

MILWAUKEE COUNTY FISCAL NOTE FORM

File 22-1038

DATE: September 29, 2022

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Report from, Department of Human Resources, requesting authorization to modify the current Paid Time Off Policy to address inequities and help attract and retain staff by amending Sections 17.17(1)(a) of the Milwaukee County Code of General Ordinances

FISCAL EFFECT:

- No Direct County Fiscal Impact
 - Existing Staff Time Required
- Increase Operating Expenditures
(If checked, check one of two boxes below)
 - Absorbed Within Agency’s Budget
 - Not Absorbed Within Agency’s Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- Use of contingent funds

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	\$0	\$600,000
	Revenue	\$0	\$0
	Net Cost	\$0	\$600,000
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

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. In combination with the 2023 Recommended Budget, an ordinance change is being proposed which would provide an increase in the amount of vacation time provided to employees. The change is proposed to be effective 1/1/2023. The change is recommended by the Department of Human Resources to provide a more competitive total compensation package, and to aid in recruitment and retention efforts. The change would provide 15 days of annual vacation days to new employees instead of the 10 days currently provided. Additional changes to vacation allotments would be made depending upon years of service. The following charts provide the current vacation allotment and the proposed changes.

Existing Paid Time Off

Years of Service	Vacation Allotment*	Personal Time	Sick Days**	Minor Holidays	Total Max. Time Off
1-5	10 Days	3 Days	12 Days	4/5 Days	29/30
5-10	15 Days	3 Days	12 Days	4/5 Days	34/35
10-15	20 Days	3 Days	12 Days	4/5 Days	39/40
15-20	25 Days	3 Days	12 Days	4/5 Days	44/45
20+	30 Days	3 Days	12 Days	4/5 Days	49/50

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.

Proposed Paid Time Off

Years of Service	Vacation Allotment*	Personal Days	Sick Days**	Minor Holidays	Total Max. Time Off
0-2	15 days	3	12	4/5	34/35
3-5	18 days	3	12	4/5	37/38
6-10	21 days	3	12	4/5	40/41
11-19	25 days	3	12	4/5	44/45
20+	30 days	3	12	4/5	49/50

- B. Approval of this ordinance change will result in an increase in vacation hours as shown in the tables above. An analysis was prepared by the Office of the Comptroller in April 2022 which estimated the vacation policy change will result in approximately 102,240 additional vacation entitlement hours in 2023. The estimated financial impact of the additional vacation hours is approximately \$2.5 million. However, it is anticipated that a large portion of the cost impact will be absorbed within agency operations.

The vacation policy is expected to result in backfill costs which will result in budgetary impacts. This is particularly the case in program areas with 24x7 operations where increased vacation hours may result in an increase in overtime and other backfill costs. This includes the Criminal Justice Facility and the Community Reintegration Center (the House of Correction is rebranded to the Community Reintegration Center in the 2023 Recommended Budget). The estimated backfill cost of the increased vacation hours is approximately \$600,000. This is the estimated budget impact for 2023.

- C. As indicated above, the estimated budgetary impact of the proposed increase in vacation hours is approximately \$600,000 in 2023. Within the 2023 Recommended Budget, the Community Reintegration Center budget includes an increase of \$836,047 overtime budget. The 2023 Recommended Budget for the Office of the Sheriff includes a \$361,192 increase in overtime funds. These overtime budget changes are intended to cover potential overtime cost increases resulting from the vacation policy change, as well as other overtime impacts due to staffing levels.
- D. Cost estimates are based on number of employees, years of service, and the proposed ordinance change in vacation hours. The budget impact estimate of \$600,000 is based on an anticipated need to backfill for increased vacation hours within 24x7 operations.

Department/Prepared By Office of Strategy, Budget & Performance

Approved by:



Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review? Yes No Not Required