

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date : February 8, 2019

To : Supervisor Theodore Lipscomb, Chair, County Board of Supervisors

From : Teig Whaley-Smith, Director, Department of Administrative Services

Subject: 2019 Adopted Budget Amendment 1A008 Report – Salary Change Procedure

BACKGROUND

The 2019 Adopted Budget includes \$455,645 in potential funding for pay equity and merit increases in the 4th quarter of the year, including language from Amendment 1A008 requesting that the administration provide “a report to the County Board no later than July 2019 on the process to award these new funds, as well as how the 2018 monies were spent. Approval by the County Board to release the funds (via an appropriation transfer) will be considered after the report is reviewed.” This report is responsive to the request. This file includes a request to transfer \$455,645 from departmental allocated contingency accounts to personal services.

The 2018 Adopted Budget contained \$400,000 in departmental accounts for a Departmental Other Salary Adjustment Allocation (DOSAA). The salary changes were intended to be implemented in the 4th quarter of the year for a net annual impact of \$1,600,000. The County has significant compensation issues and one year of DOSAA is insufficient to address all of them. Due to the high level of need, some DOSAA-funded salary changes were implemented prior to the 4th quarter by departments who certified they were able to self-fund the additional cost of the positions in 2018.

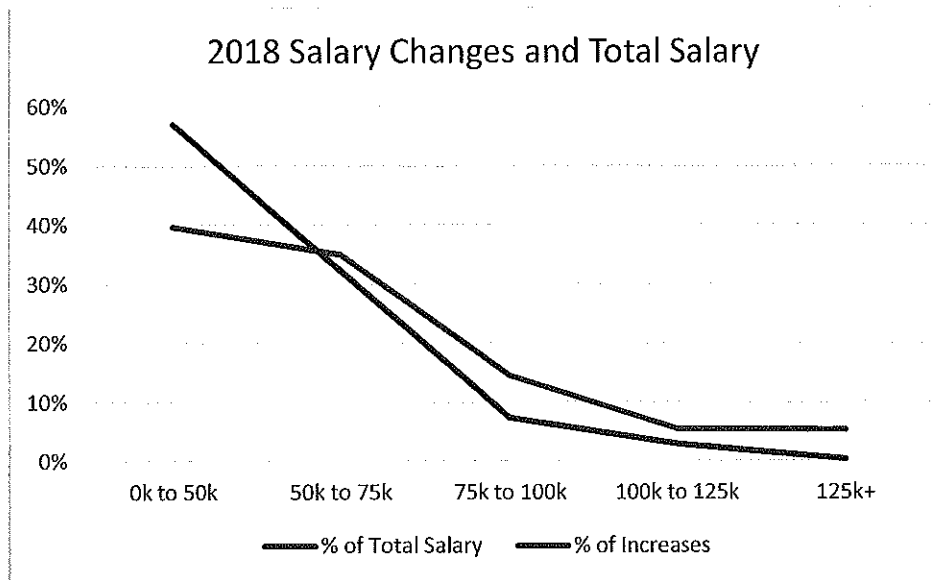
The 2019 Adopted Budget contains \$455,645 of DOSAA to be implemented in the 4th quarter for an annual total of \$1,822,580. The additional \$1,366,935 is part of the operating budget gap in 2020.

2018 DOSAA

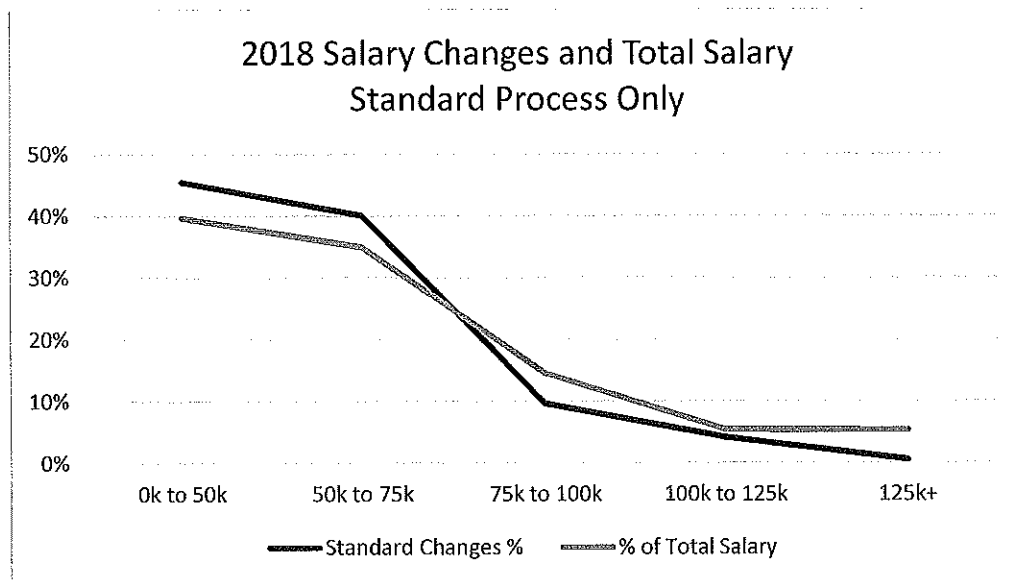
The chart in appendix A shows how the \$1.6 million in annual DOSAA funding was spent by department. Several departments utilized all of their DOSAA funding and were also able to utilize non-DOSAA funding sources to provide additional salary increases. Example of non-DOSAA funding include outside grants, airport revenue, and eliminating other positions.

Other departments chose to give salary increases less than the DOSAA or not provide any salary increases in 2018. Any unused DOSAA funding at year-end of the year drops to the bottom line and/or is used to offset departmental deficits.

The chart below shows that employees with salaries under \$50,000 received the majority of salary increases in 2018. Employees with salaries above \$75,000 account for 25% of the County’s total payroll but only 11% of the total salary increases in 2018.



In 2018, there were two County Board actions that impacted large classes of employees File 17-622 increased pay of Courts workers and file 18-241 increased pay of Airport maintenance workers. When removing those actions from the data above, the chart below shows that salary increases track overall salary spend by income category very closely.



2019 DOSAA

For 2019, DAS is creating an administrative procedure (AMOP) to assist departments in addressing salary issues. A copy of the draft AMOP is included with this file.

Departments are asked to identify the funding source for the proposed salary increase. There is a different process for approving requested funded through the annual DOSAA and other funding sources.

DOSAA Funding

For salary changes that are funded by DOSAA, funding is provided for the 4th quarter of

the year. The preferred method for requesting DOSAA funding is for departments to submit salary increase requests concurrently with their requested budget in the summer of 2019 for implementation in October 2019.

Departments will also be able to request "early use" of DOSAA funding prior to the 4th quarter if a truly urgent need arises. To balance departmental need with fiscal sustainability, requests for early use DOSAA will decrease the total amount of salary increases that a department may implement in 2019. DAS-PSB will review all salary requests to ensure that the department has not exceeded their DOSAA or created an additional budget gap in future years.

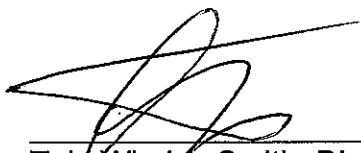
Non-DOSAA Funding

Salary changes that are funded by non-DOSAA sources will be subject to additional review and additional criteria for approval. The department must identify a sustainable, ongoing funding source to offset the increased salary. Examples of allowable funding sources include:

- Abolishing a funded position or positions
- Processing other reclassifications or reallocations that reduce salary
- Dedicated funding earmarked in the preceding Adopted Budget
- Direct, sustainable budgetary savings after a fund transfer is processed.

Examples of funding sources that may not be used to justify a salary increase include:

- Adjusting Vacancy and Turnover assumptions in the current year
- Contract savings without an approved fund transfer
- Indirect savings
- Overtime savings
- One-time expenditure reductions or revenue increases



Teig Whaley-Smith, Director, DAS

Appendix A: 2018 Salary Change Overview

2018 Salary Change Overview						
Department	Total Increases	18 DOSAA Used	18 Non-DOSAA	18 DOSAA	18 DOSAA Annual	18 DOSAA Available
CEX	\$ -	\$ -	\$ -	\$ 1,335	\$ 5,340	\$ 5,340
Vets	\$ 9,040	\$ 1,016	\$ 8,024	\$ 254	\$ 1,016	\$ -
Gov Affairs	\$ -	\$ -	\$ -	\$ 354	\$ 1,416	\$ 1,416
OAAA	\$ -	\$ -	\$ -	\$ 639	\$ 2,556	\$ 2,556
PRB	\$ -	\$ -	\$ -	\$ 411	\$ 1,644	\$ 1,644
Corp Counsel	\$ 16,314	\$ 15,060	\$ 1,254	\$ 3,765	\$ 15,060	\$ -
HR	\$ 47,628	\$ 32,680	\$ 14,948	\$ 8,170	\$ 32,680	\$ -
DAS	\$ 159,581	\$ 150,416	\$ 9,165	\$ 37,604	\$ 150,416	\$ -
Courts	\$ 224,932	\$ 137,988	\$ 86,944	\$ 34,497	\$ 137,988	\$ -
Child Support	\$ 30,786	\$ 30,786	\$ -	\$ 15,659	\$ 62,636	\$ 31,850
Sheriff	\$ 97,762	\$ 97,762	\$ -	\$ 40,698	\$ 162,792	\$ 65,030
HOC	\$ 125,315	\$ 125,315	\$ -	\$ 36,177	\$ 144,708	\$ 19,393
DA	\$ 60,861	\$ 60,861	\$ -	\$ 17,234	\$ 68,936	\$ 8,075
OEM	\$ 48,400	\$ 27,772	\$ 20,628	\$ 6,943	\$ 27,772	\$ -
Med Examiner	\$ 68,786	\$ 22,636	\$ 46,150	\$ 5,659	\$ 22,636	\$ -
Election Comm	\$ -	\$ -	\$ -	\$ 432	\$ 1,728	\$ 1,728
Treasurer	\$ 7,610	\$ 3,200	\$ 4,410	\$ 800	\$ 3,200	\$ -
Clerk	\$ -	\$ -	\$ -	\$ 1,338	\$ 5,352	\$ 5,352
ROD	\$ 12,150	\$ 10,268	\$ 1,882	\$ 2,567	\$ 10,268	\$ -
Comptroller	\$ 8,333	\$ 8,333	\$ -	\$ 8,556	\$ 34,224	\$ 25,891
DOT	\$ 484,780	\$ 197,976	\$ 286,804	\$ 49,494	\$ 197,976	\$ -
Aging	\$ 25,329	\$ 25,329	\$ -	\$ 9,480	\$ 37,920	\$ 12,591
BHD	\$ 155,819	\$ 155,819	\$ -	\$ 39,761	\$ 159,044	\$ 3,225
DHHS	\$ 185,705	\$ 147,216	\$ 38,489	\$ 36,804	\$ 147,216	\$ -
Parks	\$ 253,118	\$ 107,316	\$ 145,802	\$ 26,829	\$ 107,316	\$ -
Zoo	\$ 10,750	\$ 10,750	\$ -	\$ 14,440	\$ 57,760	\$ 47,010
UW-Extension	\$ -	\$ -	\$ -	\$ 100	\$ 400	\$ 400
TOTAL	\$ 2,032,998	\$ 1,368,500	\$ 664,498	\$ 400,000	\$ 1,600,000	\$ 231,500