



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

April 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*
Legislative Auditor

RE: Fiscal Impact Statement
CR-021-2017 Salary Plan for General Schedule Employees, Salary Schedule G

Pursuant to your request, we have reviewed CR-021-2017 to estimate its fiscal impact on Prince George's County, Maryland.

CR-021-2017 approves an amendment to the Salary Plan of the County to reflect certain wage and benefit modifications of General Schedule employees for fiscal years 2017 and 2018.

The proposed legislation provides for a 3.0 % cost of living adjustment, in lieu of a merit increase, during fiscal year 2017 for certain General Schedule employees, and excluding exempt employees, as defined in the legislation, effective January 8, 2017. Certain exempt employees as listed in Section 3.A.2 of the Resolution may receive a merit increase, in lieu of the cost of living adjustment, as determined by the Chief Administrative Officer. The Salary Plan also modifies the Salary Schedule G scheduled pay rates.

For FY 2018, the proposed legislation provides for a 3.5% merit increase to be paid beginning on the eligible employee's anniversary date, and a 1.0% cost of living adjustment effective January 7, 2018 for certain General Schedule employees, excluding exempt employees as defined in the legislation.

Adoption of CR-021-2017 is estimated to have a negative fiscal impact to the County of approximately \$1.3 million during fiscal year 2017. For fiscal year 2018, an estimated negative fiscal impact of \$6.2 million is anticipated. 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.

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**Fiscal Impact of Amendment to Salary Plan for General Schedule Employees, Salary Schedule G
Effective July 1, 2016 to June 30, 2018**

Current Payroll (excluding certain exempt employees)	\$	81,106,037
Number of Employees		1,067
Average Salary	\$	76,000

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 (COLA)	January 8, 2017	\$ 1,216,591			\$ 93,100	\$ 1,309,700
FY 17 COLA Carryover Cost to FY 18	July 1, 2017 to June 30, 2018		\$ 2,433,181		\$ 186,100	\$ 2,619,300
FY 18 Cost of Living Adjustment (COLA)	January 7, 2018			417,696	\$ 32,000	\$ 449,700
Merit Increase	Employee Anniversary Date			2,923,873	\$ 223,700	\$ 3,147,600
Totals		\$ 1,216,591	\$ 2,433,181	\$ 3,341,569	\$ 534,900	\$ 7,526,300