

## Report Highlights

### PA Department of Corrections Overtime Study

Senate Resolution 263 (2016) directs the Legislative Budget and Finance Committee (LB&FC) to study the issue of staffing shortages and overtime costs within the Department of Corrections (DOC), including the costs associated with hiring a new employee (e.g., salary, benefits, retirement, training, and equipment) as compared to paying current employees overtime. We found:

- **The number and cost of security hours have increased despite a decline in the inmate population.** Since FY 2009-10, the inmate population has declined by an average annual population of 437, and Correction Officer 1-2 (CO 1-2) and trainee positions declined by 159, despite an increase of 201 positions during FY 2015-16. Total security hours have increased by 875,203 (6.1%), with overtime hours increasing from 918,555 to 1.8M, going from 6.4% of total security hours in FY 2009-10 to 11.7% in FY 2015-16. The average hourly pay rates for overtime increased by 21.3%, going from \$34.48 to \$41.84. The total wage and benefit cost of overtime security hours was \$105.3M in FY 2015-16.
- **Rising demands for inmate medical and mental health services have increased the need for security hours.** A 48.2% increase in inmates age 55 and older since FY 2009-10 has increased the number of medical transports and hospital posts. Due to a Department of Justice investigation and a Disabilities Rights Network settlement agreement, DOC has increased its screening and other requirements related to inmates with mental health issues. As a result, the number of inmates considered seriously mentally ill increased by 3,058 inmates (246%) since FY 2009-10.
- **Vacancies are the primary cause of overtime and DOC manpower surveys underestimate the number of COs needed.** During FY 2015-16, DOC had an average of 8,308 filled CO 1-2 and trainee positions out of a complement of 8,767. Our FTE security staffing analysis found that a filled complement of 8,902 security staff positions was needed to minimize overtime hours, in comparison to the 8,784 specified by the DOC manpower surveys.
- **DOC would have saved \$16.2M in net wages if fully staffed during FY 2015-16.** These savings rise to \$22M when the cost of variable benefits (e.g., Social Security) are included. Due to the reduction in overtime hours needed, the savings from hiring a new CO, even after deducting training costs, is approximately \$31,000 in the first year and \$47,000 in the second year.
- **We estimate the 2014 hiring freeze cost the DOC \$4.6M in FY 2014-15 and \$9.1M in FY 2015-16.** Assuming a reduction of 300 new hires, we calculated training savings due to the freeze to be \$15.3M during FY 2014-15. However, the freeze resulted in an additional 358,371 overtime hours at a cost of \$19.9M, for a net cost of \$4.6M. Future costs may be offset as the DOC continues to fill vacancies.
- **Overtime increases the Final Average Salary (FAS) resulting in higher pension costs.** The 191 CO 1-2s who retired in FY 2015-16 had an average FAS that was \$14,033 higher than their scheduled salary, resulting in an additional \$8,616 in annual annuity payments. For all 191 COs, this is an additional \$1.6M per year and an additional \$44.5M in lifetime benefits.
- **Oversight of work hours is not consistent among the State Correctional Institutions (SCIs).** Although most SCIs have time clocks or a biometric sign-in system, no single system is used to consistently track hours worked. A new roster management system, Telestaff, is being implemented to interface with new time-keeping software, Kronos – Workforce Timekeeper, to increase efficiencies.

#### Recommendations:

The DOC should:

- (1) avoid imposing hiring freezes on security staff;
- (2) include medical transports and hospital posts when calculating staffing needs;
- (3) use their consultant's analysis of SCI activities and an updated relief factor to develop staffing requirements for new facilities as well as existing facilities;
- (4) require SCIs to consistently develop overtime justification reports on a monthly basis as a method to inform future staffing decisions and address developing overtime problems; and
- (5) require the consistent and uniform use of a time tracking system to ensure more accurate time-keeping and greater oversight.