

## Overtime Expenditures - 2019

### ***Background***

APS spent \$2.7 million in overtime for FY19. This included \$1.2 million Transportation, \$.3 million Maintenance, \$.3 million Operation of Plant. Goal is to analyze root causes of Overtime and analyze processes to track and approve Overtime incurred.

### ***Initial Steps***

In preparation for this review, actual overtime paid to each employee for the pay periods in April through June 2019 was summarized.

As most overtime incurred was in Transportation, Maintenance and Plant Operations (custodians), a brief overtime presentation was made at the November 2019 Facilities and Operations staff meeting. This provided input on how to best proceed with this assignment.

One-hour meetings were later scheduled with Transportation, Maintenance and Plant Operations management to review overtime:

- ACTUAL overtime spent in April to June 2019.
- History of department overtime from FY17 to present.
- Factors that lead to the use of overtime, such as staff vacancies and absences.
- Strategies that could help lower the use of overtime.

Meetings with each department discussed specific **department** data, including details of overtime incurred by the staff who earn the most overtime.

We learned the following for each area:

### **Maintenance:**

Much of the Maintenance overtime is dependent on the weather. One day of school closing may cause up to \$15,000 in overtime pay if all staff are required to work. Department is now scheduling only essential Maintenance staff, to reduce this amount to \$5,000.

### **Transportation:**

Changes are being considered within Transportation to increase hours per week from 30 to 40 for some staff. This would increase the hours available at regular instead of premium 150 % times hour rate. Also, drivers will now need to be available for their

entire shift in order to be paid for the entire 6-hour shift. In the past, some drivers could leave as soon as their scheduled runs were completed.

Transportation incurred \$316,000 of premium overtime in FY19. There is potential to reduce costs by \$100,000 if regular hours could be used, either through expansion of the workday from 6 to 7 or 8 hours or additional approved positions.

**Plant Operations:**

14 to 15 custodians are out each day due to Annual Leave, Sick Leave, FMLA, Workmen’s Compensation or staff turnover. The 8 relief custodians are challenged to cover all the daily vacancies at the Elementary Schools.

It was suggested that prior years’ budgets and actual be reviewed to understand budget history patterns. An increase in full time positions may be needed in order to avoid systemic overtime costs due to lack of available staff.

Apprenticeship program may be reactivated to develop new custodians at a lower pay rate.

***Follow-up after initial meetings***

Overtime for the current fiscal year to date (July to Nov 2019) was obtained and sorted by largest overtime dollars for each location and shared with the departments noted.

Follow-up meeting meetings were held in January 2020 to brainstorm\_potential changes to align staff availability at regular hourly rates with APS staffing needs.

It was noted that for the APS “M” scale leave policy has a built-in 20% vacancy rate for all employees who have been with APS for 12 years:

***“M” scale leave policy:***

<i>Sick</i>	<i>13 days</i>
<i>Annual</i>	<i>26 days (maximum for 12-year employee)</i>
<i>Holiday</i>	<i><u>13 days</u></i>
<i>Total</i>	<i>52 days / 260 days = 20% vacancy potential</i>

Therefore, on average, there are 4 staff available each day for every 5 positions. This impacts the use of overtime as many tasks and cleanings cannot be deferred during employee leave.

**Maintenance:**

Actual FY19 Overtime of \$308,068 is less than prior years (FY18 = \$417,000 and FY17 = \$528,668); it is still above budget of \$177,000. As most staff are full time, \$290,133 of this overtime is at the premium 1.5 times hour rate. If more tasks were done at regular rate, these funds could be used more effectively to meet maintenance demands.

Based on actual expenditures, it appears overtime has been used to staff weekend, on-call and seasonal maintenance hours that exceed scheduled hours.

**Recommendation:**

Director noted that much HVAC, electrical and plumbing overtime occurs on the weekend. Some M scale employees already have a regular weekly schedule which runs either Tues-Sat, Wed-Sun or Sun-Thurs and that is the most obvious current route to reduce overall overtime

Creating schedules for future hires that includes Saturday could lower the amount of overtime needed. Possibly one HVAC, one electrical and one plumbing position could include Saturday as part of the regular work week. Director will consult with HR on the feasibility of this suggestion. Long-term potential annual savings could be five figures.

Also, the ability to defer non-emergency weekend requests to the following week could reduce overtime needed.

**Management Response:**

*As open HVAC, electrical and plumbing technician positions are filled after the current hiring freeze has been lifted, the Director, Maintenance Services will collaborate with Human Resources to negotiate working days for new hires that include Saturdays and Sundays as proposed above. Although some work must be performed on Saturdays and Sundays to avoid disruption of teaching and learning in our schools, where possible work will be deferred to the following week to reduce overtime hours.*

## **Plant Operations:**

Actual FY19 Overtime of \$285,078 is consistent with prior years (FY18 = \$268,024 and FY17 = \$200,007). As most staff are full time, \$228,000 of this overtime is at the premium 150 % times hour rate. If more tasks were done at regular rate, these funds could be used more effectively to meet cleaning demands.

Plant Operations Director and Specialist prepared summary of FY19 total absent days for all Elementary School custodians due to sick leave, annual leave and other (FMLA, Workmen's Comp and staff turnover). For FY19 there were 2423 total "Elementary custodian days" absent.

8 relief custodians have 1680 days available to cover 69% the 2423 days absent.

- *Estimated 210 workdays per 12-year custodian (260 days less 13 sick days, 26 days annual leave and 13 holidays),*
- *8 x 210 days = 1680 days available.*

Based on actual expenditures, it appears overtime has been used over the past years to fill the gap for absent custodian hours that are not covered by regular relief hours.

Department staffing is not aligned with custodian absences at the elementary schools. Hourly rate staff are used as available for weekend assignments. However, premium overtime is usually needed to recruit weekend workers due to limited availability of flexible hourly staff. Premium overtime Monday to Friday is caused due to insufficient scheduled Relief Custodians to handle the needs at all elementary schools.

## **Recommendation:**

If additional custodial staff were available at regular rates, the funds currently used to pay premium overtime could be used more efficiently to meet current needs with increased hours available for cleaning.

### *Example:*

*Based on amounts proposed in the initial FY21 Budget Request, the funds used to pay premium overtime would fully fund the Apprenticeship program (5 FTE, total \$153,920) plus 1 additional relief custodian (1 FTE, total \$55,405) for a total of \$209,325.*

## **Management Response:**

*As noted above the square foot allowance for custodians limits the number of custodians assigned to elementary schools to between three and five. Elementary school principals find it very challenging to manage the workload if one or more custodians is absent. Hence the need for relief custodians, of which there are currently insufficient to manage the workload without paying overtime at time and a half. The Apprenticeship Program and the one additional relief custodian proposed in the original FY21 proposed budget were intended to address this situation and avoid exceeding the budget line item for custodial overtime.*

*Unfortunately, it has not been possible to include the Apprenticeship program and the additional relief custodian in the revised FY21 proposed budget. Facilities and Operations will repeat the requests in the FY22 proposed budget if possible. In the meantime, Plant Operations will attempt to limit the amount of additional overtime by declining requests for relief custodians at elementary schools with four or five custodians whenever possible, recognizing the limitations noted below.*

- *Declining requests from schools that have 5 or 6 custodians on the afternoon shift for an extended period (filling a vacancy for example), would cause difficulties with cleanliness.*
- *When an elementary school supervisor position goes vacant (regardless of the number of staff at the school), Plant Operations is obligated to cover the position regardless of whether it involves overtime or a relief custodian.*
- *Management cannot effectively refuse a request for extended overtime use to cover a custodian traveling to his or her home country for beyond the typical two-week vacation for example per the guidance provided by Human Resources; in such situations a relief custodian or four-hour overtime substitute must be assigned to the building for several days at a time to keep up with daily required cleaning.*
- *APS HR policy does not respond effectively regarding staff who are going back to their home countries due to illness of relatives. In domestic cases, staff can take off a few days, but employees from other countries may have to take two or more weeks of leave. In such cases Plant Operations is obligated to provide a relief custodian or four-hour substitute custodian to*

*provide the basic services, cleaning restrooms, sweeping classroom floors and removing trash and recycling from classrooms because the in-house custodians cannot keep up with the workload for a several day stretch.*

### **Transportation:**

Transportation incurred \$316,000 of premium (1.5 times hourly rate) overtime out of a total of \$1.2 million overtime in FY19. There is potential to reduce costs by \$100,000 if regular hours could be used, either through expansion of the workday from 6 to 8 hours or additional approved positions. If more tasks were done at regular rate, these funds could be used more effectively to meet transportation demands.

Based on actual expenditures, it appears overtime has been used over the past years to fill the gap for transportation hours not covered by scheduled staff. As most overtime is paid at regular rates, focus in on the premium overtime paid at 1.5 times regular rate (\$316,000).

Department staffing is not aligned with the total workload created by scheduled runs and shortage of drivers to cover routine absences. Therefore, premium overtime is required to handle transportation needs.

Despite efforts to fulfill transportation requests with budgeted resources, transportation demands create the need for staffing expenditures over budget.

### **Recommendation from Director, Transportation Services:**

In a memo dated January 23, 2020, Director outlined changes needed to better align staff availability at regular hourly rates with APS transportation needs.

- **Increase Swing Drivers daily hours from 6 hours to 8 hours.** Swing drivers work under the Cluster Leads, with the primary role of driving any open routes and assist as Cluster Leads during their absence with roll call, accountability of staff and approving daily paperwork (leave slips, timesheets, counseling, driving directions.) Currently, Swing Drivers receive overtime (approximately 2 hours) almost daily to accomplish basic transportation duties. If Swing Drivers were mirrored with 8-hour duty shifts, it would reduce overtime.

- **Hire "Floater Drivers"** that would work part-time, no benefits, with a higher pay to cover open runs. We would cap their hours as not to go into overtime. This is a bank of drivers we could call on like substitute teachers. This request is in the FY 2021 budget request.

- **We have increased our oversight on overtime by awarding work by seniority (most senior to newest employee) and supervisor accountability.** Our office has implemented awarding extra work for all that applied by seniority- meaning we go through the list of 160 drivers/attendants who signed up for extra work on a rotation. Also, now we offer the work by seniority and for those who have not reached 40 hours.

Additionally, any work assigned must be signed off by the granting supervisor; some tasks now have standard times for all participants.

#### **Management Response:**

*The Director's proposal to increase the standard work day for swing drivers from six to eight hours a day would be very helpful in setting and managing expectations for the role of swing drivers in supporting their cluster drivers and cluster leads. It would have little effect on the overall budget because the extra two hours would be performed at the same rate whether overtime or regular time. The two-hour increase will be proposed in the FY 2022 budget process.*

*Floater driver positions were included in the Interim Superintendent's original FY 2021 proposed budget, but unfortunately had to be removed from her revised budget. Floater drivers will again be proposed in the FY 2022 budget process. Not only will they allow Transportation Services to manage the budget more effectively but they will also provide improved services to our students.*

*At the beginning of FY 2020 Transportation Services started to assign overtime on rotation in order of seniority. This was intended not only to provide more equitable distribution of overtime hours, but also to reduce the number of hours performed at one and a half times the standard rate by drivers exceeding forty hours per week substantially. Though overtime is not, of course, currently being performed, it is expected that this control will reduce the amount of overtime performed at the higher rate in FY 2021.*