



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

October 3, 2017

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: David H. Van Dyke *DHV*
County Auditor

FROM: Inez N. Claggett *INC*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CR-082-2017 Compensation and Benefits, Corrections Officials, Salary Schedule C-O

Pursuant to your request, we have reviewed CR-082-2017 to estimate its fiscal impact on Prince George's County, Maryland.

CR-082-2017 proposes to amend the Salary Plan of the County to reflect certain wage and benefit modifications of Officials ranked at Captain and Major within the Department of Corrections. Proposed modifications shall be effective to July 1, 2016 through June 30, 2018, unless otherwise stated in specific provisions.

Details of all modifications to Salary Schedule C-O are presented in the Summary of Modifications attached to CR-082-2017, and have been enclosed hereto, for your convenience. Provided below is a summary of the modifications affecting covered employees, and having a significant fiscal impact upon the County during fiscal year 2018 and beyond.

- Covered employees will receive a three percent (3%) increase to their base wages effective the first full pay period in October 2017.
- Eligible employees covered by Salary Schedule C-O will receive two merit step increases (valued at three and one half percent each) on their employee anniversary date during FY 2018. There will be no retroactive payment for any of the missed merit steps.
- Effective Fiscal Year 2018, shift differential increases twenty cents (\$.20), from two dollars forty cents (\$2.40) to two dollars and sixty cents (\$2.60) per hour, for the first and third shifts.

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- Effective the first full pay period in Fiscal Year 2018, TEC pay is increased from five hundred dollars (\$500) to six hundred dollars (\$600) annually for officers permanently assigned to duties as Canine Officers, Honor Guard, Fire Arms Instructors, Regional Processing Officers, CISM Team Members and Transport Officers.
- Officers permanently assigned to the Emergency Response Team (ERT) will receive TEC pay of one thousand dollars (\$1,000) annually.
- In *Calendar Year 2018*, the percentage rate at which covered employees contribute toward the cost of health insurance benefits will increase by three percent (3%) for each of the health insurance plans, the deductible prescription drug plan, and the vision care programs, offered by the County; and

Adoption of CR-082-2017 is estimated to have a negative fiscal impact to the County of approximately \$41,560 during fiscal year 2018 related to the COLA and merit increases. Attachment A provides a breakdown of the cost components.

If you require additional information or have questions regarding the fiscal impact statement, please call me.

Attachment

**Fiscal Impact of Amendment to Salary Plan for Officials in the Department of Corrections, Salary Schedule C-O
Effective July 1, 2016 to June 30, 2018**

Current Payroll	\$	665,115
Number of Employees		6
Average Salary	\$	110,900

Category	Effective Date	FY 2018 Direct Cost	FY 2018 Fringe Cost	FY 2018 Total Cost
Cost of Living Adjustment (3%)	October 1, 2017	\$ 14,600	\$ 1,120	\$ 15,720
FY 17 Merit Increase	Employee Anniversary Date	\$ 11,900	\$ 910	\$ 12,810
FY 18 Merit Increase	Employee Anniversary Date	\$ 12,100	\$ 930	\$ 13,030
Totals		\$ 38,600	\$ 2,960	\$ 41,560

Summary of Modifications
PRINCE GEORGE'S CORRECTIONAL OFFICIALS
(Captains and Majors)
FISCAL YEARS 2017 and 2018

Employees will receive a three percent (3%) increase to their base wages effective the first full pay period in October 2017.

Employees covered by this Agreement who are otherwise eligible to receive a three and one-half percent (3 1/2%) merit increase during Fiscal Year 2017, shall be paid this merit during Fiscal Year 2018 on their anniversary date

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Effective July 1, 2017, the maximum rates will be increased by three and one half percent (3 1/2%). **(ARTICLE 22 – WAGES)**

During Calendar Year 2017, the County shall contribute seventy-three percent (73%) to the cost of the County's preferred provider option insurance plan for any employee who elects to participate in the program. Participating employees shall contribute the remaining twenty-seven percent (27%). Effective January 2018, the County shall contribute seventy percent (70%) to the cost of the County's preferred provider health insurance plan. Participating employees shall contribute the remaining thirty percent (30%) of the premium.

During Calendar Years 2017, the County shall contribute seventy-eight percent (78%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO) for any employee who elects to participate in the program. Participating employees shall contribute the remaining twenty-two percent (22%). Effective January 2018, the County shall contribute seventy five percent (75%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO). Participating employees shall contribute the remaining twenty-five percent (25%) of the premium.

The County shall contribute seventy-three percent (73%) to the cost of the County's preferred provider option health insurance plan for any retiree who elects to participate in the program. Participating retirees, defined as any officer who has retired or will retire on or before December 31, 2017 shall have their contribution rate capped at twenty-seven percent (27%). Officers who retire on or after January 1, 2018 will not benefit from this cap.

The County shall contribute seventy-eight percent (78%) to the cost of a prepaid group health plan or Health Maintenance Organization (HMO) for any retiree who elects to participate in the program. Participating retirees, defined as any officer who has retired or will retire on or before December 31, 2017) shall have their contribution capped at twenty-two percent (22%). Officers who retire on or after January 1, 2018 will not benefit from this cap.

During Calendar Year 2017, the County shall contribute eighty-eight percent (88%) to the County's deductible prescription drug and vision care programs for any employee and retiree

(who retire on or after July 1, 1996) who elect to participate in either program. The participating employee/retiree shall contribute the remaining twelve percent (12%).

Effective January 2018, the County shall contribute eighty five percent (85%) of the County's deductible prescription drug and vision care programs. Participating employees shall contribute the remaining fifteen percent (15%) of the premium. Employees who choose not to enroll in the Prescription Drug Plan may choose to receive a credit instead.

Participating retirees, defined as any officer who has retired or will retire on or before December 31, 2017, shall have their contribution rate capped at twelve percent (12%). Officers who retire on or after January 1, 2018 will not benefit from this cap, and shall be governed by the fifteen percent (15%) listed above. Employees may contribute up to the maximum IRS allowed amount in a dependent flexible spending account and up to the maximum IRS allowed amount in a medical flexible spending account.

The County has agreed to extend certain provisions of this Article to current retirees with the express understanding and agreement of the parties that the County has not waived any rights it has with regard to whether matters affecting retirees constitute mandatory subjects of bargaining.
(ARTICLE 23 – HEALTH AND LIFE INSURANCE COVERAGE)

Effective Fiscal Year 2018, shift differential increases twenty cents (\$.20) from two dollars forty cents (\$2.40) to two dollars and sixty cents (\$2.60) per hour for the first and third shifts.
(ARTICLE 26—SHIFT DIFFERENTIAL)

Effective the first full pay period in Fiscal Year 2018, TEC pay is increased from five hundred dollars (\$500) to six hundred dollars (\$600) annually for officers permanently assigned to duties as Canine Officers, Honor Guard, Fire Arms Instructors, Regional Processing Officers, CISM Team Members and Transport Officers. Officers permanently assigned to Emergency Response Team (ERT) will receive one thousand dollars (\$1,000) annually. Eligible employees may not receive a TEC supplement greater than six hundred dollars (\$600.00) pursuant to this provision except as noted above. For example, Fire Arms Instructors who are also assigned to Honor Guard will be limited to a TEC annual supplement of six hundred dollars (\$600.00). Beginning in Fiscal Year 2019, TEC pay for the aforementioned assignments and for officers permanently assigned to translation duties will be paid in twenty-six (26) bi-weekly installments.
(ARTICLE 31 – TEC PAY)

For any employee covered by this Agreement who retires during the term of this Agreement, "Average Annual Compensation" as that term is defined in Article 42, Section 9.2 (Definitions), above, will be calculated as if the employee had received the merit increase in FY 2017.
(ARTICLE 46 – COMPREHENSIVE RETIREMENT BENEFIT)