

Response to Questions on the FY 2018 Budget

Request By: Supervisor Gross

Question: Please provide information on the number of employees who will receive pay increases if there is no Market Rate Adjustment (MRA) in the FY 2018 budget, and provide similar details for the past two years. In addition, please cost out the MRA if implementation were delayed until January 1, 2018.

Response: In FY 2018, combining General County and uniformed Public Safety employees, approximately 79 percent of merit employees will receive a pay increase (ranging up to 5 percent) if no MRA is approved. Only those employees who are in a longevity hold (uniformed public safety only) or at the maximum of their pay scale would not be eligible for a pay increase. For FY 2018, it is estimated that approximately 2,500 employees would not receive a pay increase if no MRA is approved.

The percentage of employees eligible for pay increases has been relatively consistent in the past two years. In FY 2017, 80 percent of employees were eligible for an increase in addition to the MRA, while the figure was slightly higher – at 81 percent – in FY 2016.

The table below summarizes eligibility for pay increases under the County’s non-uniformed compensation plan and uniformed public safety pay plans.

Pay Increase	FY 2018		FY 2017		FY 2016*	
	# of EEs	% of EEs	# of EEs	% of EEs	# of EEs	% of EEs
0.00%	2,553	20.5%	2,431	19.6%	2,374	19.2%
0.01-1.25%	905	7.3%	969	7.8%	416	3.4%
1.26-1.50%	686	5.5%	662	5.3%	442	3.6%
1.51-1.75%	1,164	9.4%	1,087	8.8%	875	7.1%
1.76-2.00%	1,211	9.7%	1,044	8.4%	947	7.7%
2.01-2.50%	1,953	15.7%	1,646	13.3%	1,293	10.4%
2.51-3.00%	1,953	15.7%	2,465	19.8%	3,009	24.3%
3.01-4.00%	149	1.2%	142	1.1%	1,278	10.3%
5.00%	1,868	15.0%	1,976	15.9%	1,743	14.1%
	12,442	100.0%	12,422	100.0%	12,377	100.0%
<i>Eligible for Increase</i>	9,889	79%	9,991	80%	10,003	81%
<i>Not Eligible - At Max of Pay Scale or in Longevity Hold</i>	2,553	21%	2,431	20%	2,374	19%
Includes full and part-time employees on C, F, L, O, P and S pay scales.						
* As FY 2016 was the first year of the new General County pay plan, all employees with at least 20 years of service (not at the maximum) were eligible for a 4% longevity. Thus, the proportion of employees in the higher percentage categories, particularly the 3.01-4.00% category, is greater in FY 2016.						

Pay increase ranges in the table above do not include MRAs or increases resulting from market studies. The MRA was calculated and funded at 1.33 percent for FY 2017. In FY 2016, the MRA was calculated at 1.68 percent; however, due to budgetary constraints, a partial MRA of 1.10 percent was funded.

If a 1.65 percent Market Rate Adjustment were provided in January 2018, the half-year cost would be approximately \$9.9 million. However, this would increase the projected budgetary shortfall in FY 2019 by approximately \$20 million based on the full-year impact.