


COUNTY OF MILWAUKEE

INTEROFFICE COMMUNICATION

DATE: January 8, 2016

TO: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

FROM: Scott B. Manske, Comptroller 

SUBJECT: Fiscal Impact – 2015 Collective Bargaining Agreement with the Federation of Nurses and Health Professionals Local 5001, AFT, AFL-CIO

Under Wisconsin Employment Relations Commission (WERC) rules and Statute Statute, non-public safety bargaining units are only allowed to negotiate for base wage increases on an annual basis. The start of the bargaining year for the Federation of Nurses and Health Professionals Local 5001, AFT, AFL-CIO (FNHP) was January 1, 2015. The last day of their previously negotiated contract was December 31, 2014. The bargaining unit was recertified in 2015.

2015 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2015 for this bargaining unit. The calculation was based on the members of the bargaining unit in the pay period that was 180 days prior to the expiration date of the most recent collective bargaining agreement. The pay period used was Pay Period 15 2014 (ending July 5, 2014). At that time, the bargaining unit had 88 members who were actively employed.¹ The annual wages of the members were calculated based upon their existing wage rates and were then multiplied by the CPI applicable to bargaining years beginning on January 1, 2015 or 1.57 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$69,006.²

2015 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.5 percent effective with Pay Period 14 (beginning June 21, 2015). The determination of compliance with Base Wage Limit uses the proposed 1.5 percent increase for the portion of the calendar year which the increase is in effect. As a result, the base wage increase will result in a total salary lift for 2015 of \$9,534 for the bargaining unit, which is within the maximum base wage increase allowable. Calculation of the maximum base wage increase for the bargaining unit was made in accordance with the WERC rules. No provision was made for any litigation that may have occurred subsequent to the issuance of those rules, and we have no knowledge of any such litigation. Representatives of Labor Relations, Corporation

¹ For purposes of this fiscal note, the FNHP bargaining unit consists of all represented employees not under control of the Milwaukee County Mental Health Board.

² The FNHP bargaining unit had 88 total authorized positions as of July 5, 2014 (authorized positions having the definition provided by WERC "...those positions in the bargaining unit that are filled"). However, 21 of these employees were pool or hourly positions. These employees have been excluded for purposes of calculating the maximum base wage increase and total salary lift due to language within the WERC rule ERC 90.03(3) which states to multiply the hourly base wage rate by the annual number of regularly scheduled hours for each authorized position when determining maximum base wage increases. Since these positions do not have regularly scheduled hours, they have been excluded.

Counsel, Department of Administrative Services, Office of the Comptroller and outside legal counsel have discussed and agreed to the definition, negotiation, and calculation of base wages.

Impact of 2015 Wage Increase on 2015 Budget and 2016 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.5 percent effective with Pay Period 14 (beginning June 21, 2015). The cost of the wage increase for 2015, using the contract effective date, would be as follows:

2015 Salary Increase	\$	9,534
FICA	\$	729
Pension - County Portion	\$	953
Pension - Employee Contribution	\$	(477)
Net Cost	\$	10,740

The appropriation included within County Board File #15-526 was sufficient to cover such a cost increase associated with the 1.5 percent wage increase for the bargaining unit, and therefore, there is no resulting budgetary impact based on the proposed agreement for 2015. Since this wage increase inflates the base wage of these employees it would therefore impact each subsequent year budget. The 2016 Adopted Budget included the impact of the 1.5 percent wage increase, and therefore, there is no resulting budgetary impact based on the proposed agreement for 2016.