

PROFESSORS AND PRISON GUARDS: AN OVERVIEW OF CALIFORNIA'S STATE WORKFORCE

Introduction

California's ongoing budget problems have focused attention on the size of the state's workforce as policymakers search for ways to balance the budget. Some have suggested that California could dramatically reduce state employment with minimal impact on direct services. This *Budget Backgrounder* examines the distribution of state employment among agencies and departments and looks at the major changes that have taken place since the late 1980s.¹ It also examines whether state employment is high in California relative to other states and whether state employment has grown disproportionately. This *Backgrounder* finds that:

- **Most state employees work in education and public safety.** In 2008-09, a majority of state employees (60.9 percent) worked in education – primarily in one of the state's two university systems – or in one of the state's public safety departments.²
- **The University of California (UC) and the California State University (CSU) account for more than one-third of state employment.** More than one-third (37.8 percent) of all state employees worked in higher education in 2008-09. Of these, almost all (99.6 percent) worked for either the UC – the state government's largest employer – or the CSU.
- **The Department of Corrections and Rehabilitation (CDCR) is the second-largest state employer.** More than one out of six state workers (17.4 percent) was employed by the CDCR in 2008-09.
- **The CDCR has experienced the largest increase in employment among the major departments.** The CDCR rose

from the third-largest department in terms of employment in 1988-89 to the second-largest in 2008-09.³ The CDCR grew at four times the rate of the rest of state employment over the same period (123.1 percent versus 31.2 percent).

- **State employment relative to state population is low compared to other states.** In 2008, California ranked 48th out of the 50 states with respect to the number of state employees per 10,000 residents.⁴
- **Excluding corrections, state employment lags population growth.** California employed an estimated 9.3 state workers per 1,000 residents in 2009-10, slightly more than the 8.7 state employees per 1,000 residents in 1988-89. When CDCR employees are excluded, the number of state employees per 1,000 residents actually decreased from 7.8 in 1988-89 to 7.6 in 2009-10.

Education, Incarceration, and Transportation

Most state workers are employed in education, primarily in one of the state's two public university systems, or the state's prison system, with a smaller but significant number employed in transportation. Overall, state employment is highly concentrated in a small number of departments (Table 1). In 2008-09, the top 10 departments in terms of employment accounted for 76.5 percent of state workers, and departments with at least 1,000 personnel years (PYs) made up 95.0 percent of total state employment. More than three-fifths (61.1 percent) of state workers that same year were employed by just four departments – the UC, the CDCR, the CSU, and the California Department of Transportation (CalTrans).

Table 1: State Employment by Function, 2008-09

	Personnel Years	Share of Total Personnel Years
K-12/Higher Education		
University of California	86,277.3	24.6%
California State University	46,173.0	13.2%
Department of Education	2,387.2	0.7%
Total	134,837.5	38.5%
Public Safety		
Department of Corrections and Rehabilitation	60,957.1	17.4%
California Highway Patrol	10,864.2	3.1%
Department of Justice	4,907.3	1.4%
Judicial Branch	1,859.0	0.5%
Total	78,587.6	22.4%
Health and Human Services		
Department of Mental Health	10,117.7	2.9%
Department of Developmental Services	7,538.0	2.1%
Department of Social Services	3,850.9	1.1%
Department of Public Health	3,118.0	0.9%
Department of Health Care Services	2,838.2	0.8%
Department of Rehabilitation	1,698.2	0.5%
Department of Veterans' Affairs	1,670.1	0.5%
Total	30,831.1	8.8%
Transportation		
Department of Transportation	20,670.3	5.9%
Department of Motor Vehicles	8,185.1	2.3%
Total	28,855.4	8.2%
Employment Assistance and Regulation		
Employment Development Department	9,731.2	2.8%
State Compensation Insurance Fund	7,796.1	2.2%
Department of Industrial Relations	2,534.7	0.7%
Total	20,062.0	5.7%
Environmental Management and Protection		
Department of Forestry and Fire Protection	6,857.7	2.0%
Department of Parks and Recreation	3,068.9	0.9%
Department of Water Resources	2,987.9	0.9%
Department of Fish and Game	2,356.7	0.7%
Department of Food and Agriculture	1,623.4	0.5%
State Water Resources Control Board	1,512.4	0.4%
Air Resources Board	1,241.7	0.4%
Total	19,648.7	5.6%
Tax Administration and Finance		
Franchise Tax Board	5,371.0	1.5%
Board of Equalization	3,859.4	1.1%
State Controller	1,275.3	0.4%
Total	10,505.7	3.0%
State Employment and State Operations		
Department of General Services	3,732.8	1.1%
Public Employees Retirement System	2,144.4	0.6%
Total	5,877.2	1.7%

	Personnel Years	Share of Total Personnel Years
Other		
Department of Consumer Affairs	2,748.9	0.8%
Department of Insurance	1,180.1	0.3%
Smaller Departments*	17,474.7	5.0%
Total	21,403.7	6.1%
Total, State Employment	350,608.9	100.0%

* Includes all departments with fewer than 1,000 personnel years, regardless of function.
 Note: Rows may not sum to totals due to rounding.
 Source: CBP analysis of Department of Finance data

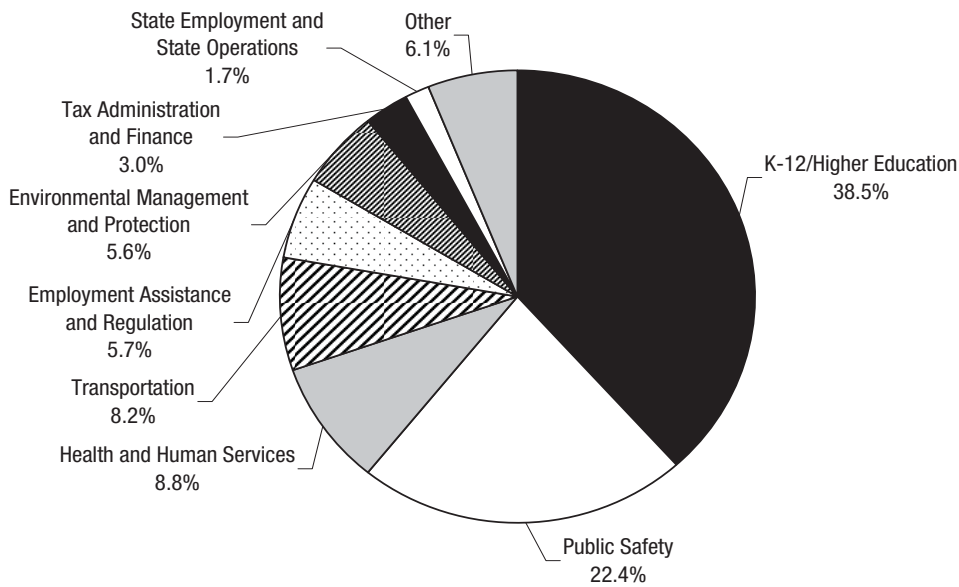
Although state employment is traditionally reported by agency, functional areas – such as public safety – can cut across traditional agency lines.⁵ For example, while the CDCR falls under Corrections and Rehabilitation, the California Highway Patrol (CHP) – which is also charged with ensuring public safety – is part of the Business, Transportation, and Housing Agency (BTH). On a functional basis education and public safety dominate state employment, accounting for 60.9 percent of all state employment (Figure 1).⁶ Higher education and the CDCR are the state’s largest employers. Together, these two program areas employed more than half (55.3 percent) of the state’s workers in 2008-09 (Figure 2). BTH was the third-largest state employer, with 12.1 percent of the state workforce. Specifically:

- **Education.** In 2008-09, the UC employed 24.6 percent of the state workforce. The CSU employed an additional 13.2 percent

of state workers. The Department of Education – which oversees and allocates funds to K-12 education – accounted for less than 1 percent of total state employment.

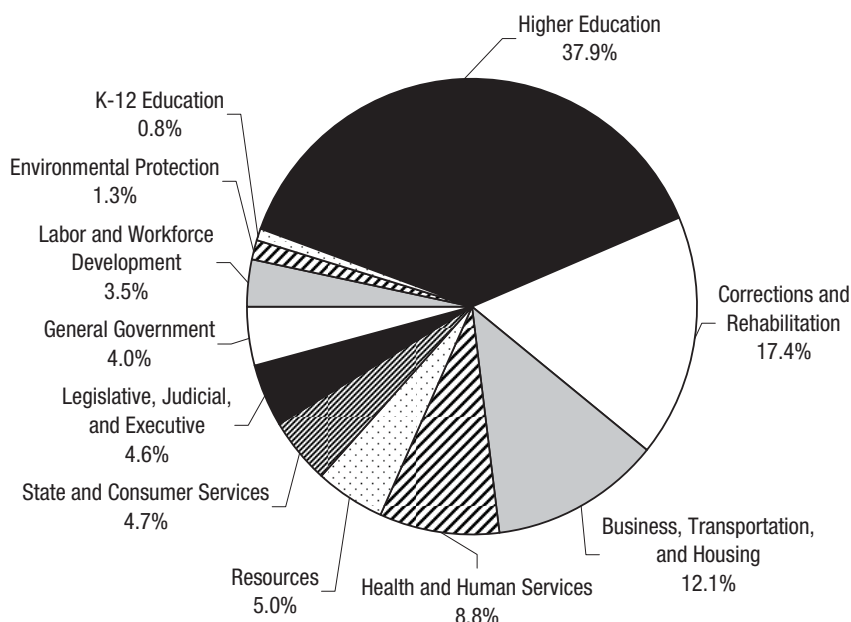
- **Incarceration.** More than one-fifth (22.4 percent) of all state workers were employed in public safety in 2008-09. More than three-fourths (77.6 percent) of public safety employees worked for the CDCR, which accounted for 17.4 percent of the state workforce. The CHP, the second-largest public safety department, employed 3.1 percent of state workers.
- **Transportation.** Transportation accounted for the fourth-largest share of state employment (8.2 percent) in 2008-09. CalTrans employed 5.9 percent of the state workforce, while

Figure 1: State Employment by Function
 2008-09 Personnel Years, All Funds



Note: Functional areas of employment include departments with more than 1,000 personnel years. "Other" includes Department of Consumer Affairs, Department of Insurance, and all departments with fewer than 1,000 personnel years.
 Source: CBP analysis of Department of Finance data

Figure 2: State Employment by Agency
2008-09 Personnel Years, All Funds



Source: Department of Finance

the Department of Motor Vehicles employed 2.3 percent of the state's workforce.

Departments within the Health and Human Services Agency (HHS) accounted for just 8.8 percent of state employment in 2008-09. The Department of Mental Health (DMH), which oversees the California mental health system and includes several 24-hour care facilities, was the largest employer among the health and human services departments with 2.9 percent of state employment, followed by the Department of Developmental Services (DDS), which includes residential developmental centers, with 2.1 percent of total state employees. The Department of Social Services (1.1 percent of total state employees), the Department of Public Health (0.9 percent of total state employees), and the Department of Health Care Services (0.8 percent of total state employees) employ relatively few state workers.

How Much of the Budget Is Spent on State Workers' Salaries?

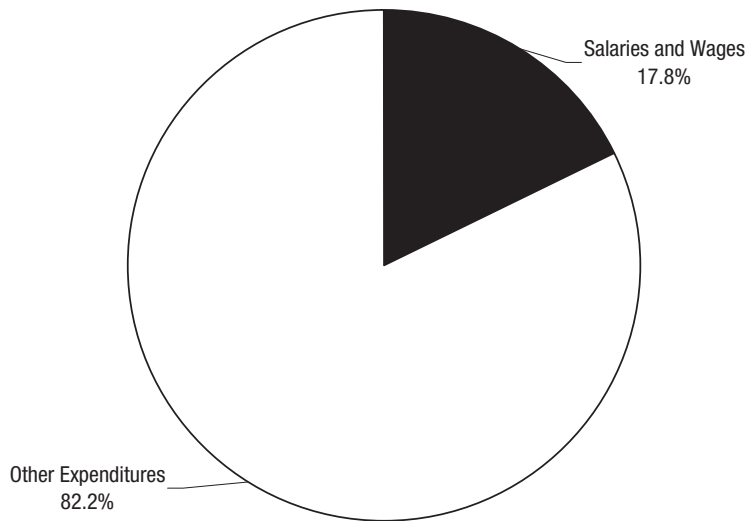
In 2009-10, the state will spend an estimated \$22.2 billion on state employees' salaries, equal to 17.8 percent of total spending (Figure 3). More than two-thirds (68.1 percent) of state salaries

goes to workers in the UC, the CSU, the CDCR, and transportation departments (Figure 4).⁷ While health and pension costs increase the share of the budget spent on employee compensation, state workers' compensation still accounts for a relatively modest share of the budget.⁸ This reflects the fact that more than seven out of 10 dollars that flow through the state's budget are considered "local assistance" – they go to schools, local governments, health care providers, or individuals as cash assistance payments.⁹

How Does Agency Employment Compare to Agency Spending?

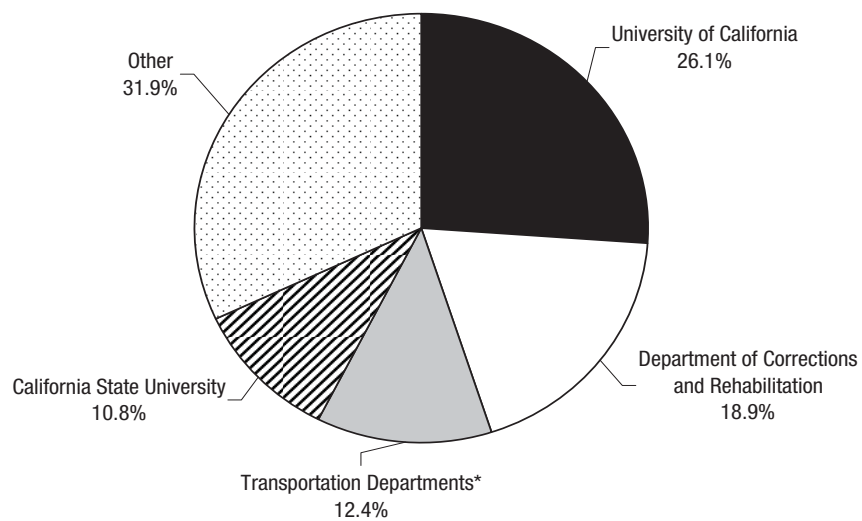
There are significant differences between the share of state spending and the share of state employment accounted for by various departments and agencies (Figure 5). For example, the HHS employed only 8.8 percent of all state employees in 2008-09, but accounted for more than one-third (36.4 percent) of total 2008-09 expenditures. Similarly, K-12 education employed less than 1 percent of all state employees, but accounted for 23.8 percent of total 2008-09 spending. In contrast, the CDCR accounted for a small share of total 2008-09 spending (5.1 percent), but employed 17.4 percent of state workers. Similarly, higher education accounted for 8.2 percent of total spending, but employed 37.9 percent of the state workforce.

Figure 3: Salaries and Wages Account for Less Than One-Fifth of Total State Spending
 2009-10 Estimated Spending, All Funds



Source: Department of Finance

Figure 4: More Than Two-Thirds of Salaries and Wages Is Spent by the UC, the CSU, the CDCR, and Transportation Departments
 2009-10 Estimated Spending, All Funds

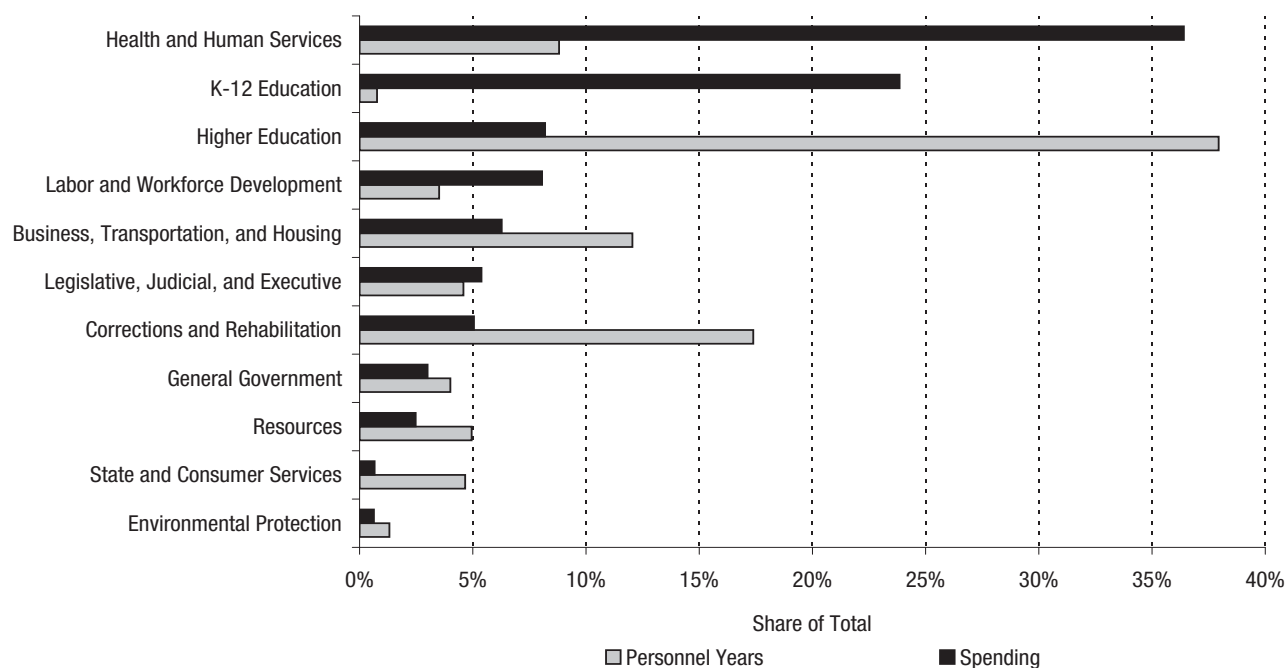


* Data are reported for seven departments and commissions including the Department of Transportation, the Department of Motor Vehicles, and the California Highway Patrol, collectively classified as transportation by the Department of Finance.

Source: Department of Finance

Figure 5: Personnel Years Versus Agency Spending

All Funds, 2008-09



Source: Department of Finance

These disparities reflect the fact that in some program areas, such as corrections, the state has responsibility for both financing and delivering public services, while in others, such as K-12 education, services are delivered at the local level using state, and often local and federal, funds. In programs where services are delivered at the local level, state spending is high relative to employment. For example, most K-12 education employees work for local school districts. Similarly, counties, rather than the state, administer many health and social services programs. Conversely, state employment is concentrated in areas where the state is responsible for the actual delivery of public services, as in the UC, CSU, and prison systems.

PYs respectively. By 2008-09, the CDCR surpassed the CSU and trailed only the UC. That year the UC was the largest employer (24.6 percent of total state employment), followed by the CDCR (17.4 percent) and the CSU (13.2 percent). CalTrans' percentage of total employment declined to 5.9 percent, while the DDS's share dropped by more than half to 2.1 percent, reflecting the closure of a number of 24-hour care facilities.

How Has the Distribution of State Employment Changed?

Over the past 20 years, some departments have experienced significant growth, while others have remained stable or declined. As a result, the distribution of the state workforce has changed (Table 2). The most significant change is the growth of the CDCR. In 1988-89, the UC and the CSU were the two largest state employers: The UC system employed 23.3 percent of the state workforce, and the CSU system employed 14.4 percent. The CDCR was the third-largest state employer, with 11.1 percent of state employees, while CalTrans and the DDS employed 6.7 percent and 4.5 percent of total state

Corrections Employment Has More Than Doubled Over the Past Two Decades

Employment in the CDCR has posted by far the most significant growth of any state department, more than doubling over the past two decades – CDCR employment increased by 123.1 percent between 1988-89 and 2008-09 (Figure 6). In 1988-89, the CDCR employed 27,319.5 PYs; by 2008-09, that number had risen to 60,957.1. While the CDCR's employment was 77.0 percent of that of the CSU in 1988-89, employment at the CDCR exceeded that of the CSU in 2008-09 by nearly one-third. The CDCR accounted for nearly one-third (32.4 percent) of the total growth in state employment during this period.

The second-fastest growth occurred in the State Compensation Insurance Fund (SCIF), which increased substantially in

Table 2: Employment in the Top 20 Departments
Ranked by 2008-09 Share of Total State Employment

	1988-89		1998-99		2008-09	
	Personnel Years	Share of Total State Employment	Personnel Years	Share of Total State Employment	Personnel Years	Share of Total State Employment
University of California	57,589.0	23.3%	58,513.2	20.7%	86,277.3	24.6%
Department of Corrections and Rehabilitation*	27,319.5	11.1%	46,838.1	16.6%	60,957.1	17.4%
California State University	35,465.7	14.4%	38,814.0	13.7%	46,173.0	13.2%
Department of Transportation	16,640.7	6.7%	19,092.8	6.7%	20,670.3	5.9%
California Highway Patrol	8,099.3	3.3%	9,728.2	3.4%	10,864.2	3.1%
Department of Mental Health	6,685.4	2.7%	7,011.6	2.5%	10,117.7	2.9%
Employment Development Department	9,621.2	3.9%	10,008.6	3.5%	9,731.2	2.8%
Department of Motor Vehicles	7,635.5	3.1%	8,533.8	3.0%	8,185.1	2.3%
State Compensation Insurance Fund	4,297.0	1.7%	5,498.0	1.9%	7,796.1	2.2%
Department of Developmental Services	11,049.4	4.5%	7,444.5	2.6%	7,538.0	2.1%
Department of Forestry and Fire Protection	4,263.6	1.7%	4,753.7	1.7%	6,857.7	2.0%
Department of Health Care Services/ Department of Public Health**	4,637.8	1.9%	4,675.1	1.7%	5,956.2	1.7%
Franchise Tax Board	3,655.0	1.5%	5,256.6	1.9%	5,371.0	1.5%
Department of Justice	3,512.8	1.4%	4,434.1	1.6%	4,907.3	1.4%
Board of Equalization	3,069.4	1.2%	3,737.6	1.3%	3,859.4	1.1%
Department of Social Services	3,399.7	1.4%	4,107.0	1.5%	3,850.9	1.1%
Department of General Services	4,229.4	1.7%	3,459.9	1.2%	3,732.8	1.1%
Department of Parks and Recreation	2,962.5	1.2%	2,726.3	1.0%	3,068.9	0.9%
Department of Water Resources	2,685.6	1.1%	2,608.5	0.9%	2,987.9	0.9%
Department of Consumer Affairs	1,838.1	0.7%	2,629.0	0.9%	2,748.9	0.8%
All Other	28,280.0	11.5%	32,989.1	11.7%	38,957.9	11.1%
Total, Top 20 Departments	218,656.6	88.5%	249,870.6	88.3%	311,651.0	88.9%
Total, State Employment	246,936.6	100.0%	282,859.7	100.0%	350,608.9	100.0%

* 1988-89 and 1998-99 personnel years include all departments that formerly made up the Youth and Adult Correctional Agency.

** 1988-89 and 1998-99 personnel years are for the former Department of Health Services.

Note: Rows may not sum to totals due to rounding.

Source: CBP analysis of Department of Finance and Legislative Analyst's Office data

percentage terms (81.4 percent) over the 20-year period (Table 3). In absolute terms, the growth in the SCIF (3,499.1 PYs) was relatively modest.¹⁰ Moreover, since the SCIF is supported by insurance premiums paid by employers, this increase has no impact on the state's cash-strapped General Fund.

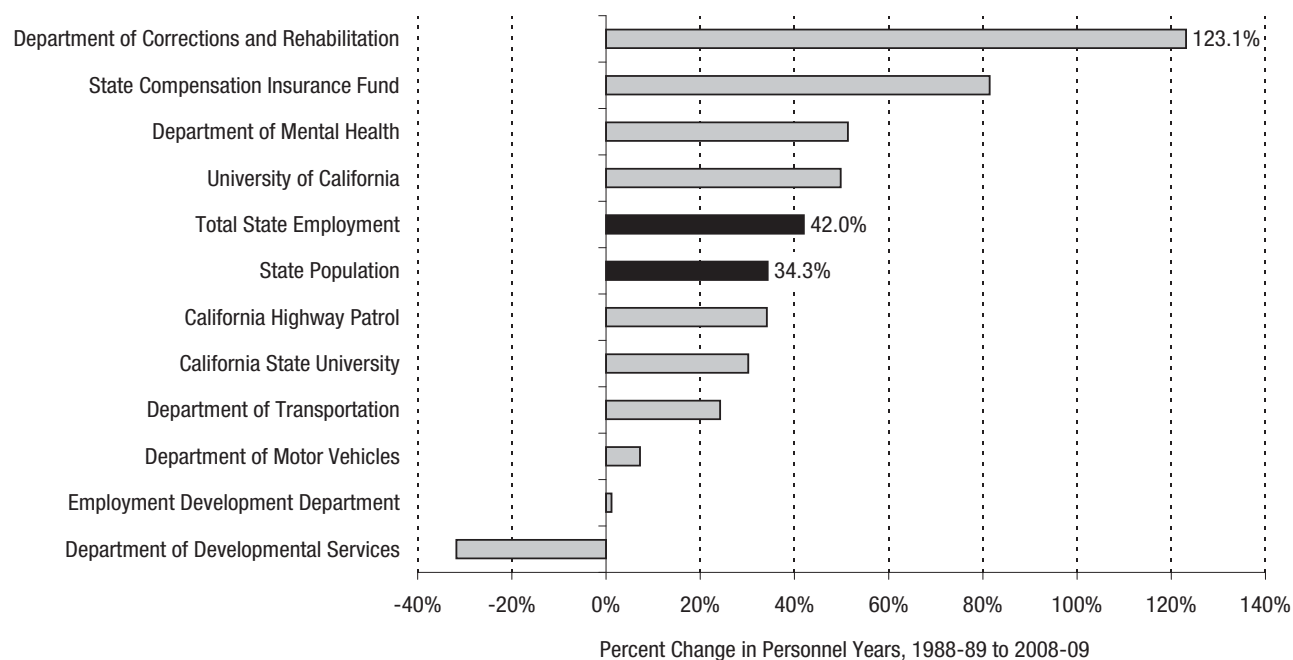
Percentage increases in employment between 1988-89 and 2008-09 also were relatively large in some smaller departments, such as the Department of Forestry and Fire Protection (60.8 percent), the DMH (51.3 percent), and the Department of Consumer Affairs (49.6 percent). Together, these three departments added 6,937.2 PYs, accounting for 6.7 percent of the total growth in state employment between 1988-89 and 2008-09.

The UC Has Also Posted Significant Growth

In absolute numbers, the UC system ranked second after the CDCR with respect to the number of PYs (28,688.3) added during the same 20-year period, but the percentage increase (49.8 percent) in employment was lower than that of the CDCR and several other fast-growing departments. However, the UC accounted for 27.7 percent of the total growth in state employment between 1988-89 and 2008-09.

Other departments adding significant numbers of PYs between 1988-89 and 2008-09 included the CSU, with an increase of 10,707.3 PYs (30.2 percent); CalTrans, with an increase of

Figure 6: CDCR Employment Increased Faster Than That of Other Large Departments



Note: Includes the state's 10 largest departments in 2008-09. 2008-09 CDCR employment is compared to 1988-89 employment in the former Youth and Adult Correctional Agency.
 Source: CBP analysis of Department of Finance and Legislative Analyst's Office data

4,029.6 PYs (24.2 percent); and the CHP, with an increase of 2,764.9 PYs (34.1 percent).

Employment in the DDS Has Posted the Largest Decline

Among the state's 20 largest departments, two experienced a drop in employment between 1988-89 and 2008-09: the DDS and the Department of General Services (DGS) (Table 4). The DDS lost 3,511.4 PYs (-31.8 percent), while the DGS shrank by 496.6 PYs (-11.7 percent). The DDS lost a significant number of PYs between 1988-89 and 1998-99 (3,604.9) and recovered few of those PYs (93.5) in the subsequent decade. Between 1998-99 and 2008-09, the Employment Development Department lost 277.4 of the 387.4 PYs it had gained between 1988-89 and 1998-99.

How Does State Employment Compare to the State's Population?

While state government has grown significantly, so has the population that it serves. State government added 103,672.3 PYs between 1988-89 and 2008-09, a 42.0 percent increase. However, California's population grew by 9.7 million during this

period, a 34.3 percent increase. In 2009-10, California had an estimated 9.3 state employees per 1,000 residents, only slightly higher than the 8.7 state employees per 1,000 residents in 1988-89 (Figure 7).

California employs relatively few state workers in comparison to other states (Table 5). In 2008, the most recent year for which data are available, California ranked 48th out of the 50 states in terms of state employment per 10,000 residents and 41st out of the 50 states in terms of combined state and local government employment per 10,000 residents.¹²

Conclusion

Most Californians probably do not think first of professors and prison guards when they think of state workers, but the UC and the CDCR do, in fact, employ the largest numbers of state employees. The CSU, CalTrans, and the CHP are the third-, fourth-, and fifth-largest state employers, respectively. Together, these five groups of employers account for 64.2 percent of all state employment.

**Table 3: How Has Employment in the Top 20 Departments Changed Over Time?
Ranked by Percent Change, 1988-89 to 2008-09**

	Change in Personnel Years	Percent Change
Department of Corrections and Rehabilitation*	33,637.6	123.1%
State Compensation Insurance Fund	3,499.1	81.4%
Department of Forestry and Fire Protection	2,594.1	60.8%
Department of Mental Health	3,432.3	51.3%
University of California	28,688.3	49.8%
Department of Consumer Affairs	910.8	49.6%
Franchise Tax Board	1,716.0	46.9%
Department of Justice	1,394.5	39.7%
State Population	-	34.3%
California Highway Patrol	2,764.9	34.1%
California State University	10,707.3	30.2%
Department of Health Care Services/Department of Public Health**	1,318.4	28.4%
Board of Equalization	790.0	25.7%
Department of Transportation	4,029.6	24.2%
Department of Social Services	451.2	13.3%
Department of Water Resources	302.3	11.3%
Department of Motor Vehicles	549.6	7.2%
Department of Parks and Recreation	106.4	3.6%
Employment Development Department	110.0	1.1%
Department of General Services	-496.6	-11.7%
Department of Developmental Services	-3,511.4	-31.8%
Total, Top 20 Departments	92,994.4	42.5%
Total, State Employment	103,672.3	42.0%

* 1988-89 personnel years include all departments that formerly made up the Youth and Adult Correctional Agency.

** 1988-89 personnel years are for the former Department of Health Services.

Note: Rows may not sum to total due to rounding.

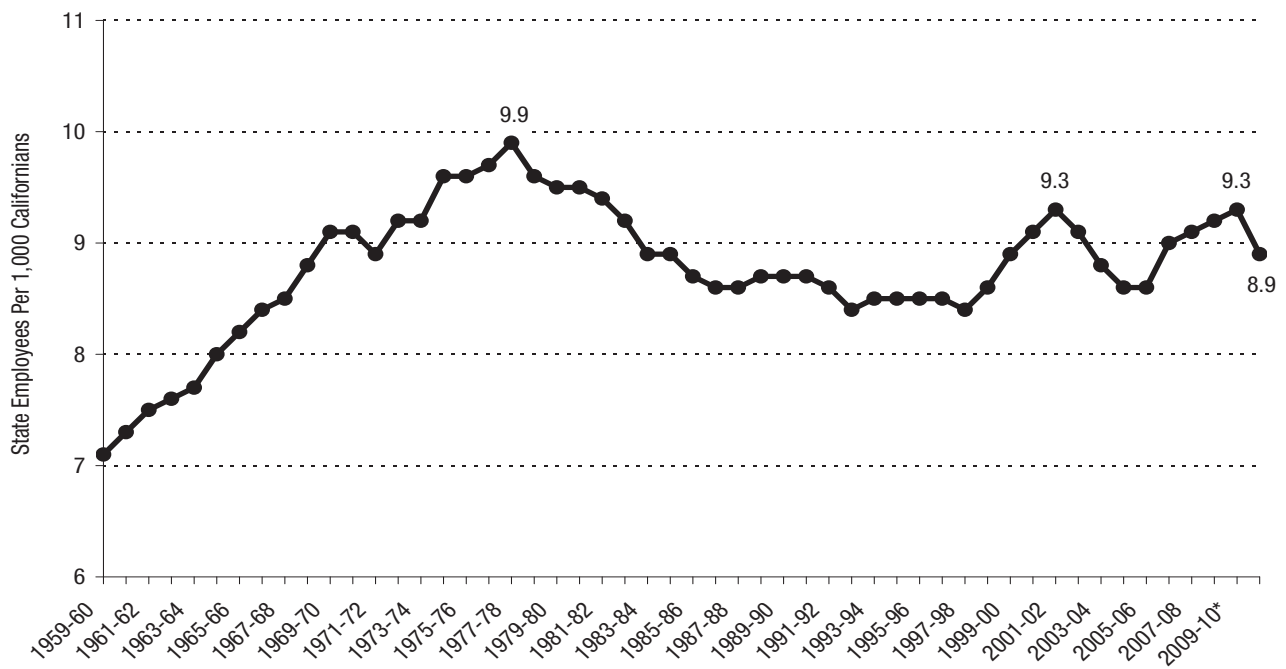
Source: CBP analysis of Department of Finance and Legislative Analyst's Office data

Table 4: Top 5 Growing and Declining Departments, 1988-89 to 2008-09
Ranked by Change in Personnel Years

	Change in Personnel Years	Percent Change in Personnel Years
	Largest Growth, 1988-89 to 2008-09	
Department of Corrections and Rehabilitation*	33,637.6	123.1%
University of California	28,688.3	49.8%
California State University	10,707.3	30.2%
Department of Transportation	4,029.6	24.2%
State Compensation Insurance Fund	3,499.1	81.4%
Largest Decline, 1988-89 to 2008-09		
Department of Developmental Services	-3,511.4	-31.8%
Department of General Services	-496.6	-11.7%
Department of Food and Agriculture	-338.7	-17.3%
State Controller	-59.0	-4.4%
Department of Rehabilitation	-17.2	-1.0%

* Compared to the former Youth and Adult Correctional Agency.

Figure 7: Number of State Employees Per 1,000 California Residents



* 2009-10 estimated and 2010-11 proposed.
Source: Department of Finance

Table 5: California Has Relatively Few Public Employees

	State Government Employees Per 10,000 Population			State and Local Government Employees Per 10,000 Population		
	California's Rank	California	Rest of US	California's Rank	California	Rest of US
1998	50	103	154	49	474	544
1999	50	106	154	48	486	548
2000	49	105	151	46	493	539
2001	49	108	152	44	503	544
2002	50	109	153	45	510	550
2003	48	110	149	41	512	547
2004	47	111	148	45	499	544
2005	47	108	147	44	495	544
2006	46	109	147	41	505	545
2007	48	107	148	42	507	550
2008	48	108	149	41	505	553

Note: Full-time-equivalent government employees per 10,000 population.

Source: US Census Bureau

Raúl Macías updated this Budget Backgrounder. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. General operating support for the CBP is provided by foundation grants, individual donations, and subscriptions. Please visit the CBP's website at www.cbp.org.

ENDNOTES

- ¹ State employment data are reported in terms of personnel years (PYs), a measure used throughout this report; the terms “PYs” and “workers” are used interchangeably. A PY is “the actual or estimated portion of a position expended for the performance of work. For example, a full-time position that was filled by an employee for half a year would result in an expenditure of 0.5 personnel years.” Department of Finance (DOF), *Finance Glossary of Accounting and Budgeting Terms*, downloaded from <http://www.ebudget.ca.gov/references.html> on March 16, 2010.
- ² To simplify the analysis, this report analyzes employment only for departments with at least 1,000 PYs, which accounted for 95 percent of state employment in 2008-09.
- ³ The departments within the Youth and Adult Correctional Agency (YACA), including the Department of Corrections and the California Youth Authority, were consolidated into the CDCR in July 2005. In this report, the CDCR is compared to the combined employment of the YACA.
- ⁴ Based on full-time-equivalent (FTE) employees, which equals the number of full-time employees, plus the number of hours worked by all part-time employees divided by the standard number of hours worked per year by one full-time employee.
- ⁵ “Agency” in this context corresponds to categories used in state budget documents. However, higher education, K-12 education, general government, and legislative, judicial, and executive are not actual state agencies.
- ⁶ These figures are based on all funds, not just the General Fund, since the salaries and wages of many state employees are paid for out of federal funds, special funds, and/or bond funds.
- ⁷ This *Budget Backgrounder* classifies the CHP as a public safety department for purposes of employment trends. However, the DOF includes the CHP under transportation for the purposes of reporting salaries and wages.
- ⁸ The state's contribution to employees' pensions ranges from 17.4 percent to 29.2 percent of an employee's salary. Legislative Analyst's Office, *The Governor's Employee Compensation Proposals* (January 27, 2010). Other state costs include health benefits. No precise data on the total state cost of health and pension benefits were available from the DOF.
- ⁹ For 2010-11, 71.5 percent of proposed spending from all funds is for local assistance.
- ¹⁰ The growth in the SCIF is at least partially attributable to the fact that it has become the largest workers' compensation carrier in the state due to the withdrawal of a significant number of workers' compensation carriers from the market in the early 2000s.
- ¹¹ The large loss of PYs at the DDS is at least partially attributable to policy changes. The Lanterman Developmental Disabilities Services Act, which was passed in 1969 and significantly amended in 1977, establishes state responsibility for funding community services for persons with developmental disabilities. The Act resulted in fewer state institutions providing services to individuals with developmental disabilities. Legislative Analyst's Office, *Analysis of the 2002-03 Budget Bill* (February 2002), pp. C-126 to C-128.
- ¹² Combined state and local government employment is used to compare California with other states because government employment is structured differently in each state. For example, in California human services programs are primarily administered at the county level, while in many states the state government administers them.
- ¹³ Not all higher education employees are faculty. The employment numbers for higher education in this report include non-teaching staff as well.