

Legislative Budget and Finance Committee

Department of Corrections Overtime Study

Report Presentation by Patricia Berger, at February 27, 2017, Meeting

Good afternoon. Senate Resolution 263 of 2016 directed the Legislative Budget and Finance Committee to study the issue of staffing shortages and overtime costs within the Department of Corrections (DOC).

In the six-year period between June 2010 and June 2016, Pennsylvania's average annual institution inmate population declined by 437 inmates, and the number of filled corrections officer (CO) positions declined by an average of 159 positions, even after including an increase of 201 positions during FY 2015-16.

Despite those declines, the total number of security hours worked annually at these institutions increased by over 875,000 hours, or 6.1 percent. Virtually all (99.5 percent) of these additional hours were overtime hours. The total number of overtime hours worked by security staff reached almost 1.8 million hours in FY 2015-16, increasing from 6.4 percent of all security hours in FY 2009-10 to 11.7 percent of all security hours in FY 2015-16.

In addition, during this six-year period the average hourly wage rate for overtime increased by 21.3 percent. When variable benefits, such as Social Security and

retirement contributions, are included, the total cost for overtime in FY 2015-16 was \$105.3 million, a 185 percent increase over FY 2009-10.

Additionally, the overtime hours worked by COs approaching retirement can significantly increase the Commonwealth's future pension costs. For example, 191 COs retired in FY 2015-16 with a pension benefit that, on average, is \$8,600 higher per year than it would have been without overtime. For all 191 COs combined, that is an additional \$1.6 million each year in pension benefits, which translates to an additional \$44.5 million in lifetime benefits.

The increase in security hours is attributable, in part, to the changes to the inmate population. For example, the number of inmates age 55 and older has increased by approximately 2,000 inmates (48 percent) since FY 2009-10, resulting in a substantial increase in the number of medical transports and hospital posts. Since only five of the 26 SCIs (Camp Hill, Graterford, Laurel Highlands, Muncy, and Pittsburgh) have staff posted for these activities, almost all of the medical transports and hospital posts are worked as overtime, accounting for 34 percent of the increase in security hours worked as overtime since FY 2009-10.

In addition, due to a Department of Justice investigation and a settlement agreement with the Disability Rights Network as well as the DOC's own review, the department has increased its screening and other activities related to inmates with

mental health issues. As a result, the number of inmates considered seriously mentally ill has grown by over 3,000 inmates (246 percent) since FY 2009-10, which also increases security staffing needs. For example, inmates in secured treatment units due to serious mental illness are required to have 20 hours per week out of their cells. For security reasons, a two-person escort is required, which increases the need for security staff.

Despite these increased demands, the DOC has not adhered to its policy to perform a security manpower survey at each facility every three years and has not updated their security staffing relief factor in ten years. For that reason, we conducted a security staffing analysis for comparison and found that a filled complement of 8,902 security staff positions may be necessary to meet the security needs of the DOC and minimize the use of overtime. In contrast, the most recent manpower surveys performed at each SCI facility call for a filled complement of 8,784 positions. Therefore, our analysis suggests that the department's current manpower surveys call for an insufficient number of security staff to minimize overtime costs. More specifically, we estimate that the DOC would have saved over \$16.2 million in overall wages if the Department had an optimal number of filled security staff positions during FY 2015-16. When the costs of variable benefits are included, those savings increase to \$22.0 million.

Regardless of the specified complement, however, the DOC has had a significant number of vacancies in recent years, which is the primary cause of the

increased number of overtime hours. These vacancies are due, in part, to a major hiring freeze enacted during the first half of FY 2014-15, in which the number of filled corrections officer trainee positions declined by over 300 positions. While the hiring freeze is estimated to have reduced training and personnel expenditures by \$15.3 million in FY 2014-15, we calculated that it also resulted in an additional 358,000 overtime hours at a cost of \$19.9 million, thus exceeding the savings in training costs by \$4.6 million. Additionally, the costs of the overtime hours are estimated to have exceeded the savings in training costs in less than eight months. Over a three-fiscal-year period, we project that the 2014 hiring freeze will cost the DOC an additional \$22.5 million in personnel expenditures. These additional costs, however, may be reduced as the DOC continues to fill CO vacancies.

When comparing training costs to the costs of overtime on an individual basis, we estimate that training a single CO trainee will save the DOC over \$30,000 in overall personnel expenditures in the first year and over \$47,000 in the second year. In the long term, we estimate that hiring a single CO trainee will save the DOC \$214,000 over a five-year period, and over \$381,000 over a ten-year period. For these reasons, we recommend that hiring freezes, particularly for security staff, be avoided in the future.

In closing we thank Secretary Wetzel and his staff for their excellent cooperation during our study. Thank you.