

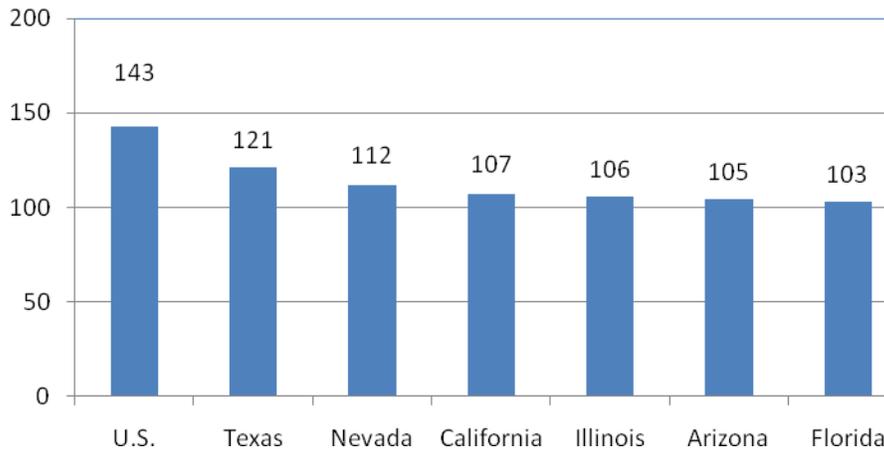
State and Local Government Employees: Where Does California Rank?—2009 Update

Estimates of state and local government employment for 2009 have been released by the U.S. Census Bureau. The estimates are for March 2009 before many of the recent budget cuts and layoffs. This issue of *Numbers in the News* examines where California ranks and how these estimates relate to ongoing debates about state budget choices.

In 2009 California had the 4th lowest number of full-time equivalent state government employees relative to population among all states. California had 107 state employees for every 10,000 residents while Florida had the lowest ratio at 103 and Arizona was second with 105. The U.S. average was 143 state employees per 10,000 residents. California's ratio of state government employees relative to population was 25% below the national average.

Nevada, Texas and Wisconsin (124) were other states with the lowest ratios of state workers to population.

State Employees per 10,000 Residents 2009

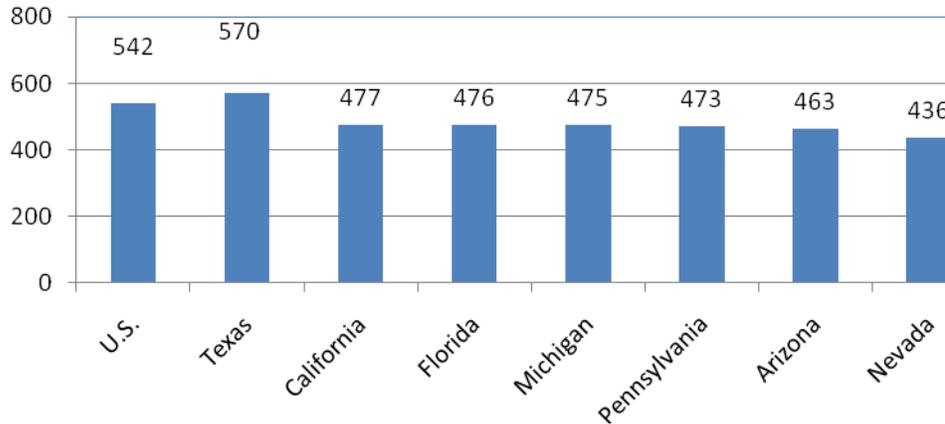


When state and local government employees (including education) are added together, California has the 6th lowest ratio of employees to population. California had 477 state and local full-time equivalent employees per 10,000 residents in 2009 compared to the national average of 542. Nevada was the state with the lowest ratio (436) followed by Arizona (463), Pennsylvania (473), Michigan (475) and Florida (476).

California's ratio was 12% below the national average.

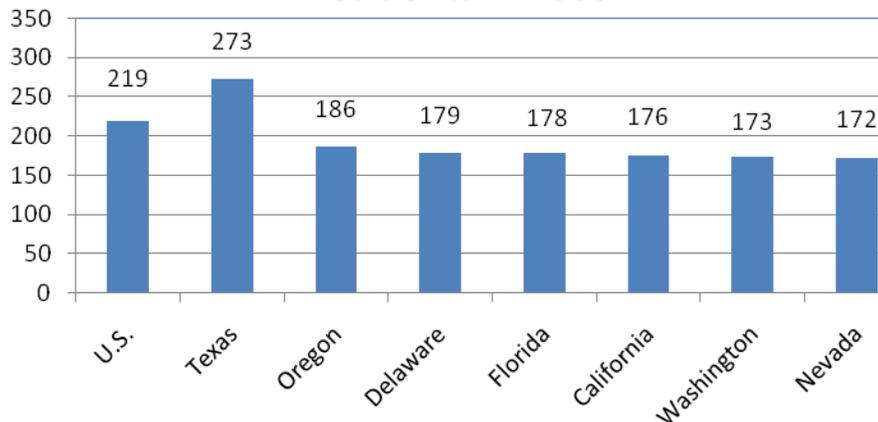
Texas has 570 state and local government employees per 10,000 residents or slightly above the national average.

State and Local Government Employees per 10,000 Residents in 2009



K-12 education has the largest number of employees in most states. California has the 3rd lowest ratio of K-12 education employees to population. California is 20% below the national average in education employees relative to population despite the fact that California has an above-average percent of K-12 students in the state's population. Texas is 25% above the national average with 273 K-12 employees per 10,000 residents.

K-12 Education Employees per 10,000 Residents in 2009



Implications of the Data

- These data measure the staffing levels relative to population in California's state and local governments including school districts. These data do not tell us how the lower staffing levels affect the delivery of services.
- Between March 2009 and August 2010 state and local government employment declined by approximately 55,000 jobs while the state added approximately 600,000 residents. As a result the ratio of employees to population in each of the three categories discussed above has declined in California. Declines in state and local government employment were experienced in other states as well.
- There is broad agreement that seeking efficiencies in government programs is good public policy. Yet, the data suggest that at the aggregate level California is not overstaffed relative to caseloads in the major program areas. Indeed, a stronger case can be made that public programs are being carried out with less staffing than in most other states.
- Public agencies in California continue to face serious budget challenges as the weakening economy reduces revenues while most caseloads are still increasing. States and local agencies have made cuts in the 2010-2011 budget not yet reflected in these employment estimates and can look forward to a very challenging 2011-2012 budget year with continuing challenges in following years even with a moderate economic recovery and associated revenue gains.
- These data provide another confirmation that residents must face fundamental choices about the level of services they desire and are willing to pay for. This is an important conversation for all Californians.
- Californians will also engage in conversations about public employee retirement plans and funding, which will be an increasing budget challenge in the coming years.

Technical Note

The full-time equivalent employee data comes from the U.S. Census Bureau estimates for 2009 released on August 31, 2010. The link to the press release and data is <http://www.census.gov/govs/>. The population estimates come from U.S. Census Bureau estimates for July 1, 2009. Note that the California population estimate prepared by the Census Bureau was 37.0 million, which is 1.4 million below the state Department of Finance (DOF) estimate of 38.4 million,

which was used for the above charts. Using the DOF population estimate lowers the number of employees relative to population by approximately 4% compared to using the Census population estimate.