

Letter Report

# **Follow-Up on Overtime in State Agencies**

*April 2009*



**Legislative Audit Bureau**

22 E. Mifflin St., Ste. 500, Madison, Wisconsin 53703-4225 ■ (608) 266-2818

Fax: (608) 267-0410 ■ Web site: [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab)





**STATE OF WISCONSIN**  
**Legislative Audit Bureau**

22 East Mifflin Street, Suite 500  
Madison, Wisconsin 53703  
(608) 266-2818  
Fax (608) 267-0410  
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Janice Mueller  
State Auditor

April 17, 2009

Senator Kathleen Vinehout and  
Representative Peter Barca, Co-chairpersons  
Joint Legislative Audit Committee  
State Capitol  
Madison, Wisconsin 53702

Dear Senator Vinehout and Representative Barca:

The attached report updates the analysis of overtime in state agencies that we first provided in a letter report issued in June 2008. Both documents focus on premium overtime, which is paid at 1.5 times the employee's regular hourly rate, typically for work in excess of 40 hours per week.

From 2005 through 2008, state agencies paid a total of \$253.8 million in overtime, of which \$209.8 million was premium overtime. Premium overtime payments increased 15.8 percent over that four-year period, and 0.9 percent from 2007 to 2008. Payments at regular hourly rates to employees who worked more than 40 hours per week increased \$0.8 million, or 11.6 percent, from 2007 to 2008.

Our previous analysis found that 90.0 percent of premium overtime payments were made by four state agencies that either have 24-hour operations or respond to emergencies: the Department of Corrections (DOC), the Department of Health Services (DHS, formerly the Department of Health and Family Services), the Department of Transportation, and the Department of Natural Resources. DOC's premium overtime payments declined \$1.3 million, or 3.7 percent, from 2007 to 2008, but the other three agencies' premium overtime payments increased. Our June 2008 report recommended that DOC and DHS analyze overtime use at their facilities and submit options for reducing overtime costs to the Joint Legislative Audit Committee by January 5, 2009. Both agencies recently requested additional time to submit their reports.

We also reviewed 2008 overtime payments to the ten employees with the highest premium overtime earnings from 2005 through 2007. Although payments to six of these individuals declined, their 2008 premium overtime earnings ranged from \$25,666 to \$85,818. We identified 25 DOC and DHS employees who each earned more than \$50,000 in premium overtime in addition to regular wages for 2008.

We appreciate the courtesy and cooperation extended to us by staff of the Office of State Employment Relations, DOC, and DHS.

Sincerely,

A handwritten signature in cursive script that reads "Janice Mueller".

Janice Mueller  
State Auditor

JM/DA/ss

Enclosure



## **FOLLOW-UP ON OVERTIME IN STATE AGENCIES**

State agencies paid a total of \$66.5 million in overtime during 2008, which is an increase of 2.2 percent over the prior year. However, we note that the calendar year was such that an additional biweekly pay period occurred in 2008, as it does approximately once every ten years.

The most common category of overtime is premium overtime, which is generally paid at 1.5 times the employee's regular hourly rate. The State also pays regular overtime, largely to supervisory or professional staff at the discretion of management, and holiday and other overtime. Regular overtime is paid at the employee's regular rate of pay for hours in excess of 40 per week. Holiday and other overtime is paid for regular hours that qualify for a higher rate of pay.

We obtained 2008 overtime data from the State's central payroll system. It excludes employees of the University of Wisconsin System, the Legislature, and the courts, who are paid through other systems or follow other personnel policies.

### **Table 1—Overtime Payments by Category**

In 2008, state agencies paid a total of \$66.5 million for all overtime, including \$54.3 million for premium overtime. The appendix summarizes all premium overtime payments from 2005 through 2008 by state agency.

Regular overtime payments to employees who worked more than 40 hours per week increased \$0.8 million, or 11.6 percent, from 2007 to 2008.

### **Table 2—Four Departments with Highest Premium Overtime Payments**

While most agencies have some employees who earn premium overtime, four agencies that either have 24-hour operations or must respond to emergencies continue to account for the majority of premium overtime payments:

- the Department of Corrections (DOC);
- the Department of Health Services (DHS, which was the Department of Health and Family Services at the time of our last report);
- the Department of Transportation (DOT); and
- the Department of Natural Resources (DNR).

Only DOC's premium overtime payments declined in 2008.

### **Table 3—Position Classifications Receiving the Highest Premium Overtime Payments**

The same ten position classifications received the largest premium overtime payments during the last four years, and approximately 4,000 correctional officers and correctional sergeants accounted for 48.1 percent of all 2008 premium overtime payments. Premium overtime payments declined slightly for three DOC position classifications but increased for DOC youth counselors, as well as for certain DHS staff and state troopers.

### **Table 4—Employees with Highest Premium Overtime Earnings from 2005 through 2007**

The table updates our June 2008 data for the ten employees with the highest premium overtime earnings from 2005 through 2007. Premium overtime payments to six of these individuals declined in 2008. The most significant decline was for the employee who earned the most premium overtime from 2005 through 2007 and retired in 2008.

We identified 25 employees—15 DOC correctional officers and correctional sergeants and 10 DHS direct patient care staff—who each earned more than \$50,000 in premium overtime in addition to their regular wages for 2008. Seven of the ten employees with the highest premium overtime earnings from 2005 through 2007 are included in that group. The most premium overtime paid in 2008 was \$97,800, which was paid to a nurse clinician at Mendota Mental Health Institute who averaged nearly 80 hours of overtime for each two-week pay period. This employee, who began employment in 2007, was not listed in Table 4 of our prior report.

### **Table 5—DOC’s Premium Overtime Payments by Position Classification**

The table presents trend data for DOC employees. Premium overtime payments declined for four classifications and increased for one.

### **Table 6—Premium Overtime Payments to Direct Patient Care Staff**

The table presents trend data for patient care staff of the three state agencies that operate health facilities or nursing homes. Premium overtime payments to DOC’s patient care staff declined in 2008, while premium overtime payments to DHS and Department of Veterans Affairs staff increased.

Table 1  
**Overtime Payments by Category**  
(in millions)

Category <sup>1</sup>	2005	2006	2007	2008	Total
Premium Overtime	\$46.9	\$54.8	\$53.8	\$54.3	\$209.8
Regular Overtime	6.0	6.9	6.9	7.7	27.5
Holiday and Other Overtime	3.6	4.0	4.4	4.5	16.5
<b>Total</b>	<b>\$56.5</b>	<b>\$65.7</b>	<b>\$65.1</b>	<b>\$66.5</b>	<b>\$253.8</b>

<sup>1</sup> The categories are defined as follows:

*Premium Overtime*—Hours in excess of 40 per work week that qualify for payment at a rate generally 1.5 times the employee's regular hourly rate.

*Regular Overtime*—Hours in excess of 40 per work week that are paid at the employee's regular hourly rate.

*Holiday and Other Overtime*—Regular hours that qualify for a higher rate of pay. For example, hours worked on a holiday generally are paid at 1.5 times the employee's regular hourly rate.

Table 2  
**Four Departments with Highest Premium Overtime Payments**  
(in millions)

Department	2005	2006	2007	2008	Total
DOC	\$30.3	\$36.1	\$34.7	\$33.4	\$134.5
DHS	7.5	9.1	9.5	10.3	36.4
DOT	3.5	3.5	3.4	3.6	14.0
DNR	1.6	1.8	1.9	2.1	7.4

Table 3

**Position Classifications Receiving the Highest Premium Overtime Payments**  
(in millions)

Job Classification	Department(s)	2005	2006	2007	2008	Change from 2007 to 2008
Correctional Officer	DOC, DHS	\$13.9	\$16.2	\$15.1	\$14.5	(4.0)%
Correctional Sergeant	DOC, DHS	10.6	12.8	12.2	11.6	(4.9)
Resident Care Technician 2	DHS	2.9	3.2	3.3	3.4	3.0
Probation and Parole Agent C	DOC	2.2	2.9	3.1	2.9	(6.5)
Nurse Clinician 2	DOC, DHS, Public Instruction, Military Affairs, and Veterans Affairs	2.0	2.3	2.5	2.5	0.0
State Patrol Trooper	DOT	1.1	1.4	1.7	1.9	11.8
Youth Counselor	DOC	1.3	1.4	1.2	1.5	25.0
Resident Care Technician 1	DHS	0.7	1.1	1.4	1.6	14.3
Psychiatric Care Technician	DHS	0.6	1.1	1.3	1.5	15.4
Conservation Warden	DNR	0.8	0.9	0.9	0.9	0.0
<b>Premium Overtime for These Classifications</b>		<b>\$36.1</b>	<b>\$43.3</b>	<b>\$42.7</b>	<b>\$42.3</b>	<b>(0.9)</b>



Table 4

**Employees with Highest Premium Overtime Earnings from 2005 through 2007**

Position Classification	Agency	Facility	Age in 2007	2005	2006	2007	2008 Update
Nurse Clinician 2—Weekend	DOC	Milwaukee Secure Detention Facility	61	\$72,749	\$86,557	\$103,412	\$41,734
Nurse Clinician 3	DHS	Central Wisconsin Center	44	57,542	67,083	103,062	85,818
Nurse Clinician 2	DHS	Southern Wisconsin Center	50	81,206	66,150	77,212	65,463
Resident Care Technician 2	DHS	Mendota Mental Health Institute	61	60,089	66,237	75,674	76,766
Correctional Sergeant	DOC	Oakhill Correctional Institution	54	68,184	30,948	90,004	68,213
Correctional Sergeant	DOC	Columbia Correctional Institution	53	45,611	68,342	55,612	57,906
Correctional Sergeant	DOC	Oakhill Correctional Institution	44	46,332	68,325	53,321	65,989
Correctional Sergeant	DOC	Fox Lake Correctional Institution	50	58,121	68,007	36,575	25,666
Correctional Sergeant	DOC	Oakhill Correctional Institution	44	41,816	63,100	57,536	60,829
Correctional Sergeant	DOC	Oakhill Correctional Institution	45	44,526	56,641	59,042	42,614

Table 5

**DOC's Premium Overtime Payments by Position Classification**  
(in millions)

Position Classification	2005	2006	2007	2008	Percentage of Total
Correctional Officer <sup>1</sup>	\$13.7	\$16.0	\$14.9	\$14.3	42.8%
Correctional Sergeant <sup>1</sup>	10.5	12.7	12.1	11.5	34.4
Probation and Parole Agent <sup>2</sup>	2.5	3.3	3.6	3.3	9.9
Youth Counselor <sup>2</sup>	1.6	1.8	1.6	1.9	5.7
Nursing Staff <sup>2</sup>	0.9	1.1	1.2	1.1	3.3
Other	1.1	1.2	1.3	1.3	3.9
<b>Total</b>	<b>\$30.3</b>	<b>\$36.1</b>	<b>\$34.7</b>	<b>\$33.4</b>	<b>100.0%</b>

<sup>1</sup> The premium overtime in this table is less than the premium overtime reported in Table 3 because DHS also employs correctional officers and sergeants at some of its institutions.

<sup>2</sup> Includes related classifications.

Table 6

**Premium Overtime Payments to Direct Patient Care Staff<sup>1</sup>**  
(in millions)

Department	2005	2006	2007	2008	Change from 2007 to 2008
DHS	\$6.1	\$7.4	\$ 8.2	\$ 8.7	6.1%
Veterans Affairs	1.3	1.3	1.2	1.6	33.3
DOC	0.9	1.1	1.2	1.1	(8.3)
<b>Total</b>	<b>\$8.3</b>	<b>\$9.8</b>	<b>\$10.6</b>	<b>\$11.4</b>	<b>7.5</b>

<sup>1</sup> Includes seven nursing classifications, such as nurse clinician, resident care technician, psychiatric care technician, and nursing assistant.

■ ■ ■ ■

Appendix

**Premium Overtime Payments by Agency**  
Calendar Years 2005 through 2008

Department	2005	2006	2007	2008
Administration	\$ 421,869	\$ 504,549	\$ 439,758	\$ 462,106
Agriculture, Trade and Consumer Protection	179,306	124,282	199,750	169,558
Arts Board	82	–	377	222
Board of Commissioners of Public Lands	–	45	829	89
Board on Aging and Long Term Care	303	89	114	381
Board for People with Developmental Disabilities	–	–	–	443
Children and Families	–	–	–	2,002
Commerce	12,201	51,039	52,207	41,523
Commissioner of Insurance	–	95	612	862
Corrections	30,253,351	36,106,526	34,692,176	33,477,603
Educational Communications Board	88,328	104,373	78,648	79,882
Government Accountability Board	22,515	69,195	12,038	20,124
Employee Trust Funds	10,277	38,583	12,888	23,262
Employment Relations Commission	–	–	–	8
Financial Institutions	2,494	6,850	5,653	3,728
Governor's Office	624	776	883	536
Health Services	7,531,841	9,039,023	9,515,905	10,270,153
Historical Society	32,145	25,791	48,372	32,996
Investment Board	1,298	134	1,792	–
Justice	165,826	110,632	74,829	101,065
Lieutenant Governor's Office	–	1,041	–	–
Military Affairs	198,774	216,612	302,186	421,441
Natural Resources	1,634,058	1,831,990	1,875,133	2,067,713
Office of State Employment Relations	1,416	1,475	1,855	1,240
Public Defender Board	76,525	82,028	93,328	85,215
Public Instruction	163,167	241,716	237,794	211,575
Public Service Commission	158	333	271	41
Regulation and Licensing	2,207	1,775	8,394	10,112
Revenue	19,562	34,065	88,192	15,418
Secretary of State	–	411	–	–
State Fair Park	372,811	306,082	358,297	348,511
State Treasurer	2,816	789	3,689	3,043
Tourism	773	1,750	4,673	4,015
Transportation	3,502,094	3,489,676	3,415,273	3,563,576
Veterans Affairs	1,509,282	1,539,052	1,526,841	1,885,478
Workforce Development	648,697	872,799	748,720	978,613
<b>Total</b>	<b>\$46,854,800</b>	<b>\$54,803,576</b>	<b>\$53,801,477</b>	<b>\$54,282,534</b>