

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** June 23, 2022

Original Fiscal Note ☒

Substitute Fiscal Note ☐

**SUBJECT:** A resolution requesting reallocation of Correctional Officer 1 Sheriff, Correctional Officer 1, Youth Correctional Officer, Youth Correctional Officer Bilingual, Family Visitation Security Officer, Correctional Officer Lieutenant, Correctional Officer Sergeant, Correctional Officer Lieutenant – Program Facilitator, Correctional Officer Truck Driver, Supervisor Juvenile Correctional Officer to increase base rate pay by \$3.00 per hour and to discontinue the application of \$3.00 per hour premium pay for the same positions as authorized under File #21-941.

### 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<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input 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 checked="" 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	\$18,437	\$4,296,334
	Revenue	\$18,437*	\$0
	Net Cost	\$0	\$4,296,334
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

\* For 2022, File #21-941 authorized \$4,039,955 in expenditure and ARPA revenue authority to fund the cost of the \$3.00 Correction Officer premium pay. ARPA was only authorized as the funding of last resort for the \$3.00 premium pay if no other surplus is available to offset the cost of the premium pay. This request assumes that unspent expenditure and revenue authority under File #21-941 will be utilized to offset the cost of the reallocation and that ARPA funding will only be utilized if no other surplus is available to offset the cost of the reallocation.

## 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.<sup>1</sup> 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. **Proposal:** This proposal will reallocate pay grades 14Z1, 17Z, 22, 23CM, and 28M by adding \$3.00 to each step within each grade and will eliminate the \$3.00 premium authorized under File #21-941.
- B. **Direct Financial Impact:** For the remainder of 2022, the direct financial impact of reallocating the pay grades is estimated to be \$957,424 which assumes a pay period 19 start date. Elimination of the \$3.00 premium authorized under File #21-941 provides a financial savings of \$938,987, for a net fiscal impact in 2022 of \$18,437. The difference between the cost of reallocation and elimination of the premium is due to the premium only being paid for hours worked, while the pay increase under the reallocation will be paid on all hours.

	MCSO	HOC	CYFS	Total
<b>Cost of Reallocation</b>	\$ 388,561	\$ 424,755	\$ 144,108	\$ 957,424
<b>Savings Premium Elimination</b>	\$ (373,983)	\$ (422,306)	\$ (142,698)	\$ (938,987)
<b>Total</b>	\$ 14,578	\$ 2,450	\$ 1,410	\$ 18,437

Under File #21-941, American Rescue Plan Act (ARPA) is to be used as the funding of last resort for the \$3.00 premium pay if there is no other surplus funding available to offset the cost. If this request is approved, the remaining allotment of ARPA funds for premium pay will be used in 2022 to offset the cost of the reallocation should no other surplus funding be available.

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<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

In 2023 and future years, the direct financial impact of reallocating the pay grades is estimated to be \$4,296,334 annually. This assumes that that 91 percent of funded FTE positions are filled and that 4.0 hours of overtime are worked per pay period.

	MCSO	HOC	CYFS	Total
Funded FTEs	299	319	81	699
Cost of Reallocation	\$ 1,837,774	\$ 1,960,702	\$ 497,858	\$ 4,296,334

- C. **Budgetary Impact:** For 2022, expenditure authority of \$4,039,955 and ARPA revenue of \$4,039,955 was approved for the \$3.00 premium pay approved under File #21-941. As of pay period 10, \$1,659,631 was paid in \$3.00 premium pay. It is estimated that through pay period 18, approximately \$2,535,000 will be paid in \$3.00 premium pay, resulting in \$1,505,000 of surplus expenditure authority available once the premium pay is eliminated. If approved, this request would utilize the remaining \$1,505,000 in expenditure and revenue authority to fund the cost of the reallocation.

In 2023 and future years, \$4,296,334 would need to be budgeted through increases to County revenues or decreases to other County expenditures.

- D. **Assumptions:** This fiscal estimate assumes the following:
- On average, 37,546 hours are currently paid per pay period for all hours.
  - On average, 36,500 hours of premium are paid per pay period.
  - For 2023 and beyond, 91 percent of funded FTEs will be filled and those employees will be paid for 2080 hours of regular time and 104 hours of overtime, which results in 53,683 hours paid per pay period. If the vacancy rate is less than 91 percent or overtime hours exceed that estimated here, costs will be higher. If the vacancy rate is higher or if employees have unpaid time, costs will be less.

Department/Prepared By Cynthia J Pahl

Authorized Signature Cynthia J Pahl

Did DAS-Fiscal Staff Review? ☐ Yes ☒ No

Did CDBP Review?<sup>2</sup> ☐ Yes ☐ No ☒ Not Required