



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

June 7, 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*
Senior Legislative Auditor

RE: Fiscal Impact Statement
CB-34-2016 – Collective Bargaining Agreement - Deputy Sheriff's Association of Prince George's County, Inc. (Civilian Units)

CR-39-2016 – Compensation and Benefits - Deputy Sheriff's Association of Prince George's County, Inc., Salary Schedule Z

Pursuant to your request, we have reviewed CB-34-2016 and CR-39-2016 to estimate their fiscal impact on Prince George's County, Maryland.

CB-34-2016 approves a one-year labor agreement (the "Agreement") for FY 2016 between Prince George's County, Maryland and the Prince George's County Deputy Sheriff's Association (Civilian Units). CR-39-2016 amends the Salary Plan for civilian employees within the Office of the Sheriff, paid on Salary Schedule Z, to reflect wage and benefit modifications effective July 1, 2015, through June 30, 2016.

Details of modifications to the Agreement and Salary Schedule Z are presented in the County Executive's 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) adjustment 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 exceed \$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. The Agreement also contains the following modifications:

- increases the shift differential for first shift workers from \$2.10 per hour to \$2.50 per hour beginning the first full pay period beginning on or after April 1, 2016;
- increases the shift differential for third shift workers from \$1.85 per hour to \$2.15 per hour beginning the first full pay period beginning on or after April 1, 2016;
- increases the trainer differential pay from \$1.25 per hour to \$1.60 per hour for employees assigned to provide on-the-job training that lasts for at least five (5) days, beginning on or after April 1, 2016;
- provides one (1) hour of compensatory leave for each shift worked during the period of closure;
- increases bereavement leave resulting from the death of a qualified relative from one (1) day to three (3) days;
- includes the death of a sibling as a qualifying event to receive bereavement leave; and
- increases the death insurance benefit from fifteen thousand dollars (\$15,000) to thirty thousand dollars (\$30,000).

Revenue forecasts for the County indicate that revenue threshold has not been met for the payment of COLAs, as described above. Staff from the Office of Management and Budget (OMB) estimate a \$13,500 fiscal impact to the County for the other modifications made to the Agreement.

Enactment of CB-034-2016 and adoption of CR-039-2016 are estimated to have a total negative fiscal impact to the County of approximately \$13,500. 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.