



STATE OF MICHIGAN
DEPARTMENT OF CORRECTIONS
LANSING

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GOVERNOR

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HB 5881 – Rehiring of Retired Corrections Officers

Updated: December 3, 2012

The Department of Corrections' (DOC) FY13 budget, as passed by the Legislature and signed by the Governor, has \$10 million in savings built into the budget based upon the statutory amendment, contained in HB 5881, which would permit the department to rehire retired corrections officers. HB 5881 permits the DOC to rehire retired corrections officers to provide custody for individuals under the department's jurisdiction. Under the bill, retired corrections officer could be rehired on a limited-term basis, with not benefits paid, and would only be permitted to work 1,040 hours in a 12-month time frame. The rehired retirees' pay would be capped at 80% of the maximum hourly wage permitted for a classified civil service employee that is performing the same duties as the retirant. This provision would sunset on September 30, 2013. This legislation will not expand the retirement benefits of the retirant. Without this legislation, the DOC's FY13 budget will have a \$10 million shortfall.

HB 5881 will enable the MDOC to utilize trained, quality officers to decrease overtime and assist with vacancies that exist statewide. The MDOC will not stop hiring new employees; however, the department cannot hire enough new officers expeditiously to address overtime. MDOC has averaged 377 statewide vacancies a month over the past ten months, and there are approximately 775 anticipated vacancies annually (COs who have left the DOC because of retirement/resignation/termination, etc.). We lose between 30-40 officers a month statewide.

In FY11, the MDOC spent \$66.5 million in overtime. In FY12, the year-end estimate for overtime is \$57.5 million. MDOC has reduced the overtime incurred in FY12 because it has: eliminated unnecessary positions; closed custody assignments at the beginning of shifts; and, re-assigned roving staff to fill vacant positions. Additionally, the current MCO contract prohibits the use of leave time in overtime calculations.

MDOC will continue to recruit and train new employees. We ran two new employee schools (NES) (April and July) and started a third (September) with the \$4.3 million appropriated in the FY12 budget. We graduated 163 new officers in FY12 (117 from April school and 46 from the July school). In FY13, we plan to run 3 NESs (including the one that started 9/17/12 which will graduate 189 new officers) with the appropriated \$8.6 million, and expect to graduate 440 new corrections officers. NES runs for 16 weeks, eight weeks of which include skills based training in a classroom setting (i.e., DOC policies/procedures; simulate incident training; prisoner restraints; custody and security; communication; firearms familiarization and range qualifications...) and the later eight weeks is On-The-Job Training in a correctional facility. NESs are typically held in Lansing, as it is a central location, because new officers are hired for facilities throughout the state.

MICHIGAN DEPARTMENT OF CORRECTIONS

Non-Career Officer Savings Calculations for \$10,000,000 in FY13
10/4/2012

As of September 15, 2012

Regular OT hours	1,249,357.6
Holiday OT hours	298,155.3
Total	1,547,512.9

	MCO - Ret 1	MCO Ret 40	Non Career Min Hely Wage
Current Average Hourly Rate	\$ 24.27	\$ 24.27	\$ 16.46
OT Premium	\$ 12.14	\$ 12.14	\$ -
Total Salary	\$ 36.41	\$ 36.41	\$ 16.46
Assume:			
Retirement	0.5715		
	\$ 20.81	\$ 19.59	\$ 1.26 FICA/Medicare Only
Total Cost OT	\$ 57.21	\$ 56.00	\$ 17.72
Net Cost Per Hour OT	\$ 57.21	\$ 56.00	\$ 17.72
Net Savings Per Hour OT			\$ 39.49
Hours worked by Non-career officers to save \$10,000,000.			253,221
# Non-career if each work 1040 hrs			243.48
% of FY12 total OT hours			16%

Also would save not having to pay replacement officers insurance costs of approx.
\$15,400/fte