

DEPARTMENT OF CORRECTIONS

A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control

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Department of Correction's response as of September 2002

Audit Highlights . . .

Our review of the California Department of Corrections' (department) ongoing fiscal problems revealed:

- A shortage of correctional officers continues to drive overtime costs higher.*
 - At its current pace of hiring, it may take the department until 2009 to meet its need for additional correctional officers.*
 - Some officers work excessive amounts of overtime while others at the same prison work very little overtime.*
 - Certain provisions in the labor agreement between the State and the California Correctional Peace Officers Association, related primarily to correctional officers, will eventually add about \$518 million to the department's annual costs.*
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The Joint Legislative Audit Committee requested that the Bureau of State Audits conduct an audit of various Department of Corrections' (department) fiscal problems. The audit committee expressed particular interest in the collective bargaining process that governs the department's relationship with its correctional officers, the assignment of new cadets from the academy to prisons, the impact of statewide mandated salary savings on correctional officers' use of overtime and sick leave, and the impact of medical transportation costs on the cost of medical care.

Finding #1: The department pays large overtime costs to cover for unmet correctional officer need.

The department has been unable to attract and train enough correctional officers to meet its needs. Specifically, as of September 2001, its full-time and intermittent officers numbered only 19,910 while its budget and labor agreement allow for a maximum of 23,160 officers. As a result, the department has an unmet need of about 3,250 officers. To fill this unmet need, the department has resorted to assigning overtime. During the first half of fiscal year 2001–02, the department spent more than \$110 million on custody staff overtime—already \$36 million more than its overtime budget of \$74 million for the entire fiscal year. We estimate that the department will not fill its unmet officer need until sometime between the end of 2005 and the beginning of 2009, depending on the number of future academy graduates and the officer attrition rate.

To reduce its use of overtime, the department should consider the feasibility of further increasing the number of correctional officer applicants and, if warranted, the physical capacity

for training them. Additionally, the department should pursue additional funding from the Legislature to operate its academy at full capacity. Once it can attract more cadets to its academy, the department should pursue funding for additional correctional officer positions that it will need to reduce its reliance on overtime. Until such time, as the department has enough correctional officers to meet its needs and incurs only unavoidable overtime, the department should be realistic in its budget and plan for the overtime it will need to cover its unmet need. Finally, the department should maximize its use of intermittent officers by either converting them to full-time or ensuring that they work as close to the 2,000-hour-a-year maximum as possible.

Department Action: Pending.

The department states that it has completed an analysis identifying its correctional officer staffing needs through June 2005, and has prepared a proposal for consideration as part of its fiscal year 2003–04 budget. It also states that its academy is currently running at full physical capacity and that it has staggered academy commencement dates to ensure that all available academy bed space is utilized. The department told us that it is pursuing authority and funding for additional correctional officer positions, and indicated that the use of sick leave by correctional officers since the new labor agreement became effective on February 19, 2002, has increased. Therefore, it will also seek funding and additional relief positions commensurate with the increased sick leave usage. In addition, the department stated that as part of its analysis of correctional officer needs through June 2005, it has developed procedures to project the overtime necessary to cover vacancies, and has incorporated this information into its fiscal year 2003–04 budget request. Further, the department indicated that its institutions maximize their use of intermittent officers by converting them to full-time when positions become vacant and if, or when, intermittent officers are eligible for and accept permanent positions. Finally, the department reported that many of its institutions are scheduling intermittent officers to specific shifts.

Finding #2: Savings from vacant budgeted positions are insufficient to finance shortfalls in the overall funding for correctional officers and overtime.

The savings the department realizes by intentionally leaving more than 1,000 of its authorized correctional officer positions vacant under the Institutional Vacancy Plan do not result in net salary savings because the budget for each officer is not sufficient to meet the actual costs when an officer works full time. Specifically, we estimated that the department would experience a net deficit of about \$193 million related to its funding of correctional officers and overtime in fiscal year 2001–02.

To reduce its use of overtime, the department should fill vacant relief officer positions currently in its Institutional Vacancy Plan once it has filled its positions currently vacant because of insufficient staff.

Department Action: Pending.

The department states it is making every effort to fill vacant positions. The department reports that it has reduced its vacant permanent full-time positions to 794 as of July 31, 2002, compared to 1,040 at June 30, 2002. It also adds that 638 additional cadets were scheduled to graduate in October 2002, of which 147 were permanent full-time officers and 491 were permanent intermittent. Finally, the department notes that as required in the current bargaining agreement, it plans to activate 400 relief positions previously included in the Institutional Vacancy Plan between fiscal years 2001–02 and 2003–04.

Finding #3: A more strategic assignment of new cadets and better monitoring of overtime worked at each prison would be beneficial.

The department does not consider the varying amounts of overtime that correctional officers work at its prisons when assigning cadets from its academy. In particular, based on our review of the November 2001 academy, we found that there was no strong correlation between the assignments of new cadets and the amount of overtime at each prison. In addition, we found that a total of 235 officers at 26 different prisons averaged more than 80 hours of overtime each work period between July and December 2001. The department could also better protect

the health and safety of everyone in the prison setting by more evenly distributing the total overtime among individual officers within each prison.

To reduce health and safety risks for its employees, the department should reassess the number of budgeted full-time positions at each prison and determine whether reallocations are warranted because of excessive overtime at specific prisons. Additionally, the department should pursue options to limit overtime that individuals work so that individuals do not exceed the 80-hour cap considered relevant for health and safety risks.

To better match the supply of correctional officers with the demand for correctional officers that use of overtime hours indicates, the department should consider assigning its academy graduates to those prisons that experience the highest levels of overtime. For example, if it has too many qualified candidates to fill a class, the department could give preference to candidates willing to go to the 10 prisons with the most overtime.

Department Action: Pending.

The department states that virtually all institutions are operating in a deficit with regard to overtime, and consequently it believes that reallocation of budgeted positions to reduce overtime is not feasible at this time. In addition, the department states that it is making a concerted effort to fill all vacant officer positions to reduce the number of officers working 80 hours of overtime per month. However, the department notes that the number of correctional officers averaging more than 80 hours of overtime has increased from the 235 we reported for July through December 2001, adding that 260 correctional officers averaged more than 80 hours of overtime between January and July 2002. Further, the department states that until the pool of candidates on its correctional officer certification list increases significantly, competition is inadequate to make high vacancy institutions attractive to correctional officer candidates. Nevertheless, its academy will continue efforts to increase the pool of candidates willing to work at high vacancy institutions.



Finding #4: Certain provisions of the new labor agreement increase the department's fiscal burden and limit management's control.

The new labor agreement between the State and the California Correctional Peace Officers Association includes many provisions that either increase personnel costs or create challenges for the department to effectively manage its staff. Ranging from salary increases and enhanced retirement benefits to seniority-based overtime, some of these provisions were included in the prior labor agreement, but many are new to the labor agreement that was ratified in February 2002. The department estimates that the annual cost of new provisions in the agreement will be as high as \$300 million a year by fiscal year 2005–06, the latest year for which it has estimated costs. In developing these estimates, the department included classes of employees who are covered by the agreement, such as medical technical assistants and correctional counselors, as well as correctional officers. Focusing mainly on costs related to correctional officers and including the entire term of the labor agreement, we analyzed five new and three continuing provisions of the labor agreement and estimate that the department's annual costs for these provisions will eventually amount to about \$518 million. Further, several changes in the provisions related to sick leave have likely resulted in additional overtime to cover for the increased use of sick leave. Finally, a continuing provision related to how post assignments are made limits the department's ability to assign particular individuals to posts of its choosing.

