

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** January 21, 2021

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the County Executive, requesting approval to modify Administrative Order 20-16, Risk Recognition Pay for High Risk and Very High Risk Job Duties, and create Administrative Order 21-1, 2021 Expanded Pay Sick Leave.

**FISCAL EFFECT:**

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| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><br><input type="checkbox"/> Decrease Operating Expenditures<br><br><input type="checkbox"/> Increase Operating Revenues<br><br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><br><input type="checkbox"/> Decrease Capital Expenditures<br><br><input type="checkbox"/> Increase Capital Revenues<br><br><input type="checkbox"/> Decrease Capital Revenues<br><br><input type="checkbox"/> Use of contingent funds |
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*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
<b>Operating Budget</b>	Expenditure	\$141,050/month	\$0
	Revenue	\$0	\$0
	Net Cost	\$141,050/month	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## 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. If adopted, this resolution would approve the modification of Administrative Order 20-16, Risk Recognition Pay for High Risk and Very High Risk Job Duties, and the creation of Administrative Order 21-1, 2021 Expanded Pay Sick Leave. Administrative Order 20-16 would continue the Risk Recognition Pay for High Risk and Very High Risk Job Duties Order from 2020, which provides an increase in pay for employees with certain job duties that may put them at a greater risk of contracting COVID-19. Administrative Order 21-1 would provide additional sick leave for employees who require time off due to the contraction of COVID-19 or for quarantine related to COVID-19.
  - B. In 2020, expenditures related to Risk Recognition Pay for High Risk and Very High Risk Job Duties were reimbursable under the CARES Act. No new funding for COVID-19 related expenditures has been provided in 2021 yet, although the likelihood of funding from the Federal government in 2021 is possible. The Comptroller's Office reviewed the costs of administering the Risk Recognition Pay Order in 2020 and found that the approximate cost was \$23,198 per month. Because this is no longer a reimbursable expense, expenditures will increase in those departments that provide Risk Recognition Pay to its employees.

In 2020, additional leave time was provided to employees to address COVID-19 related absences through the FFCRA. The County's costs to administer the provisions of FFCRA were entirely reimbursed by the Federal Government. This program has, so far, not been renewed in 2021. Therefore, the Expanded Pay Sick Leave Administrative Order will require

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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.

an increase in operating expenditures County-wide. However, Federal funding in 2021 to cover these costs is a possibility. The Comptroller's Office reviewed the costs of administering FFCRA last year and found those costs to be approximately \$117,852 per month. The FFCRA included time off for childcare due to school closures or to care for a dependent affected by COVID-19. The Expanded Pay Sick Leave Administrative Order does not include this provision and the Comptroller's estimate does reflect that change.

- C. The budgetary impact associated with the proposed action in the current year requires an increase in operating expenditures. Unlike 2020, outside funds are not available to offset these costs. It is possible that the Federal Government will provide more funding for municipalities (or indirectly through States) to recover expenses incurred due to the COVID-19 pandemic and it is anticipated that further information on Federal COVID-19 mitigation legislation will become available in the coming weeks and months. It may be possible that reductions in expenditures in other areas will be required if Federal or State funding is not provided by the end of the year, but the Department of Administrative Services Office of Performance, Strategy, and Budget will continue to monitor expenditures and provide regular updates to policymakers on the status of funding for both Orders. At this time, this fiscal note assumes that these costs will cease by 2022, but they may be necessary if the COVID-19 pandemic conditions warrant continuation of the Administrative Orders.
  
- D. This fiscal note assumes that usage rates for both Administrative Orders will be similar to 2020. It may be the case that usage lessens as vaccines become more widely available.

Department/Prepared By Emily Petersen, Research & Policy Analyst, Office of the Comptroller

Authorized Signature Emily Petersen

Did DAS-Fiscal Staff Review?  Yes  No

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