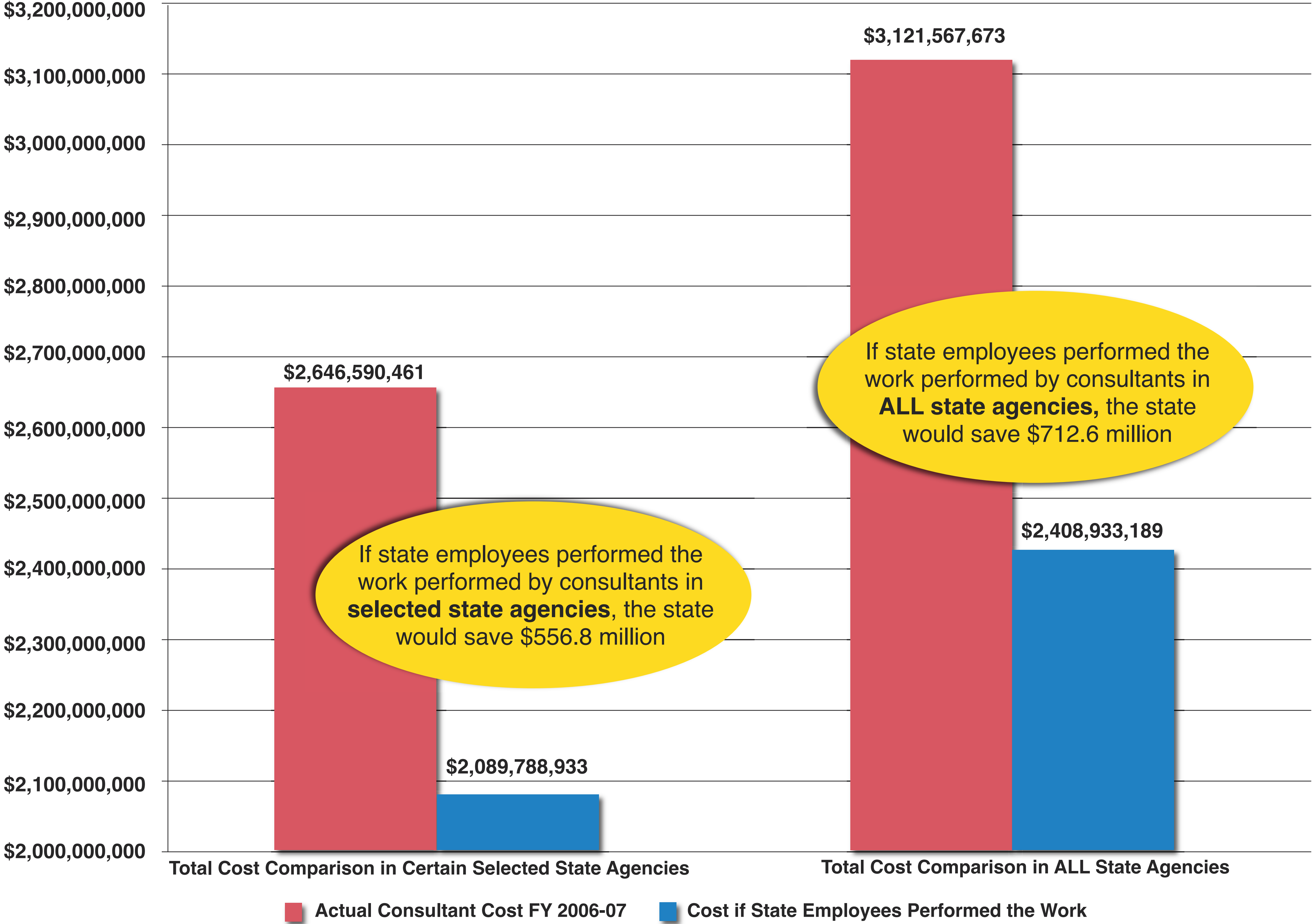
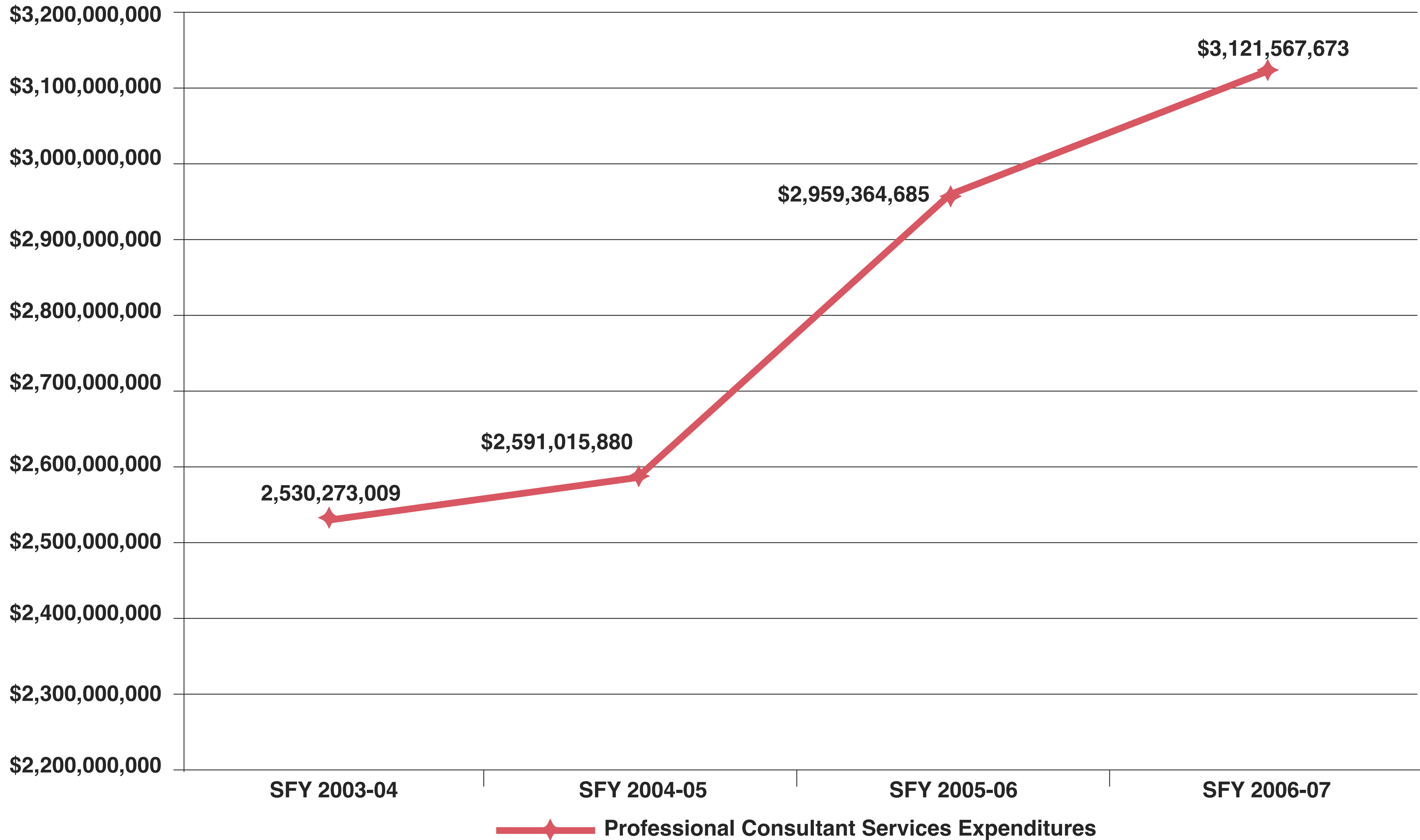


The state could save up to three quarters of a billion dollars annually by replacing costly consultants with state employees.

Half or more of the savings could come by just replacing IT and engineering & architectural consultants with state employees.



New York State agencies employ more than 23,000 private consultants, and spending on consultants in 2006-2007 was an estimated \$704 million.



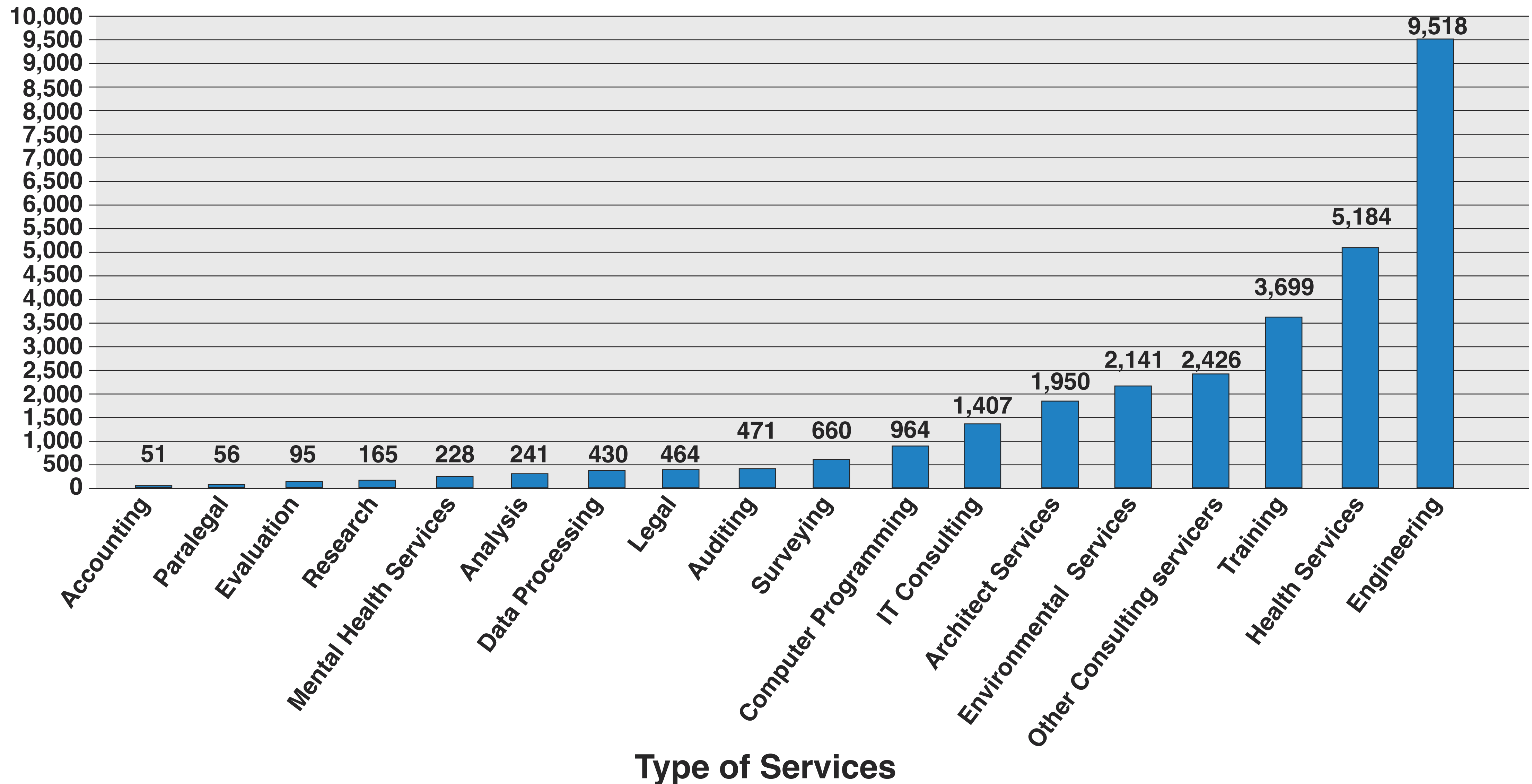
*excludes services related to IT hardware maintenance and capital projects for local and public authority projects.

New York State agencies employ more than 23,000 private consultants, and spending on consultants in 2006-2007 was an estimated \$704 million.

The number may be closer to 100,000, and the actual spending on consultants may be closer to \$3 billion.

Total Number of Contract Employees by Type of Service 2006- 2007

The state could save \$408 million in SFY 2010-The

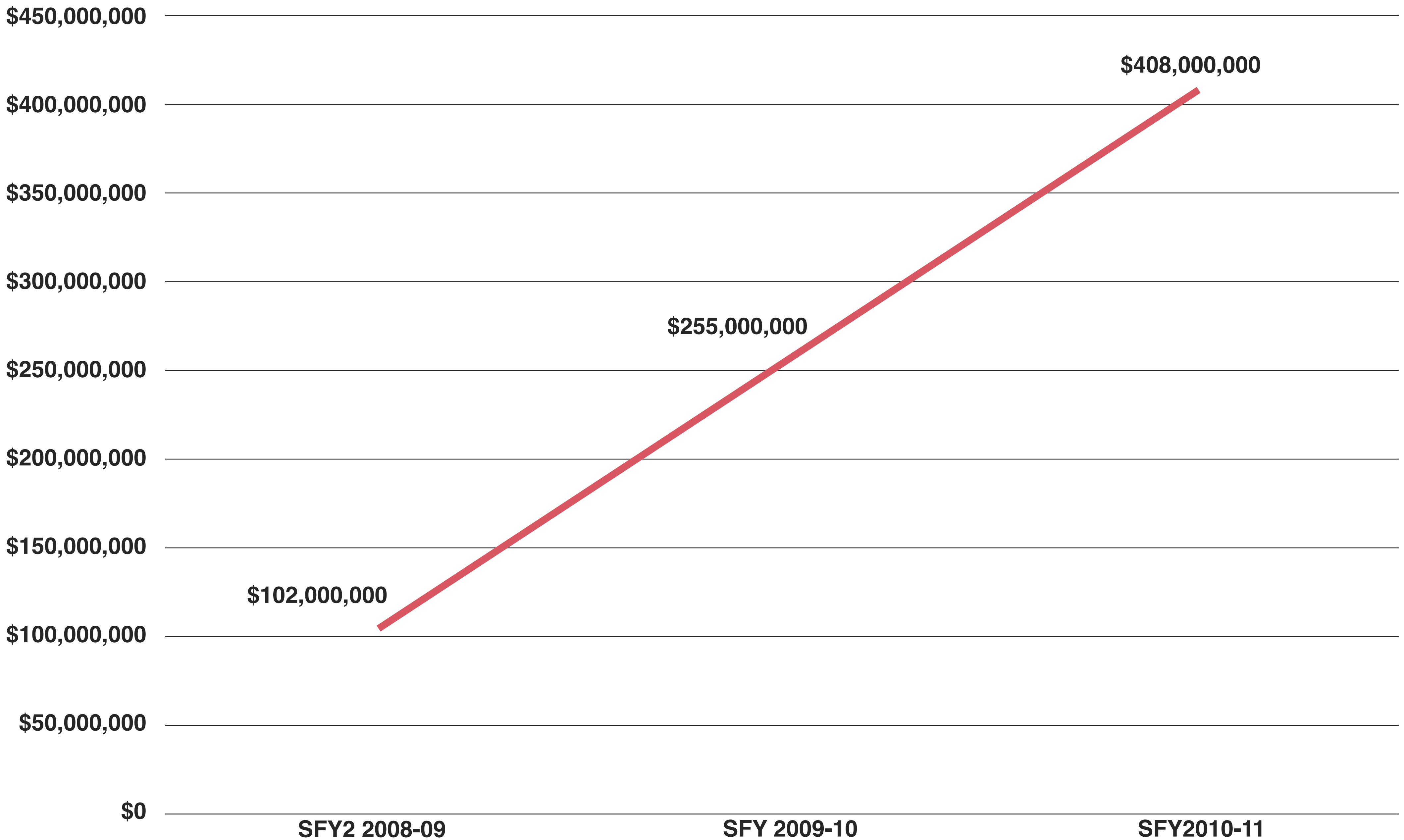


Source: Department of Civil Service Consulting Services Report (October 2007)

The state could save \$408 million in SFY 2010-2011 by instituting a recurring and realistic consultant reduction plan.

Compounded over the three year time period, this plan would save the state \$765 million.

The plan would achieve these savings in three stages:



This plan could be easily implemented by the state and would provide recurring and realistic savings.

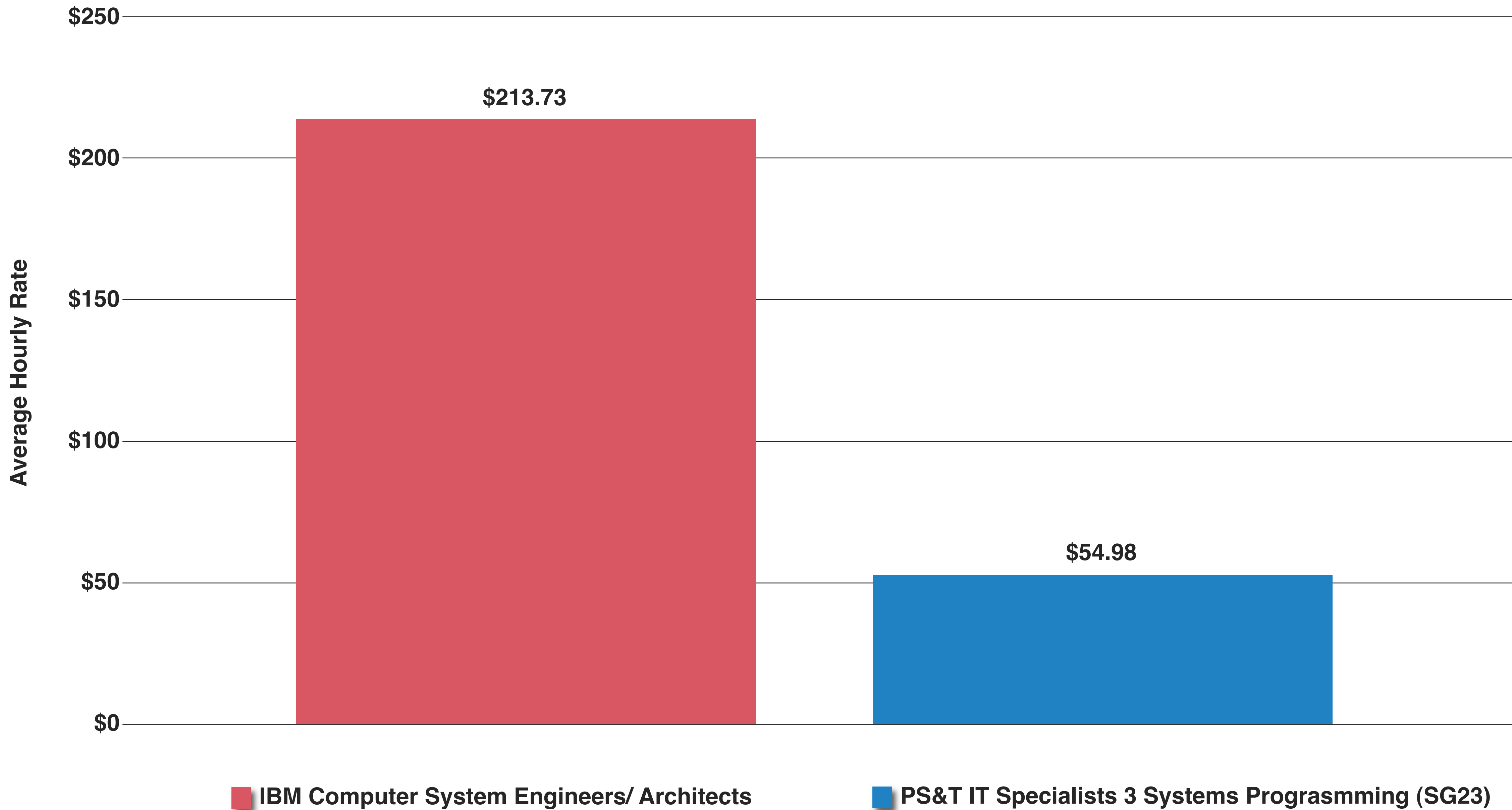
The state pays private consultants significantly more than its public servants for the same work.

State Agencies that Paid the Highest Average Hourly Rate to Consultants (SFY 2006 – 07)

Agency	Average Hourly Rate Paid To All Consultants	Average Hourly Rate PEF State Employee*	% More Consultant vs. State Employee
Insurance Dept	\$184.29	\$48.48	380%
Alcoholic Beverage Control, Division of	\$173.88	\$44.03	395%
Higher Education Services Corp	\$132.52	\$44.00	301%
Workers Compensation Board	\$111.32	\$50.75	219%
Criminal Justice Services, Div of	\$110.27	\$44.04	250%
Temporary & Disability Assistance, Office of	\$95.23	\$46.48	204%
Housing & Community Renewal, Div of	\$92.45	\$45.80	202%

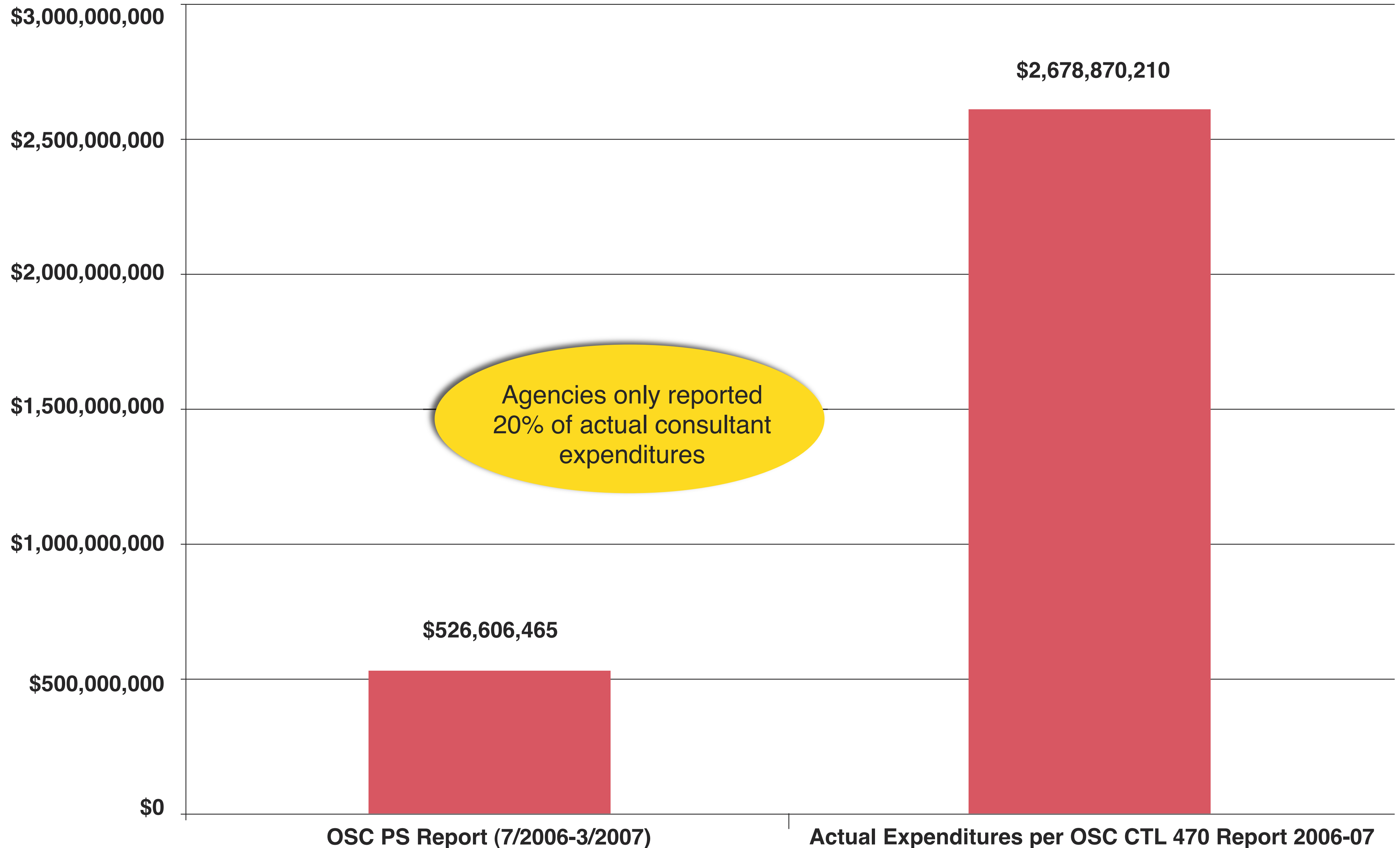
* includes 46% cost of state employee benefits

IBM information technology (IT) consultants get paid up to 289% more than public employees in similar jobs.



Most state agencies reported only 20% of their total spending on professional consultant contracts.

Analysis of different reports issued by the Office of State Comptroller (OSC) indicate that agencies have significantly under reported their use of consultants. For example, the OSC Report that contains expenditure data for all state agencies (CTL 470) shows *actual* expenditures on consultants to be in excess of \$2.6 billion in 2006-07, while the OSC Procurement Stewardship Act Report (PS Report) yields only \$526 million in expenditures on consultants in 2006-07.



The Banking Department, Department of Economic Development, State Board of Elections and the Division of Human Rights did not report any of their spending on professional consultants. Twelve state agencies account for almost all of the under reporting.