings with the workers in the form of higher wages. The Citizens Budget Commission has supported such “gain-sharing” arrangements for certain types of changes in the past. However, in this instance it is not appropriate. The case against gain-sharing for the 40-hour week is based primarily on two factors: (1) The City's fiscal problems are currently severe, and it is justifiable to ask for some sacrifice from municipal employees under these circumstances. (2) The 40-hour week is the norm among many other public sector workers and many private sector workers. Comparability justifies extending the current workweek.

Municipal workers may point to two recent instances in which the City funded higher salaries in exchange for longer hours. In 2001 the City agreed to fund proportionally higher salaries for librarians in exchange for an increase in their workweek from 35 to 37.5 hours. However, in this instance the goal was to overcome a shortage and recruiting difficulties, and not to reduce expenses. The City needed more librarian services and purchased them in the form of more hours from the current workers rather than by increasing the number of positions, which were difficult to fill at the old salary.

Similarly, in the agreement recently reached with the United Federation of Teachers, the City agreed to an arrangement characterized as “time for money.” Teachers and other pedagogical personnel agreed to work an additional 20 minutes per day or 100 minutes per week in exchange for proportional pay increases. Again, the City's goals differ from those it now has with respect to civilian workers. In the case of the teachers, the City both faced selected shortages and sought to increase the volume of instructional time available to children. The most practical way to increase the volume of instructional service was to buy more time from the current staff of teachers rather than seek to increase the number of teachers at the old salaries.

The circumstances facing civilian workers are notably different. The City is not seeking to increase the volume of services it provides, and there are few instances of shortages or recruitment difficulties due to below-market salaries.¹³

¹³ The issue of selected shortages among civilian job titles is examined in *The Citizens Stakes in Collective Bargaining, op. cit.*, pp. 28-32. In 2000, the Department of Citywide Administrative Services classified 150 job titles as “hard-to-recruit” and these titles had 17,215 incumbents. However, the recruitment difficulties are not always or entirely due to wage disparities and could often be resolved with other measures such as more aggressive recruitment efforts and streamlined hiring procedures. In addition, labor market conditions have changed markedly since 2000 and some of these recruitment difficulties may no longer exist. Nonetheless, some titles may still suffer from wage disparities, and in these instances higher salaries might be warranted.

Another precedent for gain-sharing is the agreement reached with sanitation workers in the early 1980's when new trucks requiring two, rather than three workers, were deployed by the City. It provided incentives for working on the new trucks determined by, in essence, giving the workers one-third of the savings.¹⁴ However, payment of the additional sum was contingent on actual collections, measured in tons per shift, increasing to justify the higher pay. Measuring the increased productivity was relatively simple, and payment was made only if productivity increased. Establishing similar conditions for civilian workers would be particularly difficult, especially in the short-run.

Equally important, the 40-hour week is the norm in many comparable situations. Federal government employees in positions similar to those of municipal civilians work a 40-hour week. Nationally, the most common workweek for other state and local employees is 40 hours. (See Table 8.) Among all state and local employees, only one in five works a 35-hour week or less, and 61 percent work at least a 40-hour week. If teachers are excluded from the total, then 64 percent of white-collar workers and 85 percent of blue-collar and service workers have at least a 40-hour week. Large cities with the vast majority of their civilian workers on a 40-hour week include Los Angeles, San Francisco, Phoenix, and Washington, DC. In sum, the conditions justifying gain-sharing in other situations and times do not apply to adopting the 40-hour week. The City now faces a difficult fiscal situation and is seeking to avoid service reductions, rather than to expand services.

Table 8
Work Schedule of Full-time Employees of
State and Local Governments, United States, 1998
(percent distribution)

	35 hours or less	Over 35 and under 40 hours	40 hours or more	Total
All Workers	20%	19%	61%	100%
Teachers	40%	34%	26%	100%
White-Collar except teachers	16%	20%	64%	100%
Blue-collar and service	8%	7%	85%	100%

Source: U.S. Bureau of Labor Statistics, *Employee Benefits in State and Local Governments, 1998*, Bulletin 2531, December 2000, Table 9.

¹⁴ See John Kaiser. "Sanitation," in Charles Brecher and Raymond D. Horton, editors, *Setting Municipal Priorities, 1986* (NY: New York University Press, 1985), pp. 412-442.

In the private sector, data from the New York metropolitan area document that many employees are scheduled to work more than 35 hours per week. As shown in Table 9, the average workweek in the private sector is 38.3 hours, with blue-collar workers averaging 39.2 hours, white-collar workers averaging 38.4 hours and service workers averaging 36.7 hours. The figure for service workers is lower due primarily to the relatively short hours for teachers' assistants at early childhood centers (33.1) and for other personal service workers (33.3). Many other service occupations more comparable to municipal civilians have schedules averaging nearly 40 hours per week.

Table 9	
Mean Weekly Hours for Full-Time Private Sector Workers^a	
New York Region, April 2001	
All Workers	38.3
White-Collar	38.4
Blue-Collar	39.3
Service	36.7
Selected White-Collar Occupations	
Administrative Support, including clerical	38.2
Managers and Administrators, nec.	40.0
Computer Programmers	39.3
Electronic and Electrical Technicians	39.9
Purchasing Agents	38.9
Selected Service Occupations	
Guards and Police (private)	39.7
Food Service	39.0
Janitors and Cleaners	39.4
Child Care Workers	39.4

Source: U.S. Dept. of Labor, Bureau of Labor Statistics "New York-Northern New Jersey-Long Island, NY-NJ-CT-PA National Compensation Survey, April 2001," Bulletin 3110-36, December 2001, Table 3-1, pp 13-17.

Note: ^aMean weekly hours are hours scheduled for work, exclusive of overtime.