



THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

May 9, 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
CB-041-2017 – American Federation of State, County and Municipal Employees (AFSCME) – Collective Bargaining Agreement (Local 241 School Crossing Guards)
CR-026-2017 – American Federation of State, County and Municipal Employees (AFSCME) – Salary Schedule X (Local 241 School Crossing Guards)

Pursuant to your request, we have reviewed the above referenced legislation to estimate its fiscal impact on Prince George's County, Maryland.

CB-041-2017 amends the negotiated labor agreement (Agreement) between the County and Council 67, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO and its affiliated Local 241 (School Crossing Guards) providing for wages and certain other terms and conditions of employment for specific personnel classifications. CR-026-2017 amends the salary plan of the County (also known as Salary Schedule X) to reflect the terms and conditions of the aforementioned labor agreement. As proposed, the Agreement shall become effective on July 1, 2016, unless otherwise stated within specific sections of the Agreement, and shall remain in full force and effect until June 30, 2018.

Details of modifications to the Agreement and Salary Schedule X are presented in the County Executives Cover Letter and Settlement Summary for the proposed legislation. Notable modifications to the agreement are as follows:

- A three percent (3%) cost of living adjustment (COLA) shall be effective the first full pay period after January 1, 2017;

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- A one percent (1%) COLA shall be effective the first full pay period after January 1, 2018;
- Eligible employees covered by the agreement shall receive a merit increase of three and a half percent (3.5%) on their employee anniversary date beginning the first full pay period of July 2017;
- The maximum pay level of Salary Schedule X, pay grade X13, will be adjusted by three and a half percent (3.5%) to allow for employees at the top of the scale to receive a merit increase;
- 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
- The County will issue one pair of waterproof gloves to each bargaining unit employee, as part of the uniform.

The adoption and enactment of this legislation package is estimated to have a total negative fiscal impact to the County for fiscal year 2017 of \$20,700 related to the COLA increase. For fiscal year 2018, the estimated total negative fiscal impact is \$73,100 related to the COLA and merit increases. There will also be minimal fiscal impact to the County related to the issuance of the waterproof gloves. Attachment A provides a breakdown of the cost components.

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

**Fiscal Impact of Amendment to Salary Plan for AFSCME Local 241, Salary Schedule X
Effective July 1, 2016 to June 30, 2018**

Current Payroll (excluding certain exempt employees)	\$	1,278,651
Number of Employees		95
Average Salary	\$	13,500

Category	Effective Date	FY 2017 Direct Cost	FY 2017 Carryover Cost	FY 2018 Direct Costs	Fringe Costs	Total Cost
FY 17 Cost of Living Adjustment (3% COLA)	January 8, 2017	\$ 19,200			\$ 1,500	\$ 20,700
FY 17 COLA Carryover Cost to FY 18	July 1, 2017 to June 30, 2018		\$ 38,400		\$ 2,900	\$ 41,300
FY 18 Cost of Living Adjustment (1% COLA)	January 7, 2018			6,500	\$ 500	\$ 7,000
Merit Increase (3.5%)	Employee Anniversary Date			23,000	\$ 1,800	\$ 24,800
Totals		\$ 19,200	\$ 38,400	\$ 29,500	\$ 6,700	\$ 93,800