

Correction Officer Premium Pay Request



Request

- A \$3.00 per hour premium pay increase is requested for Correction Officer (CO) staff across the County to address staffing issues caused by competitive job market
- Proposed to become effective from October 3, 2021 and remain in effect through the duration of 2022
- Item to be revisited in 2022 for future consideration (2023 and beyond)
- CO staff who are non-compliant with the County's vaccine mandate will not qualify for the premium pay increase
- Funded with contingency in 2021 and American Rescue Plan Act funds in 2022
- Max cost estimate: \$941k in 2021 and \$4.0M in 2022 if full compliance w/ Vaccine Order



Background

- Competitive job market has resulted in challenges filling and retaining CO staff
- Neighboring jurisdictions have increased CO pay which has compromised the County's ability to hire and retain staff in our facilities

Correction Officer Staffing Levels as of September 9, 2021 Payroll Period				
Department	Filled	Budgeted	Vacant	Vacancy %
Sheriff's Office	171	261	90	34%
House of Correction	182	234	52	22%
DHHS Juvenile Justice	62	74	12	16%
Total	415	569	154	27%



Cost Estimate and Funding

- 2021 Maximum cost estimate: \$941,238
 - Funding source: Appropriation for Contingencies
- 2022 Maximum cost estimate: \$4,039,955
 - Funding source: American Rescue Plan Act (ARPA)
- Pension cost impacts
 - 2022 cost estimate includes \$275k of pension costs
 - 2023 pension cost impact of \$1.1M as a result of 2022 payroll cost
- Actual costs are expected to be lower given that staff who are non-compliant with the vaccine mandate are not eligible for the premium pay increase
- Deadline for employees to submit vaccine verification is October 1 and more information about the rate of non-compliance will be available at this time



Vaccine Mandate for Milwaukee County

- Effective September 2, 2021, a Vaccine Mandate for Milwaukee County was issued by the County Executive (Admin Order 21-3)
- At its meeting on Sept. 17, 2021 the Finance Committee recommended support of Admin Order 21-3 to the County Board
- To be compliant with the Vaccine Mandate, employees must Complete Vaccination or have an approved medical or religious exemption
- Employees who fail to comply with the Vaccine Order face escalating consequences, including limitations on pay increases
- Vaccine Mandate is consistent with the County's vision to be the healthiest County in Wisconsin

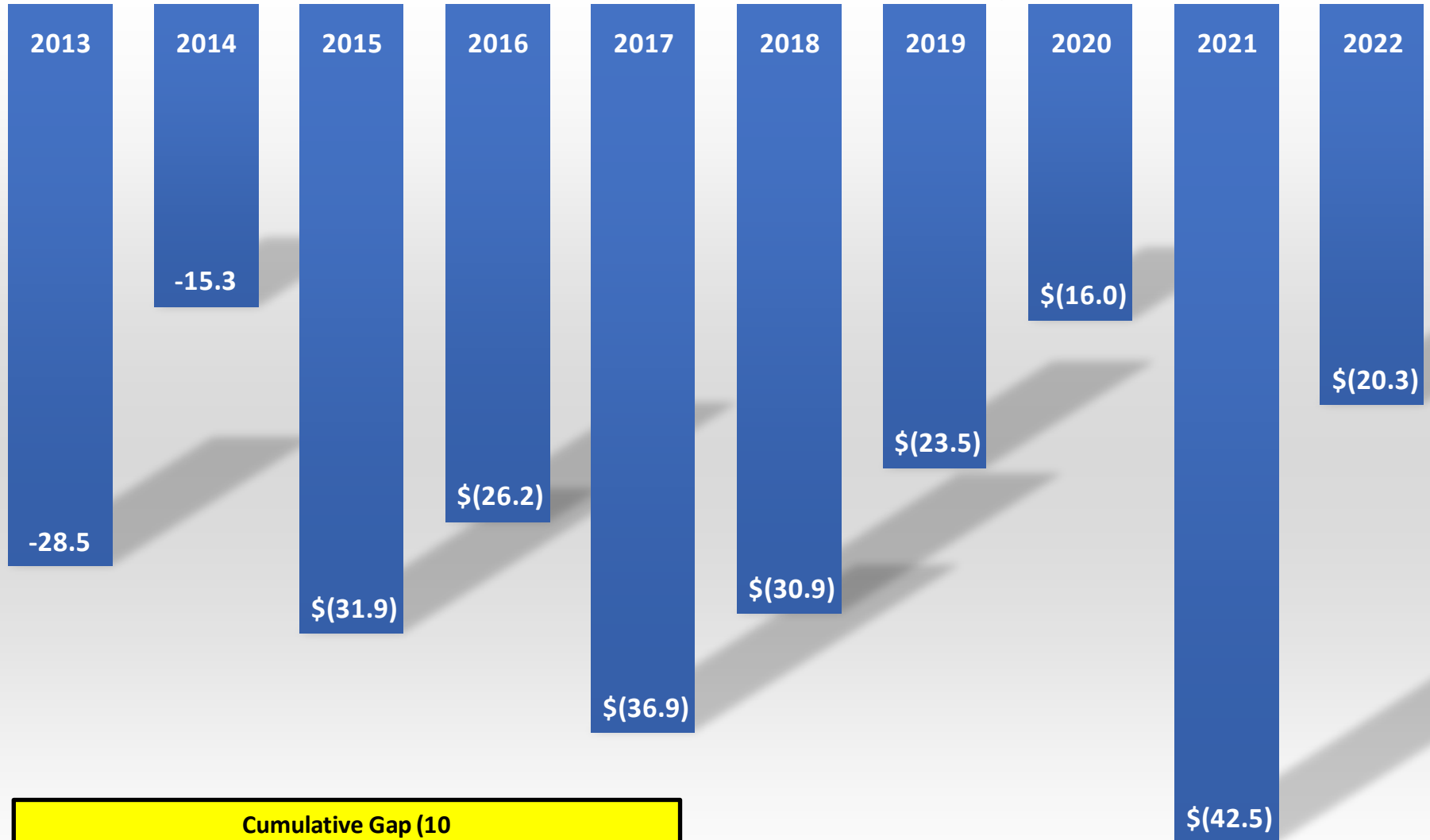


Potential Funding for 2023 and Beyond

- It must be recognized that ARPA funds are temporary and are recommended to be applied primarily to non-recurring expenses.
- If the CO pay raises were to become permanent, tax levy funding would need to be identified in the future through a combination of options
 1. Add cost to 2023 budget gap estimates and factor that cost into tax levy targets distributed county-wide
 2. Identify targeted savings initiative(s) to offset the cost
 3. Revenue enhancements or improved revenue forecast
 4. Premium pay increase could be reduced or eliminated in 2023 if no funding becomes available



History of Milwaukee County Annual Funding Gaps (\$ in millions)



Cumulative Gap (10
Years) = \$272 Million
avg \$27m per year

GFOA Guiding Principle for ARPA (Temporary Funding)

- *Temporary Nature of ARPA Funds.* ARPA funds are non-recurring so their use should be applied primarily to non-recurring expenditures.
 - Use of ARPA funds to cover operating deficits caused by COVID-19 should be considered temporary and additional budget restraint may be necessary to achieve/maintain structural balance in future budgets.

Potential Tax Levy Financing for 2023 and Beyond

- If the pay increase were to become permanent, tax levy financing would need to be identified in future years
- Estimated cost of \$5.1 million in 2023 includes pension impact
 - Estimate is not discounted for non-compliance
- Potential options to identify tax levy financing in one year or a phased approach

Potential Future Tax Levy Financing		
Year	Scenario 1 (One-Time)	Scenario 2 (Phased)
2023	\$ 5.1	\$ 1.7
2024	\$ -	\$ 3.4
2025	\$ -	\$ 5.1



2022 Budget Detail

- At the start of the 2022 budget process (spring 2021), a \$20 million budget gap was estimated
- Budget gap estimate did not include extraordinary pay increase estimate for CO staff
 - Targeted CO pay increases were in two of the last three budgets, unlike any other County positions
- Budget gap estimate informs departmental tax levy targets issued in April for July request submittals
- CO pay increase approved in Racine County in July 2021
- The upcoming County Executive Recommended Budget aims to close the budget gap while maintaining County services, investing in strategic plan priorities, and addressing county-wide compensation needs.
- Additional tax levy financing has not been identified for larger CO Pay increase which was unplanned at start of budget process.
- Proposal to use contingency funds in 2021 and ARPA in 2022 is recognized as a temporary solution to address CO pay issue in the near term future.



2022 Budget – ARPA Funds

- Apart from the CO Premium Pay request, there are no other new ARPA funding requests contained in the 2022 Budget
 - Budget only accounts for previously approved items by ARPA Task Force and CO Pay request
- Awaiting ARPA Task Force recommendations prior to making larger plans for use of the grant







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COUNTY**