

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: February 21, 2020

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution reallocating the pay grades for Correctional Officers working at the House of Correction, the Office of the Sheriff and the Department of Health and Human Services.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$298,644	\$597,288
	Revenue	\$0	\$0
	Net Cost	\$298,644*	\$597,288
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

* The 2020 Adopted Budget includes an allocation of \$300,000 that will be used to offset the cost of this reallocation.

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
 - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
 - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
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- A. Approval of this resolution will reallocate the current pay grades of all the correctional officer positions working at the House of Correction, the Office of the Sheriff and the Department of Health and Human Services by increasing those pay grades 2.25 percent effective pay period 14.
 - B. The reallocation of these positions will result in a direct cost from the increase in salaries. Assuming that this resolution becomes effective and implementable beginning pay period 14, this will result in a cost of \$298,644 inclusive of \$21,223 for FICA in 2020. For 2021, the cost will be \$597,288 inclusive of \$42,445 for FICA.
 - C. The budgeted appropriation of \$300,000 for 2020 half-year implementation will fund this reallocation.
 - D. The fiscal estimates were created using 2020 actual rates for all County correctional officers, Employee's affected by these changes may leave the employment of the County, may be promoted, or have some other action that occurs that could affect the dollar amounts estimated here. Additionally, FICA was assumed to be 7.65 percent.

This estimate assumes that this resolution will be adopted by the County Board at its next regularly scheduled meeting in March and effectuated by pay period 14.

This fiscal note also assumes no impact on the County's pension liability. Actuarial analyses include a broad projection of pay increases for each individual that are used to develop the total benefits to be paid out by the pension system and are based off a 3.5 percent annual growth rate. While these changes may increase the overall growth rate, based on the estimates provided here, it is not anticipated that the increase in salaries will have a calculable impact on

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

the County's total current payroll for 2020. Therefore, this action will have a de minimis impact on the County's pension liability.

Department/Prepared By Department of Human Resources, Dean Legler



Authorized Signature Dean Legler



Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required