



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #231

Full Funding and Overtime Funding for Security Positions (Corrections -- Adult Corrections)

Bill Agency

[LFB 2007-09 Budget Summary: Page 107, #4 and Page 108, #5]

GOVERNOR

Full Funding for Security Positions. Provide \$1,549,300 GPR and 39.0 GPR positions annually to restore security personnel deleted as part of a general funding and position reduction item in the 2005-07 biennial budget.

Overtime Funding for Security Positions. Provide \$10,172,100 GPR annually for increased funding for overtime costs in adult correctional facilities associated with correctional officers and correctional sergeants. This funding is in addition to \$24.7 million annually provided on a departmentwide basis for overtime under standard budget adjustments.

DISCUSSION POINTS

1. The 2005-07 biennial budget, 2005 Act 25, deleted \$1,582,800 GPR and 39.0 GPR positions in 2006-07 under general program operations. The Executive Budget Book indicated that the Governor recommended the reduction of expenditures and positions "to create additional operational efficiencies and balance the budget by . . . eliminating vacant positions across funding sources."

2. The Department indicates that restoration of the positions is necessary as a result of institutional populations being "significantly higher than originally projected at the time the Governor added this item" as an operational efficiency to the 2005-07 biennial budget. According to Corrections, if the positions are not restored:

"DOC would need to run additional overtime at institutions to man the security posts to manage the institutions and maintain the safety of staff and inmates. Overtime is paid at a much higher time-and-a-half rate than straight time and much of the overtime goes to experienced officers with higher rates of pay. It is less expensive to hire 39.0 new FTE security staff, even with fringe benefits, than to pay overtime for these positions."

3. Under Senate Bill 40, the positions and \$1,549,300 of the funding would be restored. Funding includes \$1,093,500 for salaries, \$522,100 for fringe benefits, and -\$66,300 for turnover annually.

4. It should be noted that Act 25 required Corrections to eliminate 39.0 GPR positions and \$1,582,800 GPR from its general program operations appropriation in 2006-07. Act 25 did not require that the deleted positions be security positions. Rather, the legislation only required that positions be eliminated. The administration indicated that the specific positions would be identified at a later time. Arguably, the Governor's recommendation under SB 40 would be contrary to prior legislative action. At the time of deliberation regarding Act 25, Corrections indicated that it could eliminate vacant positions. In fact, the Department still has a number of vacant positions. If the Department needs additional security positions to address higher populations, it could utilize existing position authority to fill that need. Based on these assumptions, the Committee could delete the Governor's recommendation to restore the 39.0 positions.

5. In regards to overtime funding, Senate Bill 40 would provide \$10,172,000 GPR annually needed as a result of increased overtime costs not accounted for in the standard budget adjustments for overtime. The increased costs are associated with two recent collective bargaining modifications: (a) the 2.25% salary increase beginning April 1, 2007 (\$6,294,200 GPR annually); and (b) three extra days of vacation each year (\$3,877,800 GPR).

6. The increase in wages is the result of provisions in the 2005-07 state compensation plan for nonrepresented state employees and the various employment contracts for represented state employees. These agreements provided a general wage increase to state employees of 2.25% on April 1, 2007. The Department's calculation of overtime funding did not include this increased cost. The additional days of vacation were included in various labor contracts for the 2001-03 and 2003-05 biennia, and in 2003 Act 22 and 2005 Act 21 for nonrepresented employees. Specific to correctional officers, the 2003-05 contract (approved in July, 2005), provided an additional 24 hours for employees having less than 25 years of seniority and 16 hours for those with 25 or more years of seniority. As a result, Corrections has staffed these hours using overtime at the correctional institutions.

7. As the Department indicates above, providing funding for positions to staff a security post is less expensive than the overtime costs associated with the same post. Overtime is more expensive as a result of the Department paying employees time-and-a-half and generally assigning overtime by seniority (resulting in higher salary costs), as provided under labor contracts.

8. Considering the Department's significant use of overtime, and that staffing a position on overtime is more costly than a regular position, it could be argued that additional security positions should be provided to reduce the additional overtime funding provided in the bill. As indicated above, the labor contracts provided three additional days of vacation each year. As a result, the Department needs additional overtime funding of \$3,877,800 annually to cover the 24 hours of extra vacation for correctional officers and sergeants. If the Committee wished to provide correctional officer positions to cover the additional 24 hours instead of utilizing overtime, the Committee could instead provide \$3,353,200 GPR in 2007-08 and \$3,443,000 GPR in 2008-09 and 64.0 GPR correctional officers annually. Under this alternative, the bill would be modified by -\$524,600 GPR in 2007-08 and -\$434,800 GPR in 2008-09 and 64.0 GPR positions annually.

9. Alternatively, the Committee could provide the salary and fringe benefit amounts for additional correctional officer positions, but also direct the Department to utilize existing vacant positions and funding for some of the needed positions. A review of vacant positions indicates that there are 14.0 positions that have been vacant for one year or more. Salary and fringe benefit amounts for the 14.0 positions total \$696,800 GPR annually. Thus, the Committee could provide 50.0 GPR security positions, and direct the Department to utilize the 14.0 positions vacant for more than one year for the remaining needed security positions.

10. Under the above alternative, the Committee would provide \$2,656,400 GPR in 2007-08 and \$2,746,200 GPR in 2008-09 and 50.00 GPR correctional officers annually, and direct the Department to utilize the 14.0 vacant positions and associated funding for additional needed correctional officer positions. Funding to the bill would be modified by -\$1,257,800 GPR in 2007-08 and -\$1,188,000 GPR in 2008-09 and 50.0 GPR positions annually.

11. If the overtime provision is deleted, the Department would need to utilize existing resources to cover additional overtime costs. If existing resources are insufficient to cover costs, the Department could submit separate legislation or request the transfer of funding under s. 13.101 of the statutes.

ALTERNATIVES TO BILL

A. Security Positions

1. Approve the Governor's provision to provide \$1,549,300 GPR and 39.0 GPR positions annually to restore security personnel and funding.

ALT A1	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	\$3,098,600	39.00

2. Delete provision.

ALT A2	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$3,098,600	39.00	\$0	0.00

B. Overtime Funding

1. Approve the Governor's provision to provide \$10,172,000 GPR annually for increased funding associated with overtime costs in adult correctional facilities for correctional officers and sergeants.

ALT B1	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	\$0		\$20,344,000	

2. Modify the Governor's provision by -\$524,600 GPR in 2007-08 and -\$434,800 GPR in 2008-09 and 64.0 GPR positions annually for correctional officers to cover the additional 24 hours of vacation each year provided under labor contracts.

ALT B2	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$959,400	64.00	\$19,384,600	64.00

3. Modify the Governor's provision by -\$1,257,800 GPR in 2007-08 and -\$1,188,000 GPR in 2008-09 and 50.0 GPR correctional officers annually to cover the additional 24 hours of vacation each year provided under labor contracts. In addition, direct the Department to utilize 14.0 GPR positions vacant for more than a year for additional needed correctional office positions.

ALT B3	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$2,445,800	50.00	\$17,898,200	50.00

4. Delete provision.

ALT B5	Change to Bill Funding	Change to Base Funding
GPR	- \$20,344,000	\$0

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