



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

March 15, 2016

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
CB-011-2016 – Collective Bargaining Agreement - Prince George's County Police
Civilian Employees Association

CR-012-2016 – Compensation and Benefits - Prince George's County Police Civilian
Employees Association, Salary Schedule P

Pursuant to your request, we have reviewed CB-011-2016 and CR-012-2016 to estimate their fiscal impact on Prince George's County, Maryland.

CB-011-2016 approves a one year labor agreement for FY 2016 between Prince George's County, Maryland and the Prince George's County Police Civilian Employees Association. CR-012-2016 amends the Salary Plan for civilian employees within the Police Department, Office of Homeland Security and the Department of the Environment, paid on Salary Schedule P, to reflect wage and benefit modifications effective July 1, 2015 through June 30, 2016.

Details of modifications to the Agreement and Salary Schedule P are presented in the County Executives Cover Letter and Settlement Summary for the proposed legislation. Merit increases shall be forgone for fiscal year 2016. A three and one-half percent (3.5%) cost of living (COLA) increase shall be applied to base wages for covered employees if FY 2016 Adjusted Total County Source General Fund Revenues exceed the Spending Affordability Committee's General Fund Forecast of \$1,465 million, by 3.5%. This would mean a COLA shall only be paid if adjusted revenues equate to \$1,516.3 million. The County will evaluate revenue information in December 2015 to determine if a COLA should be paid beginning in January 2016, based on the aforementioned criteria. If revenue thresholds are not met during the December 2015 evaluation,

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revenues shall be evaluated in March 2016 for a potential COLA payment in April 2016. The Agreement also increases the shift differential for first and third shift workers from \$2.40 per hour to \$2.60 per hour, increases the clothing allowance from \$300 per year to \$350 per year, and increases training pay for employees assigned to provide on the job training for five (5) or more days from \$1.50 to \$2.00. The terms of the Agreement shall automatically renew annually, unless either party notifies the other in writing, no later than October 1st that it desires to terminate, modify or amend the Agreement.

Information obtained from the Office of Management and Budget (OMB) staff indicate that the County has not met the threshold to award COLAs as described above. The Office of Human Resources Management has estimated the increase in the clothing allowance will be approximately \$1,600 per year, the increase in training pay to be approximately \$5,000 per year, and the increase in the shift differential to be between \$23,500 and \$27,000 per year. These approximations were provided to OMB staff for review and were found to be reasonable.

Enactment of CB-011-2016 and adoption of CR-012-2016 are estimated to have a total negative fiscal impact to the County of approximately \$30,000 to \$34,000 for FY 2016. The negative impact would occur each fiscal year going forward until a new Agreement and Salary Schedule are negotiated and ratified.

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