

## ANALYSIS

### Item 17: Department of Corrections Overtime Usage

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**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 its second report on the agency's 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 second report, the Department reports spending about \$3.9 million on roughly 77,000 hours of overtime in the first two months 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 is recruiting for these positions and an additional 144 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, particularly those in health care. 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 Interim Joint Committee on Ways and Means acknowledge receipt of the report.

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Department of Corrections  
McDonald

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**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 contained a budget note requiring DOC to report to the Legislature throughout the biennium on overtime expenditures, specifically those within the prisons (Operations Division) and Health Services. The provided report includes charts illustrating each division's overtime categorized by voluntary, mandatory, and total overtime, shown in terms of hours and cost.

The report was first submitted to the September 2021 meeting of the Interim Joint Committee on Ways and Means with only one month of data available. Since the Committee meeting was cancelled, this report has been resubmitted with data for both July and August 2021. Hours of overtime increased from 35,335 in July 2021, to 41,269 in August 2021, for a cumulative total of 76,604 hours. This monthly increase of roughly 17% equates to an overtime cost increase of around \$0.2 million. It is too early in the biennium to consider the data a trend, however many positions remain vacant, which is a driving factor in the Department's overtime usage. The report provides some context and explanation for the likely delay in reducing overtime. Factors include:

- All 107 positions for overtime reduction have open recruitments, but none are hired yet.
- The 107 positions are in addition to 144 vacant positions in Operations and Health Services. Reasons for these vacancies include the effects of COVID-19, the remaining effect of DOC's 2019-21 vacancy savings target, a high number of retirements, and "ghost vacancies" related to military deployment and extended leave.
- Onboarding security and nursing staff takes about 150 days and 70 days, respectively. Following onboarding, staff receive additional on-the-job training. Only after the onboarding and training is complete can staff be available to reduce overtime.
- Overtime hours and costs are lagging indicators due to payroll deadlines and 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 onboarding time through job fairs; providing on-the-spot interviews, and on-the-spot background checks, so potential employees may leave job fairs with conditional offers.
- Working with the Oregon Military Department to identify individuals leaving military service and ensuring they are aware of the opportunities within DOC.
- Proactively engaging retiring staff to serve as mentors prior to their separation, and ensuring 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 updated report, as directed.



# Oregon

Kate Brown, Governor

## Oregon Department of Corrections

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October 18, 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).

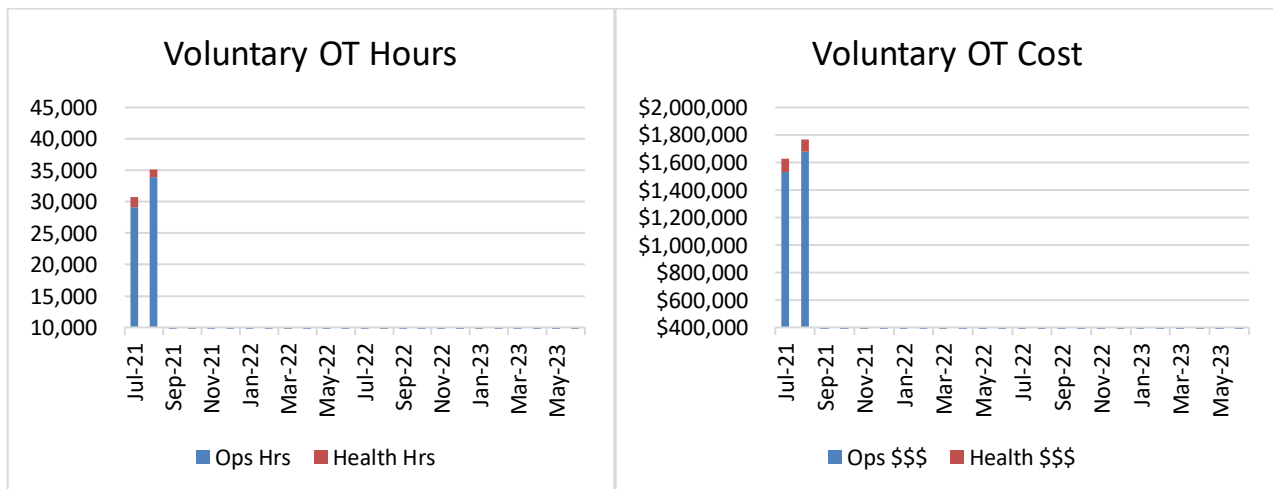
### Background

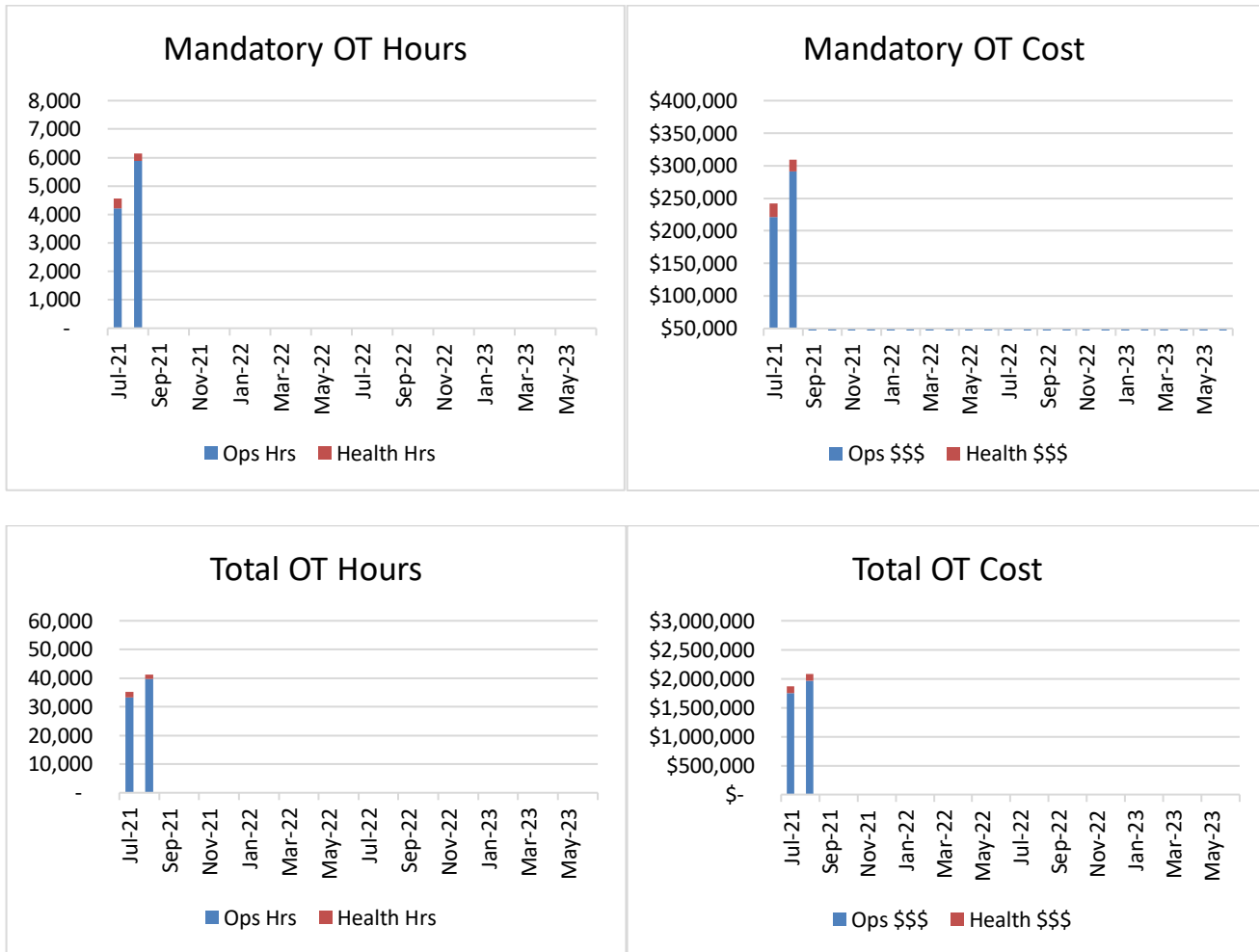
The Legislative Fiscal Office (LFO) Budget Report associated with House Bill 5004 passed during the 2021 Legislative Session included the following Budget Note:

*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 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 employee 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:
  - The October COVID-19 vaccine mandate is expected to have a significant effect on staffing at all facilities across the state, impacting the safety and security of each facility.
  - Of the 107 positions granted, all have open recruitments, and none have been successfully hired.
  - These 107 open positions are in addition to 144 (33 Health Services and 111 Operations) 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. Once this training is complete, these employees are available to reduce voluntary and mandatory overtime.

- DOC is actively involved in a variety of efforts to reduce the time it takes to onboard 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 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 staff for the final six months of the 2019-21 biennium. This was from a combination of the effects 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 fill 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,



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  
John Terpening, LFO Principal Legislative Analyst  
Steve Robbins, DOC Chief Financial Officer  
Rem Nivens, DOC Communications Administrator