



NEW YORK CITY COMPTROLLER
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Title Vacant

Addressing Critical Vacancies in NYC Government Agencies

December 2022

On the heels of the Covid-19 pandemic, New York City government is in the midst of a vacancy crisis across many City agencies. As of October 2022, the citywide vacancy rate stood at just under 8 percent, far greater than the pre-Covid 19 pandemic rate of about 2 percent. In many critical City agencies, it is far higher: Department of Small Business Services (32.0 percent), Department of Buildings (22.7 percent), City Planning (20.7 percent), Housing Preservation and Development (18.2 percent), Finance (18.0 percent).

In the Department of Social Services' Child Support Services division, out of 775 authorized staff, there are only 415 employees – a whopping 46.5% vacancy rate. The City's Cyber Command, charged with protecting the City's cybersecurity, has a 36% vacancy rate. This vacancy crisis stems from broader shifts in the labor market prompted by the pandemic, from the City's pandemic hiring

freeze, and from recent actions by the Adams Administration. It also builds on long-standing bureaucratic kludge in the City's workforce system. While it is important to identify positions that are no longer needed, current vacancies appear to be driven far more by where there is private sector competition for workers, rather than by any assessment of need or priority. The result is a severe lack of capacity to get things done in mission-critical areas, from creating new housing to providing services to low-income children to collecting the revenue the City needs to function.

The vacancy crisis is also an opportunity: This policy brief suggests steps the City should take to recruit and retain the diverse talent we need to effectively deliver City services.

Putting New York City's Vacancy Crisis in Context

New York City is not unique in facing this challenge: state and local governments across the country were slow to recover after the Great Recession and sustained huge losses amidst the pandemic and its associated economic instability, with 695,000 fewer people employed compared with pre-pandemic numbers. Data from the Center for American Progress (CAP) reveals that despite the infusion of federal funds, hiring in state and local governments has recovered much more slowly than the private sector.

According to CAP's review of census data, state and local government job losses have been concentrated in (a) hard-to-fill positions that compete with the private sector, (e.g. data and computer scientists, attorneys, financial professionals, accountants and auditors) and (b) positions that do not require a secondary education (e.g. custodians, drivers).¹

Amidst rapid inflation, wages tend to grow faster in the private sector than the public sector (most of New York City's labor contracts are currently expired). Private sector employers were also more likely to introduce and retain remote or hybrid work options. Not all of the reasons are related to departures, however. While public sector retirements and departures are on the rise, CAP found that new entrants into municipal and state workforces are declining. The hires-per-job ratio for state and local government (excluding education) is lower than for all other private sector industries.

As positions remain vacant, workloads rise for the employees that remain, increasing the risk of departures due to burnout. And because state and local government jobs are more likely to be held by women and people of color, the loss of those positions has a severe impact on families.

City Hall Actions Have Exacerbated the Problem

A year before the pandemic, after five years of significantly increasing headcount with little restraint, the de Blasio Administration implemented a hiring freeze at most City agencies.² Even after it became clear that substantial federal Covid relief would fill pandemic municipal budget gaps, the de Blasio Administration shifted first to a "3-for-1" rule, meaning that agencies would be allowed to hire one employee for every three vacancies it carried, later lowered to 2-for-1.

Hiring freezes achieve budget savings, especially in moments of crisis, but are a blunt instrument. In some cases where a position is left unfilled for a sufficiently long time, it is a sign that the

agency can safely cut it without a long-term impact on City services. In other cases, however, sustained vacancies can be a sign that critical workers are leaving for jobs elsewhere (e.g. for higher-paying positions in the private sector) and that new ones are harder to recruit. A hiring freeze or vacancy eliminations cannot tell the difference between these scenarios.

Under the Adams Administration, the NYC Office of Management and Budget has continued to delay hiring as a way of achieving budget savings. In September 2022, OMB instructed City agencies to submit plans to achieve savings, as part of the City’s “Program to Eliminate the Gap (PEG),” which the Comptroller’s office supported. However, the PEG letter also contained the additional step of implementing a temporary hiring freeze until OMB approved agency plans, which the Comptroller questioned at the time.

More recently, on November 21, 2022, OMB announced that while it would end its practice of 2-for-1 hiring, it instead instructed agencies to eliminate 50 percent of civilian (non-uniform, non-teacher) vacancies that existed as of October 31st.³ In other words, half of non-exempt agency vacancies were effectively made permanent reductions, regardless of whether they are critical to achieving critical tasks.

While the administration estimates that this will impact about 4,700 positions, the actual number subject to elimination is as-yet unclear because OMB’s initial guidance contained a number of exemptions from the order. Some exemptions are more tangible, like revenue-generating or grant-funded budget lines. Others appear to fall on a spectrum more open to interpretation, those “directly related to public safety,” “legally mandated,” or which “support mayoral priorities.” Absent more clarity, it is difficult to state with certainty which agencies and programs will be impacted most severely by this order.

As part of this order, OMB promised steps to reduce delays in approving agency hiring for approved positions. However, while the PEGs and elimination of positions were immediate and concrete, the promise of future process improvements were vague and in the future.

Vacancy Analysis

The City’s Financial Management System (FMS) tracks progress on spending throughout a fiscal year, including the number of filled positions and the money allocated to those positions. The reports generated from FMS are imperfect, as budgeting staff at individual agencies may have different processes for keeping track of agency headcount that do not neatly match other agencies. OMB releases official reports on monthly headcount with a significant lag, often two to three months later, in order to standardize the data and account for personnel changes that take time to resolve (retirements, long-term disability, etc.). The basis of the Comptroller’s analysis is an unofficial snapshot of agency headcount derived from FMS’s Accounting system as of October 2022.

We examined 35 mayoral agencies with authorized headcounts greater than 100. While the overall vacancy rate for these agencies was 8.6 percent, the bottom line is heavily influenced by the relatively low vacancy rates at the City’s large uniformed and pedagogical agencies. Among uniformed agencies, the Department of Correction had the highest rate of vacancy at 9.1 percent,

while Police and Fire stand at 5.1 and 2.2 percent. The Department of Education and CUNY are 8.2 and 5.3 percent under authorized headcount respectively. While non-uniform, non-pedagogical agencies have far higher vacancy rates, it is worth acknowledging that this still amounts to nearly 14,000 vacant positions in just the four uniformed and two pedagogical agencies that are often exempted from citywide budget reductions and hiring freezes.

For many other vital city agencies, the story is different. 26 of 35 agencies have vacancy rates greater than 10 percent, and eight have 20 percent or greater of their positions vacant. These agencies provide critical social safety net services, enforce the city’s administrative rules, and keep the City’s technological infrastructure running. Many of these agencies will be required to bear a disproportionate share of the impact of cuts due to their lack of exempted positions. There are hundreds of examples of programs operating far below full employment, a few of which are highlighted below.

Table 1: Top 15 Large Mayoral Agencies by October Full Time Vacancy Rate

| Mayoral Agency | Authorized Headcount (November Plan) | Full Time Actual Headcount | Vacancy Rate |
|------------------------------------|--------------------------------------|----------------------------|--------------|
| Dept. of Small Business Services | 337 | 229 | 32.0% |
| Commission on Human Rights | 142 | 102 | 28.2% |
| Dept. of Investigation | 370 | 276 | 25.4% |
| Dept. of Buildings | 1,978 | 1,529 | 22.7% |
| Dept. of City Planning | 348 | 276 | 20.7% |
| Civilian Complaint Review Board | 259 | 206 | 20.5% |
| NYC Taxi & Limousine Commission | 561 | 448 | 20.1% |
| Dept. of Social Services | 13,085 | 10,468 | 20.0% |
| Housing Preservation & Development | 2,705 | 2,212 | 18.2% |
| Dept. of Finance | 1,992 | 1,634 | 18.0% |
| Dept. of Citywide Admin. Services | 2,446 | 2,012 | 17.7% |
| Office of Admin. Trials & Hearings | 394 | 325 | 17.5% |

| Mayoral Agency | Authorized Headcount (November Plan) | Full Time Actual Headcount | Vacancy Rate |
|-----------------------------------|--------------------------------------|----------------------------|--------------|
| Dept. of Design & Construction | 1,314 | 1,088 | 17.2% |
| Dept. of Health & Mental Hygiene | 6,145 | 5,097 | 17.1% |
| Dept. of Environmental Protection | 6,450 | 5,353 | 17.0% |

The Department of Buildings is responsible for reviewing plans, issuing permits and inspecting critical infrastructure for over a million structures. It is also the largest agency with a greater-than 20 percent vacancy rate, with 1,529 of 1,978 authorized full-time positions filled. Nearly 500 budgeted positions are listed in budget codes devoted to inspections, but the agency only employs 355.

Similarly, the Department of Housing Preservation & Development (HPD), which has previously been the subject of reported⁴ hiring deficits has an overall vacancy rate of 18.2 percent. HPD's Office of Development, which provides financing for both affordable new construction and existing multifamily properties, has an overall vacancy rate of 29 percent.

The Department of Social Services which has numerous mandated functions to support children and families, and to administer cash benefits and public assistance to New Yorkers, has some of the highest vacancy rates at the Unit of Appropriation level. The Child Support Services division, a program which impacts one in seven New Yorkers under the age of 18, is nearly 50 percent understaffed.

The Department of Finance (18.0 percent) is missing auditors and accountants, the Law Department (10.5 percent) needs 100 more Tort attorneys, and the Department of Citywide Administrative Services (17.7 percent) doesn't have enough civil servants to develop and administer civil service exams to hire more City employees. With few exceptions, each unit of government has a story to tell about the immediate inability to meet the needs of everyday New Yorkers as the city recovers from a years-long health crisis and faces a potential economic downturn.

Table 2: Top 15 Units of Appropriation in Large Mayoral Agencies by Vacancy Rate

| Mayoral Agency | Unit of Appropriation | Authorized Headcount (November Plan) | Full Time Actual Headcount | Vacancy Rate |
|---|-----------------------------|--------------------------------------|----------------------------|--------------|
| Commission on Human Rights | Community Development | 118 | 43 | 63.6% |
| Dept. of Citywide Administrative Services | Energy Management | 131 | 52 | 60.3% |
| Mayoralty | Ofc. of Special Enforcement | 7 | 3 | 57.1% |
| Dept. of Social Services | Legal Services | 56 | 27 | 51.8% |
| Dept. of Social Services | Child Support Services | 775 | 415 | 46.5% |
| Dept. of Education | Early Childhood Programs | 837 | 464 | 44.6% |
| Dept. of Small Business Services | Workforce Investment Act | 81 | 48 | 40.7% |
| Mayoralty | Criminal Justice Programs | 87 | 54 | 37.9% |
| Office of Technology & Innovation | NYC Cyber Command | 189 | 121 | 36.0% |
| Mayoralty | Office of Operations | 84 | 54 | 35.7% |
| Administration for Children's Services | Head Start & Daycare | 230 | 149 | 35.2% |
| Dept. of Social Services | Home Energy Assistance | 21 | 14 | 33.3% |
| Administration for Children's Services | Juvenile Justice | 1178 | 810 | 31.2% |
| Dept. of Parks & Recreation | Exec. Mgmt. & Admin. | 121 | 84 | 30.6% |
| Dept. of Health & Mental Hygiene | Mental Hygiene Mgmt Svcs. | 671 | 467 | 30.4% |

Recommendations

New York City needs a comprehensive talent strategy to retain and attract the workers needed to deliver essential services and operate critical programs efficiently. There is no silver bullet to empower agencies to rebuild a depleted workforce, and no single commissioner or agency can do it alone. However, by implementing a thoughtful, coordinated plan, the City can confront its vacancy crisis and begin to build a post-pandemic workforce that can meet the challenges facing New York.

Such a plan should include eliminating positions that are no longer needed, and attrition focused on areas identified for longer-term phaseout are a prudent way to do so. Holding onto positions that are no longer achieving critical goals for New Yorkers costs scarce resources that should be better deployed to meet new needs. But those decisions should be made through outcomes-driven planning – not by whatever positions happen to be open.

The list below is presented as a conversation starter to assist in jumpstarting a long process that balances the need to right-size the workforce to meet the City's ability to pay with the mandate to deliver high-quality services to all New Yorkers.

- **Expedite Hiring for Approved Positions:** Hiring for an open position can involve interfacing with multiple agencies before and after interviewing candidates, often taking months of staff time, even when a position is in an agency's budget and identified as critical. To be able to plan effectively, agencies need to understand their current budget authority and should be allowed to proceed with hiring the staff they have identified to OMB as a priority. The extended time between pre-approval and full approval means New York City is likely to lose candidates who are unwilling to wait months to know whether they have secured a position. Removing these barriers for areas of critical need, as the federal government does with Direct Hire Authority⁵ can help solve the more immediate problems of severe need and capacity.
- **Allow Agencies to Hire Within their Budgets at Salaries Within the Range:** Limiting new recruits to the minimum salary⁶ regardless of experience is unsustainable as private sector wages continue to outpace what the City offers. Within the existing budget authority, agencies should be allowed to hire at least up to the midpoint of the range for a given position.
- **Assess Pay and Other Barriers in Hard-to-Recruit/Retain Positions:** The City should conduct an analysis of titles to identify positions that have become difficult to recruit and retain over time. Further reviews should examine the barriers that employees experience in securing promotions or merit-based salary raises to reward them for excellent service to the City.
- **Report Hiring Outcomes for Transparency:** DCAS is the central hub for all information on who the City employs and how they hire; titles and salaries, demographics, civil service lists, what positions are available and how long it takes to hire are all within its purview.

Many of these statistics are difficult to access, even for hiring managers at city agencies. Providing a publicly available central hub of information on how the City hires will ensure that the City is pulling in a single direction, and provide the performance metrics needed for systemic improvement.

- **Instruct Agencies to Plan for Attrition Over Longer-Term Cycles:** City agencies should be required to establish priority outcomes, assess which positions are no longer achieving those outcomes and could be phased out through attrition. But this cannot be done effectively as part of a single-year PEG process, as that will inevitably simply eliminate whatever positions happen to be vacant at that moment. Instructing agencies to plan longitudinally, creating savings and attrition plans with longer-term time horizons and executing on those visions results in more manageable staff reduction goals over time.
- **Allow Hybrid Work in Appropriate Titles:** To be clear and grateful, many essential City positions – teachers, firefighters, police officers, sanitation workers, correction officers, custodians, school crossing guards, and many more – must perform their jobs in person. We owe not just gratitude, but appropriate pay, health and safety protections, and benefits to these workers. At the same time, during the onset of the COVID-19 pandemic, we learned that many jobs – including many City positions – can be performed remotely some of the time. Hybrid and remote work offer a strategic recruitment advantage for employers that can offer it. Employment with the City of New York has long had a geographic priority and been an important element of the City’s economic development; so even beyond the value of in-person work for building teams and providing mentorship, it is appropriate to require employees presence in City offices on a meaningful scale. However, hybrid work (such as the three-days-in-the-office, two-days remote that many employers, including the Comptroller’s Office, are utilizing) is consistent with those goals. The City should expediently work with its partners in labor to find a way forward that includes hybrid schedules for appropriate positions. Embracing hybrid work may also have the added benefit of ensuring our City’s workforce holds first-hand experience with the needs of remote work city dwellers, generating stronger ideas on how to restructure the City’s economy to accommodate this seismic shift in work and life.
- **Create New Technology Civil Service Titles:** Hiring for a workforce with the skills to run an increasingly online City infrastructure is especially challenging in a civil service environment, where explicit degree and experience requirements can disqualify otherwise high-quality applicants from eligibility. A focused initiative to create a hiring process and titles that prioritize recruiting workers with technology skills paves the way for a more productive workforce that provides modern, accessible services.
- **Share Talent Among Agencies:** Inevitably, agencies will have short-term staffing shortages while others have similar employees with capacity. Developing a formal program of “lending” employees with minimum qualifications among agencies to tide them over in critical moments of need lifts all boats and unifies the City in a common mission.

- **Appoint a Chief Talent Officer to Oversee This Critical Work:** The City spends tremendous resources on recruitment and administering civil service exams. Appointing a Chief Talent Officer makes a statement that these are not ordinary times, that the City is committing extraordinary effort to an area of key concern. A Chief Talent Officer needs to be more than just a cheerleader for the city, but someone empowered to meet agencies where they are and solve hiring problems. This includes bringing a data-driven approach to their work and coordinating with DCAS, the Office of Technology and Innovation, OMB, the Office of Labor Relations, and other stakeholders that touch the hiring process.

To download the full list of Agencies and Units of Appropriation by vacancy rate, [click here](#).

* The figures in this report were updated in December 2022 to reflect Budget Codes that were omitted in the initial analysis.

Acknowledgements

This report was authored by Robert Callahan, Director of Policy Analytics, with support from Annie Levers, Assistant Comptroller for Policy, Krista Olson, Deputy Comptroller for Budget, Kieran Persaud, Principal Budget & Policy Analyst, Sandra Abeles, Executive Deputy for Management and Operations, and Erin Villari, Deputy Comptroller for Administration. Design was completed by Archer Hutchinson.

Endnotes

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⁵ For information on the Office of Personnel Management’s Direct Hire Authority, visit: <https://www.opm.gov/policy-data-oversight/hiring-information/direct-hire-authority/#url=Fact-Sheet>

⁶ Pinto, Nick. “A Former OMB Employee on the ‘Vicious Cycle’ Hobbling NYC Agencies.” *Hell Gate*, October 13, 2022. <https://hellgatenyc.com/a-former-omb-employee-on-the-vicious-cycle-hobbling-nyc-agencies>