



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

September 19, 2018

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-062-2018 Compensation and Benefits, General Schedule Employees – Salary Schedule G

Legislative Summary

CR-062-2018 amends the salary plan, Salary Schedule G, for certain General Schedule Employees to reflect wage and benefit modifications effective July 1, 2018 through June 30, 2019.

Background

Prince George's County Code Section 903 states, "Salaries and wages of both classified and exempt service employees shall be determined in accordance with classification and salary plans. Except as otherwise provided herein, for such plans to become effective, they shall be submitted by the County Executive to the Council for legislative action thereon. If the Council fails to take final action upon a salary plan within sixty calendar days of its submission to the Council by the County Executive, then such plan shall stand approved. Classification plans for positions uniquely within the Legislative Branch shall be adopted by resolution of the Council."

Assumptions and Methodology

Salary Schedule G governs the wage and benefits for certain County employees in the various County agencies, to include the Prince George's County Council. There are approximately 1,141 employees with an average salary of \$82,664 who are paid wages reflected on Salary Schedule G.

CR-062-2018 provides amendments to Salary Schedule G as detailed below:

- General Schedule employees, except those within the Office of County Council Members, are eligible to receive a cost of living adjustment increase of two percent (2%) effective January 6, 2019;
 - General Schedule employees who are eligible to receive a merit increase during fiscal year 2019, shall receive the merit increase of three and a half percent (3.5%) on their hire anniversary date occurring during fiscal year 2019;
 - The following exempt employees shall not receive a cost of living adjustment or a merit increase during fiscal year 2019, but may receive a merit-based increase as determined by the Chief Administrative Officer:
 - Chief Administrative Officer
 - Deputy Chief Administrative Officer
 - Directors of Offices and Departments within the Executive Branch
 - Deputy Directors of Office and Departments within the Executive Branch
 - Executive Directors
 - All other exempt classifications within the Office of the County Executive
 - Salary schedule language was amended to clarify that salary adjustments shall occur in accordance with established procedures.
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Fiscal Impact

- CR-062-2018 is estimated to have a total negative fiscal impact to the County for fiscal year 2019 of approximately \$3.5 million as a result of the proposed modifications to the salary schedule. The major components of this cost are shown in the table below:

<i>FY 2019</i>	
Cost-of-Living Adjustment	\$1,650,586
Merit Increase	1,886,384
Total	<u>\$3,536,970</u>

Appropriated in the Current Fiscal Year Budget

Fiscal Year 2019 anticipated costs were provided for in the current fiscal year budget.

Effective Date

The proposed Resolution shall be effective on the day of adoption, and unless stated otherwise in a specific provision, shall be retroactively effective to July 1, 2018.

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