

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: April 29, 2016

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request to amend County Ordinance to allow the Director of Benefits to award additional vacation hours upon hiring in recognition of prior work in non-governmental entities or governmental entities outside of Wisconsin.

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	\$35,409	\$70,819
	Revenue	1,409	2,818
	Net Cost	\$34,000	\$68,001
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

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.

- A. This request amends Milwaukee County Ordinances to allow the Director of Benefits to award additional vacation hours in recognition of prior service in non-government entities and governmental entities outside the State of Wisconsin.
- B. Direct costs result from additional vacation hours being awarded to personnel in 24/7 positions which would create a need for replacement personnel. Increased overtime costs or an increase in shift relief could result. Direct costs were calculated by determining the number of new hires in 24/7 positions in the past four years times the average hourly rate for 24/7 positions with an approximate percentage of the number of new hires who would have services credits that are not creditable. It was estimated that approximately 25% of all new hires would be eligible for this benefit and awarded vacation hours by the Director of Benefits which is the amount noted on the first page of the fiscal note. The fiscal impact is based upon awarding of two additional weeks of vacation.

Other indirect costs are also associated with this change, including interrupted work flow and lower productivity. The financial impact of these indirect costs is impossible to calculate, but should be considered in the larger policy decision.

- C. Departments typically have excess salary appropriations due to vacancies and other changes within positions. These excess salary appropriations are then used to provide increases to certain employees, to hire new employees at higher steps than budgeted or for other salary-related changes. This change will limit a department's ability to use surplus salary appropriations for these types of salary-related changes in the future.

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.

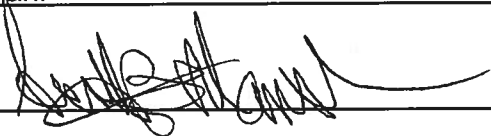
- D. Several assumptions were used in this analysis. Most notably, that 25% of new hires would be eligible and awarded this benefit. Since this benefit has not been offered in the past, there has been no analysis conducted of the number of new employees who would qualify. Therefore, direct costs were calculated by determining the number of new hires in 24/7 positions in the past four years times the average hourly rate for 24/7 positions with an approximate percentage of the number of new hires who would have services credits that are not creditable.

It was also assumed that "normal" budgeted salary appropriations would be sufficient in the future to cover the additional costs of this payout. Most departments have shown through year-end results to have surplus salary appropriations even after all salary-related changes throughout the year. Therefore, there was no expectation of additional budgeted salary appropriations needed.

It was also assumed that implementation of the Ordinance would begin in July 2016.

Department/Prepared By Molly Pahl

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

