



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
CB-077-2018 Collective Bargaining Agreement – Council 67, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, and its affiliated Locals 1170, 2462, 2735, and 3389

CR-058-2018 Compensation and Benefits - American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, and its affiliated Locals 1170, 2462, 2735, and 3389 – Salary Schedule A

Legislative Summary

CB-077-2018 amends the Collective Bargaining Agreement (Agreement) for certain employees in the American Federation of State, County and Municipal Employees and its affiliated Locals 1170, 2462, 2735 and 3389, providing for wages and certain other terms and conditions of employment.

CR-058-2018 amends the salary plan, Salary Schedule A, for certain employees in the American Federation of State, County and Municipal Employees and its affiliated Locals 1170, 2462, 2735 and 3389, providing for wages and certain other terms and conditions of employment to reflect wage and benefit modifications effective July 1, 2018 through June 30, 2020.

Background/Current Law

The Prince George's County Charter Section 908 authorizes County employees to participate in the formulation and implementation of personnel policies affecting their employment, and to have the right to organize and bargain collectively through representatives of their own choosing, subject to any procedural regulations provided by the County Council by law.

Assumptions and Methodology

The Agreement between the County and Council 67, American Federation of State, County and Municipal Employees (AFSCME), AFL-CIO, and its affiliated Locals 1170, 2462, 2735, and 3389 governs wages and certain other terms and conditions of employment for approximately 983 employees with an average salary of \$56,986 working within various County agencies (Department of Family Services, Health Department, Department of the Environment, Department of Housing and Community Development, Office of Central Services, Department of Permitting, Inspections and Enforcement, and the Department of Public Works and Transportation).

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

- Agreement language was modified to remove AFSCME retired chapter members as someone who may represent union members;
- Agreement language modified to clarify the dues check off process whereby union dues will be withheld from covered employee payroll checks on a biweekly basis and remitted to the Union;
- Agreement language modified to allow Union representatives the opportunity to meet and provide information to new employees on the Union's programs and services during the lunch break or after the New Employee Orientation Program.
- A two percent (2%) cost of living adjustment (COLA) shall be effective the first full pay period beginning in January 2019;
- A one and one-half percent (1.5%) COLA shall be effective the first full pay period beginning in January 2020;
- Eligible employees covered by the agreement, and who are eligible to receive a merit increase during fiscal year 2019, shall receive a three and one-half (3.5%) merit increase on their hire anniversary date occurring during fiscal year 2019;
- Eligible employees covered by the agreement, and who are eligible to receive a merit increase during fiscal year 2020, shall receive a three and one-half (3.5%) merit increase on their hire anniversary date occurring during fiscal year 2020;
- Premium pay provided to covered employees who speak a second language, have passed a conversational proficiency test, and provide language interpretation services shall receive an \$80.00 increase in the language interpretation, from \$520.00 to \$600.00;
- The safety shoe reimbursement shall increase for certain covered employees from \$200.00 to \$250.00, and shall be paid during the first full pay period beginning on or after July 1 of each year;
- The tool allowance shall increase for certain covered employees from \$750.00 to \$800.00, and shall be paid during the second full pay period in July;
- The uniform expense allowance provided for actual expenses incurred by certain covered employees shall increase from \$250.00 to \$300.00, and shall be paid in one installment in July of each fiscal year;

- A joint committee of three (3) individuals shall be formed to investigate alternative available raingear and shall make a recommendation by January 2019;
- Agreement language is modified to establish the automatic enrollment of all covered employees into the AFSCME Supplemental Pension Plan beginning at the time of hire into an AFSCME covered position.

Fiscal Impact

- Direct Impact

The adoption and enactment of this legislative package is estimated to have a total negative fiscal impact to the County for fiscal year 2019 through FY 2020 of approximately \$4.0 million as a result of the changes to the Collective Bargaining Agreement. The major components of this cost by fiscal year are shown in the table below:

	<i>FY 2019</i>	<i>FY 2020</i>	<i>Total</i>
Merit Increase	\$980,303	\$1,034,906	\$2,015,209
Cost-of-Living Adjustment	1,120,347	887,063	2,007,410
Total	<u>\$2,100,650</u>	<u>\$1,921,969</u>	<u>\$4,022,619</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 Bill shall be effective forty-five (45) calendar days after it becomes law. The Agreement, unless specifically 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.