



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

September 30, 2015

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-67-2015 – American Federation of State, County and Municipal Employees (AFSCME) – Collective Bargaining Agreement (Local 241 School Crossing Guards)
CR-49-2015 – 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-67-2015 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-49-2015 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, 2015, unless otherwise stated within specific sections of the Agreement, and shall remain in full force and effect until June 30, 2016.

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. 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, revenues shall be evaluated in March 2016 for a potential COLA payment in April 2016.

Information obtained from the Office of Management and Budget (OMB) indicates that one hundred and eleven (111) employees are paid wages based on Salary Schedule X as of September 14, 2015. Their total combined salaries for the fiscal year are estimated at \$1.5 million, excluding fringe benefits. OMB estimates the value of a COLA applied in January 2016 for covered employees to be \$25,983. The estimated value of a COLA applied in April 2016 for covered employees is \$17,149.

The adoption and enactment of this legislation package is estimated to have a total negative fiscal impact to the County for fiscal year 2016 in the range of \$17,149 to \$25,983 should the COLA increase occur. If the FY 2016 COLA is paid and no other COLA or merit increases occur, the estimated FY 17 fiscal impact will be \$51,967.

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