



OFFICE OF THE STATE COMPTROLLER

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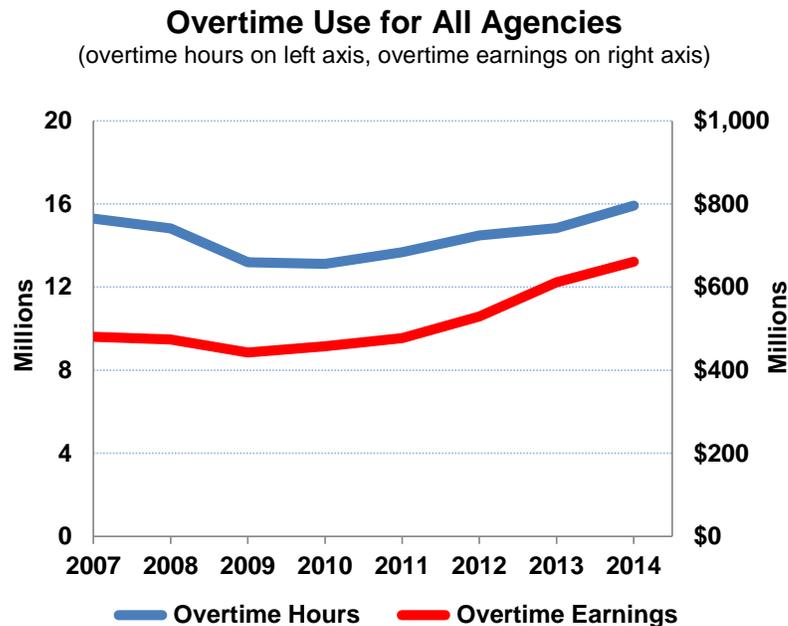
New York State Agencies' Use of Overtime

April 2015

Summary

This report by the Office of the State Comptroller on overtime use by New York State agencies examines overtime patterns over the past eight calendar years.¹ The total cost of overtime in calendar year 2014 was more than \$661 million for over 15.9 million overtime hours worked.

Figure 1



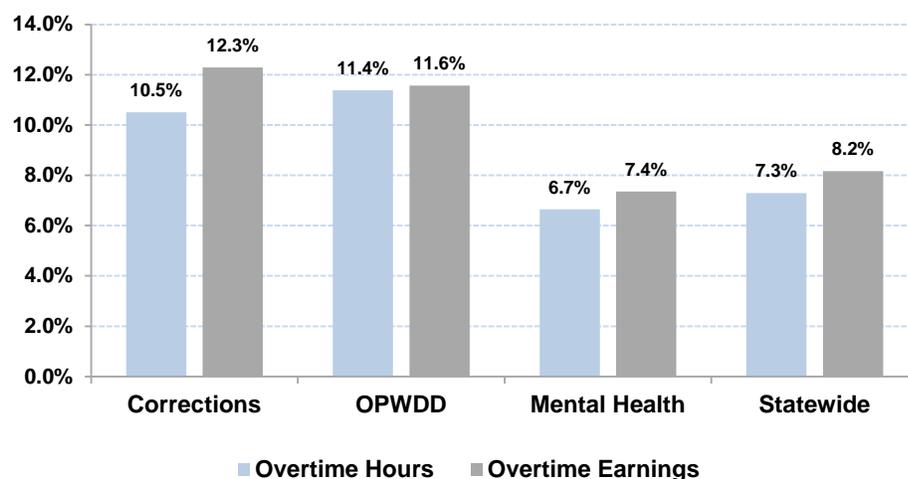
As shown in Figure 1, total overtime usage by New York State agencies increased in 2014 for the fourth straight year. Overtime hours rose by 7.3 percent, a higher increase than in any of the past four years. Overtime earnings rose for the fifth straight year, with an 8.2 percent increase compared to a 15.6 percent jump the previous year. Other key findings in the report include the following:

¹ The data used to produce this report are taken from the New York State payroll system, which is operated and maintained by the Office of the State Comptroller. Overtime usage is presented in this report on a calendar year basis. This report is based on total employee counts at the agencies, rather than Full-Time Equivalent (FTE) counts. Lump sum and retroactive overtime payments are not included. With the exception of 2008 and 2013, which each had an extra pay period, the data reflect 26 pay periods each year. Hours and earnings totals include payments made in pay period 27 of 2008 and 2013, which consisted of, respectively, the institutional and administrative payrolls. Calculations of averages exclude data from these partial end-of-year pay periods.

- Total overtime earnings and hours in 2014 were higher than in any of the previous seven years. For both hours and earnings, nine of the ten State agencies with the highest levels of overtime reported increases from 2013 to 2014.
- Overtime comprised 4.3 percent of overall payroll spending in 2014, up from 3.9 percent in 2013, reflecting the highest share among the years analyzed in this report. Overtime spending cumulatively totaled \$4.1 billion, or approximately 3.5 percent, of total payroll between 2007 and 2014.
- Three agencies that manage institutional settings – the Department of Corrections and Community Supervision (Corrections), the Office for People With Developmental Disabilities (OPWDD) and the Office of Mental Health (Mental Health) – accounted for nearly two-thirds of the overtime hours and earnings logged by all State agencies in 2014. Overtime hours at OPWDD rose 11.4 percent from the prior year and more than 60 percent from 2009 to 2014, while overtime earnings at Corrections increased 12.3 percent from the prior year and by 94 percent from 2009 to 2014.

Figure 2

Percentage Change in Overtime Hours and Earnings, 2013 to 2014



- The average annual number of State employees, not including the State University of New York (SUNY) and the City University of New York (CUNY), declined by more than 4,000, or 2.5 percent, in 2014 and by 13.2 percent since 2007. Ten major agencies have seen reductions of more than 10 percent in employee counts since 2007, with the largest in the Office of Children and Family Services (Children & Family), Department of Health (Health), Department of Environmental Conservation (DEC), and the Office of Temporary and Disability Assistance (OTDA).

Given that Executive directives emphasize limiting overtime, all agencies should carefully monitor overtime use to ensure that it is justified and reduce such costs where appropriate, while ensuring that necessary work is achieved efficiently and effectively.

Overview

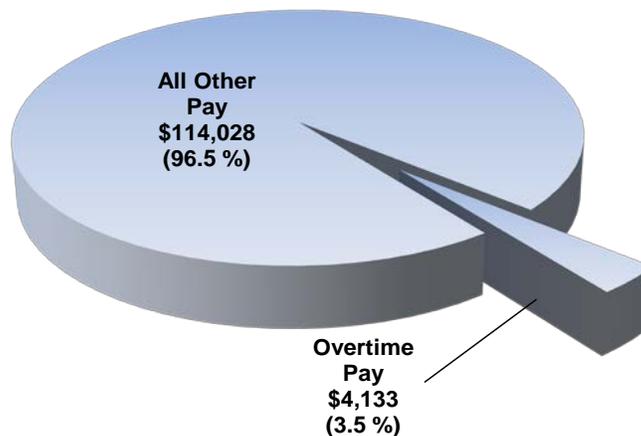
Consistent with applicable provisions of the Federal Fair Labor Standards Act, employees of the State who are eligible for overtime compensation are paid for work performed in excess of 40 hours per week at a rate equal to one and one-half times their regular rate of pay. Not all State employees are eligible for overtime earnings. Generally speaking, under Division of the Budget (DOB) guidelines, employees in positions allocated or equivalent to Civil Service grade 23 and above are exempt from and/or ineligible for overtime compensation.² Longstanding DOB policy regarding State agency use of overtime provides that:

It is the policy of the State that overtime work be held to a minimum consistent with the needs and requirements of sound and orderly administration of State government. The State requires supervisors to hold overtime work to such a minimum by the proper scheduling and assignment of activities, simplification of work processes and requiring compliance with realistic standards of performance. It is critical that agencies carefully review all current scheduling, standby and on-call arrangements to insure that overtime payments are consistent with this policy.³

Figure 3 shows overtime as a share of total earnings between 2007 and 2014, expressed both in dollar terms and as a percentage. The amounts for All Other Pay represent the difference between the total State payroll and overtime. Overtime has accounted for 3.5 percent of all State payroll costs since 2007, totaling more than \$4.1 billion over that period. Total overtime expenditures in 2014 were approximately \$661 million.

Figure 3

Overtime as a Share of Total Payroll, 2007 – 2014 (in millions of dollars and in percentages)



² See Division of the Budget, *Payment of Overtime Compensation to State Employees*, Budget Bulletin G-1024, dated July 27, 1986. Effective October 26, 2012, the Division of the Budget instituted a special policy through Budget Bulletin G-1034 to accommodate employee overtime compensation for work associated with Superstorm Sandy, providing commissioners and agency heads the flexibility to provide, within existing budget allocations, employees who were otherwise ineligible for overtime with overtime compensation for excessive hours worked for necessary preparation and response to the storm. According to DOB's website, this budget bulletin is no longer in effect; additional guidance on overtime has not been issued since.

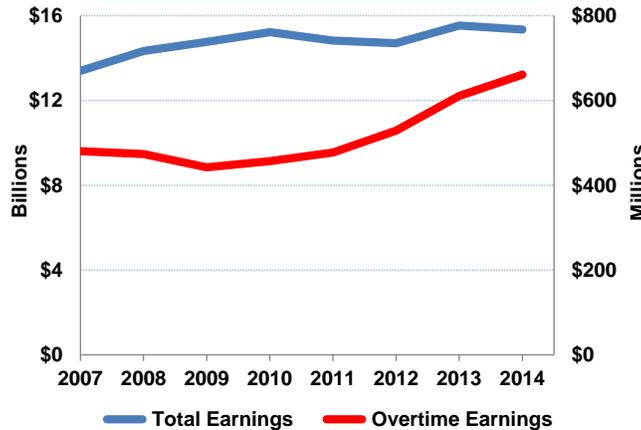
³ See Division of the Budget, *Payment of Overtime Compensation to State Employees*, Budget Bulletin G-1024, dated July 27, 1986.

As illustrated in Figure 4, total earnings of State employees in 2014 decreased by \$186 million, or 1.2 percent, following a year of 5.6 percent growth. Overtime earnings have increased yearly since 2009. Figures on overtime earnings and hours for major agencies, from 2007 through 2014, are in the appendices to this report.

Figure 4

Comparison of Total Earnings vs. Overtime Earnings Trends for All Agencies

(total earnings on left axis, overtime earnings on right axis)



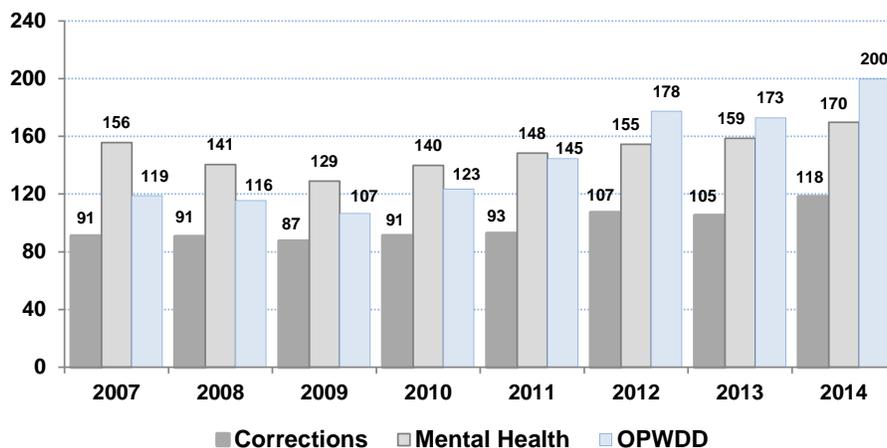
Agencies with the Most Overtime

The majority of overtime use in 2014 was concentrated within three agencies that manage institutional settings – OPWDD, Corrections and Mental Health. Together, these agencies accounted for 65.0 percent of the overtime hours and 63.6 percent of the overtime earnings logged by all State agencies in 2014. This is consistent with recent overtime patterns in the State. Figure 5 shows the average number of hours of overtime per employee for Corrections, Mental Health and OPWDD. Overtime per employee increased from 2013 to 2014, continuing a general trend starting in 2010. Overtime per employee at OPWDD nearly doubled from 2009 through 2014.

Figure 5

Average Annual Overtime Hours per Employee

(total number of overtime hours per year divided by annual average number of employees per pay period)



2014 Agency Overtime Comparisons

Figure 6 summarizes overall overtime results for major State agencies in 2014, including total overtime hours accrued, total overtime earnings in millions of dollars, the percentage of agency employees who received overtime, the average overtime pay per hour and the percentage of agency pay spent on overtime.

Figure 6

2014 Agency Overtime (OT)

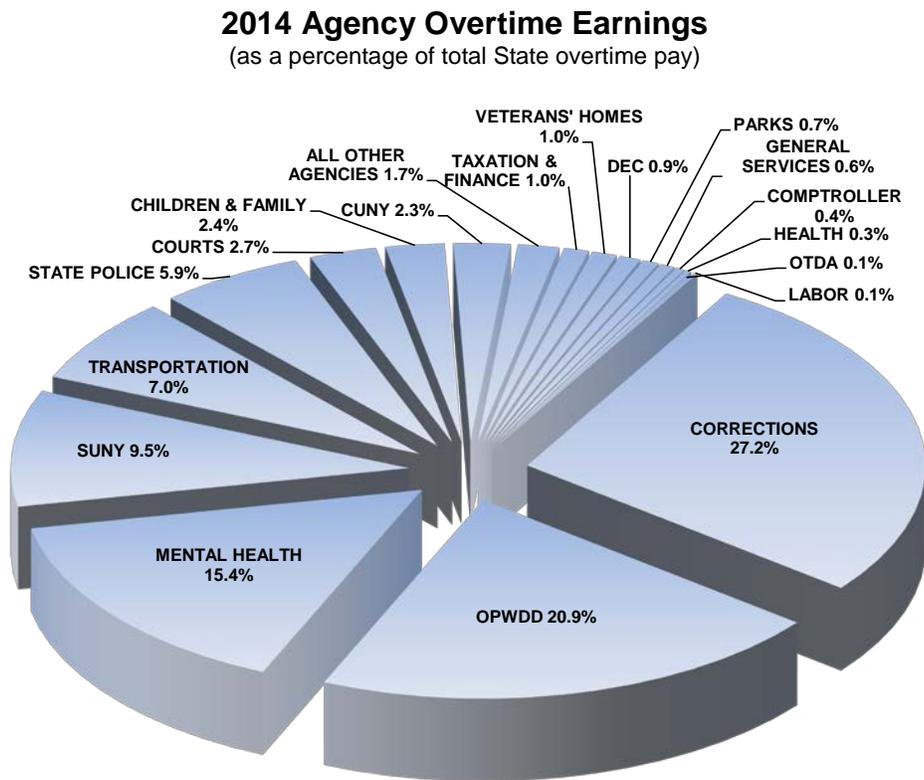
Agency	Total OT Hours	Total OT Pay (Millions \$)	OT Employees as Share of Agency Employees	Average OT Pay per OT Hour	OT Pay as Share of Agency Pay
OPWDD	4,239,803	\$138.5	42.9%	\$32.66	12.4%
VETERANS' HOMES	192,672	\$6.7	48.6%	\$34.74	11.7%
MENTAL HEALTH	2,607,666	\$101.5	34.6%	\$38.94	9.4%
TRANSPORTATION	1,323,187	\$46.1	35.6%	\$34.81	8.6%
CORRECTIONS	3,491,550	\$180.2	33.6%	\$51.60	8.5%
CHILDREN & FAMILY	412,184	\$15.8	26.9%	\$38.35	8.0%
STATE POLICE	523,720	\$38.9	38.9%	\$74.21	6.6%
GENERAL SERVICES	113,457	\$4.0	19.5%	\$35.46	4.2%
PARKS	109,139	\$4.4	11.3%	\$40.42	2.9%
DEC	111,899	\$5.8	11.8%	\$51.61	2.4%
TAXATION & FINANCE	190,647	\$6.7	10.8%	\$35.26	2.3%
SUNY	1,466,690	\$62.6	8.2%	\$42.70	1.8%
COMPTROLLER	67,805	\$2.5	10.7%	\$36.80	1.4%
COURTS	358,308	\$18.0	11.4%	\$50.34	1.2%
CUNY	363,667	\$15.2	3.5%	\$41.76	1.1%
HEALTH	41,053	\$1.7	3.7%	\$41.03	0.7%
ALL OTHER AGENCIES	265,311	\$11.0	3.9%	\$41.52	0.6%
OTDA	17,012	\$0.8	5.1%	\$47.27	0.6%
LABOR	21,578	\$0.8	2.3%	\$36.20	0.4%
STATEWIDE	15,917,346	\$661.2	17.0%	\$41.54	4.3%

Key measures of overtime in 2014, as shown in Figure 6, are as follows:

- Overtime hours** – State agencies accrued over 15.9 million hours of overtime in 2014, about 1.1 million hours, or 7.3 percent, more than in 2013. OPWDD had the most total overtime, with over 4.2 million hours, accounting for 26.6 percent of the total overtime hours in the State. Corrections followed at almost 3.5 million hours, or 21.9 percent of the total, and Mental Health had over 2.6 million hours, or 16.4 percent of the total. See the appendices for more details on overtime hours.
- Overtime earnings** – In 2014, the State spent almost \$661.2 million on overtime earnings, an increase of \$49.9 million, or 8.2 percent, over 2013. OPWDD, Corrections and Mental Health accounted for 63.6 percent of total overtime payroll spending by State agencies. Of this total, Corrections accounted for 27.2 percent, followed by OPWDD at 20.9 percent and Mental Health at 15.4 percent. Together, SUNY and CUNY accounted for about 11.8 percent. The State Police and the Unified Court System (Courts) combined accounted for 8.6 percent of the total. The Department of Transportation (Transportation) accounted for 7.0 percent. All other agencies accounted for the remaining 9.1 percent. The appendices provide additional details on overtime earnings over the last eight years.

Figure 7 identifies individual agency overtime earnings as a percentage of overtime earnings for all State agencies in 2014. These percentages are similar to those from 2013.

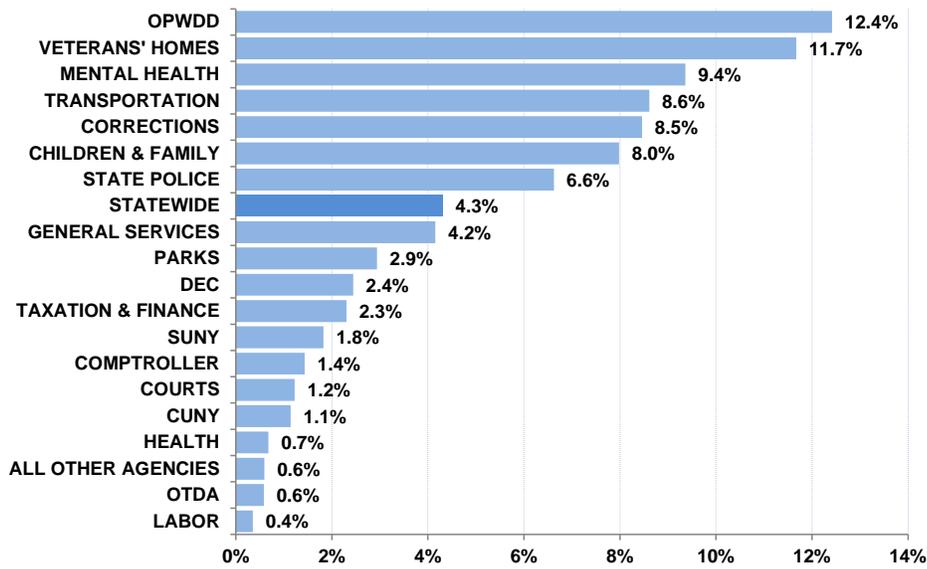
Figure 7



- Overtime employees as a share of all agency employees** – This measure identifies the percentage of an agency’s workforce that earns overtime, providing an indicator of each agency’s reliance on overtime to accomplish its work. Agencies with over 25 percent of their workforces accruing overtime can be considered heavily reliant on overtime to meet their responsibilities. Seven State agencies meet this criterion. Veterans’ Homes had the highest share of overtime employees, at nearly 50 percent.
- Average pay per overtime hour** – This measure compares average hourly overtime earnings rates among agencies. The State Police paid the highest hourly rate, at \$74.21 per overtime hour. DEC paid the next highest hourly rate, at \$51.61 an hour, followed closely by Corrections at \$51.60 an hour. The fourth highest agency was Courts at \$50.34 an hour.
- Overtime pay as a share of agency pay** – Figure 8 shows overtime earnings as a percentage of agency pay. In 2014, the agency with the highest percentage of payroll for overtime was OPWDD at 12.4 percent of total agency pay. Next was Veterans’ Homes at 11.7 percent of total agency pay. While this agency is small, it is similar in service characteristics to larger institutional agencies. These were followed by Mental Health at 9.4 percent, Transportation at 8.6 percent and Corrections at 8.5 percent.

Figure 8

Overtime as a Percentage of Agency Pay in 2014



Other agencies with higher-than-average percentages of overtime relative to total pay include Children & Family at 8.0 percent and the State Police at 6.6 percent. Larger agencies with comparatively low levels of overtime, relative to overall pay, include SUNY, Courts and CUNY.

Figure 9 shows two additional measures of overtime use in 2014 – average overtime hours and average overtime earnings per pay period – for all employees who worked overtime at major State agencies, sorted by average biweekly overtime earnings.

Figure 9

2014 Overtime Averages

(per pay period for employees who worked overtime)

Agency	Hours	Earnings
MENTAL HEALTH	18.9	\$734
CHILDREN & FAMILY	18.8	\$719
CORRECTIONS	13.6	\$699
STATE POLICE	9.3	\$693
CUNY	14.9	\$622
OPWDD	17.9	\$585
TRANSPORTATION	16.7	\$580
DEC	10.1	\$521
HEALTH	12.4	\$511
GENERAL SERVICES	13.3	\$471
TAXATION & FINANCE	12.8	\$450
VETERANS' HOMES	12.8	\$445
SUNY	10.2	\$434
PARKS	9.5	\$383
ALL OTHER AGENCIES	8.9	\$370
COURTS	7.3	\$369
COMPTROLLER	9.4	\$344
LABOR	9.2	\$332
OTDA	6.5	\$305
STATEWIDE	14.3	\$593

Compared to 2013, the statewide average of overtime hours per pay period for employees who worked overtime increased 4.4 percent in 2014, while the statewide average of overtime earnings per pay period increased 5.1 percent.

In 2014, Mental Health had the highest average biweekly overtime earnings, followed by Children and Family Services and Corrections. Human service agencies tend to have higher average overtime earnings per pay period, driven largely by the number of overtime hours worked. In the case of Corrections, a relatively higher overtime hourly pay rate was a factor.

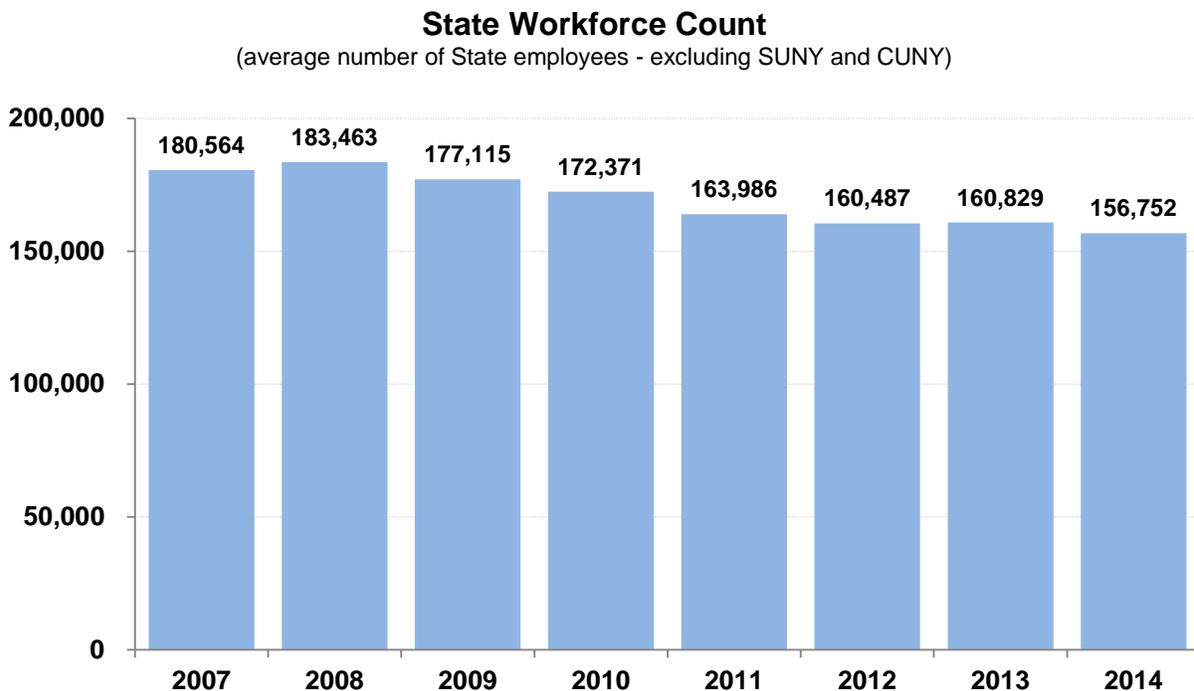
The Division of State Police had the fourth highest average biweekly overtime earnings, driven by its high overtime hourly pay rate, although the number of overtime hours worked per State Police employee who worked overtime is among the lowest of the agencies. Compared to 2013, the statewide average of earnings per hour of overtime increased 0.85 percent in 2014.

State Workforce Trends, 2007 through 2014

Since 2007, the average annual number of employees working for the State, not including SUNY and CUNY, has declined by 13.2 percent, as illustrated in Figure 10. This number is based on the agency “count,” or total number of all employees, including full-time, part-time and temporary staff per pay period throughout the year. The workforce fell by 2.5 percent, or more than 4,000 employees, in 2014.

SUNY and CUNY are excluded from this calculation because the number of employees at these institutions varies widely from year to year and includes paid student assistants and part-time instructors who often work at several campuses and who would therefore be counted as multiple employees.

Figure 10



These workforce counts are somewhat higher than the comparable number of Full-Time Equivalent (FTE) employees. The comparable number of FTE employees would be about 8,500 to 10,500 fewer per year between 2007 and 2014.

Figure 11 shows actual workforce counts on an average annual basis, broken down by agency. The table is sorted by the percentage change that has occurred between 2007 and 2014. Some changes may be due to the transfer of staff between agencies and reorganizations that have been underway during this time period. Nevertheless, the total count of State employees, not including SUNY and CUNY, has declined significantly.

The largest percentage reductions in employee counts since 2007 have been in Children & Family, Health, DEC, and OTDA. Ten agencies saw workforce reductions, and six agencies experienced increases, during 2014.

Figure 11

Agency Workforce Counts 2007 – 2014
(average number of State employees)

Count - Average Number of Agency Employees	2007	2008	2009	2010	2011	2012	2013	2014	Change 2007 to 2014	
Major Agencies										
CHILDREN & FAMILY	4,200	4,215	3,947	3,732	3,493	3,404	3,275	3,140	(1,060)	-25.2%
ALL OTHER AGENCIES	35,804	36,580	33,424	31,667	28,387	28,603	29,907	29,329	(6,474)	-18.1%
HEALTH	4,158	4,285	4,206	3,908	3,593	3,410	3,286	3,412	(746)	-17.9%
DEC	4,367	4,512	4,344	4,122	3,813	3,852	3,705	3,613	(754)	-17.3%
OTDA	2,378	2,343	2,306	2,338	2,219	2,108	1,927	1,969	(409)	-17.2%
TRANSPORTATION	10,264	10,429	10,273	9,990	9,198	9,010	8,975	8,580	(1,685)	-16.4%
GENERAL SERVICES	1,977	2,008	1,851	1,690	1,510	1,455	1,538	1,683	(295)	-14.9%
MENTAL HEALTH	17,983	18,474	17,759	17,331	16,681	15,907	15,717	15,355	(2,628)	-14.6%
OPWDD	24,838	25,316	24,743	24,027	23,348	22,672	22,606	21,214	(3,624)	-14.6%
CORRECTIONS	32,993	32,847	31,737	30,899	31,156	30,360	30,162	29,536	(3,457)	-10.5%
PARKS	4,390	4,596	4,189	4,053	3,919	3,965	4,011	3,936	(453)	-10.3%
COURTS	18,252	18,695	18,675	18,522	17,448	16,935	17,166	16,461	(1,791)	-9.8%
STATE POLICE	6,031	6,055	6,032	5,819	5,511	5,356	5,456	5,550	(481)	-8.0%
VETERANS' HOMES	1,276	1,316	1,272	1,227	1,180	1,183	1,205	1,192	(85)	-6.6%
TAXATION & FINANCE	5,384	5,430	5,639	5,930	5,584	5,315	5,004	5,296	(88)	-1.6%
COMPTROLLER	2,637	2,707	2,688	2,641	2,543	2,545	2,585	2,595	(41)	-1.6%
LABOR	3,633	3,656	4,030	4,475	4,403	4,408	4,303	3,891	258	7.1%
AVERAGE - STATE AGENCIES	180,564	183,463	177,115	172,371	163,986	160,487	160,829	156,752	(23,813)	-13.2%
Universities										
SUNY	63,465	65,014	64,727	64,992	65,206	67,137	68,121	67,926	4,461	7.0%
CUNY	29,598	32,136	32,735	34,653	35,768	38,523	39,680	27,151	(2,447)	-8.3%
All Agencies and Universities										
AVERAGE - ALL AGENCIES	273,627	280,613	274,577	272,016	264,960	266,147	268,630	251,829	(21,799)	-8.0%

Appendices

The appendices in this report show State agency overtime trends over the past eight years using various measures.

Appendix A

The following chart provides an eight-year history of overtime earnings by agency.

Agency Overtime Earnings – Annual Totals

(in millions of dollars)

	2007	2008	2009	2010	2011	2012	2013	2014	8-Yr Total
CORRECTIONS	\$99.7	\$94.1	\$92.7	\$103.0	\$104.6	\$137.3	\$160.4	\$180.2	\$972.0
OPWDD	\$69.7	\$74.0	\$69.9	\$81.8	\$95.1	\$112.9	\$124.1	\$138.5	\$766.0
MENTAL HEALTH	\$77.9	\$76.4	\$71.3	\$78.4	\$83.9	\$85.2	\$94.6	\$101.5	\$669.1
SUNY	\$42.9	\$46.8	\$46.7	\$48.6	\$50.8	\$52.2	\$57.9	\$62.6	\$408.6
TRANSPORTATION	\$39.0	\$39.4	\$34.7	\$28.8	\$41.5	\$29.9	\$43.3	\$46.1	\$302.7
STATE POLICE	\$43.3	\$32.8	\$26.9	\$24.1	\$25.9	\$34.1	\$35.1	\$38.9	\$261.1
COURTS	\$35.9	\$38.5	\$34.9	\$35.5	\$20.0	\$13.6	\$17.8	\$18.0	\$214.1
CHILDREN & FAMILY	\$12.0	\$11.0	\$11.7	\$12.3	\$11.5	\$13.7	\$15.3	\$15.8	\$103.4
CUNY	\$11.0	\$12.6	\$12.3	\$10.3	\$10.3	\$11.7	\$12.9	\$15.2	\$96.2
ALL OTHER AGENCIES	\$15.5	\$16.0	\$9.3	\$7.7	\$7.4	\$8.1	\$11.7	\$11.0	\$86.7
DEC	\$7.2	\$6.3	\$4.4	\$4.3	\$5.1	\$6.0	\$6.6	\$5.8	\$45.7
VETERANS' HOMES	\$4.3	\$4.5	\$4.3	\$5.0	\$5.2	\$5.7	\$6.4	\$6.7	\$42.2
PARKS	\$5.0	\$5.0	\$4.4	\$3.8	\$3.9	\$4.8	\$5.2	\$4.4	\$36.5
TAXATION & FINANCE	\$4.2	\$2.5	\$4.4	\$1.1	\$0.6	\$1.6	\$8.3	\$6.7	\$29.5
COMPTROLLER	\$3.3	\$3.6	\$3.4	\$3.8	\$3.3	\$3.0	\$2.6	\$2.5	\$25.5
LABOR	\$1.2	\$2.4	\$4.5	\$3.4	\$3.2	\$4.3	\$3.5	\$0.8	\$23.2
GENERAL SERVICES	\$3.6	\$2.9	\$1.7	\$1.5	\$2.3	\$2.5	\$3.3	\$4.0	\$21.7
HEALTH	\$3.2	\$3.2	\$2.2	\$1.7	\$1.5	\$1.2	\$1.8	\$1.7	\$16.6
OTDA	\$1.5	\$1.7	\$2.5	\$2.0	\$1.3	\$1.3	\$0.6	\$0.8	\$11.7
STATEWIDE	\$480.3	\$473.8	\$442.4	\$457.3	\$477.4	\$529.0	\$611.2	\$661.2	\$4,132.7

Appendix B

The following chart provides an eight-year history of overtime hours by agency.

Agency Overtime Hours – Annual Totals

	2007	2008	2009	2010	2011	2012	2013	2014	8-Yr Total
OPWDD	2,950,981	2,924,900	2,638,139	2,965,848	3,378,317	4,024,717	3,836,751	4,239,803	26,959,458
CORRECTIONS	3,005,194	2,973,602	2,775,403	2,819,161	2,888,396	3,256,812	3,134,687	3,491,550	24,344,804
MENTAL HEALTH	2,799,412	2,596,516	2,290,173	2,425,279	2,476,752	2,458,536	2,445,027	2,607,666	20,099,361
SUNY	1,357,967	1,424,671	1,342,439	1,350,440	1,411,322	1,436,002	1,363,333	1,466,690	11,152,865
TRANSPORTATION	1,343,628	1,308,566	1,105,164	901,985	1,270,583	872,383	1,243,178	1,323,187	9,368,673
COURTS	845,391	884,765	747,867	728,917	407,573	270,606	352,562	358,308	4,595,988
STATE POLICE	723,719	567,980	443,590	357,892	360,017	462,116	472,124	523,720	3,911,158
CHILDREN & FAMILY	390,439	341,722	351,014	356,363	321,519	383,779	402,301	412,184	2,959,319
CUNY	316,635	355,483	327,933	269,375	262,058	312,543	323,610	363,667	2,531,306
ALL OTHER AGENCIES	515,918	490,394	264,530	205,323	182,748	195,991	276,954	265,311	2,397,168
VETERANS' HOMES	156,755	153,682	137,282	154,678	158,718	177,015	188,622	192,672	1,319,424
PARKS	182,277	166,400	136,270	117,117	114,897	130,949	125,790	109,139	1,082,838
DEC	190,057	163,335	107,430	102,087	123,906	124,647	129,648	111,899	1,053,008
TAXATION & FINANCE	130,977	70,776	127,470	29,362	16,499	47,389	231,814	190,647	844,934
COMPTROLLER	104,751	111,003	103,359	111,189	91,765	85,052	71,208	67,805	746,133
LABOR	37,667	70,050	126,591	95,254	83,324	114,036	89,300	21,578	637,798
GENERAL SERVICES	119,868	91,919	51,579	41,630	62,763	66,145	88,655	113,457	636,015
HEALTH	91,372	86,382	58,995	45,198	38,158	31,047	44,460	41,053	436,665
OTDA	35,964	42,453	56,758	44,495	30,558	30,798	14,490	17,012	272,528
STATEWIDE	15,298,972	14,824,600	13,191,985	13,121,592	13,679,872	14,480,562	14,834,515	15,917,346	115,349,445