


COUNTY OF MILWAUKEE

INTEROFFICE COMMUNICATION

DATE: August 26, 2016

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

FROM: Scott B. Manske, Comptroller 

SUBJECT: Fiscal Impact – 2016 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, 2016. The last day of their previously negotiated contract was December 31, 2015. The bargaining unit was recertified in 2016.

2016 Base Wage Limit

Using rules provided by WERC, a calculation was made to provide the maximum base wage increase allowable for 2016 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 2015 (ending July 4, 2015). At that time, the bargaining unit had 23 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, 2016 or 0.73 percent. This became the maximum base wage increase allowable for purposes of bargaining or \$9,709²; this is the maximum amount that can be paid in additional base wages in 2016 and can be paid out however agreed upon by the union and the County.

2016 Wage Increase and Base Wage Compliance

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by .70 percent effective with Pay Period 8 (beginning March 27, 2016) for all members. The base wage increase results in a total salary lift for 2016 of \$4,969 for the bargaining unit, which is \$4,740 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.

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 23 total authorized positions as of July 4, 2015 (authorized positions having the definition provided by WERC "...those positions in the bargaining unit that are filled"). However, 3 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.

Impact of 2016 Wage Increase on 2016 Budget and 2017 Budget

Based upon the proposed agreement with the bargaining unit, the base wage rates will increase by 0.70 percent effective with Pay Period 8 (beginning March 27, 2016). The cost of the wage increase for 2016, using the contract effective date, would be as follows:

2016 Salary Increase	\$	4,969
FICA	\$	380
Net Cost	\$	5,349

The 2016 Adopted Budget included an appropriation for a 1.0 percent wage increase for all employees, effective Pay Period 14 (beginning June 19, 2016), or approximately \$6,813 in additional salary dollars. Therefore, there is a savings of \$1,985 based on the proposed agreement for the current year.

2016 Budgeted Salary Increase	\$	6,813
FICA	\$	521
Net Budgeted Amount	\$	7,334
Net Actual Cost	\$	5,349
Savings / (Cost)	\$	1,985

Since this wage increase inflates the base wage of these employees it would therefore impact each subsequent year budget. The budget impact on 2017, assuming the same pension percentages, would be as follows:

2017 Salary Increase	\$	6,460
FICA	\$	494
Net Cost	\$	6,954