

ANALYSIS

Item 10: Department of Corrections Overtime Usage

Analyst: Julie Neburka

Request: Acknowledge receipt of a report on efforts to reduce the use of overtime in prisons operated by the Department of Corrections.

Analysis: The Department of Corrections (DOC) has submitted an initial report on its efforts to reduce the use of overtime in prison operations and health services pursuant to a budget note approved in HB 5004 (2021):

***Overtime Usage:** Over the last several biennia, the Department of Corrections has incurred a consistent deficit in its overtime budget of about \$20 million per biennium. Package 805 provides \$21.6 million and 107 positions intended to alleviate the need for overtime usage. To evaluate the effect of this increased staffing on overtime expense, the Department is directed to report its overtime expenditures in the prisons and in Health Services at each meeting of the Interim Joint Committee on Ways and Means and Emergency Board, and once to the Public Safety Subcommittee of the Joint Committee on Ways and means during the 2022 legislative session.*

In this first report, the Department reports spending about \$1.8 million on roughly 35,000 hours of overtime in the first month of the biennium. DOC's 2021-23 budget for overtime expense is \$25.8 million in Operations and Health Services; at the current rate of expenditure, this budget would be exhausted by September 2022.

To alleviate the use of unplanned overtime, the agency's budget bill for 2021-23 added \$21.6 million General Fund and 107 permanent, ongoing positions in the security, food services, physical plant, transport, laundry, and health services programs. The agency reports that recruitment is underway for these positions and for an additional 336 current vacancies in Operations and Health Services. As is the case with many employers at present, DOC is experiencing numerous difficulties related to the COVID-19 pandemic in recruiting and retaining employees. Additional staffing challenges are due to a large percentage of its workforce being retirement-eligible and to the number of employees on extended leaves for military service, job rotations, or other reasons. Recruitment strategies used by the agency include conducting job fairs during which interviews and background checks are conducted, which reduces the length of time for hiring and onboarding; working with the Military Department to ensure that people leaving military service are aware of job opportunities with DOC; and engaging staff who plan to retire in mentoring others. Additionally, DOC recruiters have extended job advertisements in surrounding states, through professional organizations, and via billboards and radio.

The Department will return to the next meeting of the Interim Joint Committee on Ways and Means with an update on its overtime usage and recruitment efforts.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means acknowledge receipt of the report.

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Department of Corrections
McDonald

Request: Report on overtime usage by the Department of Corrections.

Recommendation: Acknowledge receipt of the report.

Discussion: House Bill 5004 (2021) provided \$21.6 million General Fund and approval for 107 positions intended to alleviate overtime usage within the Department of Corrections (DOC). The budget report for the bill contained a budget note requiring DOC to report to the Legislature throughout the biennium on overtime expenditures, including the prisons (Operations Division) and the Health Services Division. The report includes charts showing both types of overtime (voluntary and mandatory), as well as total usage, broken out by hours and cost.

This is the first report, setting a baseline of approximately 35,000 total hours of overtime in July 2021, at a cost of approximately \$1.8 million. Future reports will illustrate the agency's 2021-23 overtime trend since the investment of positions and funding. The report also provides context and explanation for the likely delay in the reduction of overtime usage. Factors include:

- All 107 positions have open recruitments, but none are yet hired.
- The 107 positions are in addition to the 336 currently vacant positions in Operations and Health Services. Reasons for these vacancies include the effects of COVID-19, the remaining effect of the Department's 2019-21 vacancy savings target, a high number of retirements, and "ghost vacancies" related to military deployment and extended leave.
- Once hired, onboarding security and nursing staff takes approximately 150 days and 70 days, respectively. Following onboarding, staff receive additional on-the-job training specific to their position. Only after onboarding and training can staff be available to reduce voluntary and mandatory overtime.
- Overtime hours and cost are lagging indicators due to payroll deadlines and accounting systems.

The report also discusses some steps DOC is taking to address both overtime usage and filling vacancies, as the issues are directly related. These efforts include:

- Reducing the onboarding time for staff through job fairs, on-the-spot interviews with hiring managers, and on-the-spot initial background checks. Potential employees leave these job fairs with conditional job offers.
- Working with the Military Department to identify individuals leaving military service and ensuring they are aware of the opportunities within DOC.
- Proactively working to engage retiring staff to mentor others prior to their separation and ensure replacements are identified in a timely manner.

DOC will return to the next meeting of the Interim Joint Committee on Ways and Means to provide an update, as directed.



Oregon

Kate Brown, Governor

Oregon Department of Corrections

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August 23, 2021

The Honorable Elizabeth Steiner-Hayward, Co-Chair
The Honorable Betsy Johnson, Co-Chair
The Honorable Dan Rayfield, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

The Oregon Department of Corrections (DOC) asks you to please accept this letter as a report to the Oregon Legislature as required by a Budget Note contained in House Bill 5004 (2021).

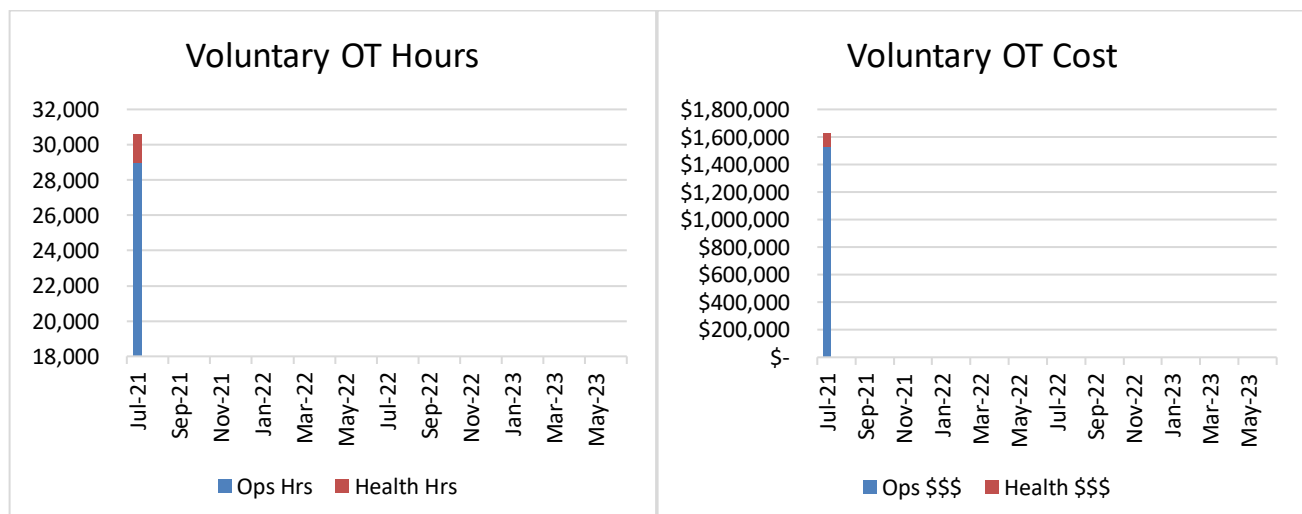
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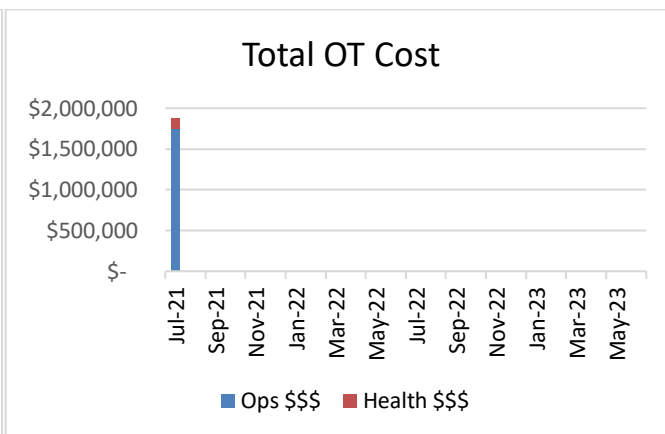
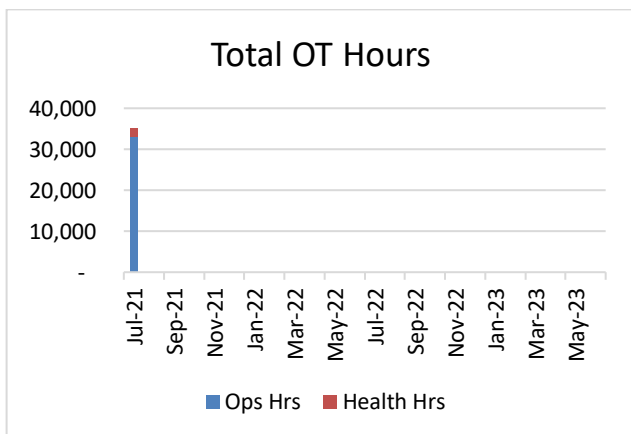
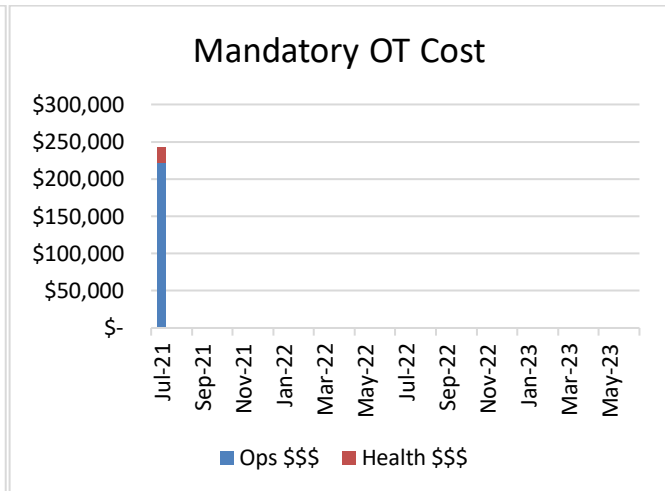
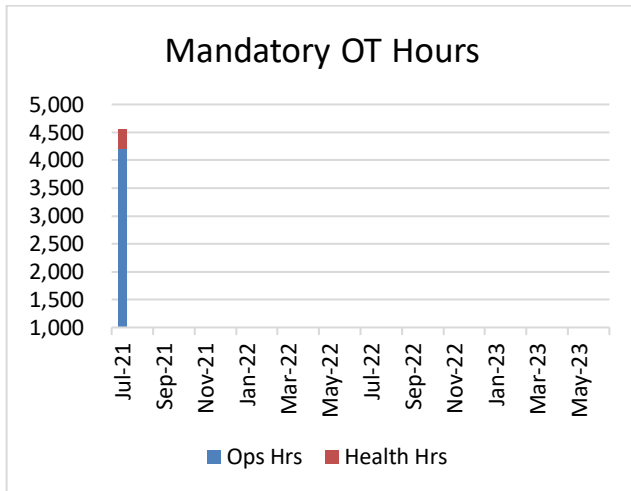
The Legislative Fiscal Office (LFO) Budget Report associated with House Bill 5004 passed during the 2021 Legislative Session included the following Budget Note:

Overtime Usage: Over the last several biennia, the Department of Corrections has incurred a consistent deficit in its overtime budget of about \$20 million per biennium. Package 805 provides \$21.6 million and 107 positions intended to alleviate the need for overtime usage. To evaluate the effect of this increased staffing on overtime expense, the department is directed to report its overtime expenditures in the prisons and in Health Services at each meeting of the Interim Joint Committee on Ways and Means and Emergency Board, and once to the Public Safety Subcommittee of the Joint Committee on Ways and means during the 2022 legislative session.

Overtime Reporting Data

DOC tracks a variety of data points specific to overtime in an effort to give a clear and transparent view of overtime usage and cost. The following graphs depict the costs associated with both types of overtime – mandatory and voluntary, as well as totals for the agency.





As mentioned above, HB 5004 provided DOC with 107 positions across the Operations and Health Services Divisions to assist in reducing overtime. The following outlines DOC's efforts to recruit for these positions as well as other vacant positions.

- Recruiting Update:
 - Of the 107 positions granted, all currently have open recruitments, and none have been successfully hired.
 - DOC began the 2021-23 biennium operating under a continuing resolution that prevented the positions from being hired. However, these positions are now loaded into Workday and are in the process of being filled. Once these positions are filled, DOC will report out accurate and updated overtime information.
 - These 107 open positions are in addition to the 336 vacant positions the agency is already experiencing in Operations and Health Services.
 - Onboarding security and nursing staff takes approximately 150 days and 70 days respectively. Following the onboarding process, staff receive additional on-the-job training appropriate for

their specific position. Following this training, these staff are available to reduce voluntary and mandatory overtime.

- DOC is actively involved in a variety of efforts to reduce the onboarding time of staff. These efforts include job fairs, on-the-spot interviews with hiring managers, and on-the-spot initial background checks. Potential employees leave these job fairs with conditional job offers.
 - DOC is also currently working with the military department to identify individuals leaving military service and ensure they are aware of the opportunities within DOC to continue their career in public service.
- Here are a few other items of note:
 - Overtime hours and cost are a lagging indicator based on payroll deadlines and accounting software practicalities. The charts above will consistently reflect that lag.
 - DOC averaged approximately 150 vacancies with nurses and security staffing for the final six months of the 2019-21 biennium. This was from a combination of the affects of COVID-19 and the vacancy savings target DOC was working to overcome.
 - DOC has numerous ghost vacancies. These vacancies occur for a variety of reasons including active military deployment and extended leave. DOC is working to back filling these vacancies.
 - DOC opened several new facilities within the last 25-30 years. The individuals hired to run those facilities are nearing the end of their careers. A significant percentage of all DOC employees are within the retirement window. DOC is working proactively to engage those staff to mentor others prior to their gainful retirement and ensure replacements are identified in a timely manner.

The agency is happy to answer any questions you may have and will return to the next meeting of the Interim Joint Committee on Ways and Means as required.

Sincerely,

A handwritten signature in dark ink, appearing to read "Colette S. Peters". The signature is fluid and cursive, with a large loop at the end.

Colette S. Peters
Director

cc: George Naughton, Acting Chief Operating Officer
April McDonald, CFO Policy and Budget Analyst
Laurie Byerly, Legislative Fiscal Officer
Julie Neburka, LFO Principal Legislative Analyst
Steve Robbins, DOC Chief Financial Officer
Rem Nivens, DOC Communications Administrator