

State of Arizona
Office
of the
Auditor General

PERFORMANCE AUDIT

**ARIZONA
DEPARTMENT
OF CORRECTIONS**

**HUMAN RESOURCES
MANAGEMENT**

**Report to the Arizona Legislature
By Debra K. Davenport
Auditor General
March 2001
Report No. 01-04**

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

March 12, 2001

Members of the Arizona Legislature

The Honorable Jane Dee Hull, Governor

Mr. Terry L. Stewart, Director
Arizona Department of Corrections

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Department of Corrections—Human Resources Management. This report is in response to a June 16, 1999, resolution of the Joint Legislative Audit Committee. The performance audit was conducted as part of the Sunset review set forth in A.R.S. §41-2951 et seq. I am also transmitting with this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the Department agrees with all of the findings and recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

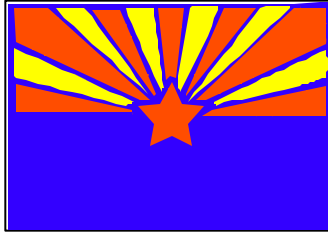
This report will be released to the public on March 13, 2001.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debbie Davenport", is written over a light blue horizontal line.

Debbie Davenport
Auditor General

Enclosure

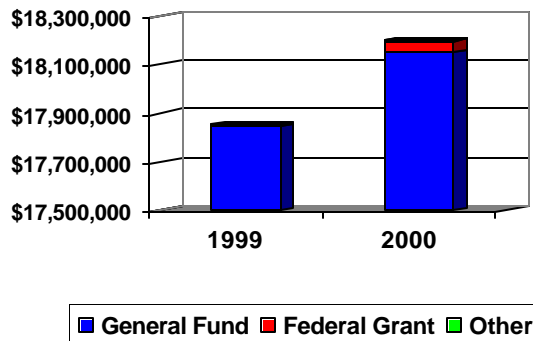


Program Fact Sheet

Department of Corrections Human Resources Management

Services: Human Resources Management is one of four subprograms under the Administration program in the Department of Corrections. Its mission is to ensure that the Department can attract, develop, and maintain qualified and informed professional staff. Human Resources performs several services for the Department including: **1) Personnel services and employee recruitment; 2) Policy development and research; 3) Staff development and training** and **4) Management of the Correctional Officer Training Academy.**

Revenue: Approximately \$18.2 million
(fiscal year 2000)

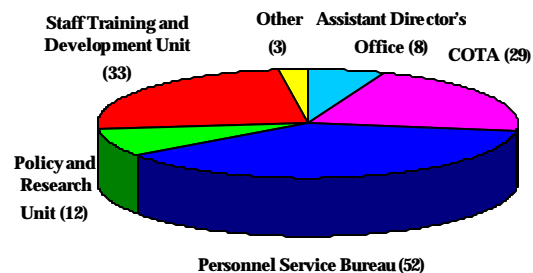


Facilities:

The Correctional Officer Training Academy (COTA), located on approximately 40 acres of land in the western foothills of Tucson, is leased from the Department of Public Safety. It includes administrative offices, classrooms, and dormitories.

The Recruitment Unit for Selection and Hiring in the Personnel Services Bureau operates out of the Department's building at 1645 W. Jefferson, Phoenix, AZ.

Personnel: 137 (fiscal year 2000)



Program Goals and Performance Measures:

The Human Resources Management subprogram has two goals and nine performance measures:

- To increase the recruitment of Correctional Officers; and
- To provide quality mandatory training programs and professional development programs to meet the Department's increasing requirements.

Adequacy of Goals and Performance Measures:

The goals and performance measures for the Human Resources Management program appear appropriate for its mission. However, they should be expanded to include additional input, output, and outcome measures, and new efficiency and quality measures. For example, the current performance measures regarding correctional officer recruitment should be expanded to include:

- **Input Measures:** The number of people who enroll at COTA.
- **Output Measures:** The number of people who graduate from COTA.
- **Outcome Measures:** The percentage of applicants who pass all tests compared to number tested.
- **Efficiency Measures:** 1) the percentage of applications processed compared to contacts made; 2) the percentage of job offers made compared to applications processed; 3) the percentage of applicants who fail to show up at COTA compared to the number of job offers accepted; 4) the percentage of cadets who graduate from COTA compared to the number of people who accepted job offers; and 5) the percentage of cadets who graduate from COTA compared to number of cadets who enrolled at COTA.

The performance measures associated with providing quality mandatory training programs should be expanded to include more detail on the types of programs staff have attended, and include a quality measure that assesses staff satisfaction with programs offered. The two output measures currently reported are not very meaningful as they only report the number of employees in professional development programs and the number of new programs.

Equipment:

The Human Resources and Development Division has over \$2.4 million in fixed assets. In addition to basic office equipment such as computers and printers, the Division uses the following equipment to carry out recruitment activities and employee training.

Arms and Weapons:

- 33 Remington Shotguns
- 5 12-Gauge Shotguns
- 2 Target Rangers
- 1 Colt AR-15 Rifle
- 8 Gas Guns
- 105 Glock Handguns



Audiovisual Equipment:

- 7 Camcorders
- 8 Digital Cameras
- 2 Editing Recorders
- 1 Editing System
- 30 Media Projectors
- 1 Teleprompter
- 15 Televisions
- 7 VCRs
- 11 TV/VCR Combinations
- 1 Video Production System



Communication Devices:

- 71 Portable Radios
- 6 HT1000 Radios
- 6 Cellular Phones



Gym Equipment:

- 2 Treadmills
- 2 Step Exercise Machines



Vehicles:

- 18 Sedans
- 22 Minivans/Vans
- 2 Trucks
- 1 Trailer
- 1 Rider-Lawnmower



SUMMARY

The Office of the Auditor General has conducted a performance audit of Human Resources Management at the Arizona Department of Corrections, in response to a June 16, 1999, resolution of the Joint Legislative Audit Committee. Although the Human Resources Management subprogram manages personnel concerns for the entire Department, this audit focuses on the Department's efforts to hire and retain sufficient numbers of correctional officers. This performance audit was conducted under the authority vested in the Auditor General by A.R.S. §41-1279 and as part of the Sunset review set forth in A.R.S. §§41-2951 et seq. This audit is the second in a series of six audits of the Department of Corrections. The first audit focused on Security Operations. The remaining audits will focus on Support Services, Agency Infrastructure, Private Prisons, and Arizona Correctional Industries.

The Arizona Department of Corrections employs the second largest number of employees in Arizona state government, with 10,780 full-time staff in fiscal year 2000. Security staff, such as correctional officers, make up 7,200 of these positions.

Correctional Officer Vacancies Create Problems for the Department (See pages 9 through 18)

The Department has a high number of vacancies in correctional officer positions. As a result it cannot open new prison beds and spends millions of dollars a year on recruiting, training, and overtime. Systemwide vacancies have approached 20 percent for several years. Vacancy rates are especially high at the Department's newest prison complex, Lewis, which has vacancies of nearly 45 percent, and has never had less than about 34 percent of its positions vacant since its construction.

Growth in the prison system and turnover among correctional officers contribute substantially to the number of vacancies. Between January 6, 1997 and November 27, 2000, the number of authorized positions increased by 1,375, and during the same period, 3,533 correctional officers left their positions. Between this system growth and turnover, the Department needed to fill nearly 5,000 positions to reach full staffing.

Vacancies have a substantial impact on Department operations. At the new Lewis prison, the Department cannot use 1,271 state-of-the-art beds because it lacks adequate staff, so inmates remain in inadequate temporary housing in other prisons. Other prisons frequently operate under minimum activity conditions, where inmates remain in their cells instead of participating in work and education programs. For example, between January 1 and September 20, 2000, prison units at the Florence complex reported operating at minimal staffing levels 298 times. In addition, despite the importance of having experienced staff to supervise inmates, more than one-third of the Department's correctional officers have less than a year's experience.

Financial costs of these vacancies are also high. Advertising, recruiting, and training new officers cost over \$15.4 million in fiscal year 2000, or more than \$9,600 per training academy graduate. Additionally, the Department must often require officers to work overtime, at a cost of over \$10 million in overtime expenses in fiscal year 2000.

Department Has Made Progress in Recruiting Although Results Still Fall Short (See pages 19 through 24)

The Department has taken aggressive measures to expand recruitment of correctional officers in recent years. Since 1985, the Department has had an agreement with the Department of Administration that allows it to conduct its own recruitment, selection, and hiring. In addition, the Department began an aggressive advertising campaign in fiscal year 1998, operates satellite recruitment centers, recruits out-of-state, and has implemented an employee referral program. Under this program, officers can earn incentives, such as transfers to a unit of choice, selecting a

shift of choice, or deferring mandatory rotation, by recruiting two new correctional officers. Finally, as a participant in a new Department of Administration pilot project, the Department now has greater flexibility to make certain personnel decisions, including providing incentives to attract recruits to difficult-to-fill positions. For example, starting in December 2000, new hires and officers, sergeants, and lieutenants who transfer to the Lewis complex receive a \$5,160 signing bonus. This bonus is paid out in a lump sum, and must be repaid on a pro rata basis if the employee does not remain at Lewis for two years. Existing officers will receive \$100 per pay period between December 2000 and December 2002; this bonus also ceases if the employee leaves during this time period.

The Department's efforts have led to a 61 percent increase in accepted job offers between fiscal years 1998 and 2000. Still, not all persons offered jobs enroll at the training academy, and training academy dropouts and failures further reduce the number of officers who can fill vacant positions. In total, about 27 percent of people who accepted job offers, after passing all the Department's tests and the background check, did not complete the 7-week training academy in fiscal year 2000. Failure to enroll at the academy, resignations, disciplinary problems, and inability to meet physical performance requirements account for most of these non-completions.

To improve the success of its recruiting efforts, the Department should redesign its Internet recruiting materials to make applying for positions easier, consider expanding the employee referral program to all staff, and research ways to reduce the number of cadets who resign from or fail the training academy and ways to improve the graduation rates.

Faced with Low Salaries, the Department Has Made Several Attempts to Address Turnover (See pages 25 through 34)

Several important factors contribute to correctional officer turnover, and the Department should continue and expand its efforts to address them. Low pay is the number one reason officers leave the Department, according to exit surveys. Arizona's start-

ing salary for correctional officers, \$23,504, is lower than other comparable or closely related positions in Arizona. In a survey of 17 other Arizona law enforcement and corrections agencies, only the 3 private prisons under contract with the Department had lower starting salaries for officers. Correctional officers' retirement benefits also do not match those of other law enforcement officers, most of whom can retire after 20 years instead of the 25 years required for correctional officers.

Although the Department's salaries are low, it has made substantial efforts to improve retention. For example, it uses vacancy savings to pay higher salaries at some harder-to-staff prisons, such as Winslow, where officers receive a 15 percent stipend; and Lewis, Florence, and Eyman, where officers receive 10 percent more than they would at other prisons. The Department also operates a van pool that uses 57 vans to serve 785 officers at Florence, Eyman, Lewis, and Winslow. In addition, the Department studies retention issues by conducting exit interviews and other research, and has also undertaken efforts in areas where prisons are located to foster development of community amenities that would make them more attractive places for officers to live.

In addition to pay and benefits, Department research has identified several other sources of dissatisfaction. These include overtime, a perceived lack of Department support, and perceived inconsistencies in applying Department rules. Poor job fit may also play a role in turnover, since in the past three fiscal years, over 30 percent of officers who resigned had stayed less than one year, and 8 percent of total officer losses came from the Department terminating officers during their probationary period.

Finally, the Department should ensure that applicants have a realistic understanding of the job, re-examine its current exit interview tool, and address sources of dissatisfaction identified in research findings. In particular, Department management should continue their efforts to reach out and listen to staff, and show tangible evidence of their concern for Department employees.

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of Human Resources Management at the Arizona Department of Corrections, in response to a June 16, 1999, resolution of the Joint Legislative Audit Committee. Although the Human Resources Management subprogram manages personnel concerns for the entire Department, this audit focuses on the Department's efforts to hire and retain sufficient numbers of correctional officers. This performance audit was conducted under the authority vested in the Auditor General by A.R.S. §41-1279 and as part of the Sunset review set forth in A.R.S. §§41-2951 et seq. This audit is the second in a series of six audits of the Department of Corrections. The first audit focused on Security Operations. The remaining audits will focus on Support Services, Agency Infrastructure, Private Prisons, and Arizona Correctional Industries.

Correctional Officers Are the Department's Largest Human Resource

The Arizona Department of Corrections employs the second largest number of employees in Arizona state government (the universities employ the most). In fiscal year 2000, the Department had 10,780 full-time staff, including security, medical, and administrative employees. Of this total, 7,200 are security staff positions, which consist of correctional officers, sergeants, lieutenants, and other higher-level officers who oversee the prison population. Historically, the Department has experienced great difficulty attracting and retaining adequate numbers of correctional officers to meet its authorized staffing levels, and continues to have problems with correctional officer vacancies and turnover. As of November 27, 2000, 18 percent of correctional officer positions were vacant. In fiscal year 2000, the Department experienced a 25.2 percent average monthly loss rate (turnover).

Eighteen percent of correctional officer positions were vacant in November 2000.

Prison System's Rapid Growth Increases Demand for Correctional Officers

The Department has 88 percent more correctional officer positions than it had in 1990.

The State's growing prison population has greatly increased Arizona's need for correctional officers. As reported in the December 2000 Security Operations report, growth in Arizona's prison population is a challenge for the Department. According to Department statistics, the correctional system's inmate population has grown by almost 76 percent since the last Auditor General audit in 1991, from almost 15,000 inmates to more than 26,000 as of July 2000. Since 1991, the Department has opened two new prison complexes, raising the number of state-operated facilities to ten, and has entered into contracts to incarcerate inmates in three privately operated prisons. Correspondingly, the number of correctional officer positions that the Department has to oversee the prison population has grown. According to the Department's budget office, the Department had approximately 3,400 correctional officer positions on June 30, 1990, and approximately 6,400 positions on June 30, 2000, which corresponds to an increase of about 88 percent in the number of positions since the end of fiscal year 1990.

Nationwide, the prison inmate population has expanded, and so has demand for correctional officers. According to the Bureau of Justice Statistics, between 1990 and 1999, the nation's prison population expanded by more than 600,000 inmates, an increase of 79 percent. The United States Department of Labor expects employment growth for correctional officers to increase much faster than the average for all occupations through 2008. The Department of Labor also predicts that local and state governments will experience difficulty attracting and retaining qualified applicants, mainly because salaries are low and the jobs are concentrated in rural locations.

Human Resources Management: Overview of Staffing and Budget

The Department's Deputy Director of Administration oversees Human Resources Management, a subprogram of Administration. The Department's Human Resources and Development Division had 137 full-time staff as of January 10, 2001, to carry

out its duties, which include recruiting and screening job applicants, developing the Department's annual training program, overseeing a training program for correctional officers, policy development and research, and other activities. Although the Human Resources Division recruits and screens correctional officer candidates, actual hiring authority rests with the Deputy Director of Prison Operations.¹ Prison Operations staff are also responsible for managing and supervising correctional officers, and overseeing work conditions at the prisons, which, together with factors such as pay and benefits, influence loss and retention of correctional officers.

For fiscal year 2000, the Human Resources Management Subprogram, as illustrated in Table 1 (see page 4), received approximately \$18.1 million in State General Fund appropriations, accounting for approximately 3.2 percent of the Department's total General Fund appropriations. Over \$14 million is for employee salaries and employee-related costs, including salaries for cadets attending the Correctional Officer Training Academy. In 2000, the Department spent approximately \$864,000 on advertising related to employee recruitment.

Previous Audits Identified Problems and Progress

The Auditor General's Office reviewed security staffing issues in 1986 and 1991. The 1986 audit found serious problems in the recruitment area, but the 1991 audit determined that the Department had substantially addressed its recruiting problems.

- **1986 Report**—This audit found that the hiring process was inadequate to meet correctional officer staffing needs. At that time, it took the Department close to 11 weeks to fill a vacancy—4 1/2 weeks to hire a new officer, and 6 weeks to train him or her. The audit found that background checks could be improved and recommended centralizing the entire process. Finally, the audit found that correctional officers were not receiving the required amount of in-service training that it required.

¹ The Deputy Director of Prison Operations is also responsible for evaluating the adequacy of prison staffing levels, and projecting staffing needs.

Table 1

**Arizona Department of Corrections
Human Resources Management Program ¹
Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended or Ending June 30, 1999, 2000, and 2001
(Unaudited)**

	1999 (Actual)	2000 (Actual)	2001 (Estimated)
Revenues:			
State General Fund appropriations	\$17,849,600	\$18,122,200	\$18,527,200
Federal grants		47,400	
Other	<u>2,528</u>	<u>2,324</u>	
Total revenues	<u>17,852,128</u>	<u>18,171,924</u>	<u>18,527,200</u>
Expenditures:			
Personal services	11,337,858	12,072,701	12,007,700
Employee related	2,367,131	2,481,755	2,684,600
Professional and outside services	1,045,822	1,225,336	681,500
Travel, in-state	77,792	61,176	95,500
Travel, out-of-state	22,329	20,122	2,200
Other operating ²	2,373,301	2,388,553	3,775,800
Equipment	<u>628,358</u>	<u>704,057</u>	<u>102,400</u>
Total expenditures	<u>17,852,591</u>	<u>18,953,700</u>	<u>19,349,700</u>
Excess of revenues over/(under) expenditures	<u>463</u>	<u>(781,776)</u>	<u>(822,500)</u>
Other financing sources (uses):			
Operating transfers ³		847,500	822,500
Remittances to the State General Fund	<u>(2,464)</u>	<u>(1,774)</u>	
Total other financing sources (uses)	<u>(2,464)</u>	<u>845,726</u>	<u>822,500</u>
Excess of revenues over expenditures and remittances to the State General Fund	<u>\$ (2,927)</u>	<u>\$ 63,950</u>	<u>\$ 0</u>

¹ Includes the Correctional Officers' Training Academy financial activity. The Department reclassified the Academy to the Prison Operations Program beginning in 2001.

² Includes recruiting advertisement expenditures of approximately \$737,000, \$864,000, and \$900,000 for 1999, 2000, and 2001, respectively.

³ Consists of allowable indirect costs that were recovered under the State Criminal Alien Protection Program federal grant beginning in 2000.

Source: Auditor General staff analysis of the Arizona Financial Information System (AFIS) *Accounting Event Extract File* for the years ended June 30, 1999 and 2000. The Department of Corrections provided estimates for the year ending June 30, 2001.

- **1991 Report**—This audit found that the Department had significantly improved the efficiency and effectiveness of correctional officer recruitment. Centralizing the Department's hiring unit through the creation of the Recruitment Unit for Selection and Hiring (RUSH) had resulted in many efficiencies. However, the audit reported that it still took approximately 11 weeks to hire and train a new officer, with 7 weeks of that time set aside for pre-service training at the Correctional Officer Training Academy. The report stated that without advance hiring authority to hire and train correctional officers before vacancies occurred, the Department could do little to reduce that time further. The report noted that the Department had lowered its annual correctional officer turnover rates from approximately 31 percent in 1985 for all correctional service officers (CSOs) to 20 percent for CSO Is and 8 percent for CSO IIs in 1991. The audit noted the Department's concerns regarding the potential effects that salary, transportation, and housing problems could have on its ability to lower turnover further, and recommended that the Legislature consider increasing the starting salaries for correctional officers to allow the Department to be more competitive.

The current audit found that the Department continues to have difficulty filling all of its correctional officer positions. Much of this problem is related to tremendous growth in the prison system, but turnover also contributes to the problem. Although turnover rates are not as high as in 1985, the Department still loses many correctional officers every year.

Scope and Methodology

This audit focused on the Department's ability to recruit and retain sufficient correctional officers to staff the State's ten prison complexes. Auditors used a variety of methods to conduct this audit and document evidence, including:

- Examining Department reports including weekly correctional officer hiring and status reports, weekly vacancy reports, monthly correctional officer loss reports, and fiscal year-end loss reports.

- Reviewing 30 studies and reports conducted by the Department or Department consultants, including a 1999 study of correctional officer turnover, and an April 2000 Quality-of-Worklife study, and examining financial and other cost-related data supporting Department reports on the costs associated with correctional officer vacancies and losses.
- Reviewing human resources and correctional literature regarding best practices in staff recruitment, retention, and staffing needs analysis for correctional institutions. For example, auditors reviewed materials developed by the American Management Association and the National Institute of Corrections in the Department of Justice.
- Reviewing Department documents describing programs the Department has developed to improve recruitment and retention of correctional officers, and interviewing Department officials charged with managing such programs.
- Surveying 27 different correctional and law enforcement agencies regarding salaries. These agencies included the Arizona Department of Public Safety, municipal police agencies, county jails, ten Western states, the Federal Bureau of Prisons, and private prison facilities.¹
- Interviewing Department officials in Human Resources and Prison Operations, as well as corrections officers, to understand their perspective regarding the Department's staffing issues. Auditors visited the Perryville, Florence, and Phoenix prison sites, and interviewed wardens, deputy wardens, captains, and lieutenants in charge of supervising correctional of-

¹ Municipal police departments and county jails, selected based on their size and proximity to Department prisons, consisted of the cities of Avondale, Buckeye, Chandler, Mesa, Phoenix, Tempe, Tolleson, and Tucson, and Maricopa, Pima, and Pinal Counties. The states surveyed were California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, and Washington. Since federal prison salaries are set nationally, auditors obtained information from the Bureau of Prisons. Private prisons consisted of Florence West and Phoenix West prisons, and Marana Community Correctional Treatment Facility, which operate under contract with the Arizona Department of Corrections, and the Eloy Detention Center, which the Corrections Corporation of America operates under a contract with the federal government.

ficers. In addition, auditors interviewed correctional officer union representatives from the Arizona Correctional Peace Officers Association.

This audit was conducted between May 2000 and November 2000.

This audit includes findings and recommendations in the following areas:

- The Department currently has many vacancies in the prison system, and some prisons have more extensive vacancy problems than others;
- The Department has made progress in recruiting, although results still fall short; and
- Faced with low salaries, the Department has undertaken numerous initiatives to improve retention.

This audit was conducted in accordance with government auditing standards.

The Auditor General and staff express appreciation to the Director of the Department of Corrections and his staff for their cooperation and assistance throughout the audit.

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FINDING I

CORRECTIONAL OFFICER VACANCIES CREATE PROBLEMS FOR THE DEPARTMENT

The Arizona Department of Corrections continues to be plagued with a high number of vacancies in correctional officer positions. Rapid expansion of the system, together with high turnover, has kept vacancies at nearly 20 percent for several years. The Department's inability to fill these vacancies has led to multiple problems, ranging from it being unable to open substantial parts of the State's newest prison to paying millions of dollars a year in overtime costs.

Department Has Many Vacancies

On November 27, 2000, the Department had 1,154 vacant correctional officer positions system-wide, representing 18 percent of such positions. The extent of vacancies varies greatly from prison to prison. As shown in Table 2 (see page 10), vacancies ranged from nearly 45 percent of all correctional officer positions at the new Lewis complex to 4 percent at the Tucson complex.

The Lewis, Florence, and
Eyman complexes have
the highest vacancy rates.

The three complexes with the highest vacancy rates have been Lewis, Florence, and Eyman. Since the Department began to occupy the facility in October 1998, the lowest vacancy rate that Lewis has ever attained was about 34 percent. During the 47 months between January 6, 1997 and November 27, 2000, Florence's lowest vacancy rate was approximately 13 percent, and Eyman's was approximately 15 percent.

Increased Size of Prison System and High Turnover Rate Contribute to Vacancy Problems

Two key factors contribute to the large number of vacancies: the need to fill thousands of new positions in Arizona's growing

Table 2

**Arizona Department of Corrections
Human Resources Management
Correctional Officer Authorized Positions, Vacancies,
and Vacancy Rate by Facility
As of November 27, 2000**

Facility	Authorized Positions	Vacancies	Vacancy Rate
Eyman	1,172	240	20.5%
Lewis	1,109	491	44.3
Tucson	907	29	3.2
Florence/Picacho	819	152	18.6
Perryville	527	79	15.0
Yuma	487	54	11.1
Douglas	433	32	7.4
Winslow/Apache	396	24	6.1
Phoenix/Globe	281	42	14.9
Safford/Ft. Grant	277	11	4.0
Central office	<u>9</u>	<u>0</u>	0.0
Totals	<u>6,417</u>	<u>1,154</u>	
Correctional Officer vacancy rate			18.0%

Source: Auditor General staff analysis of data in Department of Corrections *Correctional Officer Status/Hiring Report*, November 27, 2000.

Table 3

**Arizona Department of Corrections
Human Resources Management
Correctional Officer Losses and
Turnover Rates by Facility
For Year Ended June 30, 2000**

Facility	Losses	Turnover Rate
Eyman	303	31.9%
Lewis	139	32.6
Tucson	137	15.8
Florence/Picacho	191	28.3
Perryville	153	33.5
Yuma	113	25.6
Douglas	70	16.8
Winslow/Apache	71	18.7
Phoenix/Globe	70	26.2
Safford/Ft. Grant	<u>50</u>	18.7
Total	<u>1,297</u>	
Correctional Officer turnover rate		25.2%

Source: Auditor General staff analysis of data in Department of Corrections *Correctional Officer Loss Report* for year ending June 30, 2000.

prison system, and the need to replenish losses caused by substantial turnover in correctional officer positions. Other factors, such as low unemployment rates and long commuting distances to some prisons, also play a role.

More officers needed to staff additional prison facilities—Growth in Arizona's prison system has contributed substantially to the number of vacancies. Figure 1 (see page 12) shows the changes in authorized positions between January 6, 1997 and November 27, 2000, compared to the changes in filled positions during the same time period. During that 47-month period, the number of authorized positions increased by 1,375 positions, but the number of filled positions increased by only 833 positions. The primary event leading to the increase in authorized staff was the construction of the Lewis prison complex in Buckeye, which was fully completed in January 2000.

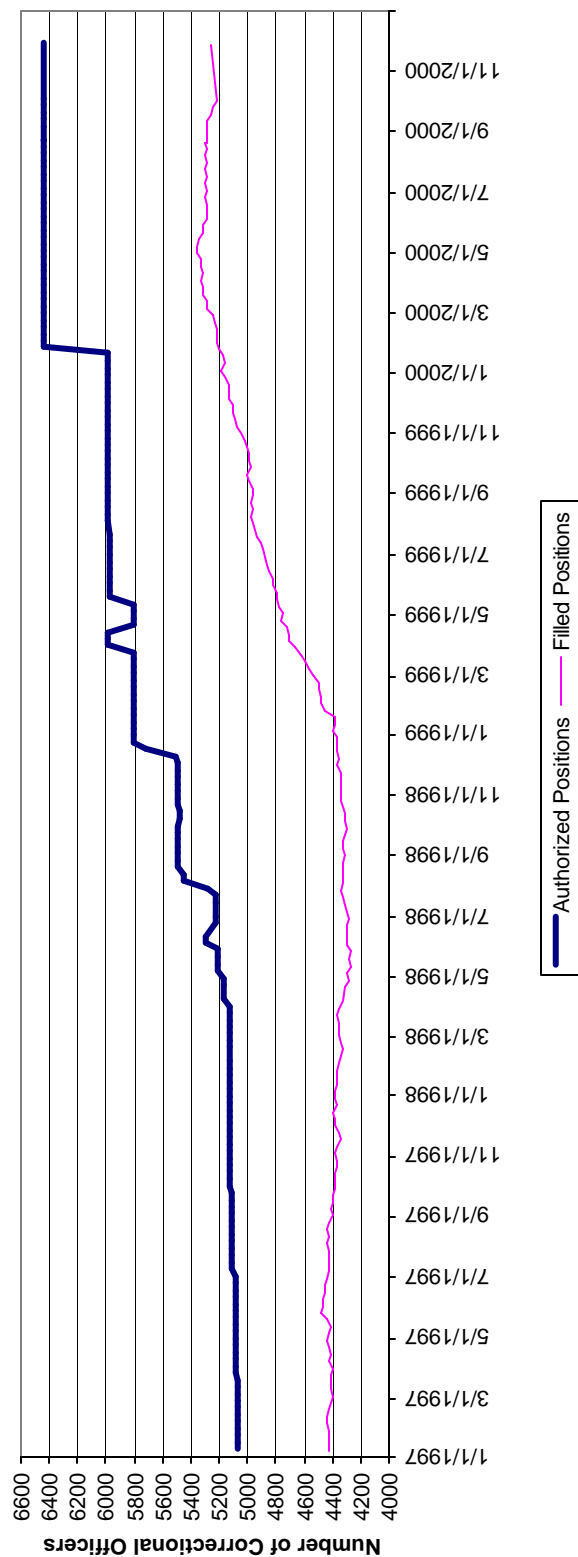
The Department lost 3,533 correctional officers in 3 years.

Many officers do not stay—Compounding the vacancy problem created by growth in the prison system, the Department loses hundreds of correctional officers every year. In fiscal year 2000, the Department's correctional officer turnover rate was 25.2 percent. In the past three fiscal years, the Department lost 3,533 correctional officers to resignations, dismissals, promotions, and other loss categories. When combined with the gain of 1,375 new positions over about the same period, the Department needed to fill nearly 5,000 correctional officer positions between 1998 and 2000 to reach full staffing. By comparison, the Department's current complement of correctional officer positions is 6,417.

Some prisons have more significant correctional officer turnover than others. The three prisons with the highest vacancy rates, Lewis, Eyman, and Florence, also have high turnover rates. As shown in Table 3 (see page 10), Lewis lost 139 officers (32.6 percent), Eyman lost 303 (31.9 percent), and Florence lost 191 (28.3 percent) in fiscal year 2000. However, the turnover rate was highest at Perryville, which has been transitioning to an all-women's facility.

As shown in Figure 2 (see page 13), the largest contributor to the losses system-wide was voluntary resignations. Altogether, approximately 70 percent of the officers who left resigned voluntarily. Promotions above correctional officer account for about 15

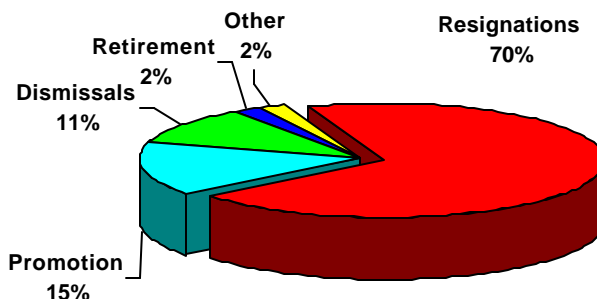
Figure 1
Arizona Department of Corrections
Human Resources Management
Changes in Authorized and Filled Correctional Officer Positions
January 6, 1997 through November 27, 2000



Source: Auditor General staff analysis of Department of Corrections Correctional Officer Status/Hiring Report, January 6, 1997 through November 27, 2000.

Figure 2

**Arizona Department of Corrections
Human Resources Management
Correctional Officer Losses
Years Ended June 30, 1998 through 2000**



Source: Auditor General staff analysis of data in Department of Corrections *Correctional Officer Loss Reports* for fiscal years 1998 through 2000.

percent of losses, and another 11 percent came from dismissals, usually during an officer's original probationary period.

Job market, commuting distances, and other factors also contribute—Other factors also contribute to the high vacancy rates, particularly at prisons such as Lewis, which draws its employees from Phoenix and Western Maricopa County; and Florence and Eyman, which draw their employees from the Phoenix and Tucson metropolitan areas. The current strong economy and low unemployment rate in Maricopa County provide many alternatives for job seekers. Further, these prisons require long commutes for officers who live in the metropolitan area. A Department study conducted in 1998 revealed that the average commuting distance for correctional officers participating in a Florence and Eyman vanpool was 52.6 miles each way. The lack of amenities such as housing and stores in towns nearer the prisons makes moving closer to the prisons unattractive, according to Department officials.

Vacancies Cause Multiple Problems for Department Operations

1,271 state-of-the-art beds at Lewis cannot be used due to staff vacancies.

The Department's vacancies and high turnover have caused problems within the prison system. The large number of vacancies at the new Lewis prison has meant that 1,271 beds at the prison cannot be filled, and vacancies at some other prisons are high enough to curtail inmate activities and services. Further, many officers have low experience levels, which means that many of them have not yet gained a well-grounded understanding of inmate relations and prison policies. Vacancies also create additional costs for the Department, both for recruiting and training and for overtime and compensatory time that must be paid to correctional officers who work extended shifts.

Department cannot open beds at newest prison—Due to high vacancies, the Department has not been able to open 1,271 beds in its state-of-the-art Lewis complex in Buckeye. Although some units have been ready for use since October 1998, and the entire prison was fully operational in January 2000, the Department was using only 2,879 of the prison's 4,150 beds in February 2001. Because it has been unable to fully staff the Lewis prison, the Department continues to house inmates in less than optimal facilities, such as tents, at other prison complexes. The inability to use all the beds in the Lewis complex is particularly troublesome in view of the cost of constructing those beds, which was \$38,769 per bed, or over \$49 million for the 1,271 beds currently unopened.

The Florence complex operated at the minimum activity level during 38 percent of its shifts.

Some prison complexes operate at restricted levels—In addition to being unable to use some high-quality beds, some prison complexes frequently operate at "minimal activity" staffing levels. The Department defines four staffing levels ranging from full operations to minimal activity staffing, providing progressively reduced operations at each staffing level. As shown in Table 4 (see page 15), some prisons often operate at the lowest level. For example, according to Department reports, between January 1 and September 20, 2000, prison units at the eight-unit Florence complex reported operating at minimal activity staffing levels 298 times during several day, swing, and graveyard shifts. At this level, the Central Unit at Florence would have only 36 officers during the day and swing shifts to supervise 922 inmates, compared to 47 officers when fully staffed.

Table 4

**Arizona Department of Corrections
Human Resources Management
Number of Times Facilities Reported Operating
at Minimal Activity Staffing Levels
January 1 through September 20, 2000
(Unaudited)**

Facility	Number
Eyman	43
Lewis	33
Tucson	240
Florence	298
Perryville	5
Yuma	14
Douglas	-
Winslow	1
Phoenix	57
Safford	-
Total	<u>691</u>

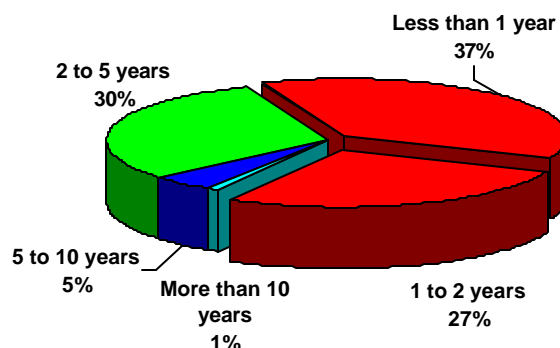
Source: Auditor General staff analysis of data in Department of Corrections *D Level Operations, January 1-September 20, 2000.*

At the minimal activity staffing level of operations, a prison unit may be “locked down,” with inmates confined to their cells or dormitories. Visits from family and friends, educational and vocational programs, and other inmate activities can be suspended or curtailed. Inmates are provided with only essential services, such as meals and health care, as mandated by state law and the federal constitution. While operating at this restricted level is intended to preserve security during shifts with insufficient staff, it is not an optimal way to operate, as indicated by the Department’s policies on staffing levels.

Many officers on duty have limited experience—Although having experienced officers on a unit is essential for effective prison operations, more than one-third of its officers have less than a year’s experience. As shown in Figure 3 (see page 16), 64 percent of correctional officers who were working on November 30, 2000, had less than two years’ experience. While its extensive training program may provide a solid grounding in policies and practices, Department consultants contend it can take a minimum of two to three years for an officer to gain the training,

Figure 3

**Arizona Department of Corrections
Human Resources Management
Length of Service for
Active Correctional Officers
As of November 30, 2000
(Unaudited)**



Source: Auditor General staff analysis of information received from the Department of Corrections Policy and Research Bureau on February 21, 2001.

experience, and maturity necessary to become competent. Officers who acquire more years of experience in inmate supervision positions gain a greater understanding of inmate behavior and Department policies.

Officers who lack adequate experience on the job may place other officers and staff at risk. For example, one officer told auditors about an occasion when a new officer did not remove her gun and hand it to another officer before accompanying a loosely restrained inmate into a hospital restroom. He believed that new officers did not always know how to protect themselves. He said this behavior put other officers at risk, as well as medical staff at the hospital.

Cost of filling positions exceeds \$9,600 per academy graduate.

Department incurs high recruitment and training costs—The cost of filling new positions and replacing lost officers is high. The combined cost of advertising, recruiting unit operations, and academy training exceeded \$9,600 per academy graduate in fiscal year 2000, according to Department records.

- **Advertising costs**—The Department's advertising campaign resulted in advertising costs of \$864,000 in fiscal year 2000, or about \$540 for each of the 1,601 new officers who graduated from the Correctional Officer Training Academy that year. A private advertising firm coordinates the campaign that includes billboard, radio advertising, and newspaper ads. The Department hired this firm in June 1997 as part of a strategy to recruit correctional officers for the new Lewis facility.
- **Recruiting costs**—In addition to advertising for recruits, the Department spent approximately \$2 million in fiscal year 2000 for its Recruiting Unit for Selection and Hiring, plus \$359,000 to staff Satellite Recruitment Centers, totaling about \$1,473 per academy graduate. The RUSH unit, staffed by 12 FTEs, assesses applications and coordinates a variety of recruiting tasks, including physical and psychological exams and background checks. Ten other full-time staff assigned to prison institutions also work as recruiters for their facilities.
- **Academy training costs**—The Department reports that it cost \$7,627 to train each academy graduate in fiscal year 2000, or more than \$12.2 million for all graduates. Every new officer attends a 7-week training course, usually at the Correctional Officer Training Academy (COTA) in Tucson, although the Department also occasionally offers the course at other prisons. In addition to the cost of maintaining and staffing the academy, the Department incurs costs for housing and outfitting the cadets, providing training materials, and paying the cadet's salary during the course.

Overtime costs totaled over \$10 million in fiscal year 2000.

Department must pay millions for overtime and compensatory time earned—The Department's overtime costs for prison operations in fiscal year 2000 totaled more than \$10 million. In addition to paid overtime, correctional officers earned more than 168,000 hours of compensatory time that same year. The Department has paid officers for part of this compensatory time, paying out nearly \$1.4 million in fiscal year 2000 for about 98,500 hours. Because sufficient officers must be on-site to supervise inmates and deliver essential services, prison officials must frequently demand that correctional officers stay beyond their shift.

In addition to the Department's financial costs, overtime can result in fatigue and lead to family-related problems. It can also lead to morale problems, cause employees to become disgruntled, and lead to disciplinary actions. For example, according to Department officials, 22 officers have been disciplined since the end of 1997 to February 2001 for refusing to work mandatory overtime, and another employee was dismissed. Complaints about overtime are not new. A 1999 turnover study conducted by private consultants identified overtime as a factor contributing to correctional officer turnover.

Serious Problem Will Require Combination of Solutions

Because the Department's Director regards staff vacancies as the most important problem facing the prison system, the Department has made several efforts to address the problem, but more can be done. The Department cannot change some of the factors that contribute to its vacancies, such as growth in the prison system and the locations of some of its prisons. However, it can use more aggressive recruiting strategies to fill vacant positions and change some factors that contribute to staff resignations. The remainder of this report addresses the Department's efforts regarding recruiting and retention, and makes suggestions for further action.

FINDING II

DEPARTMENT HAS MADE PROGRESS IN RECRUITING ALTHOUGH RESULTS STILL FALL SHORT

The Department has taken aggressive measures to expand recruitment of correctional officers in recent years. Although job offers and correctional officer academy enrollments have increased during this time, many officers fail to complete academy training, resulting in overall hiring gains that are far less than those necessary to fully staff the prisons. The Department should adopt a few additional measures to improve recruitment, such as improving its Internet recruiting, and it should also study whether it can improve training academy graduation rates.

Department Has Taken Aggressive Measures to Expand Recruitment

The Department has the authority to conduct its own recruitment activities, and was recently approved to participate in a decentralization pilot program sponsored by the State Department of Administration that gives it even greater authority to make certain personnel decisions. Besides decentralization, the Department has also pursued aggressive recruitment measures to meet the higher demand for correctional officer recruits created by Department growth and high annual turnover.

Department has greater authority to recruit and hire personnel—The Arizona Department of Administration recently selected the Department of Corrections for participation in a human resources decentralization pilot program that allows state

agencies to tailor human resources functions to the agency's needs.¹ This one-year pilot program grants the Department of Corrections greater flexibility to make certain personnel decisions. The Department already had the authority to conduct its own recruiting and staffing activities prior to program implementation. For example, since 1985, the Department has conducted recruitment and selection through its RUSH unit under an intergovernmental agreement with the Arizona Department of Administration, which had previously controlled correctional officer recruitment, selection, and hiring. Under the new program, the Department now has greater flexibility to conduct human resources activities in areas such as employee relations, including some leave policies; special compensation plans, for example, special pay adjustments like counteroffers; signing bonuses to recruit staff for difficult-to-fill positions; special entrance rates; shift differentials; and compensatory time payoffs.

*Department pays \$5,160
signing bonus at Lewis.*

The Department of Corrections has used its additional authority to approve additional incentive pay plans to attract recruits to the Lewis facility. On December 22, 2000, the Department approved a \$5,160 assignment bonus and retention stipend for new hires and lateral transfers. Correctional officers, sergeants, and lieutenants assigned to Lewis are eligible for the bonus, which is paid in a lump sum for a commitment of two years to the institution. If anyone receiving the bonus leaves prior to the end of the two-year period, he or she must reimburse the state on a pro rata basis. To prevent salary inequities, existing officers, sergeants, and lieutenants will receive a \$100 increase per pay period between December 2000 and December 2002. Officers, sergeants, and lieutenants who leave prior to December 2002 will cease to receive the additional \$100 per pay period. The estimated cost of the program is \$6.5 million. According to the pilot program guidelines, incentive pay plans must be funded without an increase in budget appropriations.

¹ This pilot program is being conducted pursuant to state rule R2-5-103.B, which states that the Director of Administration may "implement temporary pilot projects to improve personnel management in the state services." The rule further states that "the projects may include activities or procedures that are not in accordance with these rules, for the purpose of determining the feasibility or effectiveness of such activities or procedures."

*2-for-1 Recruitment
Drive rewards officers
who recruit two new
officers.*

The Department aggressively markets job opportunities—

Besides obtaining greater authority to conduct its own hiring activities, the Department has pursued aggressive recruitment measures to attract correctional officers to work for the Department. In addition to its advertising campaign that it began in fiscal year 1998, the Department implemented recruiting initiatives and programs such as:

- **Satellite recruitment centers**—The Department operates eight satellite recruitment centers that allow it to recruit near the prison sites, and in the East Valley of Maricopa County. The centers handle applications and testing for potential correctional officers, and are connected to a computerized applicant processing computer system based at the Department's central office. This setup allows the Department to recruit close to the prisons, and still maintain applicant contact information in a centralized location. Seven centers are based at prison sites, and another in Mesa, Arizona.
- **Out-of-state recruiting**—The Department also uses out-of-state recruiting. According to the Operations Manager in RUSH, the Department's out-of-state recruiting includes states such as California, New Mexico, Oklahoma, and Texas. According to this official, the Department also enters into agreements with nearby medical clinics so that applicants can complete medical exams in their local communities, instead of traveling to Arizona.
- **Employee referral programs**—The Department has implemented an employee referral program known as the 2-for-1 Recruitment Drive. This program offers rewards to correctional officers who recruit two new correctional officers. The Department tracks the referrals and notifies the officer making the referrals of the applicant or applicants' progress. Officers can choose from a list of incentives when two of their referrals graduate from the training academy. For example, he or she can transfer to a unit of choice, select a shift of choice within the same unit, or defer mandatory unit rotation for up to one year. As of October 13, 2000, over 250 Department employees had referred 289 correctional officer candidates, 116 of whom have graduated from the Correctional Officer Training Academy. Human resources literature supports the use of employee referrals. According to *The American Man-*

agement Association's Handbook for Employee Recruitment and Retention, employee referrals are often the best hires, and have higher performance ratings and lower turnover rates.

Job Offers Have Increased, but Many Cadets Leave or Fail Training Academy

Although the Department's aggressive recruiting efforts have led to increased job offers, dropouts and failures from the training academy reduce the number of new officers available to fill vacant positions. As Table 5 (see page 23) shows, the Department reported increased numbers of contacts and job offers accepted after the fiscal year 1998 marketing campaign began. The numbers fell off somewhat in fiscal year 2000, but remain substantially above the 1998 levels.

Twenty-seven percent of the individuals who accepted job offers in fiscal year 2000 either failed to enroll, resigned, or failed the Correctional Officer Training Academy, thus reducing the impact of increases in job offers. Applicants who accept job offers are immediately scheduled to attend seven weeks of training at the Correctional Officer Training Academy (COTA). Although the Department reports making 2,180 job offers, the Human Resources and Development Division reports that only 1,892 individuals enrolled at COTA in fiscal year 2000 and only 1,601 graduated. At the academy, cadets must pass additional requirements, including academic, physical fitness, and weapons-handling tests. In addition, cadets can choose to resign, or may be asked to leave because of disciplinary issues.

Department records for 293 cadets who left COTA in fiscal year 2000 revealed that resignations accounted for the majority of losses (57 percent), followed by physical performance (13 percent) and disciplinary issues (13 percent). The other 17 percent left due to other performance problems or for reasons the Department could not determine. Corrections officials in six Western states all claimed to have academy resignation/failure rates

Table 5

**Arizona Department of Corrections
Human Resources Management
Correctional Officer Recruitment Performance Measures
Years Ended June 30, 1998 through 2000
(Unaudited)**

Performance Measure	1998	1999	2000
Number of applicant contacts	7,180	15,159	11,051
Number of applications received and processed	3,821	7,147	6,559
Number of applicants tested	3,533	6,099	5,485
Number of candidates who accepted a job offer	1,354	2,404	2,180

Source: 1998 and 1999 performance measures for Arizona Department of Corrections Human Resources Management Subprogram in *State of Arizona 2000 Master List of State Government Programs*; 2000 performance measures from *Human Resources Management Subprogram, Program/Subprogram Strategic Plans Tracking System, Fourth Quarter FY2000 Objective Status* report.

below 10 percent, although some states do not require physical fitness tests.¹

Department Should Consider Additional Ideas

Although the Department has initiated a number of programs to improve correctional officer recruitment, the addition of new programs or revisions to existing programs may positively impact recruitment. In addition to its aggressive advertising campaign, and employee referral program, the Department should consider doing the following:

- **Redesign Internet recruiting materials**—The current layout of the Department's Web site makes it difficult for potential recruits to find out about the availability of correctional officer positions. Corrections literature that discusses recruiting via the Internet recommends designing a central point of communication for the position involved and expanding linkages to other public and private sector job posting sites. In May 2000, the Department hired a personnel analyst to focus mainly on Internet recruiting and expanding linkages

¹ Officials from California, Idaho, Nevada, Oregon, Texas, and Utah were contacted. California, Idaho, and Texas officials stated that they did not have physical fitness requirements.

Department should add a direct link from its internet home page to the RUSH unit information.

across the Web. However, the Department of Correction's home page does not currently have a central point of communication for correctional officers. The Department should add a direct link from its home page to the RUSH unit and add a more detailed job description and links to benefits information in the position description.

- **Expand employee referral program**—The Department should consider expanding the employee referral program to include all Department staff, and modify the incentives to encourage all staff to participate. The already established 2-for-1 referral program is limited to correctional officers and does not provide incentives for other Department staff to participate.
- **Research failure rates at COTA**—The Department does not research trends in academy attrition. Since so many people resign or fail academy training, the Department should regularly research the reasons, and determine whether it can do anything to improve graduation rates.

Recommendations

1. The Department should redesign the Department's Internet home page to more easily attract potential recruits and candidates, and inform them of job opportunities. The Department should add a direct link from its home page to the Recruitment Unit for Selection and Hiring (RUSH) and add a more detailed job description and links to benefits information in the position description.
2. The Department should expand the current 2-for-1 Recruitment Drive program to include other Department employees in addition to correctional officers, and modify the incentives offered to encourage referrals from other employees.
3. The Department should conduct regular research into the reasons people resign from or fail the Correctional Officer Training Academy, and determine whether anything can be done to improve graduation rates.

FINDING III

FACED WITH LOW SALARIES, THE DEPARTMENT HAS MADE SEVERAL ATTEMPTS TO ADDRESS TURNOVER

The Department can take additional steps to augment its actions to address problems with turnover in the ranks of correctional officers. Turnover occurs for a variety of reasons, including low pay and job dissatisfaction. The Department has instituted a number of efforts to address many of these factors. These efforts should be maintained. Additional steps that can also be taken range from improving pre-screening practices to improving ways to identify and address reasons for employee dissatisfaction.

Many Factors Contribute to Difficulties in Retaining Corrections Officers

The Department's exit survey research and other studies have identified several important factors contributing to correctional officer turnover. These include low pay or low benefits relative to similar law enforcement positions, as well as dissatisfaction with such things as the length of commutes to some prisons. Finally, some new hires may be unsuited for the work, either because they do not like it or because some aspect of their performance is inadequate.

Low pay compared to other law enforcement jobs—Department correctional officers consistently report dissatisfaction with salaries. In a 1998 analysis of exit surveys filled out by departing officers, a 1999 study on turnover, and a 2000 study on the quality of worklife, the Department found salaries to be the number one reason for leaving or for job dissatisfaction. Exit survey research indicates that many officers who leave the Department remain in law enforcement but take higher-paying jobs in other law enforcement agencies, such as county jails, other states' cor-

Starting salaries for correctional officers lower than most Arizona law enforcement and corrections agencies surveyed.

Table 6

**Arizona Department of Corrections
Human Resources Management
Starting Salaries for Correctional Officers
in 11 Western States**

Department of Corrections	Starting Salary
California	\$33,708
Colorado	\$30,216
Oregon	\$27,960
Nevada	\$27,954
Washington	\$27,924
Idaho	\$23,982
Utah	\$23,733
Arizona	\$23,504
Montana	\$19,215
Texas	\$18,924
New Mexico	\$16,118

Source: Salary survey conducted by Auditor General staff, July through October 2000.

rections systems, federal prisons, and police departments. As shown in Table 6, Arizona's starting salaries for correctional officers are lower than those in 7 of 10 other Western states. Further, as shown in Table 7 (see page 27), in a survey of 17 other Arizona law enforcement and corrections agencies, auditors found higher starting salaries in all the agencies except the three private prisons under contract with the Department. The Department's 1999 turnover study found that 37 percent of correctional officers surveyed held second jobs, another indicator of salary inadequacy.

Retirement benefits do not match those of other public safety employees—Police officers, state highway patrol, county sheriffs, and other public safety employees, such as firefighters, have a more attractive benefit package than correctional officers. Public safety employees other than correctional officers participate in a 20-year retirement program. In contrast, correctional officers and county detention officers participate in a 25-year retirement program. Department officials and correctional officer union representatives consider the lack of parity between correctional officers and other law enforcement employees to be a liability in recruitment and retention efforts.

Table 7

**Arizona Department of Corrections
Human Resources Management
Starting Salaries for Police and Correctional Officers**

Agency	Starting Salary
Tempe Police Department	\$38,599
Chandler Police Department	36,983
Eloy Federal Detention Center—Corrections Corporation of America	36,171
Mesa Police Department	35,048
Arizona Department of Public Safety	34,646
Phoenix Police Department	34,195
Avondale Police Department	34,185
Tucson Police Department	33,914
Tolleson Police Department	33,862
Buckeye Police Department	32,510
Federal Bureau of Prisons	28,141
Maricopa County Jail—Detention Officer	27,206
Pima County Jail—Detention Officer	27,032
Pinal County Jail—Detention Officer	26,541
Arizona Department of Corrections	23,504
Florence West—Correctional Services Corporation	19,240
Phoenix West—Correctional Services Corporation	16,640
Marana Prison —Management Training Corporation	16,640

Source: Salary survey conducted by Auditor General staff, July through October 2000.

Quality-of-worklife study found high levels of dissatisfaction at prisons with highest turnover.

Dissatisfaction with other aspects of job—In addition to compensation, correctional officers report other sources of dissatisfaction. For example, exit surveys and the Department's 1999 turnover study found that many officers believed commuting costs were excessive. Other sources of dissatisfaction included mandatory overtime, performance appraisals, and a variety of work-related considerations.¹ The Department's 2000 quality of work-life study found high levels of dissatisfaction at several of the prisons with the highest turnover. For example, Perryville had high turnover and high dissatisfaction, as did Eyman and Florence. Although the quality-of-worklife study found that over 80 percent of employees enjoyed their work and felt it was important, it also identified several major areas of dissatisfaction. Aside from compensation, the worst dissatisfaction appeared in survey

¹ The top three work-related reasons identified in 1998 exit surveys were job did not meet expectations, personality conflicts with supervisors, and feeling unfairly disciplined.

questions about support from the organization. Nearly three-fourths of survey respondents responded unfavorably to one or more questions about whether the Department valued their input, noticed when they did a good job, took pride in their accomplishments, or would understand if they were unable to finish a task on time. Further, although most respondents reported satisfaction with their knowledge of supervisors' expectations and freedom to consult with supervisors, over 70 percent of correctional officer respondents disagreed with the statement, "The rules here are usually consistent." Finally, many respondents said their jobs left them feeling fatigued, emotionally drained, irritable, or angry.

Poor job "fit"—Poor job fit may also play a role in turnover. For example, more than 30 percent of officers who resigned in the last three fiscal years had worked less than one year for the Department. Human resources literature indicates that employees who resign within the first year of employment usually leave because the employer fails to meet their expectations, or they are unsuited for corrections work. In addition, almost 8 percent of the Department's losses in the last three fiscal years were due to officers being terminated during the original probationary period. In these cases, the Department determined that the officers were a poor fit for the job.

Department Could Improve Retention Strategies

Human resources and corrections management literature identifies several best practices in employee retention. Although the Department has implemented many programs that are in line with such practices, it could adopt additional measures.

Human resources literature identifies best practices in retention—According to correctional and human resources literature, corrections departments should adopt the following practices in order to minimize correctional officer losses:

- **Screen and select**—Screen out unsuitable candidates and potential leavers during the hiring and selection process. For example, screen out people who are psychologically unfit,

and provide candidates with accurate and realistic job previews.

- **Salaries and benefits**—Offer competitive wages and benefits.
- **Research**—Conduct regular research on vacancy and turnover trends, identify issues that are important to employees, and adopt intervention programs based on the results of regular research. For example, agencies should conduct exit surveys to understand the reasons people leave.
- **Value staff and show management concern**—Value and support employees and provide tangible evidence of management concern. For example, offer employee recognition programs and visit institutions on a regular basis to listen to staff.
- **Train supervisors**—Train supervisors and managers in supervisory and management skills, and promote career development, which provides incentives for experienced people to stay.

Department has made efforts to improve retention—The Department Director regards staffing as the single most important problem facing the prison system, and the Department has initiated a number of efforts intended to improve retention. For example:

- **Extensive prescreening practices**—The Department has extensive pre-screening practices that involve medical and psychological checks, and an extensive background check. In addition, state correctional officers must meet certification requirements for correctional peace officers established by the Arizona Peace Officer Standards and Training Board (POST). This certification requires officers to have training in nine functional areas, and meet rigorous background requirements.
- **Improving salaries**—The Department has requested funding to increase correctional officer salaries. For example, in 1999, the Legislature authorized a new Correctional Officer

Pay Plan, providing more opportunities for officers to earn pay increases if they remain with the Department.

Department uses vacancy savings to pay more at hard-to-staff prisons.

In addition to efforts to increase salaries for all correctional officers, the Department uses vacancy savings to pay officers higher salaries at certain hard-to-staff prisons. Correctional officers at Eyman, Florence, and Lewis earn 10 percent more than they would at other prisons, and those at Winslow earn 15 percent above the standard amount. Since introducing the stipends, Winslow's vacancy rate has dropped substantially, although vacancies remain high at Eyman, Florence, and Lewis.

- **Requesting competitive retirement benefits**—The Department has also asked the Legislature to more closely align correctional officer retirement benefits with those of police and other public safety officials. In 2000, Department officials proposed changes that would lower the period of service from 25 to 20 years, and reduce the employee contribution from 8.5 to 7.65 percent. The 1999 turnover study found that improving the retirement plan was a top concern for correctional officers. In addition, representatives from the Executive Board of the Arizona Correctional Peace Officers Association confirmed it was a top priority for union members.¹ However, the Department could not provide convincing evidence to legislative budget staff that the cost of the retirement plan change would be offset by reduced turnover costs.
- **Providing other benefits**—The Department provides higher education benefits to all employees, operates a van pool for correctional officers at four prisons, and is currently considering developing a child care program. The Tuition Assistance Policy provides 80 percent tuition assistance to full-time employees. According to the Department's Higher Education Administrator, the program helped 218 correctional officers to further their education in fiscal year 2000. The van pools, which started as a pilot program in 1996, now operate at Florence, Eyman, Lewis, and Winslow and use 57 vans to

¹ The 2000 quality-of-worklife study identified increased pay and benefits as the most important priority of correctional officers.

serve a combined total of 785 officers.¹ Van pool participants report satisfaction with the program, and a 1998 evaluation of the pilot program found that participants had a lower resignation rate than other officers at their prisons (15 percent compared to 24 percent).

Child care program could provide retention benefits.

A child care program, if developed, could perhaps provide similar retention benefits. In 1999, a Department survey cited that 42 percent of the staff surveyed needed or used child care and 66 percent ranked financial assistance for child care as very important or important. Options being considered include developing child care centers near Florence and Lewis, developing a program to care for sick children, and establishing a child care information service that allows employees to receive the latest information on child care programs available to state employees. For example, state employees can withhold (pre-tax) up to \$5,000 annually for child care payments with a Dependent Care Reserve Account. Once services are paid for, employees can seek reimbursement.

- **Exit interviews and employee research**—Since 1993, the Department has conducted exit interviews with departing staff to understand the reasons why they choose to leave the Department. More recently, the Department has hired professional consultants and contracted with researchers at Arizona State University to understand correctional officer turnover and employee perceptions regarding the quality of worklife.
- **Community development efforts**—The Department has recently become more involved in community development in areas where prisons are located. Besides long commutes, Department officials believe that they have difficulty attracting staff to remote prison locations because the towns and communities surrounding the prisons lack housing, grocery stores, and other amenities, and there are few job opportunities for spouses. The Department has developed a community development liaison position to respond to these issues,

Communities surrounding prisons lack housing, grocery stores, and jobs for spouses.

¹ Florence and Eyman staff reported serving 611 officers in van pools as of August 24, 2000. On October 20, 2000, Lewis staff reported 120 participants and Winslow staff reported 54 participants in van pools.

and to work with towns such as Florence and Buckeye on housing and economic development concerns.

- **Sergeants' Leadership Academy**—The Department requires new sergeants (one year or less) and correctional officers who are on a promotion track to attend a one-time-only, 40-hour Sergeants' Leadership Academy conducted at the Correctional Officer Training Academy. The Department considers it an important program directed at preparing Correctional Sergeants to be more effective first-line supervisors. In 2000, the Department also implemented a new four-week instructional training program called the Sergeant On the Job Training Program. The Department implemented the program partly in response to exit survey research that revealed that staff did not feel they were receiving proper support and supervision.

The Department should continue current activities and consider additional measures—To maximize the benefit from its retention efforts, the Department should continue the activities it has started, and consider a few additional measures. For example,

- **Examine pre-screening practices to ensure they offer a realistic job preview**—Although the Department already has an extensive screening process, recruiting officials should examine current recruiting processes to ensure that all applicants are obtaining a realistic understanding of the work that will be required of them as correctional officers.
- **Continue to address pay and salary concerns**—The Department should continue to research pay and salary issues, and compare how state correctional officers compare to their counterparts in other corrections and law enforcement agencies. Human resources literature identifies competitive salaries as an important retention tool.
- **Continue working to improve childcare and retirement benefits**—The Department should also continue working to improve employee benefits for correctional officers, such as child care and retirement benefits. More analysis may be needed, however, to understand the costs of changing to a 20-year retirement system, and the effects such a change would have on improving correctional officer retention.

■ **Improve exit survey research**—The Department may also want to examine the current exit interview instruments to ensure that they collect the information most needed by the Department to develop strategies to reduce turnover and improve workplace environment. The Department most recently revised its exit survey tool in 1998. The Department should also produce a regular annual report that analyzes and summarizes the data collected in correctional officer exit survey data. Although the Department collects detailed information in the exit surveys, it does not produce a regular annual report that summarizes the data collected. The Research Bureau's most recent annual report is dated October 1998.

Department should follow up on quality-of-worklife study findings.

■ **Address employee dissatisfaction issues identified in quality-of-worklife study**—The Department should follow up on the major findings of the quality-of-worklife study. This study identified several prison complexes as having very high levels of staff dissatisfaction (Perryville, Florence, Eyman, and Phoenix). As noted earlier, the institutions that have higher levels of dissatisfaction also have higher annual loss and resignation rates. As recommended in the study report, the Department has begun to look further into the issues raised, and develop intervention strategies. For example, the Department hired a consultant in October 2000 to conduct employee focus groups¹ at all the prisons to gather additional employee input, verify important quality-of-worklife survey results, and obtain ideas for positive change. The consultant completed his evaluation in February 2001, and has since released his finding to the Department. The report identifies ten strategies to guide the Department's efforts to implement a more positive work culture. In response, the Department has developed an action plan to implement 21 specific action items aimed at addressing staff concerns. For example, four actions involve creating a major shift in work culture. The Director plans to enhance these efforts by institutional visits, where he will meet directly with line correctional officers to exchange information and provide direct feedback on issues of concern.

¹ The consultant conducted 30 focus groups with involvement of over 320 employees; 20 focus groups involved front-line staff of correctional officers and sergeants.

Recommendations

1. The Department should examine its current pre-screening practices to ensure that all applicants possess a realistic understanding of the nature of correctional officer work.
2. The Department should continue to research how state correctional officer salaries compare to salaries in other correctional and law enforcement agencies to ensure that the state salaries are competitive with the marketplace.
3. The Department should continue its efforts to improve benefits for correctional officers so that officers will have greater incentive to remain with the Department.
4. The Department should examine current exit interview instruments to ensure it is collecting the information it needs most to identify problems and reduce turnover, and produce an annual report based on exit survey results.
5. The Department should continue its efforts to follow up on findings regarding high levels of employee dissatisfaction at specific prison complexes, such as Perryville, Florence, and Eyman, that were identified in the 2000 Quality-of-Worklife Study. In particular, Department management should continue their efforts to reach out and listen to staff, and show tangible evidence of their concern for Department employees.

Agency Response

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March 5, 2001

Debra K. Davenport
Auditor General
State of Arizona
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

RE: Response to Human Resources Management Audit

Dear Ms. Davenport:

Thank you for the opportunity to review the Human Resources Management Audit report. I believe the report accurately reflects the performance level of this function, and it also identifies appropriate areas for continued development and improvement.

As with previously completed portions of our agency audit, I wish to extend my personal thanks to your staff for their professional work on this evaluation. Your staff has not only been genuinely interested in conducting a thorough review of our efforts in the area of recruitment and retention, they have also provided valuable assistance in these areas through their insights and thoughtful recommendations.

Enclosed you will find our responses to the eight formal recommendations in the report. We concur with all eight recommendations, and will take appropriate steps to implement each of them.

Thank you again for the opportunity to review and respond to the report.

Sincerely,

Terry L. Stewart
Director

TLS/WSE/s

Enclosure

RESPONSE TO AUDITOR GENERAL REPORT RECOMMENDATIONS HUMAN RESOURCES MANAGEMENT AUDIT

FINDING I: Correctional Officer Vacancies Create Problems for the Department.

No Recommendations.

Although there were no formal recommendations attached to this section, we appreciate the work of the audit team in documenting the challenges faced by the Department in dealing with the large number of correctional officer vacancies. Your excellent evaluation of the difficulties we face in recruiting these officers supports our ongoing position that additional pay and benefits are needed to attract sufficient numbers of officers to our agency.

FINDING II: Department Has Made Progress in Recruiting Although Results Still Fall Short.

Recommendation 1. The Department should redesign the Department's Internet home page to more easily attract potential recruits and candidates, and inform them of job opportunities. The Department should add a direct link from its home page to the Recruitment Unit for Selection and Hiring (RUSH) and add a more detailed job description and links to benefits information in the same position description.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

This is an excellent suggestion. In fact, we have already begun a dialogue with our contracted advertising agency to develop web based strategies to enhance our recruitment efforts. All of the actions suggested here will be incorporated as part of this effort.

Recommendation 2. The Department should expand the current 2-for-1 Recruitment Drive program to include other Department employees in addition to correctional officers, and modify the incentives offered to encourage referrals from other employees.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

We are evaluating several incentive options that will allow us to offer this program to all Department employees. Among the incentives currently under consideration are awards, special recognition, time off, reserved parking, and financial incentives.

Recommendation 3. The Department should conduct regular research into the reasons people resign from or fail the Correctional Officer Training Academy, and determine whether anything can be done to improve graduation rates.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

We have informally collected information on why cadets do not complete training at our Correctional Officer Training Academy (COTA). However, we have not formally researched what can be done to improve graduation rates. I will task our COTA staff to provide the Research Unit with current and historical documentation on this issue to allow a complete review of the reasons for cadet resignations and failures. Further, we will continue to track trends in this information and respond by addressing specific problem areas as they are identified.

FINDING III: Faced With Low Salaries, the Department Has Made Several Attempts to Address Turnover

Recommendation 1. The Department should examine its current pre-screening process practices to ensure that all applicants possess a realistic understanding of the nature of correctional officer work.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

I want to identify this as an area of “qualified” concurrence. We will certainly review and evaluate our pre-screening practices to determine how we can provide interested individuals with information that will enhance our recruiting results. Having said that, let us point out that part of the recruiting process involves putting our best foot forward to attract enthusiastic, well qualified candidates to our agency. We want to portray to recruits a realistic view of life as a correctional officer. However, we also do not want

to focus so intently on our unique challenges that we deny these candidates an opportunity to discover for themselves if this career field is suitable for them.

Recommendation 2. The Department should continue to research how state correctional officer salaries compare to salaries in other correctional and law enforcement agencies to ensure that the state salaries are competitive with the marketplace.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

We wholeheartedly agree with this recommendation. We have been diligently tracking this information for some time, and will continue to provide it during all appropriate forums, discussions and opportunities. However, we obviously do not write our own paychecks, and can only offer comparative salary information as supporting evidence in our efforts to acquire additional salary increases and benefits for our correctional staff.

Recommendation 3. The Department should continue its efforts to improve benefits for correctional officers so that officers will have greater incentives to remain with the Department.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Again, we wholeheartedly agree with this recommendation and will continue all efforts to identify and implement any and all reasonable benefit programs that will help retain our officers. Most notably, the Department has been working tirelessly to encourage the passage of a 20-year retirement bill this legislative session, and we are optimistic that it will pass. Among several other initiatives, we are evaluating our highly successful vanpool program for possible expansion to non-correctional staff, and we will complete the analysis of our childcare options this Spring.

Recommendation 4. The Department should examine current exit interview instruments to ensure it is collecting the information it needs most to identify problems and reduce turnover, and produce an annual report based on exit survey results.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Exit survey information has proven to be a valuable tool in verifying the impact of our recruitment efforts, and I will ask my Human Resources Assistant Director to oversee a review of the entire exit survey process to ensure that the information we are capturing is pertinent to our needs and aligned with our strategic goals. I will also ask the

Research Unit to consolidate their monthly analysis of the exit survey results into an annual report.

Recommendation 5. The Department should continue its efforts to follow up on findings regarding high levels of employee dissatisfaction at specific prison complexes, such as Perryville, Florence and Eyman, that were identified in the 2000 Quality-of-Worklife Study.

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Efforts to do just what you describe have been underway for several months. As mentioned in your report, we have contracted with Mr. Henry Cano of the Tesoro Group to gather more detailed feedback from staff on their issues of concern. He has already conducted focus group interviews with various staff groups to begin determining what particular issues are at the heart of the dissatisfaction. Following completion of his initial series of interviews, he produced an excellent report identifying the primary list of staff concerns. We subsequently developed an action plan based on his findings, and have begun implementing 21 specific actions aimed at addressing the staff concerns. This is an ongoing effort that will be implemented as rapidly as is reasonably possible.

These efforts will be further enhanced by institutional visits, which began last year, where the Director meets directly with line correctional officers to exchange information, answer questions and provide direct feedback on issues of concern.

The Human Resources Division is also in the process of developing a more compact version of the Quality of Work Life Survey instrument that will allow the Department to periodically draw feedback from the staff. This updated information can then be compared to the baseline data from the original study to indicate how successful the response strategies have been in meeting the needs of the Department. The ongoing survey process will also allow us to continue to “take the pulse” of Department staff and respond in the future to any new concerns as they arise.

Other Performance Audit Reports Issued Within the Last 12 Months

00-5	Arizona Department of Agriculture— Licensing Functions	00-16	Arizona Department of Agriculture— Pesticide Compliance and Worker Safety Program
00-6	Board of Medical Student Loans		
00-7	Department of Public Safety— Aviation Section	00-17	Arizona Department of Agriculture— Sunset Factors
00-8	Arizona Department of Agriculture— Animal Disease, Ownership and Welfare Protection Program	00-18	Arizona State Boxing Commission
00-9	Arizona Naturopathic Physicians Board of Medical Examiners	00-19	Department of Economic Security— Division of Developmental Disabilities
00-10	Arizona Department of Agriculture— Food Safety and Quality Assurance Program and Non-Food Product Quality Assurance Program	00-20	Department of Corrections— Security Operations
00-11	Arizona Office of Tourism	00-21	Universities—Funding Study
00-12	Department of Public Safety— Scientific Analysis Bureau	00-22	Annual Evaluation—Arizona's Family Literacy Program
00-13	Arizona Department of Agriculture Pest Exclusion and Management Program	01-01	Department of Economic Security— Child Support Enforcement
00-14	Arizona Department of Agriculture State Agricultural Laboratory	01-02	Department of Economic Security— Healthy Families Program
00-15	Arizona Department of Agriculture— Commodity Development Program	01-03	Department of Public Safety— Drug Abuse Resistance Education (D.A.R.E.) Program

Future Performance Audit Reports

Department of Public Safety—Telecommunications

Board of Osteopathic Examiners in Medicine and Surgery