



Impact of the Pandemic on New York City's Municipal Workforce

Highlights

- Over an eight-year period through FY 2020, the City's full-time workforce rose by 12.3 percent to 300,446 employees.
- The City hired more than 31,000 full-time employees each year to offset attrition and increase staffing during this period.
- In response to budgetary issues created by the pandemic, the City implemented a hiring freeze to help close its budget gaps.
- In FY 2021, attrition was lower than average at most agencies when compared to a similar period in recent years prior to the COVID-19 pandemic, but attrition is much higher in FY 2022.
- Since FY 2020, the City's workforce has declined by 16,637 employees (5.5 percent), and now totals 283,809, the lowest level in five years.
- Ten agencies experienced a decline in full-time staffing of at least 9.2 percent between June 2020 through November 2021, significantly higher than the citywide average of 5.5 percent.
- Staffing levels in some occupations, such as teaching assistants and school safety agents, also declined sharply during the pandemic.
- While the City's current financial plan assumes a rebound in staffing to reach record levels by June 30, 2022, the increase would be difficult to achieve and a portion of planned hires may be eliminated as part of agency plans to close the City's out-year budget gaps.

New York City employs the largest municipal workforce in the United States. Prior to the pandemic, the City government (which, unlike many local governments, includes its schools) employed about 300,400 full-time employees. The City provides a wide spectrum of services, ranging from the highly visible (such as education, sanitation, and public safety) to less visible but still important operations (such as safety inspections and contract oversight).

The City government, like other public employers, was quickly confronted with a number of challenges after the COVID-19 pandemic took hold in March 2020, including a decline in anticipated resources and a substantial change in the demand for certain municipal services.

Largely in response to fiscal challenges, the City's workforce has decreased (through attrition) to 283,809 through November 2021 (5.5 percent), but some agencies and occupations experienced a sharper decline, which may have led to service disruptions in the past and could pose service challenges as normal activity resumes. Overtime has also increased sharply in Fiscal Year (FY) 2022.

Only a few days into the new administration, the Mayor directed his agency heads to identify ways to achieve annual savings of 3 percent of City-funded spending beginning in FY 2022, exempting public health agencies and the Department of Correction.

The decline in staffing presents an opportunity for the City to re-examine its workforce and to restructure how its programs and services are delivered, in order to achieve efficiencies without the need for layoffs or service cuts.

Background

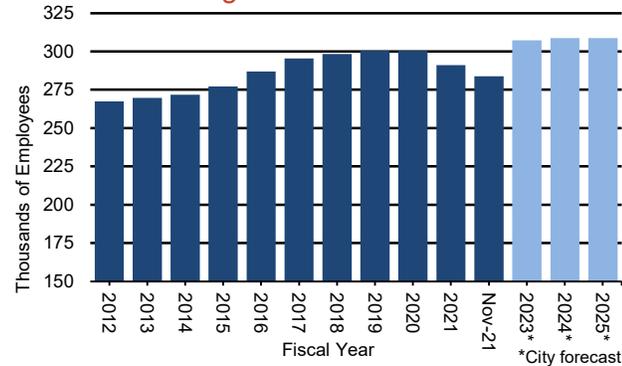
The City’s municipal government comprises 129 distinct agencies (including the Department of Education and the offices of elected officials) and 59 community boards. While most of these agencies employ a small number of full-time employees, the 38 largest agencies (with 250 or more full-time positions) employ nearly the City’s entire full-time workforce (99 percent).

Over an eight-year period ending in FY 2020, the City’s full-time workforce (including positions funded with federal and State aid) rose by 12.3 percent or 33,023 employees (see Figure 1) to 300,446 employees.

For this report, full-time equivalents are excluded. The full-time headcount also does not include staffing at public organizations with employees substantially paid by City subsidies (i.e., “covered organizations” like the Health + Hospitals and the New York City Housing Authority), or contracted employees who also provide services to the public, a number which is likely to be considerable.

In absolute terms, the increase in staffing was concentrated in education (primarily teachers to staff new initiatives such as an expansion of prekindergarten services for four-year-olds) and in public safety (such as correction officers and police officers).

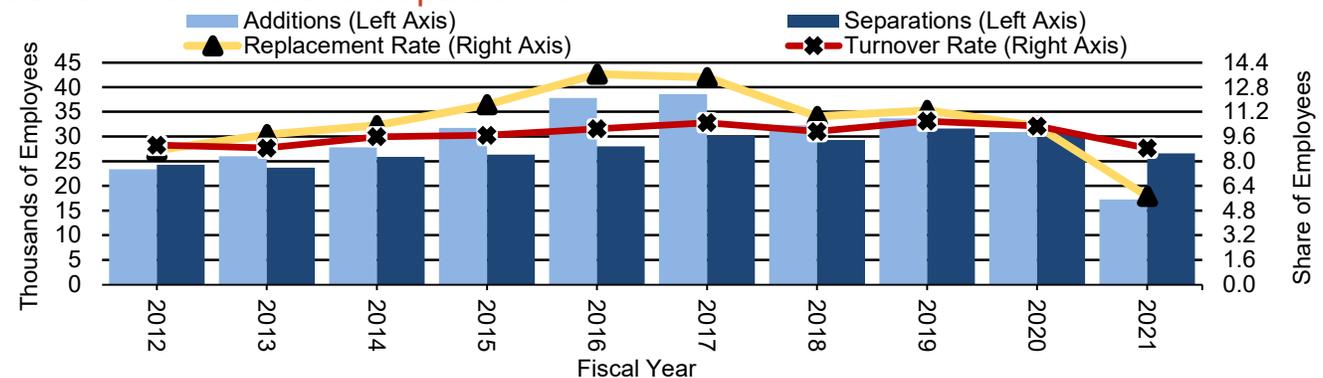
FIGURE 1
Full-Time Staffing Levels



Sources: NYC Office of Management and Budget; OSC analysis

The City’s annual attrition, when measured as a share of the workforce on payroll each year on July 1, rose modestly over the same eight-year period. In FY 2020, 10.3 percent (30,868) of full-time employees who were on payroll as of the beginning of the fiscal year separated from service by June 30 (i.e., the turnover rate, see Figure 2), mostly from retirements and resignations, an increase of 1.2 percentage points over the rate in FY 2012. But hiring had accelerated quickly during fiscal years 2014 through 2017, and additions to staffing continued to exceed attrition over the remaining three years through FY 2020.

FIGURE 2
Annual Additions and Separations



Note: Full-time only; includes separations due to leave without pay (LWOP) and additions due to returns from LWOP.
Sources: NYC Office of Management and Budget; OSC analysis

Impact of the Pandemic

The first confirmed case of COVID-19 in New York State was identified on March 1, 2020, in New York City. Six days later, the Governor declared a disaster emergency in the State, and a number of social distancing measures were implemented to help slow the spread of the virus.

The City municipal government, like other public employers, was quickly confronted with a number of challenges, including a decline in anticipated resources and a substantial change in the demand for municipal services. The demand for certain non-emergency services declined significantly as businesses and consumers also altered their activities in response to the pandemic. At the same time, the demand for emergency services (e.g., public health, emergency shelter, and nutrition) rose sharply.

Employee turnover and replacement patterns also changed. In FY 2021, attrition was lower than average at most agencies when compared to a similar period in recent years prior to the COVID-19 pandemic. But, hiring was even lower (the lowest it has been in the last decade), reflecting the effects of the City implementing a hiring freeze in FY 2020 on nonessential, non-revenue-generating positions to help close its budget gaps, resulting in a net employment decline.

Attrition declined during the pandemic to 8.8 percent in FY 2021, or 26,555 employees. However, employee attrition exceeded pre-pandemic levels during the first four months of FY 2022, suggesting that the decline may have been temporary and attributable to the short-term effects of the pandemic on employee mobility.

Between March 2020 and April 2021, however, the City drastically reduced hiring as the pandemic took hold in New York City and the City implemented a hiring freeze. For example, the City had hired an average of more than 31,000 full-time employees each year between fiscal years 2012 and 2020, which more than offset attrition during the same period.

But hiring was reduced by almost one-half to 17,210 employees in FY 2021. The pace of hiring has picked up since April 2021, but not fast enough to offset attrition through October 2021 on a citywide basis.

As a result, full-time staffing declined by 16,637 employees (5.5 percent) between June 2020 and November 2021, and now totals 283,809, the lowest level in five years. In this time, the City-funded portion of the workforce decreased by 18,419 employees; however, 1,782 full-time staff were funded with State or federal grants. The decline has been concentrated in public safety, education, and health and welfare services.

A portion of the separations from payroll may be temporary. For example, in October 2021, 3,739 pedagogues were placed on leave without pay (LWOP). These separations in one month are equivalent to three-quarters of the yearly citywide average number of employees placed on LWOP during fiscal years 2012 through 2020. Most of these pedagogues did not meet the City's deadline to provide proof of vaccination.

If the City employees who were placed on LWOP provide proof of vaccination by September 5, 2022, they will be permitted to resume their previous assignments and be restored to the payroll, which could result in an increase in staffing above current levels.

Recent media reports have indicated that employee availability rates, which have been lower during the pandemic, declined sharply in December 2021 as the new Omicron variant took hold in the City. The temporary loss of employee availability attributed to the pandemic, coupled with existing municipal service demands, has contributed to an increase in overtime costs in FY 2022 (mostly at the uniformed agencies).

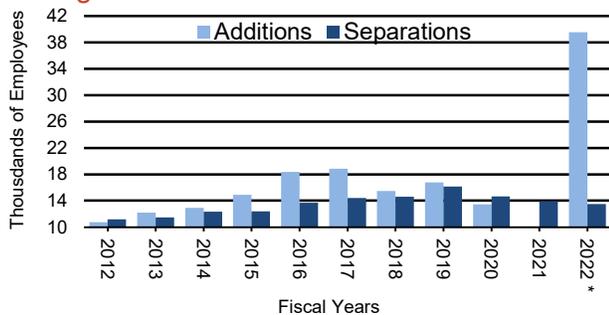
Citywide overtime spending through the first six months of the current fiscal year has totaled \$1 billion, \$385 million greater than costs incurred during the same period in FY 2021. The four uniformed agencies (i.e., police, fire, correction, and sanitation) represent more than 80 percent of the total (\$832 million). Overtime costs at these

agencies have not only surpassed last year's spending for the first six months by a combined \$347 million, but have also exceeded the City's forecast by \$405 million.

The City's current financial plan, released in November 2021 (the November Plan), assumes that the City's full-time workforce will reach 309,859 positions by June 30, 2022, which is 26,050 positions (9.2 percent) greater than current levels. Historically, in the past 10 years, the City has averaged attrition of 13,473 between December and June each year.

In order for the City to achieve its planned workforce targets for FY 2022, it would need to add 39,524 people (26,050 additions plus an estimated 13,474 of attrition replacement), which is unlikely given the historical trend. Since FY 2012, the most the City has added between December and June is 18,826 employees in FY 2017 (see Figure 3).

FIGURE 3
Additions and Separations: December Through June



* Needed to achieve City forecast

Sources: NYC Office of Management and Budget; OSC analysis

If the year-end staffing target is not met, the City could realize substantial savings from lower personal service costs, which the Office of the State Comptroller (OSC) estimates could total more than \$1 billion in FY 2022, most of which would accrue to the Department of Education. The City's latest financial plan assumes the City will add more than 12,500 pedagogues over the next seven months, but it is unclear how this can be accomplished in the middle of the school year. Any unfilled vacancies may also have an impact

on the City's ability to meet its service demands, including support for new and existing programs.

The City is using federal aid for COVID-19 relief to offset a portion of City-funded personal costs in FY 2022 and to staff program expansions. However, the funding for these positions (a total of 4,830 by FY 2025) is nonrecurring and is projected to be exhausted by the end of FY 2025. The City has not yet identified any alternative recurring resources to fund these 4,830 positions beyond the financial plan period.

In the first four months of FY 2022, the City did not utilize all of the pandemic aid that it had allocated to support personal service costs in the current year (e.g., pedagogues at the Department of Education and uniformed employees at the Department of Correction). If not needed for this purpose, the resources may be redirected elsewhere, including future fiscal years.

The recent decline in staffing, while not unique to the City, could challenge its ability to deliver municipal services during the post-pandemic recovery period; and in some cases (as City has already acknowledged) could limit the delivery of some municipal services in the short run.

However, as the City adapted its operations to respond to the challenges posed by the pandemic, it has an opportunity to show similar flexibility in response to these new challenges. Such efforts should include a careful examination of City operations to identify new efficiencies and to avoid service cuts.

Only a few days into the new administration, the Mayor directed agency heads to identify ways to achieve a 3 percent reduction in planned City-funded spending each year beginning in FY 2022 as part of a plan to maintain budget balance in the current year and to close the gap in FY 2023. The plan is also known as the Program to Eliminate the Gap (PEG).

According to recent media reports, the agency heads are considering a number of ways to achieve the targeted annual savings. These include: restructuring the delivery of programs or

services; improving revenue collection; reducing administrative and overhead costs; and funding underused programs at the appropriate levels. Public health agencies and the Department of Correction are exempted from the PEG, and the agency initiatives cannot include layoffs.

Agency Analysis

OSC has reviewed the changes in full-time staffing by occupation at 31 of the 38 largest City agencies (by headcount), excluding the offices of elected officials. As shown in Figure 4, ten of the 31 agencies experienced a decline in full-time staffing of at least 9.2 percent between June 2020 and October 2021, significantly higher than the citywide average of 5.5 percent. The Taxi and Limousine Commission saw the largest decrease at 16.6 percent.

The ten agencies with the largest staffing declines also reported in the Mayor’s

Management Report (MMR) that at least some of their services were adversely impacted (or were replaced with other services) after the public health emergency began in March 2020. While the changes in operations are attributed largely to the impact of the pandemic, it is unclear how much the decline in staffing played a role in diminished agency performance from the public disclosures in the MMR.

However, commentary in the MMR does highlight the context for shifts in agency operations, along with select agency responses. Only two of the ten agencies, the Department of Investigation and Department of Corrections, highlighted staffing as a short-term issue in carrying out agency operations, suggesting that many other agencies were able to manage shifting operations with existing staff, including through a diversion of staff from areas of reduced demand for services to areas of increased demand.

FIGURE 4
Changes in Staffing at Selected City Agencies Since June 2020
(Full-time employees)

	Actual	Actual	Forecast	Variance (Actual)		Variance (Projected)	
	June 2020	November 2021	June 2022	June 2020 to November 2021	Percentage Change	November 2021 to June 2022	Percentage Change
Agencies with Largest Decline							
Taxi & Limousine Comm.	584	487	586	(97)	-16.6%	99	20.3%
Investigation	361	305	380	(56)	-15.5%	75	24.6%
Correction	10,978	9,278	9,422	(1,700)	-15.5%	144	1.6%
Youth & Community	546	471	537	(75)	-13.7%	66	14.0%
Small Business Services	291	256	323	(35)	-12.0%	67	26.2%
Homeless Services	2,119	1,866	2,158	(253)	-11.9%	292	15.6%
Citywide Administrative Services	2,403	2,121	2,547	(282)	-11.7%	426	20.1%
City Planning	301	271	349	(30)	-10.0%	78	28.8%
Law	1,713	1,552	1,795	(161)	-9.4%	243	15.7%
Finance	1,996	1,813	2,159	(183)	-9.2%	346	19.1%
Other Major Agencies							
Health & Mental Hygiene	5,530	5,126	6,176	(404)	-7.3%	1,050	20.5%
Social Services	12,330	11,364	13,706	(966)	-7.8%	2,342	20.6%
Environmental Protection	5,891	5,524	6,384	(367)	-6.2%	860	15.6%
CUNY	6,288	5,954	6,212	(334)	-5.3%	258	4.3%
Police	51,429	48,863	50,851	(2,566)	-5.0%	1,988	4.1%
Department of Education	134,684	128,017	141,344	(6,667)	-5.0%	13,327	10.4%
Housing Preservation	2,412	2,286	2,642	(126)	-5.2%	356	15.6%
Childrens Services	7,039	6,640	7,300	(399)	-5.7%	660	9.9%
Fire	17,413	16,668	17,420	(745)	-4.3%	752	4.5%
Transportation	5,120	5,011	5,614	(109)	-2.1%	603	12.0%
Sanitation	9,862	9,692	9,662	(170)	-1.7%	(30)	-0.3%
All Other Agencies	21,156	20,244	22,292	(912)	(4.3%)	2,048	10.1%
Citywide Total	300,446	283,809	309,859	(16,637)	(5.5%)	26,050	9.2%

Note: Other major agencies were chosen based on the size of their annual budget for FY 2022. Data excludes public authorities such as the NYC Housing Authority and Health + Hospitals, which are not included in the City’s municipal workforce.

Sources: NYC Office of Management and Budget; OSC analysis

For example, the Department of Correction reported an increase in employee absence rates over the past two years through FY 2021, and indicated that staffing shortages contributed to a sharp decline in custody health clinic visits.

Six of the ten agencies reported that the demand for certain municipal services had declined (mainly because of changes in business and consumer behavior in response to the public health emergency). Eight agencies suggested that their operations had shifted priorities, requiring a diversion of staff for certain, often COVID-related, activities. A majority of the agencies also identified new ways to use technology to directly provide services, including the use of online tools for training, virtual client services, and intake functions.

Looking forward, seven of the ten agencies reported that they were likely to experience a rebound in demand for affected services in the future (such as enforcing local regulations, conducting for-hire vehicle inspections, reviewing consumer complaints, and investigating employee and contractor misconduct). Many of these services are mandatory under federal, State, or local laws or regulations, and the regulated consumer and business activity could quickly return to pre-pandemic levels once the public health emergency is concluded.

A number of large agencies experienced staffing declines closer to or below the citywide average, but still drove much of the nominal decrease in staffing between June 2020 and November 2021. The Department of Education, which employs more than two-fifths of the City's full-time workforce, experienced a decline of 6,667 in headcount, with the decline accelerating during the 2021-2022 school year, when the City elected to return to in-person learning. This loss of staff occurred as the City has been looking to expand educational services.

In addition, the Department of Health & Mental Hygiene (DOHMH), the Department of Social Services (DSS), the Department of Environmental Protection (DEP), the community colleges of the

City University of New York, the Fire Department, and the Administration for Children's Services also experienced declines of more than 250 full-time employees from June 2020 through November 2021.

Agencies that undertake case work (e.g., DSS and the Department of Homeless Services) may experience an increase in case volume once the temporary increase in income supports expires and normal court activity resumes, following the expiration of the eviction moratorium in January 2022.

The November Plan also assumes an aggressive hiring schedule at DOHMH, DSS, DEP, the Department of Housing Preservation and Development and the Department of Transportation, with planned increases to staffing at each agency exceeding 12 percent of November 2021 levels by the end of the fiscal year.

City's Largest Occupations

The City's career and salary plan for its full-time employees contains more than 1,600 civil service titles, although many refer to same type of occupation, differentiated by factors such as assignment or level of experience. Based on a comparison of the job specifications for these titles to the occupations published in the U.S. Bureau of Labor Statistics' 2018 Standard Occupational Classification System, OSC has identified 86 categories of major occupations or occupational groups to which the City's employees may be assigned.

OSC's occupational categories were developed using a classification scheme that is different from the one utilized by the City. As a result, the totals for each category do not match those published in the City's 2019 [Workforce Profile Report](#).

The largest 25 categories of employees make up 85 percent of the City's full-time workforce, which are shown in Figure 5. The data used for Figure 5 comes from the City Human Resource Management System as comparable data of full-

time staffing by title was not available at the time of publication. The results differ slightly from the November 2021 agencywide headcount published by the NYC Office of Management and Budget (OMB) because the headcount unit at OMB utilizes different methods and assumptions to compile staffing data.

Education

Teachers make up the largest category of full-time employees (one-quarter of the City's full-time workforce) with 77,160 teachers on the payroll as of November 2021, a decline of 2.5 percent since June 2020.

While the number of teachers fell at a lower rate than the citywide average, the number of classroom paraprofessionals (teaching

assistants) declined much faster (by 15 percent) during the same period.

In addition, as mentioned previously, an unusually large number of pedagogical employees (3,739) were placed on leave without pay in October 2021 for failure to document their vaccination status, a portion of whom may not return to service.

[As noted in OSC's Fall 2021 report on the Department of Education's response to the COVID-19 pandemic](#), the City anticipates significant increases in pedagogical employees over the financial plan period to staff a number of education initiatives, which may be a challenge to achieve based on recent trends.

FIGURE 5
Changes in Staffing by Selected Occupations or Occupational Groups
(Full-time employees)

	Actual		Variance (Actual)	
	June 2020	November 2021	June 2020 to November 2021	Percent Change
Teachers	79,152	77,160	(1,992)	-2.5%
Police Officers	23,358	22,982	(376)	-1.6%
Teaching Assistants	25,657	21,806	(3,851)	-15.0%
Office & Administrative Support	13,645	12,274	(1,371)	-10.0%
Supervisors of Uniformed Employees	11,729	11,155	(574)	-4.9%
Community Programs Support Staff	10,336	9,710	(626)	-6.1%
Firefighters	8,363	7,930	(433)	-5.2%
Managers (excluding pedagogues)	8,512	7,483	(1,029)	-12.1%
Correction Officers	8,246	6,802	(1,444)	-17.5%
Sanitation Workers	6,424	6,443	19	0.3%
Principals and School Administrators	6,470	6,380	(90)	-1.4%
Police Detectives	5,496	5,225	(271)	-4.9%
Other Business Operations Specialists	5,140	4,789	(351)	-6.8%
Information Technology Professionals	4,381	4,784	403	9.2%
CUNY Pedagogical Staff	4,518	4,274	(244)	-5.4%
EMS and Paramedics	4,193	4,270	77	1.8%
Attorneys (other than Executive Counsel)	3,909	4,022	113	2.9%
School Safety Agents	5,016	3,970	(1,046)	-20.9%
OT/PT Therapists & Nurses	3,731	3,594	(137)	-3.7%
Counselors	3,375	3,404	29	0.9%
School Secretaries	3,125	2,992	(133)	-4.3%
Inspectors (various trades)	3,148	2,977	(171)	-5.4%
Traffic Enforcement Agents	3,234	2,919	(315)	-9.7%
Construction / Maintenance Supervisors	2,564	2,445	(119)	-4.6%
Architects, Engineers, & Planners	2,596	2,370	(226)	-8.7%
All Other	43,402	39,914	338	-8.0%
Citywide Total	299,720	282,074	(17,646)	-5.9%

Note: OT/PT Therapists refers to occupational and physical therapists assigned to City schools. The number of managers declined mainly due to a reclassification of approximately 577 computer systems managers to non-managerial positions, which are included in the information technology professions group. After adjusting for the reclassification, the decline among managers is 5.3 percent.

Sources: NYC Office of Management and Budget; OSC analysis

Uniformed Forces

The rank-and-file members of the uniformed forces (police officers and detectives, firefighters, correction officers, and sanitation workers) represented nearly one-fifth (17.5 percent, 49,382 employees) of the City's full-time workforce as of November 2021. The City also employed 11,729 uniformed supervisors, referred to as "superior officers."

With the exception of sanitation workers (who are typically hired in the fall), the number of rank-and-file members declined during the period from June 2020 through November 2021. However, the declines in firefighters and police officers were below the citywide average, and the City expects that hiring from December 2021 through June 2022 will be sufficient to offset recent attrition and to maintain staffing levels at about the same level. The decline in the number of superior officers (4.9 percent) is below the citywide average through November 2021.

As previously discussed, the November Plan assumes the number of correction officers and their supervisors will be reduced by another 272 employees through attrition by the end of FY 2022, consistent with a long-term plan to close the detention centers on Rikers Island.

Other Public Safety and Enforcement Services

The City's workforce also includes civilian staff who provide protective and emergency services and/or enforce federal, State and local laws, rules, and regulations. Such staff include emergency medical specialists (EMS) and paramedics, school safety agents, traffic enforcement agents (TEA), inspectors, and non-uniformed investigators.

The number of EMS and paramedics increased between June 2020 and November 2021 (by 1.8 percent) in response to the emergency and as part of an initiative by the Fire Department to reduce civilian overtime.

Meanwhile, however, the City experienced a substantial reduction in school safety agents (20.9 percent), to 3,970 employees, attributed to school closures (which reduced the need to replace agents who separated from service). The number of TEAs totaled 2,919 as of November 2021, a decline of 9.7 percent. The City experienced a sharp, but temporary, reduction in vehicle traffic during the pandemic and had suspended enforcement of certain local parking regulations, which may have reduced the need to offset TEA attrition with new hires.

Inspectors consist of several occupations who spend a significant share of their time examining business or consumer activity to ensure compliance with applicable laws, rules, or regulations. The number of inspectors declined by 5.4 percent through November 2021. The decline was sharpest among taxi and limousine inspectors, fire protection inspectors, and highway and sewer inspectors.

Managers

OSC defines managers as senior-level or executive-level employees who primarily plan, direct, or coordinate the work of subordinate staff (usually through supervisors). Managers include agency heads (except for elected officials), as well as assistant commissioners, directors, and managerial positions with the prefix of "Administrative" in their civil service title. While almost all of these employees are not represented by unions ("original jurisdiction"), OSC has included certain non-policy making, unionized positions such as school food services managers.

Supervisors were excluded from the “managers” grouping because their duties are similar to those of the workers they supervise. Workers who assist and act in a confidential capacity to a manager (e.g., special assistants and executive assistants) were not included.

The City employed 7,483 managers as of November 2021, a decline of 12.1 percent since June. However, the City had reclassified an estimated 577 computer systems managers to non-managerial positions. After adjusting for the reclassification, the decline was 5.3 percent (consistent with the citywide average).

Hard-to-Recruit Jobs

Section 12-121 of the New York City Administrative Code authorizes the Commissioner of the Department of Citywide

Administrative Services (DCAS) to certify certain civil service titles as “hard-to-recruit” and to exempt them from the residency requirements of Section 12-120. A little more than 200 titles currently have this designation, representing about 8 percent of the City’s full-time workforce. Examples include employees in engineering, legal, or architectural roles as well as a number of social services roles (e.g., child protective specialists) and health roles (e.g., nurses at the Department of Health and Mental Hygiene).

The overall number of individuals in hard-to-recruit positions declined by 6.1 percent between June 2020 and November 2021, higher than the citywide average (see Figure 6).

FIGURE 6
Changes in Selected Hard-to-Recruit Titles By Occupational Category
(Full-time employees)

	Actual		Variance (Actual)	
	June 2020	November 2021	June 2020 to November 2021	Percentage Change
Managers	3,195	2,524	(671)	-21.0%
Child Protective Specialists	2,260	2,059	(201)	-8.9%
Caseworkers	1,395	1,226	(169)	-12.1%
Job Opportunity Specialists	2,082	1,924	(158)	-7.6%
Health & Social Services Supervisors	1,331	1,192	(139)	-10.4%
Architects, Engineers, & Planners	1,364	1,243	(121)	-8.9%
Capital Project Managers	853	795	(58)	-6.8%
Accountants, Auditors & Related	377	327	(50)	-13.3%
Inspectors (various trades)	1,091	1,050	(41)	-3.8%
Criminalists	472	438	(34)	-7.2%
Plant Operators	277	267	(10)	-3.6%
EMS and Paramedics	4,186	4,195	9	0.2%
Attorneys	1,676	1,737	61	3.6%
Information Technology Professionals	3,211	3,614	403	12.6%
All Other Occupations	1,507	1,132	-375	-24.9%
Citywide Total	25,277	23,723	(1,554)	-6.1%

Note: The number of managers declined mainly due to a reclassification of approximately 577 computer systems managers to non-managerial positions, which are included in the information technology professions group. After adjusting for the reclassification, the decline in managers is 2.9 percent and IT professions declined by 5.4 percent.

Sources: Mayor’s Management Report; OSC analysis

Conclusion

The City experienced significant growth in its full-time workforce in the years prior to the COVID-19 pandemic, much of which was driven by new or expanded services. The pandemic, and the City's efforts to manage the budgetary implications of its impact, have led to a decline in staffing which has undone much of this growth. The decline did not occur evenly across the City's agencies. Certain occupations also experienced a disproportionate decline, including those engaged in educational support as well as protective and enforcement services.

It is difficult to tease out the direct impacts of staffing levels on agency performance, given the many factors affecting operations during the pandemic and the shifting demand for services. However, a number of agencies have cited concerns over staffing publicly or have incurred overtime costs that suggest it has been difficult to operate within current staffing levels. Other agencies have cited technological improvements which have enabled improved services while operational performance remains at or near pre-pandemic levels. Such varied outcomes underline the importance of City agencies to leverage their pandemic experience in managing staffing in order to achieve PEG targets going forward.

The recent decline presents the City with an opportunity to conduct a careful review of its operations to determine its actual and emerging staffing needs, as well as to identify new efficiencies while also avoiding service disruptions or cuts. In undertaking this effort, agencies should recognize that the demand for certain municipal services may rebound to pre-pandemic levels once the public health emergency reaches a conclusion and normal economic activity resumes. Such increases in

demand could pose short-term operational challenges if hiring is inadequate due to budgetary restrictions or because the City is unable to test and recruit candidates quickly enough.

The City's shared-services agency, DCAS, has experienced difficulties in administering in-person exams, which might further complicate efforts to hire in cases where the current list of appointable candidates is nearly depleted, and a new list must be certified before the City's hiring target can be achieved. DCAS intends to resume in-person exams in FY 2022 as soon as it can do so safely, barring further delays associated with COVID-19.

In the past, DCAS has produced a workforce profile report, which details key characteristics about the City's workforce, the latest of which is from FY 2019. The City would benefit from having an updated assessment of the changes to its workforce since the pandemic began.

Recent actions by the Mayor to consolidate certain offices and focus on achieving efficiencies suggest that the City has already begun the process of identifying ways to restructure how the City's programs and services are delivered.

Balancing the need to support a robust recovery through the delivery of vital City services with the need to generate savings and maintain a healthy fiscal condition going forward will require care and good judgment between City leaders and stakeholders. Tracking staffing and related performance indicators will be essential to ensuring that the provision of high-quality services to residents and visitors is not disrupted. While striking an ideal balance may be difficult, a successful response to these current challenges will strengthen the City's fiscal position now and prepare it for the future.

