

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 14, 2018

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

FROM: Scott B. Manske, Comptroller
Cynthia (CJ) Pahl, Financial Services Manager, Office of the Comptroller

SUBJECT: Fiscal Impact – 2018 Collective Bargaining Agreement with the Wisconsin Federation of Nurses and Health Professionals, Local 5000, 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 Wisconsin Federation of Nurses and Health Professionals, Local 5000, AFT, AFL-CIO (FNHP) was January 1, 2018. The last day of their previously negotiated contract was December 31, 2017. The bargaining unit was recertified in 2018.

2018 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2018 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 14 2017 (ending July 1, 2017). At that time, the bargaining unit had 16 members who were actively employed¹. 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, 2018, or 1.84 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$12,391²; this is the maximum amount that can be paid in additional base wages in 2018 and can be paid out however agreed upon by the union and the County.

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 16 total authorized positions as of July 1, 2017 (authorized positions having the definition provided by WERC "...those positions in the bargaining unit that are filled"). However, 6 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.

2018 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.0 percent effective with Pay Period 14 (beginning June 18, 2017) for all members. The base wage increase results in a total salary lift for 2017 of \$3,577 for the bargaining unit, which is \$8,813 below 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. The Office of the Comptroller and outside legal counsel have discussed and have agreed to the definition, application and calculation of base wages.

Impact of 2018 Wage Increase on 2018 Budget and 2019 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 1.0 percent effective with Pay Period 14 (beginning June 17, 2018). The cost of the wage increase for 2018, using the contract effective date, would be as follows:

2018 Salary Increase	\$ 3,577
FICA	\$ 274
Net cost	\$ 3,851

The 2018 Adopted Budget included an appropriation for a 1.0 percent wage increase for all employees, effective Pay Period 14 (beginning June 17, 2018), or approximately \$2,867 in additional salary dollars. Therefore, there is a \$764 cost based on the proposed agreement for the current year.

2018 Budgeted Salary Increase	\$ 2,867
FICA	\$ 219
Net Budgeted Amount	\$ 3,087
Net Actual Cost	\$ 3,851
Savings / (Cost)	\$ (764)

Since this wage increase inflates the base wage of these employees it would therefore impact each subsequent year budget. The budget impact on 2019, assuming the same pension percentages, would be as follows:

2019 Salary Increase	\$ 6,644
FICA	\$ 508
Net cost	\$ 7,152



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