

GO/ED COMMITTEE #1
April 21, 2016

MEMORANDUM

April 19, 2016

TO: Government Operations and Fiscal Policy Committee
Education Committee

FROM: Stephen B. Farber, Council Administrator *SBF*

SUBJECT: Compensation and Benefits for All Agencies

This worksession on compensation and benefits for all agencies in the FY17 operating budget is to review issues in six areas: (1) budget and compensation context, (2) overview of FY17 agency requests (including salaries, retirement, and group insurance), (3) further analysis for County Government, (4) County Government compensation-related Non-Departmental Accounts (NDAs), (5) budgets for the County Government retirement plans and the Consolidated Retiree Health Benefits Trust, and (6) other compensation issues.

This packet contains extensive information on compensation and benefits. OLO Senior Legislative Analysts Craig Howard and Aron Trombka, Senior Legislative Analyst Essie McGuire, and Legislative Attorney Amanda Mihill have made major contributions to the packet. The **online appendix** to the packet (GO/ED Committee item #2) contains additional background information, including the Personnel Management Reviews and related data prepared by the agencies.¹

GO/ED Committee item #3 on the agenda also relates to this discussion. Senior Legislative Attorney Bob Drummer will review the County Government collective bargaining agreements.

Budget and human resources staff from all agencies have provided valuable assistance once again this year and will be present to answer the Committees' questions. Representatives of employee organizations and others concerned with compensation issues will also be present. **The packet includes recommendations for the Committees' consideration on pages 26-29.** The Council is scheduled to address the Committees' recommendations on April 26.

1. BUDGET AND COMPENSATION CONTEXT

My packet for the Council's FY17 budget overview discussion on April 12 includes detailed analysis of the budget and compensation context.² Key points include the following:

The Executive's FY17 recommended tax supported operating budget (including debt service) is **\$4.6264 billion**, up **\$206.2 million (4.7%)** from the Council-approved FY16 budget. The total recommended budget (including grants and enterprise funds) is **\$5.2765 billion**, up **\$193.8 million (3.8%)** from the FY16 approved budget.³

¹ See http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160421/20160421_GO2.pdf.

² See http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&clip_id=11383&meta_id=105090.

³ See <https://reports.data.montgomerycountymd.gov/omb> for the complete FY17 recommended budget document.

The FY17 recommended budget assumes the first **property tax increase** above the Charter limit since FY09. Approved budgets in the past 12 years have reflected significant changes in revenues. When revenues were outsized in FY05-07, the budgets grew by a total of 28.7%. As revenues slowed in FY08-09 and plunged in FY10-12 from the impact of the Great Recession, the budgets followed suit, declining by 5.0% in FY11. In FY13-15 the budgets reflected the sluggish recovery, making limited restorations to services that had suffered deep reductions in FY09-12. The increase in FY16 slowed to 1.5%. Without the Executive's proposed property tax increase, which yields \$106.5 million above the Charter limit, the FY17 recommended budget (up 4.7%) would have been in this range as well.

Local governments are labor-intensive. As in past years, salary and benefit costs for active and retired employees of all agencies account for **80%** of the County's total FY17 tax supported budget. For MCPS alone, the figure is **90%**. **To support the outstanding workforce required to deliver outstanding services, County agencies provide highly competitive salaries and benefits.**

Here as throughout the nation, compensation was severely constrained during the Great Recession. For example, in the FY10-13 period County Government employees received no general wage adjustments (GWAs, or COLAs) for all four years and no service increments (step increases) for three years; their share of health and retirement benefit costs was increased; and there were progressive furloughs in FY11. These measures helped the County manage large position cuts with almost no layoffs.

The picture for the FY14-16 period is quite different. For merit system County Government employees not at their maximum salary (now 68% of the total), the compound pay increases negotiated by the Executive and approved by the Council for these three years total **20.6%** for general government employees and still more for public safety employees eligible for make-up service increments (steps).⁴

Historical pay increases for MCPS employees have been similar. The summary on ©15 shows that for the FY10-16 period, which includes the recession, pay increases for eligible MCPS employees represented by MCEA ranged from 23.4% to 29.5%, depending on placement in the salary schedule. Pay increases for eligible employees represented by the County Government bargaining units – MCGEO, FOP, and IAFF – were 24.4%, 25.8%, and 31.5%, respectively. Pay increases for College employees in this period were 22.4%. Increases at M-NCPPC, a bi-county agency, were smaller.

The table on page 7 shows the cost of FY17 agency requested pay increases in FY17-18. The specific components, outlined on pages 4-6, include general wage adjustments ranging from 1.0% to 2.75%, service increments or step increases averaging 3.0-3.5%, and make-up steps for steps that were not affordable during the recession.⁵ **See the table on ©16 for further detail.**

These negotiated increases cost **\$98.8 million** in FY17 and **\$133.1 million** in FY18, when new contracts with additional increases will be negotiated. (As noted above, the Executive's proposed FY17 property tax increase is \$106.5 million above the Charter limit.) **These increases come at a time of protracted minimal inflation; there is no COLA for Social Security benefits in 2016.** For general government employees in County Government who are eligible for both the step and the make-up step,

⁴ See http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=6&clip_id=9331&meta_id=82265 for the April 28, 2015 Council packet on FY16 compensation and benefits for all agencies, page 2.

⁵ MCPS union members received their first make-up step in FY13; the second is scheduled for FY17. MCGEO members would receive their first in FY17. FOP members received their first in two parts (FY14-15) and would receive their second in FY17. IAFF members have received two make-up steps (FY14-15). College and M-NCPPC employees have not received make-up steps. Such increases are rare in other governments and the private sector.

the pay increase in FY17 (including the 1% GWA) is **8%**, on top of the 20.6% increase for FY14-16. For comparable MCPS employees, the FY17 increase is also **8%**.

For further details on pay increases at all agencies, see the analysis on pages 4-7 prepared by Mr. Trombka and the tables on ©1-12 prepared by Ms. Mihill. The latter reports historically have shown that **pay increases for County Government employees compare favorably with those in most other jurisdictions**, including the state and federal governments. For example, for FY17 Arlington County Government projects an increment but no GWA, while Fairfax County Government and public schools project an increment and GWAs in the 1% range. Pay increases for both state and federal employees, which have been sharply constrained in recent years, are again limited: state employees will have an increment but no GWA, while federal employees may receive a limited increment and a 1.6% GWA.⁶ For comparisons between historical increases for County general government employees and increases for the CPI and the private sector, see the excerpts from **OHR's April 2016 Personnel Management Review** on ©13-14.

While salaries represent 57% of the total tax supported budget, **health and retirement benefits** for the agencies' active and retired employees represent an additional 23%. The agencies' benefits are also highly competitive with those of other local governments and the private sector. For example, most agency employees are eligible for defined benefit pension plans, which are no longer available to most private sector employees. (Non-public safety County Government employees hired starting in October 1994 participate in either a defined contribution plan or a cash balance plan.) All agencies provide retiree health insurance, which is increasingly rare in the private sector.

Benefits for MCPS employees are especially attractive. Until FY15, MCPS employees paid 5% of health care premiums (for HMOs) or 10% (for other providers), while County Government employees pay 20% or 25%. (Federal employees pay on average 28%.) The share for MCPS employees rose to 8% or 13% in FY15 and rose again to 12% or 17% in FY16 (with the opportunity for wellness-related offsets that would reduce the share to 10% or 15%). If MCPS' premium cost share for active employees were the same as County Government's, savings on an annualized basis could be in the range of **\$24 million**.⁷ **This amount would nearly double the \$26 million requested by the Board of Education to reduce class size in FY17.**

As for retirement (leaving aside the projected **\$58.7 million** impact of the State's shift of teacher pension costs in FY17), MCPS is the State's only school system with a county-funded supplement to the State pension benefit. Funding the supplement alone was projected to cost **\$56.3 million** in FY16. The history, fiscal impact, and potential options for change in the supplement are the subject of OLO Memorandum Report 2016-5, *MCPS Local Pension Plan and Supplement*.⁸

2. OVERVIEW OF FY17 AGENCY REQUESTS

Sections 2 and 3, prepared by Mr. Trombka and Mr. Howard, review FY17 agency requested pay adjustments and proposed changes to agency retirement and group insurance benefit plans. See ©17-28 for detailed data on FY16 approved and FY17 agency requested compensation costs.

⁶ While County Government step increases through the pay scale are annual, federal government step increases are not. See the table on ©12.

⁷ While some have argued that MCPS' health plans cost less than County plans even with the difference in employees' premium shares, a 2011 report by Aon Hewitt concluded that the average cost per member associated with active employees is almost identical for the two agencies.

⁸ See <http://www.montgomerycountymd.gov/OLO/Resources/Files/2016%20Reports/OLOReport2016-5.pdf>.

Pay Adjustments

County Government: For FY17 the Executive negotiated one-year agreements with MCGEO, FOP, and IAFF. The agreements include different provisions regarding general wage adjustments (GWAs) and service increments. As shown in the table below, the Executive recommends GWAs totaling 1.0% for all employees with the exception of IAFF members, who would receive a GWA totaling 2.0%. As proposed by the Executive, all employees not at top of grade (excluding Management Leadership Service members) would receive a service increment of 3.5%. In addition, the FY17 negotiated agreements with MCGEO and FOP include second increments, that is, “postponed” pay increases for employees who would have been eligible for an increment during years when County Government employees received no pay increases because of fiscal constraints.

County Government FY17 Request					
Employee Group	General Wage Adjustment	Service Increment ⁹	Second (“Postponed”) Increment ¹⁰	Lump Sum Payment	Other
MCGEO	0.5% (effective 7/1/16) + 0.5% (effective 1/1/17)	3.5%	3.5% for employees eligible for increment in FY12 (for FOP) or in FY11, FY12 or FY13 (for MCGEO and non-represented)	1.0% for employees at top of grade.	Longevity increments for eligible employees. See table on page 15.
FOP				No lump sum payments	
Non-Represented				1.0% for employees at top of grade	
IAFF	1.0% (effective 7/1/16) + 1.0% (effective 2/5/17)		No second increment in FY17	No lump sum payments	
MLS	0.5% (effective 7/1/16) + 0.5% (effective 1/1/17)	Eligible for performance-based pay increases in lieu of service increment	Not applicable		

Effective dates: The first full pay period after the dates listed above. In fall 2016 the Executive will enter into new negotiations with MCGEO, FOP, and IAFF regarding future year compensation.

MCPS: Two years ago the Board of Education entered into three-year agreements with its employee bargaining units to provide general wage adjustments and service increments in School Years 2015 through 2017. For FY17 the agreements call for employees to receive a general wage adjustment of

⁹ Non-MLS employees will receive their service increment during the first full pay period following an employee’s hiring anniversary date. The effective date for MLS performance-based pay increases is the first full pay period of the fiscal year.

¹⁰ The second step for MCGEO members and non-represented employees is effective as of May 1, 2017. The second step for FOP members is effective as of July 1, 2016.

2.0% and increments averaging about 3.0%. In addition, the agreements provide for second increments, that is, “deferred” pay increases for employees who would have been eligible for an increment in FY12 (when MCPS employees did not receive any pay increase because of fiscal constraints). The table below shows the major pay adjustments approved by the Board for FY17.

MCPS FY17 Request				
Employee Group	General Wage Adjustment (effective 9/3/16)	Service Increment (effective 9/3/16)	Second (“Deferred”) Increment (effective 3/4/17)	Other
MCEA	2.0%	1.5% to 5.2% (average of about 3.0%)	Average of about 3.0% for employees eligible for increment in FY12	Longevity increments for eligible employees
MCAAP/ MCBOA				
SEIU				

In fall 2016 the Board of Education will enter into new negotiations with MCPS employee bargaining units regarding future year compensation.

Montgomery College: The College’s FY17 budget includes 2.75% general wage adjustments and 3.5% service increments for most full-time employees.

Montgomery College FY17 Request		
Employee Group	General Wage Adjustment (effective 7/1/16)	Service Increment ¹¹
Faculty	2.75%	3.5%
Staff (AFCSME)		
Staff (non-bargaining)		
Administration		Eligible for performance-based pay increases of up to 5.5% in lieu of service increments

M-NCPPC: The Montgomery County portion of M-NCPPC’s FY17 budget request includes \$1.56 million to adjust compensation for represented employees. The Commission’s recommended budget states that the “FY17 budget includes a dollar marker of \$1.56 million. This marker includes the funds necessary to implement the 2nd year of our agreement with MCGEO (and, by extension, non-represented employees), which calls for a one-half merit increase and a 1.75% COLA after September 1st.” As shown in the table below, the existing negotiated agreement with MCGEO includes a general wage adjustment of 1.75% and a service increment of 1.75%. The Commission intends to award similar

¹¹ For full-time faculty, the service increment is effective on the first day of the 2016-17 academic year. For bargaining and non-bargaining staff, the service increment is effective the second full pay period in September 2016.

pay adjustments to its non-represented employees. The Commission currently is in negotiations with the FOP. The M-NCPPC budget notes that “we have a wage reopener with the FOP, the results of which will be presented for approval at the Joint County Council Meeting in May 2016.”

M-NCPPC FY17 Request		
Employee Group	General Wage Adjustment (effective 9/1/16)	Service Increment
MCGEO	1.75%	1.75%
Non-Represented		
FOP	To be determined through collective bargaining.	

WSSC: The FY17 WSSC budget request includes \$5.5 million for salary enhancements. The specific pay adjustment will be determined by joint agreement of the Montgomery and Prince George’s County Councils. See the description on ©29 by Senior Legislative Analyst Keith Levchenko for more detail on compensation in the FY17 WSSC budget request.

WSSC FY16 Request			
Employee Group	General Wage Adjustment	Merit (Service) Increment	Other
All Employees	To be determined jointly by Montgomery and Prince George’s County Councils. Amount set aside in budget to date totals \$5.5 million.		

Cost of Recommended Pay Increases: As displayed in the table below, the combined FY17 cost of general wage adjustments, service increments, and longevity adjustments (including the cost of salary-based benefits such as Social Security) across all tax supported agencies is **\$98.8 million**.¹² MCPS pay increases comprise about three-quarters of the total.

Many of the agency negotiated pay adjustments take effect several months into the fiscal year. As a result, the amount budgeted for FY17 does not reflect the full annualized cost (that is, the 12-month cost) of the pay increases. The right side of the table below shows the annualized cost of the FY17 pay increases that will be incurred in FY18 (exclusive of any new negotiated pay adjustments in FY18). The total annualized cost of **\$133.1 million** exceeds the FY17 cost by \$34.3 million. If these adjustments are implemented as recommended by the agencies, an additional \$34.3 million would have to be budgeted in FY18 to cover the cost of the FY17 pay increases. **The cost of the second increments recommended by the County Government and MCPS comprise about two-thirds of the \$34.3 million in additional costs that would be incurred in FY18.**

¹² This total excludes the cost of WSSC pay increases as WSSC costs are non-tax supported.

**Cost of FY17 Agency Recommended Pay Increases
(tax supported \$ millions including salary-based benefits)**

Agency	FY17 Cost Increase					FY18 Cost Increase				
	GWA	Increment	2nd Increment	Longevity	Totals	GWA	Increment	2nd Increment	Longevity	Totals
MCG	\$5.7	\$5.9	\$2.0	\$1.6*	\$15.1	\$7.7	\$11.0	\$5.7	\$0.4	\$24.7
MCPS	\$31.5	\$31.1	\$9.8	\$1.6	\$74.1	\$34.0	\$33.1	\$28.3	\$2.5	\$97.9
MC	\$4.2	\$3.9	--	--	\$8.1	\$4.2	\$4.4	--	--	\$8.7
MNCPPC	\$1.0	\$0.4**	--	--	\$1.4	\$1.3	\$0.5**	--	--	\$1.8
Totals	\$42.5	\$41.3	\$11.8	\$3.2	\$98.8	\$47.2	\$49.0	\$34.0	\$2.8	\$133.1

* MCG longevity includes FY17 lump sum payment for MCGEO and non-represented employees at top of pay grade.

** MNCPPC total includes combined costs of step (increment) and longevity.

Retirement Benefits

County Government: The Executive recommends no changes to County Government employee retirement plan design in FY17. Additional details regarding the costs of County Government retirement plans are on pages 20-23 below.

MCPS: MCPS provides a core pension benefit for most non-teaching positions and a supplemental benefit for all permanent employees. The Board of Education recommends no changes to MCPS employee retirement plan benefits in FY17. As noted on page 3, in February 2016, the Office of Legislative Oversight issued a report that presents options to reduce MCPS pension costs.

In 2012 the Maryland General Assembly shifted a portion of the annual funding requirement for the State-run teacher pension system to the counties.¹³ The shift of pension costs to the counties was phased in over four years (FY13 through FY16). In FY16 Montgomery County was required to contribute \$44.4 million to the State-run teacher pension fund. This FY16 contribution will be counted for the first time in the Maintenance of Effort calculation. MCPS' full FY17 obligation to the State pension fund is \$58.7 million.

Montgomery College: The College plans no changes to employee retirement plan design in FY17.

M-NCPPC: M-NCPPC plans no changes to employee retirement plan design in FY17. In FY15 the pension fund contribution made by MCGEO members and non-represented employees (beginning July 1, 2014) and FOP members (beginning March 1, 2015) increased by 0.5% of salary. The employee contribution for FOP employees was scheduled to increase by an additional 0.5% of salary on January 1, 2016.

¹³ Under the 2012 State law, counties must pay for the normal pension costs going forward. The State remains responsible for costs associated with unfunded pension liability.

WSSC: WSSC plans no changes to employee retirement benefits or cost sharing in FY17.

Funded Ratios: The “funded ratio” of a pension plan is the percentage of the plan’s liabilities covered by the current actuarial value of the plan’s assets. In other words, the funded ratio measures the extent to which a plan has set aside funds to pay benefits accrued by its members. When an employer’s funded ratio is below 100%, additional assets (from employer contributions, employee contributions, and/or investment income) will be required in future years to meet forthcoming liabilities.

Beginning with pension plan valuations conducted in 2014, the Governmental Accounting Standards Board (GASB) established new accounting standards for the measurement of fund assets and liabilities. GASB Statements #67 and #68, among other things, modify the way public sector pension funds report the value of their assets. The previous GASB standard allowed reporting of assets based on a method known as the “actuarial value of assets (AVA).” The AVA method is a mathematical calculation that measures asset value by considering the long-term performance of fund investments to minimize annual variations. The new GASB standard calls for reporting of assets based on the “market value of assets (MVA).” The MVA method values a fund’s assets based on the amount of money the fund would receive if it sold all its investments on the date of the valuation. While the AVA method minimizes the influence of short-term market volatility, GASB adopted the MVA as the reporting standard to “inform financial report users about the effects of market conditions on the pension plan’s assets over time and provide information for users to assess the relative success of the pension plan’s investment strategy....”¹⁴

Given recent rapid growth in stock and other investment values, pension funded ratios measured by the MVA method have improved significantly over the past two years. As a result, current MVA-based funded ratio calculations exceed those resulting from an AVA-based calculation. However, the MVA method produces funded ratios that are highly sensitive to fluctuations in the investment market. A downturn in investment rates of return would cause greater declines in MVA-based funded ratios than in AVA-based calculations. The table below shows the most recent MVA-based funded ratios for agency pension plans.¹⁵

Agency	Pension Funded Ratios ¹⁶
	MVA Basis
County Government	89.7%
MCPS	79.2%
M-NCPPC (Bi-County)	91.6%
WSSC (Bi-County)	80.9%

¹⁴ Governmental Accounting Standards Board, http://www.gasb.org/jsp/GASB/Pronouncement_C/GASBSummaryPage&cid=1176160219444

¹⁵ The College does not manage a pension fund as its employees participate in a State-run retirement system.

¹⁶ Funded ratios are as of June 30, 2015 for the County Government, MCPS and M-NCPPC and as of June 30, 2014 for WSSC.

Agency Group Insurance Costs in FY17 for Active Employees

The FY17 tax supported request for active employees' group insurance benefits for all agencies totals \$384.2 million, an increase of 9.6% from FY16, as shown in the table below. The increase in FY17 primarily reflects projected increases in County Government and MCPS health care claims costs.

FY16 Approved and FY17 Requested Tax Supported Active Employee Group Insurance Costs

Agency	FY16 Approved	FY17 Requested	Percent Change FY16-17
County Government	\$85.2 million	\$90.8 million	6.6%
MCPS	\$238.5 million	\$265.3 million ¹⁷	11.2%
Montgomery College	\$13.6 million	\$14.6 million	7.4%
M-NCPPC	\$13.4 million	\$13.5 million	1.5%
Total	\$350.7 million	\$384.2 million	9.6%

County Government: The Executive recommends no changes to group insurance benefits in FY17.

MCPS: The Board of Education's budget request reflects no changes to group insurance benefits in FY17. MCPS' increase in total group insurance costs for FY17 results from a projected 7.1% increase in claims expenses as well as the addition of funds needed to restore the active employee group insurance fund back to a zero fund balance.

The request also reflects the full implementation of changes to cost share for active employees phased in over FY15 and FY16, which increased the employee portion of the cost share from 5% or 10% to 12% or 17%. MCPS' changes also included cost share credits of 1% each for completing a biometric screening and a health risk assessment and a cost share penalty of 3% for tobacco users. As of March 1, 2016, MCPS reports that about 60% of enrollees are receiving the biometric screening credit, 35% are receiving the health risk assessment credit, and 15% are paying the tobacco user penalty.

Montgomery College: The College plans no changes to group insurance benefits in FY17, but the College budget request does reflect estimated savings of \$470,000 from changes to copays, deductibles, and out-of-pocket maximums that went into effect on January 1, 2016.

M-NCPPC: M-NCPPC plans no changes to group insurance benefits in FY17.

WSSC: WSSC plans no changes to group insurance benefits in FY17. WSSC's requests for group insurance in FY17 are \$18.7 million for active employees (up 0.5%) and \$14.4 million for retired employees (up 3.6%).

¹⁷ Includes a reduction of \$10.0 million from the BOE's request as detailed in the April 8, 2016 letter from the Interim Superintendent of Schools to the Council President and Education Committee Chair.

Agency Group Insurance Costs in FY17 for Retirees

The FY17 tax supported request for retiree pay-as-you-go group insurance funding totals \$97.5 million, a 117.6% increase from the funding level in FY16. There are no changes to retiree group insurance benefits in FY16. The substantial increase for FY17 reflects restoring funds for MCPS' pay-as-you-go costs that were paid for with OPEB Trust fund dollars in FY16, and funding the full actuarially estimated costs in County Government (both described in greater detail below).

FY16 Approved and FY17 Recommended Retiree Health Pay-As-You-Go Funding by Agency

Agency	FY16 Approved	FY17 Recommended	Percent Change FY16-17
County Government	\$36.8 million	\$52.3 million	42.1%
MCPS	--	\$37.1 million	100%
Montgomery College	\$3.3 million	\$3.5 million	6.1%
M-NCPPC	\$4.7 million	\$4.6 million	-2.1%
Total	\$44.8 million	\$97.5 million	117.6%

County Government: The increase in FY17 reflects funding the full actuarially estimated cost of pay-as-you-go claims. County Government staff report that prior-year budgets had been below the actuarial estimates for retiree claims expenses because the fund balance had been above the 5% policy.

MCPS: In FY15 the Council reduced MCPS' tax supported retiree health pay-as-you go funding by \$27.2 million, MCPS used its internal OPEB Trust to fund that portion of pay-as-you-go expenditures, and the Council added \$27.2 million to MCPS' portion of the Consolidated OPEB Trust to hold MCPS OPEB spending harmless. In FY16 the Council approved the Executive's recommendation to provide MCPS \$51.2 million in total retiree pay-as-you-go funding, with \$24.0 million from the MCPS internal OPEB Trust and \$27.2 million from the Consolidated OPEB Trust. Unlike the Council's actions in FY15, the budget actions in FY16 did not replace the expenditures in either trust.

For FY17 the Board of Education's request and the Executive's recommended budget both propose \$64.3 million in total retiree pay-as-you-go funding through \$37.1 million in tax supported funding and using \$27.2 million from MCPS' portion of the Consolidated OPEB Trust. The tax supported funding includes \$24.0 million to replace the funds from the MCPS internal trust (which has now been zeroed out) and \$13.1 million in additional spending for projected claims increases.

MCPS FY16 Approved and FY17 CE Recommended Retiree Pay-As-You-Go Funding

FY16 Approved		FY17 BOE Request/CE Recommendation	
• County funding	\$0	• County funding	\$37.1 million
• Consolidated OPEB Trust	\$27.2 million	• Consolidated OPEB Trust	\$27.2 million
• MCPS OPEB Trust	\$24.0 million	• MCPS OPEB Trust	n/a
Total Pay-As-You-Go Funding:	\$51.2 million	Total Pay-As-You-go Funding:	\$64.3 million

The use of OPEB trust dollars to pay current claims in the early years of plan funding, along with the net impact on pre-funding, is discussed in greater detail on page 14.

Agency Group Insurance Funds

In December 2003 the Council approved Resolution No. 15-454, *Policy Guidance for Agency Group Insurance Programs*, which included a recommendation that agencies maintain a minimum fund balance (or reserve) in their respective group insurance funds equivalent to 5% of annual expenditures.

For the tax supported agencies, the table below shows the actual FY15 group insurance fund ending balances (in dollars and as a percentage of expenditures), along with any projected balances or uses of fund reserves identified in agency budget or related documents. MCPS maintains separate fund accounts for active and retired employees, while the other agency group insurance funds combine active and retired employees.

Agency	FY15 Year-End Fund Balance		Future Fund Balance Projections
	\$'s	% of Expend.	
County Government	\$8.0 million	3.8%	<ul style="list-style-type: none"> Projected FY16 year-end fund balance of \$855K or 0.4%. FY17-22 fiscal projection shows a 2% fund balance at the end of FY17, 3.5% at the end of FY18, and 5% for FY19-22.
MCPS: Active Employees	(\$4.7 million)	-1.6%	<ul style="list-style-type: none"> Projected FY16 year-end deficit of \$13.1 million or -4.2%. The BOE intends to request the Council approve a categorical transfer of \$4.0 at the end of FY16 to help reduce the negative fund balance.¹⁸
MCPS: Retired Employees	(\$4.2 million)	-4.5%	<ul style="list-style-type: none"> Projected FY16 year-end fund balance of \$2.0 million or 2.0%.
M-NCPPC (Bi-County)	\$13.6 million	36.9%	<ul style="list-style-type: none"> Projected FY16 year-end fund balance of \$12.8 million or 22.3%. Proposed FY17 budget projects fund balance of \$12.7 million or 22.2% at the end of FY17.
Montgomery College	\$1.2 million	7.1%	n/a

¹⁸ According to a March 31, 2016 letter from BOE President Durso to Council President Floreen providing information on State Expenditure Category 12.

Agency OPEB Status

Other Post-Employment Benefits (OPEB) are non-pension benefits offered by an employer to qualified retirees. The four tax supported agencies set OPEB benefit levels and eligibility criteria for their own retirees. The annual required contribution (ARC) reflects the amount an agency must contribute each year to reach full OPEB funding within 30 years. The agencies currently fund OPEB benefits through a dual approach:

- **OPEB pay-as-you-go funding** refers to the annual cost of group insurance benefits for current retirees. Under the pay-as-you-go funding method, agencies annually budget resources to pay the current year's cost of health care claims for retired employees and their dependents.
- **OPEB pre-funding** is a practice of setting aside assets at the time employees earn a benefit to cover cost obligations that will be paid in the future. Most governments (including all County agencies) pre-fund their pension benefits. Agencies that pre-fund OPEB benefits often make contributions to a trust fund designated for retiree health benefits. **In 2011 the Council established a Consolidated Retiree Health Benefits Trust for the County Government, MCPS, and Montgomery College.** The bi-County M-NCPPC manages its own OPEB trust fund.

In FY15 all four agencies implemented the Medicare Part D Employee Group Waiver Program (EGWP) for prescription drug coverage for Medicare-eligible retirees/survivors effective January 1, 2015. This change, together with revised healthcare trend and claims rates, had a large impact on the FY15 budget – savings of \$81.8 million compared to earlier projections – by significantly reducing long-term OPEB liabilities and thus the annual required pre-funding amounts.¹⁹

Agency OPEB Liabilities, Assets, and Required Contributions. An agency's OPEB liability refers to the present value of benefits earned to date for employees' past service. The value of OPEB assets refers to the current value of cash or investments placed into a fund to pay future liabilities. The annual required contribution is how much an agency must contribute each year to reach full OPEB funding (pay-as-you-go and pre-funding portions) within 30 years.

The table below shows the actuarially determined OPEB liability and annual required contribution from each agency's most recent OPEB valuation (as of 7/1/2014 for County Government and MCPS, and as of 7/1/2015 for M-NCPPC and Montgomery College). In sum:

- The total estimated OPEB liability for County Government, MCPS, Montgomery College, and M-NCPPC is about \$2.9 billion.
- The actuarial value of OPEB assets in the agency trust funds, \$544 million, represents 19% of the total OPEB liability. This calculation is known as the "funded ratio."
- The agencies' OPEB annual required contribution (including both pay-as-you-go and pre-funding amounts) totals \$249.8 million.

¹⁹ See <http://www.montgomerycountymd.gov/council/Resources/Files/REPORTS/EmployerGroupWaiver.pdf> for the April 16, 2014 report on this change prepared by the Council's actuarial adviser, Bolton Partners.

**Agency OPEB Liabilities, Assets, and Annual Required Contribution
(based on most recent actuarial valuations*)**

Agency	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Annual Required Contribution
County Government	\$1,241.3 million	\$239.4 million	19%	\$107.1 million
MCPS	\$1,406.2 million	\$241.7 million	17%	\$130.3 million
M-NCPPC ²⁰	\$123.3 million	\$20.1 million	16%	\$8.1 million
Montgomery College ²¹	\$80.0 million	\$42.8 million	54%	\$4.3 million
Total	\$2,850.8 million	\$544.0 million	19%	\$249.8 million

*MCG and MCPS data as of July 1, 2014; M-NCPPC and Montgomery College data as of July 1, 2015.

Sources: Agency OPEB Valuations and FY15 Comprehensive Annual Financial Statements

FY17 Recommended OPEB Pre-funding

The Executive recommends \$109.9 million in tax supported OPEB pre-funding for FY17, a 1.3% increase from the amount approved for FY16. The recommended OPEB pre-funding in FY17 includes an additional \$6.9 million in non-tax supported contributions.

FY16 Approved and FY17 Recommended OPEB Pre-Funding by Agency

	FY 16 Approved	FY17 Recommended	Percent Change FY16-17
Tax Supported			
County Government	\$43.5 million	\$43.5 million	--
MCPS	\$61.7 million	\$63.1 million	2.3%
Montgomery College	\$1.4 million	\$1.5 million	7.1%
M-NCPPC ²²	\$1.8 million	\$1.8 million	--
Total Tax Supported	\$108.5 million	\$109.9 million	1.3%
Total Non-Tax Supported ²³	\$6.9 million	\$6.9 million	--

²⁰ M-NCPPC's valuation includes Montgomery County and Prince George's County employees/costs. Montgomery County's OPEB funding schedule assumes that the Montgomery County portion is 45% of the total plan.

²¹ For several years prior to FY08 the College had set aside funds for accrued retiree health liabilities. These resources (~\$20 million) were placed the College's OPEB Trust Fund in FY08, accounting for their comparatively high funded ratio. In FY14 the College transferred these resources to the Consolidated Retiree Health Benefits Trust.

²² The M-NCPPC pre-funding amount represents the Montgomery County portion of the bi-County agency's contribution.

²³ The FY17 non-tax supported OPEB pre-funding recommendation includes \$6.8 million in County Government proprietary fund and participating agency contributions and \$81,000 in M-NCPPC proprietary fund contributions.

MCPS Pre-Funding: While the Executive’s recommended budget proposes to fully fund MCPS’ OPEB pre-funding requirement of \$63.1 million, it also proposes to use \$27.2 million in assets from MCPS’ portion of the Consolidated OPEB Trust to pay current year claims. See page 10. As a result, the net effect of the Executive’s proposal is to increase MCPS’ OPEB Trust balance (excluding any investment earnings) by \$35.9 million in FY17 instead of \$63.1 million.

The Executive recommended and the Council approved a similar approach last year, except with a greater reduction in Trust assets (\$51.2 million). At that time, the Council’s actuarial adviser, Bolton Partners, noted that some other jurisdictions have taken this approach – for example, Baltimore, Calvert, and Howard Counties in Maryland – but that it should be used sparingly. Bolton Partners also noted that this action will likely: 1) decrease MCPS’ projected OPEB funded ratio; and 2) increase MCPS’ required pre-funding amount in future years to make up for the net reduction in contributions.

Pre-Funding in the Fiscal Plan. The Executive’s FY17 tax supported OPEB pre-funding recommendation is 100% of the actuarially required amount. As shown in the table below, the Executive’s FY17-22 Fiscal Plan summary assumes that the County will maintain tax supported OPEB pre-funding of 100% of the actuarially required contribution in FY18 and beyond, consistent with the pre-funding policy.

**FY17-22 Tax Supported OPEB Pre-Funding – All Agencies Combined
from Executive’s Recommended Fiscal Plan**

	FY17	FY18	FY19	FY20	FY21	FY22
\$ Amount	\$109.9 million	\$106.7 million	\$102.7 million	\$99.6 million	\$96.4 million	\$96.4 million
% of Required Contribution	100%	100%	100%	100%	100%	100%

3. FURTHER ANALYSIS FOR COUNTY GOVERNMENT

Pay Adjustments

The Executive’s recommendations for County Government employee salaries are consistent with bargained agreements with MCGEO, the IAFF, and the FOP. **Proposed County Government salary schedules are on ©30-55. See page 25 regarding new salary schedules for non-merit employees.**

General Wage Adjustments: The Executive recommends that County Government employees – with the exception of IAFF members – receive general wage adjustments (GWAs, also known as cost of living adjustments) totaling 1.0%. Employees would receive a 0.5% GWA in the first full pay period after July 1, 2016 and a second 0.5% GWA in the first full pay period after January 1, 2017.

For IAFF members the Executive recommends GWAs totaling 2.0 percent. IAFF members would receive a 1.0% GWA in the first full pay period after July 1, 2016 and a second 1.0% GWA in the first full pay period after February 5, 2017.

Service Increments: The Executive recommends that all County Government merit system employees (excluding Management Leadership Service) who are not at top of grade receive a 3.5% service increment (also known as a step increase) in FY17. An employee receives the service increment in the first pay period following his/her employment anniversary date.

Second “Postponed” Service Increments: The Executive’s recommended budget includes a second service increment for certain employee groups. MCGEO members who would have been eligible for an increment in FY11, FY12 or FY13 (when County Government employees received no pay increases because of fiscal constraints) would receive a second increment of 3.5% in the first full pay period after May 1, 2017. FOP members who would have been eligible for an increment in FY12 would receive a second increment of 3.5% in the first full pay period after July 1, 2016. The Executive refers to these second increments as “postponed” pay increases.

Performance-Based Pay: Employees in the Management Leadership Service (MLS) are eligible for performance-based pay increases in lieu of service increments. The Executive’s recommended FY17 operating budget includes \$1,627,283 (\$1,013,533 tax supported) in the Compensation Adjustment and Employee Benefits non-departmental account to fund performance-based pay increases for MLS employees. Since MLS employees are non-represented, performance-based pay is not included in any collective bargaining agreement.

Longevity Adjustments: County Government employees who have completed 20 years of service are eligible for a longevity adjustment to their base pay. IAFF members are eligible for a second longevity adjustment after 28 years of service. As shown in the table below, longevity adjustment rates vary by employee group. MLS employees are not eligible for longevity adjustments. The Executive’s recommended budget includes funding for longevity adjustments for all eligible employees.

Executive Recommended FY17 Longevity Adjustments

Employee Group	Percent	Effective Date
MCGEO (20 years of service)	3.00%	Varies (based on employment anniversary date)
IAFF (20 years of service)	3.50%	
IAFF (28 years of service)	3.50%	
FOP (20 years of service)	3.50%	
Non-Rep. (20 years of service) ²⁴	2.00%	

ALS Pay Differentials: The collective bargaining agreement with the IAFF increases the pay differential for emergency medical technicians with Advanced Life Support (ALS) credentials based on years of credentialed experience. The table below shows the current and negotiated pay differentials.

Credentialed Years of Service	Current Pay Differential	Newly Negotiated Pay Differential
Up to 4 Years	\$5,830	\$6,080
5 to 8 Years	\$6,891	\$7,391
More than 8 Years	\$7,951	\$8,701

Cost of Pay Adjustments²⁵: As shown in the table below, the pay adjustments recommended by the Executive will have a combined FY17 cost of **\$20.31 million (\$16.31 million tax supported)**. These

²⁴ For non-represented employees, only those who are at top of grade and received performance ratings of “exceptional” or “highly successful” for the two most recent years are eligible for a longevity increase.

²⁵ Cost estimates include pay adjustments from bargained agreements, non-represented employee pass-through adjustments, and MLS performance-based pay.

estimates include the salary and wage costs as well as employee benefit costs borne by the employer.²⁶ The cost of service increments – including the second “postponed” increments for certain MCGEO, FOP and non-represented employees – represents nearly one half of the total cost of the Executive recommended FY17 pay increases.

However, as many of the pay adjustments take effect several months into the fiscal year, the amount budgeted for FY17 does not reflect the **full annualized cost** (that is, the 12-month cost) of the Executive’s recommendations. The annualized cost of the FY17 pay adjustments is **\$32.41 million (\$25.90 million tax supported)**. The difference between the FY17 cost and the annualized cost of a pay increase is particularly evident in case of the second increment recommended for MCGEO and non-represented employees. The Executive proposes implementing this pay increase on May 1, 2017, just two months before the end of the fiscal year. As a result, the FY17 cost of \$0.91 million represents only a small fraction of the full \$5.91 million annualized cost of this second increment.

Cost of Executive Recommended FY17 Pay Adjustments (\$ millions)

(collective bargaining agreements, non-represented pass-through, and MLS performance-based pay)

	Total Cost ²⁷		Tax Supported Cost	
	FY17 Budgeted Amount	Annualized Cost	FY17 Budgeted Amount	Annualized Cost
General Wage Adjustments	\$6.86	\$9.28	\$5.69	\$7.71
Annual Service Increments	\$7.23	\$13.68	\$5.86	\$10.97
Second "Postponed" Increments	\$2.22	\$7.22	\$1.98	\$5.67
Lump Sum Payment for Top of Grade Employees	\$1.92	\$0.00	\$1.34	\$0.00
Performance-Based Pay	\$1.63	\$1.63	\$1.01	\$1.01
Longevity Adjustments	\$0.30	\$0.45	\$0.26	\$0.37
Special Pay Differentials	\$0.16	\$0.16	\$0.16	\$0.16
TOTALS	\$20.31	\$32.41	\$16.31	\$25.90

Source: Office of Management and Budget

²⁶ The estimates include the additional costs of all salary-based benefits included Social Security, Medicare, defined benefit retirement, and defined contribution retirement.

²⁷ Total cost equals the sum of tax supported and non-tax supported costs.

Overtime: In 2013 the Office of Legislative Oversight issued a report on County Government employee work hours.²⁸ The report calculated the number of overtime hours worked during the previous year and estimated the cost of those overtime hours. Data from the MCTime indicates that County Government employees charged about 1,100,000 overtime hours in Calendar Year 2015. Should employees work a similar amount of overtime in FY16, the pay adjustments recommended by the Executive would raise annual County Government overtime costs by about \$2 million.

Retirement

The County Government operating budget includes contributions to pay for different types of employee retirement benefits:

Defined Benefit Plan (Employees' Retirement System): Uniformed public safety employees as well as general government employees hired before October 1, 1994 participate in a defined benefit pension plan, the Employees' Retirement System (ERS). [See also the reference below to the Guaranteed Retirement Income Plan (GRIP).] To support this benefit the County Government makes an annual contribution to the pension trust fund. The County's actuary annually calculates the amount of the pension plan contribution based on assessments of pension fund assets, accrued liabilities, and demographic assumptions. The annual contribution amount is intended to set aside funds to cover projected future pension payments ("normal costs") as well as the cost of amortized payments to cover past year benefit improvements and investment losses ("unfunded liability").

For FY17 the Executive's recommended ERS contribution is \$84.7 million (\$76.4 million tax supported), a \$42.7 million or 33.5% decrease from the FY16 contribution of \$127.4 million. The large decrease in the ERS contribution results from revised actuarial assumptions and changes to the amortization period based on the County's five-year experience study. **Future ERS costs could vary significantly based on investment performance and changes in demographic experience.**

Defined Contribution Plan (Retirement Savings Plan): General government employees hired since October 1, 1994 participate in the Retirement Savings Plan (RSP). The County Government contributes a defined percentage of salary (currently 8%) into employee retirement savings accounts. **For FY17 the County will contribute an estimated \$19.8 million (\$14.2 million tax supported) to employee RSP accounts, a 5.3% increase over the amount budgeted for FY16.** This increase is predominantly attributable to salary increases recommended by the Executive.

Cash Balance Plan (Guaranteed Retirement Income Plan): Beginning in 2009, employees hired since October 1, 1994 have had the option of participating in the Guaranteed Retirement Income Plan (GRIP). GRIP is a cash balance plan that guarantees a 7¼% annual return.²⁹ About 26% of eligible employees have chosen the GRIP option. **The Executive estimates that the GRIP will cost the County**

²⁸ See <http://www.montgomerycountymd.gov/olo/resources/files/oloreport2013-3.pdf>.

²⁹ As a cash balance plan that guarantees an annual return, the GRIP is a type of defined benefit plan.

Government \$5.0 million (\$3.5 million tax supported) in FY17, an 8.1% reduction from the amount budgeted for FY16. As with the ERS contribution, the reduction in GRIP costs is related to changes in actuarial assumptions.

Participation and Cost Comparisons: **A large disparity exists in the costs of the County Government retirement plans.** The table below shows the number of employees participating in each of the retirement plans and the total FY17 cost (excluding employee contributions) for each plan. The data show that while 45% of employees participate in the ERS, the ERS accounts for 77% of total County Government retirement plan costs. The average cost per employee for an ERS participant is almost four times greater than the cost per RSP participant and more than five times greater than the cost per GRIP participant.

	Plan Participants		FY17 Cost		Average FY17 Cost/ Employee
	Employees	Percent	\$ Amount (millions)	Percent	
ERS (Defined Benefit)	4,189	45.1%	\$84.7	77.3%	\$20,218
RSP (Defined Contribution)	3,756	40.4%	\$19.8	18.1%	\$5,279
GRIP (Cash Balance)	1,352	14.5%	\$5.0	4.6%	\$3,716

The FY17 contribution rates or “loads” (as a percentage of an employee’s salary) are **23.5% (public safety) and 42.7% (non-public safety) for the ERS, 8.0% for the RSP, and 5.4% for the GRIP.**

Group Insurance

The County Government operating budget includes funding for active employee and retiree group insurance costs. The Executive recommends no change in the group insurance benefits for FY17.

Active Employee Group Insurance: The Executive recommends **\$90.8 million** in tax supported funds for active employee group insurance benefits in FY17, **an increase of \$5.6 million or 6.6%** from FY16. The increase in FY17 for tax supported group insurance funding primarily reflects trends in overall health insurance expenditures. The FY17 contributions for health insurance are based on an actuarially determined countywide average fixed rate of \$11,651 per position, an increase over the FY16 fixed contribution rate of \$11,026 per position. The table below shows the tax supported active employee group insurance costs and rate of growth for the past five years.

County Government Active Employee Group Insurance Budget (Tax Supported)

	FY13	FY14	FY15	FY16	FY17
Total	\$79.7 million	\$78.3 million	\$81.5 million	\$85.2 million	\$90.8 million
% Change	--	-1.8%	+4.6%	+4.0%	+6.6%

Retiree Group Insurance: The Executive recommends **\$52.3 million** in tax supported funds for pay-as-you-go retiree group insurance benefits in FY17, **an increase of \$15.5 million or 42.1%** from

FY16. The increase in FY17 reflects funding the full actuarially estimated cost of pay-as-you-go claims. County Government staff report that prior budgets had been below the actuarial estimates for retiree claims expenses because the fund balance had been above the 5% policy. The table below shows the retiree pay-as-you-go group insurance costs and rate of growth for the past five years.

County Government Retiree “Pay-As-You-Go” Group Insurance Budget

	FY13	FY14	FY15	FY16	FY17
Total	\$32.5 million	\$32.5 million	\$32.5 million	\$36.8 million	\$52.3 million
% Change	--	0%	0%	+13.2%	+42.1%

Health Benefits Self Insurance Fund: The FY17-22 fiscal projection for the Employee Health Benefits Self Insurance Fund from the Executive’s Fiscal Plan is on ©56. The Executive estimates a balance of \$855,282 (0.4% of expenditures) in the fund at the end of FY16, below both the County Government target fund balance of 5% and the projected 1.0% ending balance included as part of the approved FY16 budget.

The fiscal projection indicates that total revenues into the fund are expected to exceed expenditures by about \$5 million during FY17, resulting in a projected fund balance of 2.0% at the end of FY17.

4. COUNTY GOVERNMENT COMPENSATION-RELATED NDAs

The FY17 recommended budget contains the eight compensation-related Non-Departmental Accounts (NDAs) shown on ©57-60.

1. Compensation and Employee Benefits Adjustments NDA

See ©57. The recommended amount for FY17 is \$2,533,747. The FY16 amount was \$2,450,458.

2-4. Consolidated Retiree Health Benefits Trust NDAs

See ©57-60. In 2011 the Council established the consolidated trust on behalf of County Government, MCPS, and Montgomery College in order to make the OPEB funding process more transparent. There is an NDA for each agency. The recommended amounts for the three NDAs in FY17 are \$43,513,550, \$63,055,000 and \$1,524,000, respectively. For further detail see pages 12-14 and ©60.

5. Group Insurance for Retirees NDA

See ©58. The recommended amount for FY17 is \$52,300,000. The FY16 amount was \$36,768,000. See the discussion above on this page.

6. Montgomery County Employee Retirement Plans NDA

See ©58. This NDA relates to the several County retirement plans. There is no recommended appropriation. For further detail see pages 20-23.

7. State Positions Supplement NDA

See ©59. The recommended amount for FY17 is \$60,756. The FY16 amount was the same.

8. State Retirement Contribution NDA

See ©59. The recommended amount for FY17 is \$1,379,507. The FY16 amount was \$1,313,995.

5. BUDGETS FOR THE COUNTY GOVERNMENT RETIREMENT PLANS AND THE CONSOLIDATED RETIREE HEALTH BENEFITS TRUST

This section was prepared by Mr. Trombka.

Background

The County manages three programs that offer retirement benefits (the Employees' Retirement System, the Retirement Savings Plan, the Deferred Compensation Plan) as well as an additional program that provides funding for retiree health benefits (the Consolidated Retiree Health Benefits Trust). In FY13 the Chief Administrative Officer (who serves as Administrator of County Government retirement plans) approved the consolidation of all retirement-related functions into one organization, Montgomery County Employee Retirement Plans (MCERP). MCERP is responsible for retirement plan investments, administration, and accounting functions. The cost of administering retirement programs is included in the MCERP budget. The Office of Human Resources administers group insurance programs for active employees and retirees.

Employees' Retirement System

The Employees' Retirement System (ERS) is a defined benefit (pension) plan for eligible County Government employees. Uniformed public safety employees, as well as general government employees hired before October 1, 1994, participate in the ERS. The ERS also serves general government employees hired starting October 1, 1994 who have elected to participate in the Guaranteed Retirement Income Plan (GRIP).

The Board of Investment Trustees (BIT) invests and manages ERS assets. As stated in the BIT annual report, "the Board works to control the risk to which the ERS is exposed while maximizing the potential for long term increases in the value of the assets."³⁰

The table below shows FY16 approved and FY17 recommended ERS administrative and operating expenses.

³⁰ Board of Investment Trustees, Montgomery County Employee Retirement Plans Annual Report: Fiscal Year ending June 30, 2015, page 5.
[http://www.montgomerycountymd.gov/mcerp/Resources/Files/2015_Annual_Report\(2\).pdf](http://www.montgomerycountymd.gov/mcerp/Resources/Files/2015_Annual_Report(2).pdf)

Employees' Retirement System Administrative and Operating Expenses

	FY16 Approved	FY17 Recommended	\$ Amount Change FY16 to FY17	Percent Change FY16 to FY17
Investment Management	\$25,000,000	\$25,000,000	\$0	0.0%
Salaries and Benefits	\$1,972,000	\$1,984,000	\$12,000	0.6%
Professional Services	\$1,208,500	\$1,019,500	-\$189,000	-15.6%
Benefit Processing	\$140,000	\$140,000	\$0	0.0%
Office Management	\$443,500	\$433,000	-\$10,500	-2.4%
Due Diligence/Education	\$62,500	\$65,500	\$3,000	4.8%
TOTAL	\$28,826,500	\$28,642,000	-\$184,500	-0.6%

The Executive recommends a \$184,500 decrease in funding for ERS management. Nearly all of the decrease is attributable to a \$189,000 reduction in professional services costs. The cost decrease is a product of two factors: a reduction in the number of disability retirement applications, resulting in fewer independent medical evaluations, and a projected reduction in the use of outside legal counsel.

Retirement Savings Plan

The Retirement Savings Plan (RSP) is a defined contribution plan providing benefits to non-public safety employees, and certain public safety employees, hired after 1994. The County Government contributes a defined percentage of salary to RSP participants' retirement savings accounts. Employees also contribute to their RSP account and self-manage investment choices. As stated in the BIT annual report, "the Board oversees the [RSP] investment program, providing a variety of investment options for participants to choose from."³¹ The BIT also provides investment education sessions for RSP participants. The table below shows FY16 approved and FY17 recommended RSP administrative and operating expenses.

Retirement Savings Plan Administrative and Operating Expenses

	FY16 Approved	FY17 Recommended	\$ Amount Change FY16 to FY17	Percent Change FY16 to FY17
Investment Management	\$6,000	\$6,000	\$0	0.0%
Salaries and Benefits	\$237,000	\$227,100	-\$9,900	-4.2%
Professional Services	\$60,700	\$61,000	\$300	0.5%
Office Management	\$9,000	\$9,000	\$0	0.0%
Due Diligence/Education	\$3,600	\$3,600	\$0	0.0%
TOTAL	\$316,300	\$306,700	-\$9,600	-3.0%

The Executive recommends a \$9,600 decrease in funding for RSP management, entirely a result of lower employee salary and benefit costs.

³¹ Ibid, page 7.

Deferred Compensation Plan

County Government employees, if eligible, may elect to participate in the Deferred Compensation Plan (DCP) created pursuant to Section 457 of the Internal Revenue Code. The DCP is a voluntary deferred compensation plan that allows employees to make tax-deferred contributions into a retirement savings account. Employees self-manage DCP investment choices. The BIT contracts with a record keeper who administers the mutual and commingled fund options selected by the Board and offered to DCP participants. The table below shows FY16 approved and FY17 recommended DCP administrative and operating expenses.

Deferred Compensation Plan Administrative and Operating Expenses

	FY16 Approved	FY17 Recommended	\$ Amount Change FY16 to FY17	Percent Change FY16 to FY17
Investment Management	\$6,000	\$6,000	\$0	0.0%
Salaries and Benefits	\$190,000	\$183,344	-\$6,656	-3.5%
Professional Services	\$7,200	\$6,000	-\$1,200	-16.7%
Office Management	\$9,000	\$9,000	\$0	0.0%
Due Diligence/Education	\$3,600	\$3,600	\$0	0.0%
TOTAL	\$215,800	\$207,944	-\$7,856	-3.6%

The Executive recommends an \$8,000 decrease in funding for DCP management, primarily a result of lower personnel costs.

Consolidated Retiree Health Benefits Trust Fund

The County has established a Trust Fund to set aside funds for retiree health benefits, similar to the County's practice of prefunding for retiree pension benefits. The Office of Human Resources is responsible for the administration of the Trust Fund, and the BIT is responsible for investing the Trust Fund assets with the goal of managing risk exposure while maximizing asset growth. The table below shows FY16 approved and FY17 recommended Trust Fund administrative and operating expenses.

Consolidated Retiree Health Benefits Trust Fund Administrative and Operating Expenses

	FY16 Approved	FY17 Recommended	\$ Amount Change FY16 to FY17	Percent Change FY16 to FY17
Investment Management	\$3,100,000	\$3,400,000	\$300,000	9.7%
Salaries and Benefits	\$341,690	\$343,180	\$1,490	0.4%
Professional Services	\$80,000	\$80,000	\$0	0.0%
Due Diligence/Education	\$48,000	\$50,000	\$2,000	4.2%
Office Management	\$20,000	\$20,000	\$0	0.0%
TOTAL	\$3,589,690	\$3,893,180	\$303,490	8.5%

The Executive recommends a \$303,000 increase for the Trust Fund. Nearly all of the increase is attributable to the recommendation to spend an additional \$300,000 on investment management services.

Investment management fees are a function of fund assets, and so fee costs increase as the County continues to make annual contributions to pre-fund retiree health benefit obligations. Management fees also increase as the County transitions from passive investment funds to active investment vehicles.

Salary and Benefit Charges

In total, the Executive's FY17 recommended operating budget includes \$2,738,000 in salary and benefit costs for the management of the Employees' Retirement System, the Retirement Savings Plan, the Deferred Compensation Plan, and the Retiree Health Benefits Trust. The FY17 recommended salary and benefits costs (combined for the four plans) are essentially unchanged from the approved FY16 amount of \$2,741,000. While the Executive has recommended pay increases for County Government employees, this cost increase will be offset by anticipated staff vacancies in MCERP during FY17.

Non-Departmental Account

The recommended budget includes a non-departmental account (NDA) for the Montgomery County Employee Retirement Plans (MCERP). Expenditures associated with the Retirement Program are funded from the ERS and the RSP, and from the General Fund on behalf of the DCP. As such, the NDA does not show any appropriation amounts. See ©58.

6. OTHER COMPENSATION ISSUES

A. Agency Analysis of Personnel Management

Each agency has prepared again this year a report on its workforce containing data that are generally comparable to the information provided in the County Government's Personnel Management Review. Material of this kind is a valuable adjunct to the agency personnel information that comes from budget documents and Council staff data requests. Agency responses appear in the **online appendix** to this packet (GO Committee #2).³² Agency staff have worked hard to assemble these displays of personnel information, and their efforts are appreciated. In past years this information has been helpful to groups such as the Council's Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs, and to other interested parties.

This year the **County Government** again prepared a PMR like the one it first issued in 1991 (see ©A1-42). The PMR, prepared by OHR, has consistently provided useful basic information on the merit system employment profile, turnover, and wage and salary comparability. In this year's PMR the information is once again clearly presented and readily understandable. The comparative information on salaries (see ©A30-42) is especially useful. Other information includes turnover data on the 588 employees (6.5% of the workforce) who left County Government service in 2015 (see ©A27-29). The table on ©A27 showing the reasons for separation (such as normal or disability retirement and reduction-in-force) is instructive. There are again data on temporary and seasonal workers (see ©A22-24).

MCPS again provided a Staff Statistical Profile (see ©A43-132), which contains a wide range of useful data regarding employees in all areas of the school system.

³² See http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2016/160421/20160421_GO2.pdf.

The College again provided a Personnel Profile (see ©A133-141). This brief report contains useful graphics and information on the composition of faculty and staff as well as benefits.

WSSC again prepared a Human Resources Management Review that contains new and comparative data in a number of areas (see ©A142-172). This report, which WSSC initiated in 1995, includes data on such matters as the diversity of WSSC's workforce in 2015.

M-NCPPC again prepared a detailed Personnel Management Review, which it initiated in 1995. This PMR (see ©A173-302) covers personnel data affecting both counties and is a comprehensive and highly informative document. The clearly presented data and excellent graphics provide detailed information about the full range of workforce issues and personnel policies.

While the agency documents differ in format and amount of workforce information provided, the table below, prepared by Mr. Howard, summarizes common elements related to staffing levels, average salary levels, demographics, and turnover as available for each agency's permanent workforce. M-NCPPC data listed in the table are for the Montgomery County portion only and do not include data for the Prince George's side or for Central Administrative Services.

Workforce Characteristics	County Government	MCPS	Montgomery College	M-NCPPC (Montgomery)	WSSC (Bi-County)
Reporting Period	CY 2015	FY 2016	CY 2015	FY 2015	CY 2015
Permanent Employees	9,072	22,716	1,974	795	1,597
Average Annual Salary	\$75,539 (overall weighted avg.)	<u>Administrators</u> \$129,626 <u>Teachers (10-Mo.)</u> \$77,887 <u>Support Staff</u> \$45,186	Not included	<u>Planning Dep't.</u> \$86,475 <u>Parks Dep't.</u> \$64,690	\$77,194
Race/Ethnicity:					
% White	52%	61%	50%	67%	41%
% African American	27%	18%	28%	20%	48%
% Hispanic/Latino	9%	11%	9%	7%	4%
% Asian	7%	8%	12%	5%	6%
% Other	5%	2%	1%	1%	1%
Turnover Rate	6.5%	6.4%	4.6%	5.0%	8.5%

B. Employee Awards and Tuition Assistance

In past briefings on compensation the GO Committee has examined such programs as County Government leave awards, M-NCPPC's employee recognition program, WSSC's merit pay system, and performance-based pay. The Committee has also reviewed tuition assistance issues.

The table below outlines the agencies' FY16 costs and FY17 requests for employee awards and tuition assistance. County Government's awards programs for FY15 (updated) and FY16 are outlined on ©61.³³

	Employee Awards		Tuition Assistance	
	FY16	FY17	FY16	FY17
County Government	see ©61	TBD	\$435,000	\$435,000
MCPS	none		\$3,739,746	\$3,739,746
Montgomery College	\$131,000	\$131,000	\$1,122,320	\$1,412,320
M-NCPPC (MoCo only)	\$37,417	\$35,483	\$29,882	\$29,883
WSSC	\$124,200	\$126,400	\$148,000	\$148,000

Note: County Government tuition assistance in FY17 is for the FOP (\$135,000); MCGEO (\$150,000); and IAFF, non-represented employees, and Volunteer Firefighters (\$150,000) on a first-come first-served basis.

C. New Salary Schedules for Non-merit Employees

On March 1 the Council enacted Expedited Bill 51-15.³⁴ The bill requires the Executive to propose a salary schedule for heads of departments and principal offices, and other non-merit employees in the Executive Branch, for approval by the Council as part of the annual operating budget for County Government. The bill also requires the Council to establish a salary schedule for non-merit employees in the Legislative Branch as part of the operating budget.

Non-merit employees will be paid a salary within the appropriate schedule. The bill permits the Executive to exceed the salary schedule established for a position for an individual Executive Branch non-merit employee, subject to Council approval, if the Executive finds that it is necessary to attract or retain a senior leader for that position. The bill applies to employees hired or promoted into a non-merit position after the Council's approval of the FY17 salary schedules.

The Executive will shortly transmit a proposed FY17 salary schedule for non-merit employees in the Executive Branch. On April 29 the GO Committee will review this proposed schedule, and also a proposed schedule for non-merit employees in the Legislative Branch, and make recommendations for the Council to consider.

³³This report does not include performance-based pay awards for employees in the Management Leadership Service or other non-represented employees. In 2000 County Government also began the *Montgomery's Best* honors awards, which are based on recognition rather than cash awards. The program's purpose is to "recognize exceptional efforts by individuals, teams, and organizations to support the County's guiding principles and programs."

³⁴ See http://montgomerycountymd.granicus.com/MetaViewer.php?view_id=136&clip_id=11111&meta_id=99492 for the Council packet on the bill.

PROPOSED COMMITTEE RECOMMENDATIONS ON COMPENSATION AND BENEFITS FOR ALL AGENCIES

This section outlines recommendations for the Committees to consider in preparation for the April 26 Council meeting on compensation and benefits for all agencies. The Education Committee's focus is on recommendations that relate to MCPS and Montgomery College.

1. FY17 Group Insurance (see pages 9-14 and 18-19)

The Committee reviewed the agencies' group insurance issues. **Proposed recommendations:**

- a. Support the agencies' FY17 tax supported requests for **active employee** costs listed on page 9, except for **\$578,000** included in the Fire and Rescue Service budget. This amount funds the 80/20 premium split included in the IAFF agreement for unit members who do not select a health maintenance organization, rather than the 75/25 split that applies to all other County Government employees. As in past years, this element of the IAFF agreement should be rejected.
- b. Support the agencies' FY17 tax supported requests for **retired employee** costs listed on page 10.
- c. Continue to monitor the balances and projections for the agencies' **group insurance funds** listed on page 11.
- d. Support the recommended projection for County Government's **Employee Health Benefits Self Insurance Fund** (\$245.9 million) displayed on ©56.
- e. Support the agencies' FY17 requests for **OPEB pre-funding** listed on page 13.
- f. Recognize the efforts by **MCPS** in FY15-16 to move toward **aligning** the group insurance premium cost share for active employees with the cost share established by County Government. **Encourage further efforts in this direction starting in FY18. The goal is to channel more tax dollars to initiatives that reduce class size and target the achievement gap.**³⁵

2. FY17 Allocations for Retirement (see pages 7-8, 17-18, and 20-23)

The Committees reviewed details of County Government's retirement program, including the recommended County contribution to the defined benefit Employees' Retirement System (ERS) and the allocations for the defined contribution Retirement Savings Plan (RSP) and the cash balance Guaranteed Retirement Income Plan (GRIP). The Committee also reviewed the administrative and operating budgets of the ERS, the RSP, the Deferred Compensation Plan (DCP), and the Consolidated Retiree Health Benefits Trust (CRHBT), as well as the funded ratio of the pension funds for County Government, MCPS, M-NCPPC, and WSSC. **Proposed recommendations:**

³⁵ As noted on page 3 of this memo, if MCPS' premium cost share for active employees were the same as County Government's, savings on an annualized basis could be in the range of \$24 million. This amount would nearly double the \$26 million requested by the Board of Education to reduce class size in FY17.

- a. Approve the recommended total FY17 County contributions of **\$84.7 million** for the ERS, **\$19.8 million** for the RSP, and **\$5.0 million** for the GRIP (tax supported and non-tax supported) listed on pages 17-18.
- b. Approve the recommended FY17 administrative and operating budgets of the ERS, the RSP, the DCP, and the CRHBT listed on pages 21-22.
- c. Continue to monitor the funded ratio of the agencies' pension funds listed on page 8.
- d. **Encourage MCPS to achieve savings in retirement costs, as set forth in OLO Memorandum Report 2016-5, *MCPS Local Pension Plan and Supplement*,³⁶ starting in FY18.** As with the cost of MCPS health benefits, the goal is to channel more tax dollars to initiatives that reduce class size and target the achievement gap.

3. FY17 County Government Compensation-Related NDAs (see pages19-20 and ©57-60)

The Committees reviewed eight Non-Departmental Accounts. **Proposed recommendation:**

- a. Support the funding requested for NDAs #1 (Compensation and Employee Benefits Adjustments); #2-4, which relate to OPEB pre-funding (see above); and #5-8 (Group Insurance for Retirees, Montgomery County Employee Retirement Plans, State Positions Supplement, and State Retirement Contribution).

4. Other Compensation Issues (see pages 23-25)

The Committees reviewed the personnel management reviews and similar reports prepared by the agencies. The Committees also reviewed funding requests for the agencies' FY17 **employee awards** and **tuition assistance** programs. **Proposed recommendations:**

- a. Support the requests outlined on page 25.
- b. Review the new salary schedules for non-merit employees at the April 29 Government Operations Committee worksession.

5. FY17 Pay Adjustments

The Committee reviewed the FY17 budget and compensation context, including the Executive's proposal to raise the property tax rate and to exceed the Charter limit for the first time since FY09. **Proposed recommendations:**

Background

- a. If there is to be a property tax increase in FY17, the resources it produces must be directed to specific improvements in services that County residents can clearly see.
- b. Negotiated agreements with County agency bargaining units over the past three years have resulted in significant pay increases after the difficult years impacted by the Great Recession.

³⁶ See <http://www.montgomerycountymd.gov/OLO/Resources/Files/2016%20Reports/OLOREport2016-5.pdf>.

c. Inflation remains at a very low level. The CPI increase used to calculate the Charter limit in FY17 is up just 0.33%. Social Security beneficiaries will receive no COLA in 2016.

d. Annual service increments (step increases) recognize increased skill and experience levels and are warranted when resources permit. Postponed increments or second steps, to make up for steps not received during the recession years, do not reflect the experience of most Americans, who have had to absorb their income losses.

e. The current proposed pay increases must be evaluated for their sustainability – that is, for their fiscal impact not only in FY17 but also in FY18, when they are annualized and their full-year impact is felt.

Recommendations

County Government:

a. For **MCGEO** bargaining units and non-represented employees, support funding for all pay elements (including a 1.0% total general wage adjustment, 3.5% service increment, and longevity increases), **except for a postponed increment (second step).**

b. For the **Police** bargaining unit (FOP), support funding for all pay elements (including a 1.0% total general wage adjustment, 3.5% service increment, and longevity increases), **except for a postponed increment (second step).**

c. For the **Fire and Rescue** bargaining unit (IAFF), support funding for all pay elements (including a 3.5% service increment, longevity increases, and shift and special duty differentials), **except for the proposed 2.0% general wage adjustment, which should be modified to 1.0%.**

d. Support the proposed **FY17 County Government salary schedules** listed on ©30-55, except for the schedules for Fire and Rescue Management on ©39 and the Fire and Rescue bargaining unit on ©41. These two schedules relate to the second 1.0% of the proposed 2.0% adjustment.

MCPS, Montgomery College, M-NCPPC, and WSSC:

a. **Do not support full implementation of proposed MCPS pay adjustments.** The Council's top priority is classroom initiatives that reduce class size and target the achievement gap. Channeling funds to these initiatives within the amount appropriated by the Council will require a reduction in proposed FY17 employee pay adjustments. It is also essential to avoid unsustainable annualized costs in FY18, which would occur if FY17 pay adjustments are deferred rather than reduced.

b. **Do not support full implementation of proposed Montgomery College pay adjustments.** The College will need to reduce its negotiated pay increases to meet affordability requirements and to prioritize investments in programmatic enhancements and support for student needs within the amount appropriated by the Council. Again, pay adjustments in FY17 should not create unsustainable annualized costs in FY18.

c. For **M-NCPPC**, support the requested pay adjustments for MCGEO and non-represented employees. Defer a decision on pay adjustments for the Police bargaining unit until negotiations are complete. Make a final decision on all M-NCPPC pay adjustments at the May 12 bi-county meeting with the Prince George's County Council.

d. Support funding within the **WSSC** budget for pay adjustments that are comparable to the pay adjustments for MCGEO and unrepresented employees in County Government. Make a final decision on all WSSC pay adjustments at the May 12 bi-county meeting with the Prince George's County Council.

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MONTGOMERY COUNTY GOVERNMENT

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	REC FY17
<u>Police (FOP)</u>											
Increment	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	3.5%(o)	3.5%(o)	3.5%	3.5%(w)
General adjustment (COLA)	(a)	-	4.0%	0.0%	0.0%	0.0%	0.0%	2.1%(p)	2.1%(p)	2.0%(u)	1.0%(x)
Lump-sum payment	-	-	-	-	-	-	(j)	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-
Longevity	-	(c)	-	-	-	-	(k)	(k)	(k)	(k)	(k)
<u>Fire (IAFF)</u>											
Increment	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	3.5%(q)	3.5%(q)	3.5%	3.5%
General adjustment (COLA)	(b)	5.0%	2%+2%(g)	0.0%	0.0%	0.0%	0.0%	2.75%(t)	2.75%(t)	2.0%(u)	2.0%(y)
Lump-sum payment	-	-	-	-	-	-	(j)	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-
Longevity	-	-	-	(h)	-	-	(l)	(l)	(l)	(l)	(l)
<u>Office, Professional, and Technical Bargaining Unit/Service, Labor, and Trade Bargaining Unit (MCGEO)</u>											
Increment	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	3.5%	3.5%	3.5%	3.5%(z)
General adjustment (COLA)	(a)	4.0%	4.5%	0.0%	0.0%	0.0%	0.0%	3.25%(r)	3.25%(r)	2.0%(u)	1.0%(x)
Lump-sum payment	-	-	-	-	-	-	(j)	0.5%(s)	0.5%(s)	-	1.0%(aa)
Top of range adjustment	-	(d)	-	(i)	-	-	-	-	-	-	-
Longevity	-	-	-	-	-	-	(m)	(m)	(m)	(m)	(m)
<u>Non-Represented</u>											
Increment	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	3.5%	3.5%	3.5%	3.5%(z)
General adjustment (COLA)	(a)	4.0%	4.5%	0.0%	0.0%	0.0%	0.0%	3.25%(r)	3.25%(r)	2.0%(u)	1.0%(x)
Lump-sum payment	(e)	(e)	(e)	-	-	-	(j)	0.5%(s)	0.5%(s)	-	1.0%(aa)
Top of range adjustment	(f)	(f)	(f)	-	-	-	-	(n)	(n)	-	-
Longevity	-	-	-	-	-	-	(v)	(v)	(v)	(v)	(v)

(a) 3.0% effective 7/9/06; 1.0% effective 1/7/07.

(b) 4.0% effective 7/9/06; 1.0% effective 1/7/07.

(c) Increase wage rate of Step 0, Year 1, by \$3,151 with promotions and increments calculated from that point. Equals an adjustment of 7.5%.

(d) Increase longevity percentage by 1.0%, effective 1/6/08.

(e) Performance lump sum award: 2% for exceptional and 1% for highly successful.

(f) One-time longevity/performance increment requires 20 years of service and 2 most recent years with a performance rating of exceptional or highly successful: 1% added to base pay, and effective 1/7/07, 2% added to base pay.

(g) 2.0% effective 7/6/08; 2.0% effective 1/4/09.

(h) A new longevity adjustment at 28 years of service in July 2009 and additional steps on the salary in July 2010.

(i) 3.0% longevity increase.

(j) \$2,000 lump sum payment to employees who completed probationary period by July 1, 2012.

- (k) 3.5% longevity for FOP bargaining unit members who completed 20 years of service
- (l) 3.5% longevity increase for IAFF bargaining unit members who completed 20 years of service and an additional 3.5% longevity increase for IAFF bargaining unit members who completed 28 years of service.
- (m) 3% longevity for OPT/SLT (MCGEO) bargaining unit members who completed 20 years of service and are at maximum of grade.
- (n) MLS receive a salary schedule adjustment totaling 6.75%: 3.25% GWA and 3.5% market adjustment.
- (o) FOP members whose service increment was deferred during FY11, FY12, and/or FY13, and who were otherwise eligible, receive a salary adjustment of 1.75% effective the first full pay period following February 1, 2014 and following February 1, 2015, in addition to the FY14 and FY15 service increments.
- (p) GWA effective July 14, 2013, and July 13, 2014.
- (q) IAFF members who were eligible but who missed an FY11 service increment will receive it during the pay period beginning April 6, 2014; those who were eligible but who missed an FY12 increment will receive it during the pay period beginning June 14, 2015, in addition to the FY14 and FY15 service increments.
- (r) GWA effective September 8, 2013, and September 7, 2014.
- (s) 0.5% lump sum bonus given July 14, 2013, and July 13, 2014, for employees who are not scheduled to receive a longevity step during the fiscal year but who are at the maximum of their pay grade.
- (t) GWA effective July 14, 2013, and July 13, 2014.
- (u) Effective July 12, 2015.
- (v) 2.0% longevity/performance increment requires the employee to have 20 years of service, be at maximum of grade, and have two most recent years with a performance rating of exceptional or highly successful.
- (w) FOP members whose service increment was deferred during FY12, and/or FY13, and who are otherwise eligible, receive a salary adjustment of 3.5% effective the first full pay period following July 1, 2016, in addition to the FY17 service increments.
- (x) 0.5% starting July 10, 2016, and 0.5% starting January 8, 2017.
- (y) 1.0% starting July 10, 2016, and 1.0% starting February 5, 2017.
- (z) MCGEO members whose service increment was deferred during FY11, FY12, and/or FY13, and who are otherwise eligible, receive one salary adjustment of 3.5% starting on May 14, 2017, in addition to the FY17 service increments.
- (aa) 1.0% lump sum payment given July 10, 2016, for employees who are not scheduled to receive a longevity step during the fiscal year but who are at the maximum of their pay grade.

MONTGOMERY COUNTY PUBLIC SCHOOLS

REC

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Teachers (MCEA)											
Increment	1.5-3.9%	1.5-3.9%	1.5-3.9%	1.5-3.9%	0.0%	0.0%	1.5-3.9%	1.5-3.9%	1.5-3.9%	1.5-3.9%	1.5-3.9%(n)
Negotiated salary schedule increase	4.0%(c)	4.8%(d)	5.0%(f)	0.0%(h)	0.0%(i)	0.0%(i)	0.0%(j)	0.0%(j)	1.5%(k)	2.0%(l)	2.0%(n)
Lump-sum payment (a)	-	-	-	-	-	-	2.0%	2.0%	-	-	-
Top of range adjustment (b)	-	-	-	-	-	-	-	-	-	-	-
Admin. and Supervisory Personnel (MCAAP)											
Increment	3.0%	3.0%(e)	3.0%(e)	3.00%(e)	0.0%	0.0%	3.0%(e)	3.0%(e)	3.0%(e)	3.0%(m)	3.0%(n)(o)(p)
Negotiated salary schedule increase	4.0%(c)	4.8%(d)	5.0%(f)	0.0%(h)	0.0%(i)	0.0%(i)	0.0%(j)	0.0%(j)	1.5%(k)	2.0%(l)	2.0%(n)
Lump-sum payment (a)	-	-	-	-	-	-	2.0%	2.0%	-	-	-
Top of range adjustment (b)	-	-	-	-	-	-	-	-	-	-	-
Business and Operations Administrators (MCBOA)											
Increment			(g)	3.0%	0.0%	0.0%	3.00%	3.00%	3.0%	3.0%	3.0%(n)(p)
Negotiated salary schedule increase			(g)	0.0%(h)	0.0%(i)	0.0%(i)	0.0%(j)	0.0%(j)	1.5%(k)	2.0%(l)	2.0%(n)
Lump-sum payment (a)			(g)	-	-	-	2.0%	2.0%	-	-	-
Top of range adjustment (b)			(g)	-	-	-	-	-	-	-	-
Supporting Services Employees (SEIU Local 500)											
Increment	1.9-5.6%	1.9-5.6%	1.9-5.5%	1.9-5.5%	0.0%	0.0%	1.9-5.5%	1.9-5.5%	1.6-5.6%	1.6-5.6%	1.6-5.6%(n)
Negotiated salary schedule increase	4.0%(c)	4.8%(d)	5.0%(f)	0.0%(h)	0.0%(i)	0.0%(i)	0.0%(j)	0.0%(j)	1.5%(k)	2.0%(l)	2.0%
Lump-sum payment (a)	-	-	-	-	-	-	2.0%	2.0%	-	-	-
Top of range adjustment (b)	-	-	-	-	-	-	-	-	-	-	-
Non-Represented	All non-represented employees (except 19 nonscheduled Executive staff and chief negotiator positions) receive the same increments and other salary adjustment as the bargaining units for which these positions are covered.										
Increment											
Negotiated salary schedule increase											
Lump-sum payment											
Top of range adjustment											

- (a) For FY 2013 and FY 2014, employees at the top of the grade and received no step or longevity increase received a 2% increase.
- (b) Longevities for each of the separate bargaining units are as follows:
1. MCEA – Employees who have completed six or more years on step 19 of any salary lane on the salary schedule will receive an increase of 2.25%. No longevities were paid in FY 2011 or FY 2012. In FY 2013, eligible employees received longevity payments and FY 2011 and FY 2012 make up longevity payments also where provided. In FY 2014, longevity payments were provided on February 8, 2014. For FY 2015, longevity payments will be provided on the employee’s anniversary date.
 2. MCAAP - Effective October 1, 2004, the MCAAP contract provided for an annual longevity supplement of \$1,500 for each unit member who completed 10 or more years of service. Effective December 1, 2006, the contract was changed to provide a longevity supplement of \$1,500 for each unit member who completed 5 or more years of service. No longevities were paid in FY 2011 or FY 2012. In FY 2013, eligible employees received longevity payments and FY 2011 and FY 2012 make up longevity payments also where provided. In FY 2014, longevity payments were provided on February 8, 2014, or the longevity anniversary date, whichever is later. For FY 2015, longevity payments will be provided on the employee’s anniversary date.
 3. MCBOA – Unit members receive a \$1,500 longevity increase at 5, 10, and 15 years of service. No longevities were paid in FY 2011 or FY 2012. In FY 2013, eligible employees received longevity payments and FY 2011 and FY 2012 make up longevity payments also where provided. In FY 2014, longevity payments will be provided on February 8, 2014, or the longevity anniversary date, whichever is later. For FY 2015, longevity payments will be provided on the employee’s anniversary date.

4. SEIU – Unit members receive a one-grade increase on the salary schedule at 10, 14, and 18 years of service. In addition, employees with 22 years of service receive a \$200 increase. No longevities were paid in FY 2011 or FY 2012. In FY 2013, eligible employees received longevity payments and FY 2011 and FY 2012 make up longevity payments also where provided. In FY 2014, longevity payments will be provided on the employee's longevity anniversary date. For FY 2015, longevity payments will be provided on the employee's anniversary date.
- (c) For FY 2007, the negotiated agreement with MCEA and SEIU Local 500 provided for a salary schedule increase of 3.0% on 7/1/06 and an additional 1.0% effective mid-year, resulting in a 3.5% salary impact. The negotiated agreement with MCAAP provided for a salary schedule increase of 4.0% and scale adjustments effective 11/1/06 resulting in a 3.5% average salary impact.
 - (d) For FY 2008, the negotiated agreement with MCEA, MCAAP, and SEIU Local 500 provided for a 4.8% salary schedule increase and other compensation changes equivalent to an average of an additional 0.2% for a total of 5.0%.
 - (e) The salary range is 3.0% except for the movement between steps 9 and 10 in lanes O, P, and Q. This increment is 1%.
 - (f) For FY 2009, the negotiated agreement with MCEA, MCAAP, and SEIU Local 500 provided for a 5.0% salary schedule increase.
 - (g) In calendar year 2008, the BOE approved the formation of a fourth bargaining unit - The Montgomery County Business and Operations Administrators (MCBOA). In FY 2009, the compensation for these employees was included in the SEIU salary numbers.
 - (h) The 2008-2010 contracts with MCAAP, MCBOA, MCEA, and SEIU Local 500 included, for FY 2010, a 5.3% GWA and other salary-related improvements. Due to the fiscal situation, no GWA was provided in FY 2010.
 - (i) Due to the fiscal situation in FY 2011 and FY 2012, there was no GWA or increments awarded.
 - (j) For FY 2013 and FY 2014, there is no provision for a GWA.
 - (k) For FY 2015, there is a provision for a 1.5% GWA that was awarded on November 29, 2014.
 - (l) For FY 2016, there is a 2.0% GWA that will be awarded on October 3, 2015.
 - (m) The MCAAP salary increment is 3.0% except for the movement between steps 9 and 10 in lanes O, P, and Q. This increment is 1%.
 - (n) The 2015 – 2017 contracts with MCAAP/MCBOA, MCEA, and SEIU Local 500 included, for FY 2017, provisions for a salary increment and a 2.0% GWA for eligible employees on September 3, 2016. In addition, the contract included provisions for a make-up step for eligible employees on March 3, 2017. To accommodate the March 3, 2017 salary increase, the salary schedules for all unions are adjusted.
 - (o) For FY 2017, the MCAAP salary increment is 3.0% except for the movement between steps 9 and 10 in lanes O, P, and Q. This increment is 1.0%.
 - (p) For FY 2017, the MCAAP/MCBOA salary increment is 3.0% except for the movement between steps 10 to 12. This increment is 2.0%.

MONTGOMERY COLLEGE

REC

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Faculty (AAUP)					(c)						
Increment	-	-	-	-	-	-	-	3.5%	3.5%	3.5%	3.5%
General adjustment (COLA)	3.75%	5.3%	5.5%	-	-	-	-	2.25%	2.5%	2.5%	2.75%
Lump-sum payment	\$2,019	\$2,125	\$2,242	\$2,372(b)	-	2.0%(f)	-	-	-	-	-
Top of range adjustment	3.75%(a)	5.3%	5.5%	-	-	-	-	3.0%	3.0%	-	-
Administrators	3.75%-	4.75%-	4.75%-		(d)			0.0%-	0.0%-	0.0%-	0.0%-
Increment	6.5%	7.5%	7.0%	0.0%	-	-	-	5.5%(g)	5.5%(g)	5.5%(g)	5.5%(g)
General adjustment (COLA)	-	-	-	-	-	-	-	2.25%	2.5%	2.5%	2.75%
Lump-sum payment	-	-	-	-	-	2.0%(f)	-	-	-	-	-
Top of range adjustment	3.75%	4.75%	5.0%	-	-	-	-	3.0%	3.0%	-	-
Staff - Non-Bargaining and Bargaining					(e)						(h)
Increment	2.75%	3.0%	3.0%	3.0%	-	-	-	3.5%	3.5%	3.5%	3.5%
General adjustment (COLA)	3.75%	4.75%	5.0%	-	-	-	-	2.25%	2.5%	2.5%	2.75%
Lump-sum payment	-	-	-	\$500(b)	-	2.0% (f)	-	-	-	-	-
Top of range adjustment	3.75%	4.75%	5.0%	-	-	-	-	3.0%	3.0%	-	-

(a) Not to exceed \$85,661 or \$87,261 for those eligible for a one-time longevity increase. COLA – 3% effective 7/1/06 plus 1.5% effective 1/1/07.

(b) Staff- lump sum one-time payment of \$500 for employees at top of scale; faculty – lump sum one-time payment ranging from \$500-1,000 depending on salary; base pay increase of \$2,372 is delayed until October 23, 2009.

(c) Faculty furloughed 3 days based on academic year calendar (equivalent to 4 staff days).

(d) Administrators furloughed 8 days.

(e) Staff furloughed 4 days below grade N; 8 days grade N and above.

(f) One-time payment of the greater of \$2,000 or 2%. This is not added to base pay.

(g) Administrators may receive between a 0.0% and 5.5% pay for performance bonus in lieu of an increment.

(h) The contract with AFSCME is not yet ratified; expected late April 2016.

MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	REC FY17
Non-Represented											
Increment	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	3.0%	3.5%	1.75%	1.75%
General adjustment (COLA) (effective date)	3.0%	3.25% (7/07)	3.25% (7/08)	0.0%	0.0%	0.0%	0.0%	3.0%	2.0% (9/14)	1.75% (9/15)	1.75% (9/16)
Lump-sum payment	-	-	-	-	-	-	\$2,000	-	-	-	-
Top of range adjustment	7.0%	-	-	(c)	-	-	-	-	-	(f)	(f)
Service/Labor, Trades, and Office/Clerical Bargaining Units (MCGEO, Local 1994)											
Increment	3.5%	3.5%	3.5%	\$780(d)	0.0%	0.0%	0.0%	3.5%	3.5%	1.75%	1.75%
General adjustment (COLA) (effective date)	3.0%	3.25%	3.25%	\$640(d)	0.0%	0.0%	0.0%	3.25%	2.0% (9/14)	1.75% (9/15)	1.75% (9/16)
Lump-sum payment	-	-	-	-	-	-	\$2,000	-	-	-	-
Top of range adjustment	3.5%	3.5%	-	-	-	-	-	-	-	(f)	(f)
Park Police (FOP, Lodge 30)											
Increment	3.5%	3.5%	3.5%	3.5%	0.0%	0.0%	0.0%	3.5%	7.0%(e)	3.5%	(g)
General adjustment (COLA) (effective date)	4.5%(a)	4.5%(b)	3.25% (7/08)	3.75% (7/09)	0.0%	0.0%	0.0%	2.5%	1.75% (7/14)	1.75% (7/15)	
Lump-sum payment	-	-	-	-	-	-	\$2,000	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-

- (a) 3.5% COLA effective 7/06 plus additional 1% COLA effective 7/06 in exchange for officers paying 100% of Long Term Disability premiums.
- (b) 3.5% COLA effective 7/07 plus an additional 1% COLA increase effective 7/07 in exchange for officers paying 100% of Long Term Disability premiums.
- (c) 3.75% range adjustment for Park Police Command Staff.
- (d) FY10: replacing a normal COLA and merit, a \$1,420 (pro-rated) wage adjustment instead was provided to each MCGEO member (applied up to, but not beyond the top of the grade), effective first pay period following July 1, 2009. Of the \$1,420, \$640 is distributed to every MCGEO member, and the rest \$780 (maximum assuming satisfactory performance rating) was pro-rated based on anniversary date and adjusted based on performance rating.
- (e) One increment (3.5%) on anniversary, and one additional increment (3.5%) effective January 2015.
- (f) Lump sum of 0.5% effective July 2015 and July 2016 for MCGEO and Non-Represented at top of grade.
- (g) Compensation is unknown at this time and is subject to current labor negotiations with FOP. The two County Councils will be determining whether to fund the Commission's proposed FY17 compensation at the May joint Council meeting.

WASHINGTON SUBURBAN SANITARY COMMISSION

Proposed

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
FSCME											
Merit pay adjustment (a)	3.5%(b)(d)	3.5%(b)(d)	3.0%(b)(d)	3.0%(b)(d)	3.0%(b)(d)	3.0%(b)(d)	3.0%(b)(d)	1.5%(b)(d)	3.0%(b)(d)	3.0%(b)(d)	TBD (f)
General adjustment (COLA)	3.5%	3.75%	3.5%	0.0%	0.0%	2.0%(e)	2.0%	3.0%	3.25%	2.0%	
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	
Non-Represented											
Merit pay adjustment (a)	3.5%(b)(d)	3.5%(b)(d)	3.0%(b)(d)	3.0%(b)(d)	0.0%	0.0%	3.0%(d)	1.5%(d)	3.0%(d)	3.0%(d)	TBD (f)
General adjustment (COLA)	3.5%	3.75%	3.5%	0.0%	0.0%	0.0%	2.0%	3.0%	3.25%	2.0%	
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	

- (a) WSSC has a performance based merit pay system. Adjustments to base pay are based upon annual employee evaluations. In FY09, a new Performance Management System applies to all employees except those reporting directly to the Commissioners or in a bargaining unit. A rating of 3.0 and above will result in a corresponding percentage pay increase. A rating below 3.0 will result in a Performance Improvement Plan (PIP). Employees rated below a 2.0 numerical rating or employees who do not successfully complete their PIP are subject to release.

The merit pay salary adjustments associated with each performance rating category FY94-FY08 were:

	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Superior	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	0.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Commendable	-	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Fully satisfactory	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	0.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Needs improvement	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unsatisfactory	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- (b) Merit pay adjustment was replaced with skill-based compensation for some bargaining unit employees in FY02.
 (c) General adjustment (COLA) was effective October 2003 when COLAs and merit increases were no longer limited by State Law.
 (d) Employees at grade maximum who receive above average evaluations may receive a onetime cash payment.
 (e) Contract ratified by the union and approved by the Commission includes a 2.0% COLA for represented employees. Non-represented employees did not receive a COLA.
 (f) Salary enhancements to be recommended by the Montgomery and Prince George's Counties during the FY17 budget approval process. There is a pool of \$5.5 million for salary enhancements. The specific use of these funds will be determined as the two Counties make decisions about salary enhancements for their employees.

ARLINGTON COUNTY GOVERNMENT
(Compensation not subject to collective bargaining)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	REC FY17
Police											
Increment	3.0%	3.0%	3.0%	0.0%	2.5%	2.5%	2.5%	3.57%(f)	3.57%(f)	3.57%(f)	3.57%(f)
General adjustment (COLA)	2.0%	1.5%	0.0%	1.0% (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lump-sum payment	-	-	-	-	2% (c)	1.0% (d)	-	-	-	-	-
Top of range adjustment	-	(d)	-	-	-	-	-	(e)	-	-	-
Fire											
Increment	3.0%	TBD	3.0%	0.0%	2.5%	2.5%	2.5%	3.43%(h)	3.43%(h)	3.43%(h)	3.43%(h)
General adjustment (COLA)	2.0%	(a)	0.0%	1.0% (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lump-sum payment	-	-	-	-	2%(c)	1.0% (d)	-	-	-	-	-
Top of range adjustment	-	(d)	-	-	-	-	-	(g)	-	-	-
Other Employees											
Increment	3.0%	TBD	3.0%	0.0%	2.5%	2.5%	2.5%	2.8%	2.7%	2.7%	3.25%(k)
General adjustment (COLA)	2.0%	(a)	0.0%	1.0% (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lump-sum payment	-	-	-	-	2.0%(c)	1.0% (d)	-	-	-	-	-
Top of range adjustment	-	(d)	-	-	-	-	-	-	(i)	(j)	(l)

- (a) Budget projection includes 0.0%.
- (d) Not pursuing footnote (a) any longer.
- (b) The County Board approved a 1% market pay adjustment for permanent employees effective January 1, 2010.
- (c) The FY11 Adopted Budget included funding for step increases as well as a 2% lump sum payment for employees who had been at the top of their pay grade for at least one year. The average increment is 2.5%. Step values are still the same: Step 1-5 are 4.1% increment; steps 6-10 are 3.3% increment, and steps 10-18 are 2.3% increment.
- (d) The FY12 Adopted budget included funding for step increases as well as a 1% lump sum payment for employees who had been at the top of their pay grade for at least one year.
- (e) Transitioned to new Police pay scale, separate from general pay scale. Police pay scale dropped all steps and replaced with open ranges within grades.
- (f) Increases within open ranges are 4.5% for first increase and 3.5% for each increase thereafter. Average increment increase calculated with 15 years of increases, which is the approximate length of time to reach maximum of range from minimum.
- (g) Transitioned to new Fire pay scale, separate from general pay scale. Fire pay scale replaced 18 step scale with 16 step scale.
- (h) Step increases are 4.5% for step 1 and 3.36% for all increases between step 2 and step 16.
- (i) The County Board approved a 1% increase for those at the maximum of their pay range at the beginning of FY2015.
- (j) No change to maximum approved
- (k) Proposed moving to open ranges (no steps), all employees that meet expectations would receive a 3.25% increase
- (l) Proposed dropping steps 2 and 3 and increasing the Range Maximum by 1.75%

FAIRFAX COUNTY GOVERNMENT
(Compensation not subject to collective bargaining)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	REC FY17
Police											
Increment (a)	Yes	Yes	Yes	No	No	No	Yes(d)	No	No	Yes	Yes
General adjustment (COLA)	4.25%	2.92%	2.96%	-	-	-	-	-	1.29%	1.1%	1.33%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	4.25%	2.92%	2.96%	-	-	-	-	-	1.29%	1.1%	1.33%
Other: Market rate adjustment	(b)	-	-	-	-	-	2.18%	-	-	-	-
Firefighters											
Increment (a)	Yes	Yes	Yes	No	No	No	Yes(d)	No	No	Yes	Yes
General adjustment (COLA)	4.25%	2.92%	2.96%	-	-	-	-	-	1.29%	1.1%	1.33%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	4.25%	2.92%	2.96%	-	-	-	-	-	1.29%	1.1%	1.33%
Other: Market rate adjustment	2.0%(b)	-	-	-	-	-	2.18%	-	3.0%	-	-
Other Employees											
Increment (a)	No	No	No	No	No	No	2.5%(e)	No	No	Yes	Yes
General adjustment (COLA)	-	-	-	-	-	-	-	-	2.29%	1.1%	1.33%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	4.25%	2.92%	2.96%	-	-	-	-	-	2.29%	1.1%	1.33%
Other: Market rate adjustment	(b)	(c)	-	-	-	-	2.18%	-	-	-	-

- (a) Approximately 40% of all County employees are eligible for merit increment annually due to 2-3 year hold; effective from FY2002, general (non-public safety) no longer has steps in grades.
- (b) Market rate adjustment of 4.25% for all. In addition, Fire receives an additional 2.0%.
- (c) Market rate adjustment of 2.92% - structure adjustment only for general employees.
- (d) Beginning on pay period 14.
- (e) Does not take effect until January 2013.

FAIRFAX COUNTY PUBLIC SCHOOLS
(Compensation not subject to collective bargaining)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	REC FY17
Teachers							(b)	(c)	(d)	(e)	(f)
Increment	Yes	Yes	Yes	No	No	Yes	No	No	Yes	Yes	Yes
General adjustment (COLA)	3.0%	2.0%	2%	0.0%	0.0%	1.0%	3.25%	4.0%	0.0%	0.62%	1.0%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-
Other	0.40%(a)	0.40%	-	-	-	-	-	-	-	-	-
School Based Administrators							(b)	(c)	(d)	(e)	(f)
Increment	Yes	Yes	Yes	No	No	Yes	No	No	Yes	Yes	Yes
General adjustment (COLA)	3.0%	2.0%	2%	0.0%	0.0%	1.0%	3.25%	4.0%	0.0%	0.62%	1.0%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Non-School Based Administrators							(b)	(c)	(d)	(e)	(f)
Increment	Yes	Yes	Yes	No	No	Yes	No	No	Yes	Yes	Yes
General adjustment (COLA)	3.0%	2.0%	2%	0.0%	0.0%	1.0%	3.25%	4.0%	0.0%	0.62%	1.0%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Support Staff							(b)	(c)	(d)	(e)	(f)
Increment	Yes	Yes	Yes	No	No	Yes	No	No	Yes	Yes	Yes
General adjustment (COLA)	3.0%	2.0%	2%	0.0%	0.0%	1.0%	3.25%	4.0%	0.0%	0.62%	1.0%
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	-	-	-	-	-	-	-	-	-	-	-

- (a) 0.4% average increase for scale restructuring.
- (b) 2.0% offset for VRS (of total 5%) employee contributions plus 1.25% market scale adjustment with no step increments.
- (c) FY14: 7/1/2013 remaining 3% offset for VRS (of total 5%) plus 2.0% market scale adjustment effective 1/1/2014; no step increments.
- (d) FY15: No market scale adjustments; however, there was a step increment for all eligible employees.
- (e) FY 16: There was a step increment and 0.62% market scale adjustment.
- (f) FY 17: The advertised budget includes a 1.0% market scale adjustment and a step increment for all eligible employees, and an additional \$40 million to enhance teacher salaries (pending approval and subject to change).

STATE OF MARYLAND
(Compensation subject to collective bargaining)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	REC FY17
All Employees			(d)	(e)	(f)	(g)	(i)				
Increment	Yes	Yes	Yes					Yes(k)	Yes	No	Yes
General adjustment (COLA)	2.0%(a)	2.0%	2.0%	-	-	-	2.0(j)	3.0%(l)	2.0%(m)	-	-
Lump-sum payment	Yes(b)	-	-	-	-	Yes(h)	-	-	-	-	-
Top of range adjustment	Yes(c)	-	-	-	-	-	-	-	-	-	-

- (a) General salary increases was \$900 for employees making a base salary of less than a \$45,000 per year on an annualized basis, \$1,400 for employees making a base salary more than \$70,000 per year on an annualized basis, and 2 percent for the rest of the workforce. Approximately 87 percent of the workforce received 2 percent or more.
- (b) Performance bonuses for Correctional Officer II, Sergeant, Lieutenant, Captain, and Major positions (\$500) in the Division of Correction and for nurses in the Department of Health and Mental Hygiene (\$3,000) are newly funded in fiscal 2007. These bonuses are awarded for fewer than 5 unscheduled absences over a 12-month period.
- (c) Two steps have been added to the top of the standard salary schedule and one step has been added to the physicians' salary schedule.
- (d) A furlough was put into effect by Executive Order in December 2008 reducing average employee salaries by 1.4%.
- (e) A furlough was put into effect by Executive Order in August 2009 reducing average employee salaries by 2.6%. Chapter 487 of 2009 prohibited all State employees from receiving any performance bonuses, merit increments, or cost-of-living adjustments.
- (f) A furlough was put into effect by Executive Order in May 2010 reducing average employee salaries by 2.6%. Chapter 484 of 2010 again prohibited State employees from receiving performance bonuses, merit increments, or cost-of-living adjustments.
- (g) Chapter 397 of 2011 language prohibits State employees from receiving merit increments through April 1, 2014. However, an exemption is provided for staff deemed "operationally critical," and reporting on exempted staff is required.
- (h) A one-time \$750 employee bonus payment was made to all employees not in bargaining units that received alternative salary adjustments. The bonus funds, which was only made to employees in State service prior to July 1, 2011, was spread across the 26 pay periods of fiscal 2012.
- (i) The provision from Chapter 397 of 2011 prohibiting State employees from receiving merit increments through April 1, 2014 stayed in force and the exemption for staff deemed "operationally critical" expired.
- (j) Effective January 1, 2013.
- (k) Increments are funded effective April 1, 2014. Exemptions are provided for retention of faculty, operationally critical staff, and to fund transit collective bargaining agreements.
- (l) Effective January 1, 2014.
- (m) Effective January 1, 2015

FEDERAL GOVERNMENT (a)
(Compensation not subject to collective bargaining)

	FY07	FY08	FY09	FY10	FY11(g)	FY12	FY13	FY14	FY15	FY16	REC FY17
All Employees											
Increment	1.5%(d)(e)										
General adjustment (f)	1.7%	2.5%	2.9%	1.5%	0%(g)	0.0%(g)	0.0%	1.0%	1.0%	1.0%	1.6%(h)
Lump-sum payment	-	-	-	-	-	-	-	-	-	-	-
Top of range adjustment	Same										
Locality pay (b)	2.64%(c)	4.49%(c)	4.78%	2.42%	0.0%	0.0%	0.0%	0.0%	0.0%	1.46%	1.6%(h)

- (a) For federal employees in the Washington Baltimore locality pay area. Data reflect the federal fiscal year.
- (b) Locality pay instituted in FY94.
- (c) This is the **cumulative** figure that includes both general adjustments and increases in locality pay.
- (d) 1.5% is a rough estimate of the average annual value of General Schedule within grade and quality step increases as a percentage of payroll. The actual average can vary year to year. Some estimation methods indicate the multi-year average may be closer to 1.3%.
- (e) Increments awarded annually for advancement to steps 2-4, awarded every 2 years for steps 5-7, and awarded every three years for steps 8-10. Eighteen years to advance from minimum step 1 to maximum step 10.
- (f) The federal government uses a cost of labor standard to determine the general adjustment rather than a cost of living standard. This adjustment is not referred to as the COLA.
- (g) Congress enacted and the President signed a freeze on federal pay increases affecting increases scheduled for January 2011 and January 2012. On March 26, 2013, President Obama signed legislation to continue the freeze on statutory pay adjustments for most Federal civilian employees until December 31, 2013. Step increases under (d) and (e) are not affected by the pay freeze.
- (h) The President proposed a 1.6% overall pay increase in FY 2017. The increase has not yet been approved or allocated by locality pay area.

BASE PAY INCREASES - MONTGOMERY COUNTY GOVERNMENT EMPLOYEE NOT AT MAXIMUM SALARY ⁽¹⁾

**vs.
CONSUMER PRICE INDEX (CPI)**

Year	MCG GWA ⁽²⁾	MCG Service Increment ⁽³⁾	Total MCG Pay Increase	CPI -U Change ⁽⁴⁾	Difference MCG vs. CPI Change	Date of CPI Changes
FY13-FY16 Compounded Change:			<u>16.61%</u>	<u>5.71%</u>	<u>10.90%</u>	
2015 (FY16)	2.00%	3.50%	--	0.60%	--	11-14 - 11-15
2014 (FY15)	3.25%	3.50%	--	1.20%	--	11-13 - 11-14
2013 (FY14)	3.25%	3.50%	--	1.70%	--	11-12 - 11-13
2012 (FY13)	0.00%	0.00%	--	2.10%	--	11-11 - 11-12
FY09-FY12 Compounded Change:			<u>11.94%</u>	<u>9.30%</u>	<u>2.65%</u>	
2011 (FY12)	0.00%	0.00%	--	3.30%	--	11-10 - 11-11
2010 (FY11)	0.00%	0.00%	--	1.60%	--	11-09 - 11-10
2009 (FY10)	0.00%	3.50%	--	1.60%	--	11-08 - 11-09
2008 (FY09)	4.50%	3.50%	--	2.50%	--	11-07 - 11-08
FY05-FY08 Compounded Change:			<u>30.12%</u>	<u>15.75%</u>	<u>14.37%</u>	
2007 (FY08)	4.00%	3.50%	--	4.50%	--	11-06 - 11-07
2006 (FY07) ⁽⁵⁾	4.03%	3.50%	--	3.10%	--	11-05 - 11-06
2005 (FY06)	2.75%	3.50%	--	3.70%	--	11-04 - 11-05
2004 (FY05)	2.00%	3.50%	--	3.60%	--	11-03 - 11-04
FY01-FY04 Compounded Change ⁽⁶⁾:			<u>29.95%</u>	<u>11.13%</u>	<u>18.81%</u>	
FY97-FY00 Compounded Change:			<u>27.03%</u>	<u>8.96%</u>	<u>18.07%</u>	

(1) Excludes police and fire bargaining unit employees.

(2) FY14 GWA was effective September 8, 2013, and FY15 GWA was effective on September 7, 2014.

(3) Most employees not at the maximum of their assigned grade are eligible for a service increment.

Approximately 68% (6,195 of 9,072) of permanent employees were not at maximum of grade as of 12/31/15.

(4) CPI-U change, Washington-Baltimore, DC-MD-VA-WV.

(5) GWAs of 3% effective 7/9/06 (FY07) and 1% effective 1/7/07 (FY07).

(6) Average of non-represented (2.0% effective 7/13/03) and MCGEO (3.75% effective 11/30/03) adjustments.

PAY INCREASES - MONTGOMERY COUNTY GOVERNMENT EMPLOYEE NOT AT MAXIMUM SALARY ⁽¹⁾

**vs.
PRIVATE SECTOR**

Year	MCG GWA ⁽²⁾	MCG Service Increment ⁽³⁾	Total MCG Pay Increase	Private Sector Change ⁽⁴⁾	Difference MCG vs. Private Sector
FY13-FY16 Compounded Change:			<u>20.56%</u>	<u>12.33%</u>	<u>8.23%</u>
2015 (FY16)	2.00%	3.50%	--	3.10%	--
2014 (FY15)	3.25%	3.50%	--	3.00%	--
2013 (FY14)	3.25%	3.50%	--	2.90%	--
2012 (FY13)	0.00%	0.00%	--	2.80%	--
FY09-FY12 Compounded Change:			<u>11.94%</u>	<u>11.88%</u>	<u>0.07%</u>
2011 (FY12)	0.00%	0.00%	--	2.76%	--
2010 (FY11)	0.00%	0.00%	--	2.53%	--
2009 (FY10)	0.00%	3.50%	--	2.20%	--
2008 (FY09)	4.50%	3.50%	--	3.90%	--
FY05-FY08 Compounded Change:			<u>30.12%</u>	<u>15.34%</u>	<u>14.78%</u>
2007 (FY08)	4.00%	3.50%	--	3.80%	--
2006 (FY07) ⁽⁵⁾	4.03%	3.50%	--	3.63%	--
2005 (FY06)	2.75%	3.50%	--	3.65%	--
2004 (FY05)	2.00%	3.50%	--	3.45%	--
FY01-FY04 Compounded Change ⁽⁶⁾:			<u>29.95%</u>	<u>17.15%</u>	<u>12.80%</u>
FY97-FY00 Compounded Change:			<u>27.03%</u>	<u>17.89%</u>	<u>9.15%</u>

(1) Excludes police and fire bargaining unit employees.

(2) FY14 General Wage Adjustment (GWA) was effective September 8, 2013, and FY15 GWA was effective on September 7, 2014.

(3) Most employees not at the maximum of their assigned grade are eligible for a service increment.

Approximately 68% (6,195 of 9,072) of permanent employees were not at maximum of grade as of 12/31/15.

(4) World at Work 2015-2016 Salary Budget Survey (Figure 2). Salary budget increases (zeros included) for all categories of private sector employees in the U.S.

(5) GWAs of 3% effective 7/9/06 (FY07) and 1% effective 1/7/07 (FY07).

(6) Average of non-represented (2.0% effective 7/13/03) and MCGEO (3.75% effective 11/30/03) adjustments.

Comparison of MCEA and County Government compensation

Council staff compared the effect of implemented compensation adjustments for MCEA with the three County bargaining units: MCGEO, FOP, and IAFF. This comparison is illustrative only to compare salary growth over time; it does not reflect the experience of actual employees, which will vary based on placement on the salary schedules. This comparison assumes an employee is employed at a starting salary of \$60,000 in FY09 and is eligible to receive scheduled adjustments, both COLA and step, from FY10-16. It does not include any assessment of benefits.

MCEA

- The ending FY16 salary for this example MCEA employee would range from \$74,035 to \$77,715 depending on placement on the salary schedule.
- This is an increase ranging from 23.4%-29.5% between FY10-16.

MCGEO

- The ending FY16 salary for a comparable MCGEO employee would be \$74,659, an increase of 24.4% from FY10-16.
- MCGEO employees received a \$2,000 lump sum award in FY13, which did not add to the base salary. MCGEO employees also were furloughed in FY11; an employee making \$60,000 would have lost \$2,435 that year due to the furlough. Given that these are very similar one time amounts, they are not reflected in the FY16 ending salary.

FOP

- The ending FY16 salary for a comparable FOP employee would be \$75,500, an increase of 25.8% from FY10-16.

IAFF

- The ending FY16 salary for a comparable IAFF employee would be \$78,914, an increase of 31.5% from FY10-16.

In sum, between FY10-16:

Bargaining Unit	FY16 ending salary	FY10-16 percent increase
MCEA	\$74,035-\$77,715	23.4%-29.5%
MCGEO	\$74,659	24.4%
FOP	\$75,500	25.8%
IAFF	\$78,914	31.5%

- A MCGEO employee's compensation adjustments are nearly the same as the low end of the compensation adjustments for an MCEA employee, and are lower than the upper range of compensation adjustments for MCEA.
- An FOP employee's compensation adjustments are higher than the low end of MCEA's, but lower than the high end of MCEA.
- IAFF employees uniformly received a higher salary by the end of FY16 than MCEA, FOP, or MCGEO.

FY17 Agency Recommended Pay Increases

		General Wage Adjustment (COLA)	First Increment (Step)	Second Increment (Step)
MCG	MCGEO	0.5% + 0.5%	3.5%	3.5%
	FOP	0.5% + 0.5%	3.5%	3.5%
	IAFF	1.0% + 1.0%	3.5%	—
	Non-Rep	0.5% + 0.5%	3.5%	3.5%
	MLS	0.5% + 0.5%	Performance-Based	—
MCPS	MCEA	2.0%	1.5% to 5.2% (Average of about 3.0%)	1.5% to 5.2% (Average of about 3.0%)
	MCAAP/ MCBOA	2.0%		
	SEIU	2.0%		
College	Faculty	2.75%	3.5%	—
	Staff	2.75%	3.5%	—
	Admin	2.75%	0.0% to 5.5%	—
MNCPPC	MCGEO	1.75%	1.75%	—
	FOP	In Negotiations		
	Non-Rep	1.75%	1.75%	—

Effective Dates: (starting first full pay period after dates indicated below):

- County Government MCGEO: 0.5% GWA on July 1, 2016 + 0.5% GWA on January 1, 2017; first increment on employee's anniversary date; second increment on May 1, 2017.
- County Government FOP: 0.5% GWA on July 1, 2016 + 0.5% GWA on January 1, 2017; first increment on employee's anniversary date; second increment on July 1, 2016.
- IAFF: 1.0 GWA on July 1, 2016 + 1.0% GWA on February 5, 2017; increment on employee's anniversary date.
- MCG Non-Represented: 0.5% GWA on July 1, 2016 + 0.5% GWA on January 1, 2017; first increment on employee's anniversary date; second increment on May 1, 2017.
- All MCPS: GWA and first increment on September 3, 2016; second increment on March 4, 2017.
- College Faculty: GWA and increment on first day of the academic year.
- College Staff and Administration: GWA on July 1, 2016; increment on September 15, 2016.
- MNCPPC: MCGEO and Non-Represented GWA on September 1, 2016; increment on employee's anniversary date.
- MNCPPC: FOP - to be determined, negotiations ongoing.

COUNTY GOVERNMENT TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Tax Supported Funds, FY 16 Approved Budget	MCCEO	IAPF	FOP	Non Represented	TOTAL
Filled positions, tax and non-tax supported (Dec. 31, 2014)	4,772	1,051	1,205	2,083	9,111
Percent of total	52.4%	11.5%	13.2%	22.9%	100.0%
Workyears (bargaining units estimated)	4,253	937	1,074	1,857	8,121
Active employees:					
Wages					625,222,246
Social Security					46,632,010
Retirement					134,397,738
Group insurance for active employees					85,165,971
Subtotal	326,497,473	140,316,281	147,190,037	228,491,889	891,417,965
Other					2,648,437
Total compensation for active employees	326,497,473	140,316,281	147,190,037	228,491,889	894,066,402
Retiree benefits: group insurance					
Pay as you go amount					36,768,000
OPEB Contribution					43,520,060
Total compensation for retired employees					80,288,060
Total compensation for active and retired employees	326,497,473	140,316,281	147,190,037	228,491,889	974,354,462
Operating budget without debt service					1,520,103,593
Total compensation as % of total operating budget					64.1%
% General Wage Adjustment	2.00%	2.00%	2.00%	2.00%	
Cost of General Wage Adjustment (wages, social security, retirement)	5,464,063	2,385,874	2,593,735	3,747,758	14,191,430
Cost of other Wage Adjustment (wages, social security, retirement)					0
Cost per 1% General Wage Adjustment (wages, social security, retirement)	2,732,032	1,192,937	1,296,868	1,873,879	7,095,715
Cost per furlough day (wages, social security)					0
Cost of increments for employees not at top of grade (wages, social security, retirement)	3,020,776	980,760	1,540,566	933,920	6,476,022
Cost of 1% increment for employees not at top of grade (wages, social security, retirement)	863,079	280,217	440,162	266,834	1,850,292

COUNTY GOVERNMENT TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Tax Supported Funds, FY17 Request	MCGEO	IAFF	FOP	Non Represented	TOTAL
Filled positions, tax and non-tax supported (Dec. 31, 2015)	4,835	1,122	1,193	1,922	9,072
Percent of total	53.3%	12.4%	13.2%	21.2%	
Workyears (bargaining units estimated)	4,339	1,007	1,071	1,725	8,141
Active employees:					
Wages					649,578,097
Social Security					47,699,750
Retirement					94,036,294
Group insurance for active employees					90,824,182
Subtotal	324,950,297	130,348,883	135,208,662	228,427,723	818,935,565
Other					63,202,755
Total compensation for active employees	324,950,297	130,348,883	135,208,662	228,427,723	882,138,320
Retiree benefits: group insurance					
Pay as you go amount					52,300,000
OPEB Contribution					43,513,550
Total compensation for retired employees					95,813,550
Total compensation for active and retired employees	324,950,297	130,348,883	135,208,662	228,427,723	977,951,870
Operating budget without debt service					1,548,948,875
Total compensation as % of total operating budget					63.1%
% General Wage Adjustment	0.75%	1.41%	0.75%	0.75%	
Cost of General Wage Adjustment (wages, social security, retirement)	1,986,433	1,461,532	934,849	1,305,893	5,688,707
Cost of other Wage Adjustment	843,920	0	0	497,407	1,496,490
Cost per 1% General Wage Adjustment (wages, social security, retirement)	2,648,577	1,033,945	1,246,466	1,680,754	6,609,742
Annualized cost of General Wage Adjustment (wages, social security, retirement)	2,648,577	2,067,890	1,246,466	1,680,754	7,643,687
Cost per furlough day (wages, social security)					0
Cost of increment for employees not at top of grade (wages, social security, retirement)	2,702,234	788,494	1,409,770	961,073	5,861,571
Cost of 1% increment for employees not at top of grade (wages, social security, retirement)	772,067	225,284	402,791	274,592	1,674,735
Annualized cost of 1% increment for employees not at top of grade (wages, social security, retirement)	5,333,970	1,635,543	2,120,082	1,883,646	13,683,799
Cost of second increment for eligible employees (wages, social security, retirement)	535,837	0	1,313,545	134,780	1,984,162
Cost of 1% second increment for eligible employees (wages, social security, retirement)	153,096	0	375,299	38,509	566,903
Annualized cost of 1% second increment for eligible employees (wages, social security, retirement)	3,482,939	0	1,313,545	876,070	5,672,554

COUNTY GOVERNMENT TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Amount increase FY16-FY17	MCGEO	IAFF	FOP	Non Represented	TOTAL
Workyears	85	70	(3)	(132)	20
Active employees:					
Wages	0	0	0	0	24,355,851
Social Security	0	0	0	0	1,067,740
Retirement	0	0	0	0	(40,361,444)
Group insurance for active employees	0	0	0	0	5,658,211
Subtotal	(1,547,176)	(9,967,398)	(11,981,375)	(64,166)	(11,928,082)
Other	0	0	0	0	0
Total compensation for active employees	(1,547,176)	(9,967,398)	(11,981,375)	(64,166)	(11,928,082)
Retiree benefits: group insurance					
Pay as you go amount	0	0	0	0	15,532,000
Phase in of the Annual Required Contribution	0	0	0	0	(6,510)
Total compensation for retired employees	0	0	0	0	15,525,490
Total compensation for active and retired employees	(1,547,176)	(9,967,398)	(11,981,375)	(64,166)	3,597,408

Percent increase FY16-FY17	MCGEO	IAFF	FOP	Non Represented	TOTAL
Workyears	2.01%	7.48%	-0.32%	-7.10%	0.25%
Active employees:					
Wages					3.90%
Social Security					2.29%
Retirement					-30.03%
Group insurance for active employees					6.64%
Subtotal	-0.47%	-7.10%	-8.14%	-0.03%	-1.33%
Other					
Total compensation for active employees					-1.33%
Retiree benefits: group insurance					
Pay as you go amount					42.24%
Phase in of the Annual Required Contribution					-0.01%
Total compensation for retired employees					19.34%
Total compensation for active and retired employees					0.37%

**MONTGOMERY COUNTY PUBLIC SCHOOLS WAGES, SOCIAL SECURITY, and RETIREMENT
TAX SUPPORTED FUNDS, FY16 APPROVED BUDGET AND FY17 REQUEST**

Tax Supported Funds, FY16 Approved Budget	MCAAP	MCBOA	MCEA	SEIU	Non Represented	TOTAL
Workyears						
Active employees:	667,700	76,400	12,073,496	7,361,287	74,000	20,252,883
Wages	89,457,518	7,719,983	991,786,274	337,010,286	8,325,106	1,434,299,167
¹ Social Security	6,141,793	438,172	77,708,198	26,900,860	536,018	111,725,041
² Retirement	4,657,481	401,930	51,635,962	17,545,969	433,434	74,674,776
Group insurance for active employees	7,862,778	899,680	142,176,451	86,685,883	871,416	238,496,208
State Retirement Payment						44,356,785
Total compensation for active employees	108,119,570	9,459,765	1,263,306,885	468,142,998	10,165,974	1,903,551,977
Retiree benefits: group insurance						
Pay as you go amount						3,353,736
Total compensation for active and retired employees	108,119,570	9,459,765	1,263,306,885	468,142,998	10,165,974	1,906,905,713
Operating budget without debt service	N/A	N/A	N/A	N/A	N/A	2,176,525,543
Total compensation as % of total operating budget	N/A	N/A	N/A	N/A	N/A	87.61%
% General Wage Adjustment	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
³ FY 2016 Cost of a 2.0% General Wage Adjustment Implemented on 10/17/15 (wages, social security, retirement)	1,951,689	184,104	21,636,755	7,787,497	132,871	31,692,916
³ Cost of a 1.0% General Wage Adjustment Implemented on 10/17/15 (wages, social security, retirement) (Pay period 8 of 26)	975,845	92,052	10,818,378	3,893,748	66,435	15,846,458
FY 2015 Annualized Cost of Step/Longevity and 1.5% General Wage Adjustment Implemented on 11/29/14 (wages, social security, retirement)	1,358,674	134,384	15,549,822	5,608,001	126,068	22,776,949
³ FY 2016 Cost of a Step/Longevity Implemented on 10/17/15 for Eligible Employees (wages, social security, retirement)	1,808,619	166,497	19,382,896	7,009,233	24,283	28,391,528
³ FY 2016 Cost of a Partial Step/Longevity Implemented on 10/17/15 (approx. 1.0% of salaries) for Eligible Employees (wages, social security, retirement)	602,873	55,499	6,460,965	2,336,412	8,094	9,463,843
FY 2016 Cost of a Partial Step/Longevity Implemented on 7/1/15 (approx. 1.0% of salaries) for Eligible Employees for full year (wages, social security, retirement)	801,896	72,375	8,319,173	2,489,768	58,500	11,741,712

**MONTGOMERY COUNTY PUBLIC SCHOOLS WAGES, SOCIAL SECURITY, and RETIREMENT
TAX SUPPORTED FUNDS, FY16 APPROVED BUDGET AND FY17 REQUEST**

Tax Supported Funds, FY17 Request	MCAAP	MCBOA	MCEA	SBIU	Non Represented	TOTAL
Workyears						
Active employees:	676.600	74.400	12,758.406	7,476.109	74.000	21,059.515
Wages	92,069,860	7,707,249	1,067,020,164	346,950,612	8,325,106	1,522,072,991
¹ Social Security	6,271,349	393,929	83,117,592	27,546,481	524,537	117,853,888
² Retirement	4,032,841	340,104	46,935,244	15,275,911	367,367	66,951,467
Group insurance for active employees	8,845,194	972,631	166,790,675	97,735,192	967,402	275,311,094
State Retirement Payment						52,267,647
Total compensation for active employees	111,219,244	9,413,913	1,363,863,675	487,508,196	10,184,412	2,034,457,087
Retiree benefits: group insurance						
Pay as you go amount						37,138,436
Total compensation for active and retired employees	111,219,244	9,413,913	1,363,863,675	487,508,196	10,184,412	2,071,595,523
Operating budget without debt service	N/A	N/A	N/A	N/A	N/A	2,355,464,994
Total compensation as % of total operating budget	N/A	N/A	N/A	N/A	N/A	87.95%
% General Wage Adjustment	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
⁴ FY 2017 Cost of a 2.0% General Wage Adjustment Implemented on 9/3/16 (wages, social security, retirement)	1,491,684	150,691	21,371,685	7,344,955	155,166	30,514,181
FY 2017 Cost of a 1.0% General Wage Adjustment Implemented on 9/3/16 (wages, social security, retirement) (Pay period 5 of 26)	745,842	75,346	10,685,843	3,672,478	77,583	15,257,092
FY 2016 Annualized Cost Step/Longevity and 2.0% General Wage Adjustment Implemented on 10/17/15 (wages, social security, retirement)	894,854	85,693	10,270,105	3,750,218	99,051	15,099,921
FY 2017 Cost of a Step/Longevity Implemented on 9/3/16 for Eligible Employees (wages, social security, retirement)	891,939	125,645	25,385,368	7,147,228	31,613	33,581,793
FY 2017 Cost of Partial Step/Longevity Implemented on 9/3/16 (Approximately 1.0% of Salaries) for Eligible Employees (wages, social security, retirement)	297,313	41,882	8,461,789	2,382,409	10,538	11,193,931
FY 2017 Cost of Partial Step/Longevity Implemented on 7/1/16 (Approx. 1.0% of Salaries) for Eligible Employees for full year (wages, social security, retirement)	413,327	56,289	9,203,824	2,571,326	9,875	12,254,641
FY 2012 Make-up Step Cost Implemented on 3/4/17 (4 months only) for Eligible Employees; Second Step for FY 2017 (wages, social security, retirement)	397,784	58,407	7,477,812	2,054,716	62,067	10,050,785
FY 2012 Partial Make-up Step Cost Implemented on 3/4/17 (Approx. 1.0% of Salaries) for Eligible Employees (wages, social security, retirement) (4 months only) (Pay period 18 of 26)	132,595	19,469	2,492,604	684,905	20,689	3,350,262
FY 2012 Partial Make-up Step Cost Implemented on 7/1/16 (Approx. 1.0% of Salaries) for Eligible Employees for full year (wages, social security, retirement)	506,342	65,329	7,345,110	1,893,622	8,175	9,818,578

**MONTGOMERY COUNTY PUBLIC SCHOOLS WAGES, SOCIAL SECURITY, and RETIREMENT
TAX SUPPORTED FUNDS, FY16 APPROVED BUDGET AND FY17 REQUEST**

Amount increase FY16-FY17	MCAAP	MCBOA	MCEA	SEIU	Non Represented	TOTAL
Workyears						
Active employees:	8.900	(2.000)	684.910	114.822	0.000	806.632
Wages	2,612,342	(12,734)	75,233,890	9,940,326	0	87,773,824
¹ Social Security	129,556	(44,243)	5,409,394	645,621	(11,481)	6,128,847
² Retirement	(624,640)	(61,826)	(4,700,718)	(2,270,058)	(66,067)	(7,723,309)
Group insurance for active employees	982,416	72,951	24,614,224	11,049,309	95,986	36,814,886
State Retirement Payment						7,910,862
Total compensation for active employees	3,099,674	(45,852)	100,556,790	19,365,198	18,438	130,905,110
Retiree benefits: group insurance						
Pay as you go amount	0	0	0	0	0	33,784,700
Total compensation for active and retired employees	3,099,674	(45,852)	100,556,790	19,365,198	18,438	164,689,810
Workyears						
Active employees:						
Wages	2.92%	-0.16%	7.59%	2.95%	0.00%	6.12%
Social Security	2.11%	-10.10%	6.96%	2.40%	-2.14%	5.49%
Retirement	-13.41%	-15.38%	-9.10%	-12.94%	-15.24%	-10.34%
Group insurance for active employees	12.49%	8.11%	17.31%	12.75%	11.01%	15.44%
State Retirement Payment						17.83%
Total compensation for active employees	2.87%	-0.48%	7.96%	4.14%	0.18%	6.88%
Retiree benefits: group insurance						
Pay as you go amount						1007.38%
Total compensation for active and retired employees	2.87%	-0.48%	7.96%	4.14%	0.18%	8.64%

¹Social security and general wage adjustment includes amounts for temporary part-time salaries.

²Retirement includes costs for state administrative fee.

^{3 & 4} Salary Costs such as GWA and Step/Longevity do not reflect a full year implementation

MONTGOMERY COLLEGE TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Tax Supported Funds, FY16 Approved Budget	AAUP	AFSCME	ADM	ALL OTHER	TOTAL
Workyears	614.00	488.10	86.00	605.00	1,793.10
Active employees:					
Wages	53,879,634	28,347,416	12,478,707	75,447,663	170,153,420
Social Security	4,079,948	2,146,562	944,930	5,713,152	12,884,591
Retirement		920,970		804,030	1,725,000
Other Benefits (EAP, recognition awards, comp absences, etc)	931,502	740,499	130,471	917,848	2,720,320
Group insurance for active employees	4,652,340	3,698,383	651,631	4,584,146	13,586,500
Total compensation for active employees	63,543,424	35,853,830	14,205,738	87,466,839	201,069,831
Retiree benefits: group insurance					
Pay as you go amount	1,114,358	885,860	156,083	1,098,024	3,254,324
OPEB					-
Total compensation for retired employees	1,114,358	885,860	156,083	1,098,024	3,254,324
Total compensation for active and retired employees	64,657,782	36,739,690	14,361,821	88,564,862	204,324,155
Operating budget without debt service					251,468,195
Total compensation as % of total operating budget					81.3%
% General Wage Adjustment	2.50%	2.50%	2.50%	2.50%	
Cost of General Wage Adjustment (wages, social security, retirement)	1,373,564	720,256	319,030	1,237,533	3,650,384
Cost of other Wage Adjustment (wages, social security, retirement)	3.50%	3.50%	0 to 5.5%	3.50%	
Cost per 1% General Wage Adjustment (wages, social security, retirement) - includes pt faculty	580,014	305,160	134,333	812,194	1,831,702
Cost per furlough day (wages, social security, retirement)	284,659	116,473	51,272	201,857	654,261
Cost of increment for employees not at top of grade (wages, social security, retirement) - includes pt faculty	1,650,756	989,111	384,166	2,559,386	5,583,419
Cost of 1% increment for employees not at top of grade (wages, social security, retirement) regular employees only	471,644	282,603	109,762	463,972	1,327,981

MONTGOMERY COLLEGE TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Tax Supported Funds, FY17 Requested Budget	AAUP	AFSCME	ADM	ALL OTHER	TOTAL
Workyears	613.00	477.60	88.00	626.50	1,805.10
Active employees:					
Wages	56,827,057	29,022,517	13,223,944	81,588,936	180,662,454
Social Security	4,052,825	2,069,845	943,113	5,818,808	12,884,591
Retirement		920,970		804,030	1,725,000
Other Benefits (EAP, recognition awards, comp absences, etc)	990,703	771,875	142,222	1,012,521	2,917,320
Group insurance for active employees	4,962,909	3,866,697	712,457	5,072,206	14,614,268
Total compensation for active employees	66,833,494	36,651,904	15,021,735	94,296,501	212,803,633
Retiree benefits: group insurance					
Pay as you go amount	1,182,507	921,314	169,756	1,208,549	3,482,127
OPEB					-
Total compensation for retired employees	1,182,507	921,314	169,756	1,208,549	3,482,127
Total compensation for active and retired employees	68,016,001	37,573,217	15,191,492	95,505,050	216,285,760
Operating budget without debt service					263,659,818
Total compensation as % of total operating budget					82.0%
% General Wage Adjustment	2.75%	2.75%	2.75%	2.75%	
Cost of General Wage Adjustment (wages, social security, retirement)	1,592,499	815,273	373,740	1,462,981	4,244,493
Cost of other Wage Adjustment (wages, social security, retirement)	3.50%	3.50%	0 to 5.5%	3.50%	
Cost per 1% General Wage Adjustment (wages, social security, retirement) - includes pt faculty	611,743	312,427	142,356	878,305	1,944,831
Cost per furlough day (wages, social security, retirement)	299,715	119,704	54,542	217,627	691,588
Cost of increment for employees not at top of grade (wages, social security, retirement) - includes pt faculty	1,652,550	917,737	345,224	2,631,398	5,546,909
Cost of 1% increment for employees not at top of grade (wages, social security, retirement) regular employees only	471,644	282,603	109,762	452,569	1,316,579

MONTGOMERY COLLEGE TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Amount increase FY16-FY17	AAUP	AFSCME	ADM	ALL OTHER	TOTAL
Workyears	(1.00)	(10.50)	2.00	21.50	12.00
Active employees:					
Wages	2,947,423	675,101	745,237	6,141,273	10,509,034
Social Security	(27,122)	(76,717)	(1,817)	105,656	-
Retirement	-	-	-	-	-
Other Benefits (EAP, recognition awards, comp absences, etc)	59,200	31,377	11,751	94,672	197,000
Group insurance for active employees	310,569	168,314	60,826	488,060	1,027,768
Total compensation for active employees	3,290,070	798,074	815,997	6,829,662	11,733,802
Retiree benefits: group insurance					
Pay as you go amount	68,149	35,454	13,674	110,526	227,803
Phase in of the Annual Required Contribution	-	-	-	-	-
Total compensation for retired employees	68,149	35,454	13,674	110,526	227,803
Total compensation for active and retired employees	3,358,219	833,528	829,670	6,940,188	11,961,605

Percent increase FY16-FY17	AAUP	AFSCME	ADM	ALL OTHER	TOTAL
Workyears	-0.16%	-2.15%	2.33%	3.55%	0.67%
Active employees:					
Wages 1)	5.47%	2.38%	5.97%	8.14%	6.18%
Social Security	-0.66%	-3.57%	-0.19%	1.85%	0.00%
Retirement		0.00%		0.00%	0.00%
Other Benefits (EAP, recognition awards, comp absences, etc)	6.36%	4.24%	9.01%	10.31%	7.24%
Group insurance for active employees	6.68%	4.55%	9.33%	10.65%	7.56%
Total compensation for active employees	5.18%	2.23%	5.74%	7.81%	5.84%
Retiree benefits: group insurance					
Pay as you go amount	6.12%	4.00%	8.76%	10.07%	7.00%
Phase in of the Annual Required Contribution	NA	NA	NA	NA	NA
Total compensation for retired employees	6.12%	4.00%	8.76%	10.07%	7.00%
Total compensation for active and retired employees					5.85%

1) Due to the decrease in AFSCME positions the AFSCME wage increase is lower and the ALL OTHER is higher

MNCPPC TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Tax Supported Funds, FY16 Approved Budget	FOP	MCGEO	Nonrepresented	TOTAL
Workyears	83.00	311.40	519.44	913.84
Active employees:				
Wages	6,399,017	16,148,221	46,595,673	69,142,911
Social Security	75,659	1,199,804	3,451,716	4,727,179
Retirement	1,957,851	2,340,169	6,851,120	11,149,140
Group insurance for active employees	1,215,318	4,108,883	8,042,773	13,366,974
Total compensation for active employees	9,647,845	23,797,077	64,941,282	98,386,204
Retiree benefits: group insurance				
Pay as you go amount	423,359	1,595,701	2,679,707	4,698,767
OPEB pre-funding	161,226	607,685	1,020,503	1,789,414
Total compensation for retired employees	584,585	2,203,386	3,700,210	6,488,181
Total compensation for active and retired employees*	10,232,430	26,000,463	68,641,492	104,874,385
Operating budget without debt service*				117,922,991
Total compensation as % of total operating budget				88.9%
% General Wage Adjustment	1.75%	1.75%	1.75%	
Cost of General Wage Adjustment (wages, social security) SEE NOTE 1	105,147	239,456	711,188	1,055,791
Cost of other Wage Adjustment (wages, social security)	0	0	0	0
Cost per 1% General Wage Adjustment (wages, social security) SEE NOTE 2	60,084	136,832	406,393	603,309
Cost per furlough day (wages, social security)	24,903	66,723	192,490	284,116
Cost of increments for employees not at top of grade (wages, social security) SEE NOTE 3	98,481	110,912	270,235	479,628
Cost of 1% increment for employees not at top of grade (wages, social security) SEE NOTE 3	28,137	63,378	154,420	245,936

NOTE 1: COLAs were effective as follows: MCGEO and Non-rep - 1.75% COLA effective September 13, 2015; FOP - 1.75% effective July 05, 2015.

NOTE 2: Cost per 1% for MCGEO and Non-rep also reflects the effective date of September 13, 2015. Annualization multiplier for MCGEO and Non-rep

NOTE 3: Increments are effective on annual review date; costs are for the remainder of the fiscal year following effective date

MNCPPC TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Tax Supported Funds, FY17 Request	FOP	MCGEO	Nonrepresented	TOTAL
Workyears	83.00	310.00	541.00	934.00
Active employees:				
Wages	6,703,706	16,627,610	48,858,194	72,189,510
Social Security	92,337	1,235,250	3,508,688	4,836,275
Retirement	1,617,131	1,650,588	5,030,759	8,298,478
Group insurance for active employees	1,209,559	4,252,039	8,233,961	13,695,559
Total compensation for active employees	9,622,732	23,765,488	65,631,602	99,019,822
Retiree benefits: group insurance				
Pay as you go amount	402,967	1,524,477	2,709,102	4,636,545
OPEB pre-funding	158,839	600,908	1,067,855	1,827,601
Total compensation for retired employees	561,805	2,125,384	3,776,957	6,464,146
Total compensation for active and retired employees	10,184,538	25,890,872	69,408,558	105,483,968
Operating budget without debt service				121,049,727
Total compensation as % of total operating budget				87.1%
% General Wage Adjustment	NOTE 4	1.75%	1.75%	
security)	NOTE 4	NOTE 4	NOTE 4	
Cost of other Wage Adjustment (wages, social security)				0
Cost per 1% General Wage Adjustment (wages, social security) SEE NOTE 2	62,282	140,176	415,232	617,690
Cost per furlough day (wages, social security)	26,139	68,703	201,411	296,253
Cost of increments for employees not at top of grade (wages, social security)	NOTE 4	NOTE 4	NOTE 4	
Cost of 1% increment for employees not at top of grade (wages, social security)	17,342	77,621	179,673	274,636

MNCPPC TAX SUPPORTED WAGES, SOCIAL SECURITY, and RETIREMENT

Amount increase FY16-FY17	FOP	MCGEO	Nonrepresented	TOTAL
Workyears	0	(1)	22	20
Active employees:				
Wages	304,689	479,389	2,262,521	3,046,599
Social Security	16,678	35,446	56,972	109,096
Retirement	(340,720)	(689,581)	(1,820,361)	(2,850,662)
Group insurance for active employees	(5,759)	143,156	191,188	328,585
Total compensation for active employees	(25,113)	(31,589)	690,320	633,618
Retiree benefits: group insurance				
Pay as you go amount	(20,392)	(71,225)	29,395	(62,222)
Phase in of the Annual Required Contribution	(2,388)	(6,777)	47,352	38,187
Total compensation for retired employees	(22,780)	(78,002)	76,747	(24,035)
Total compensation for active and retired employees				609,583

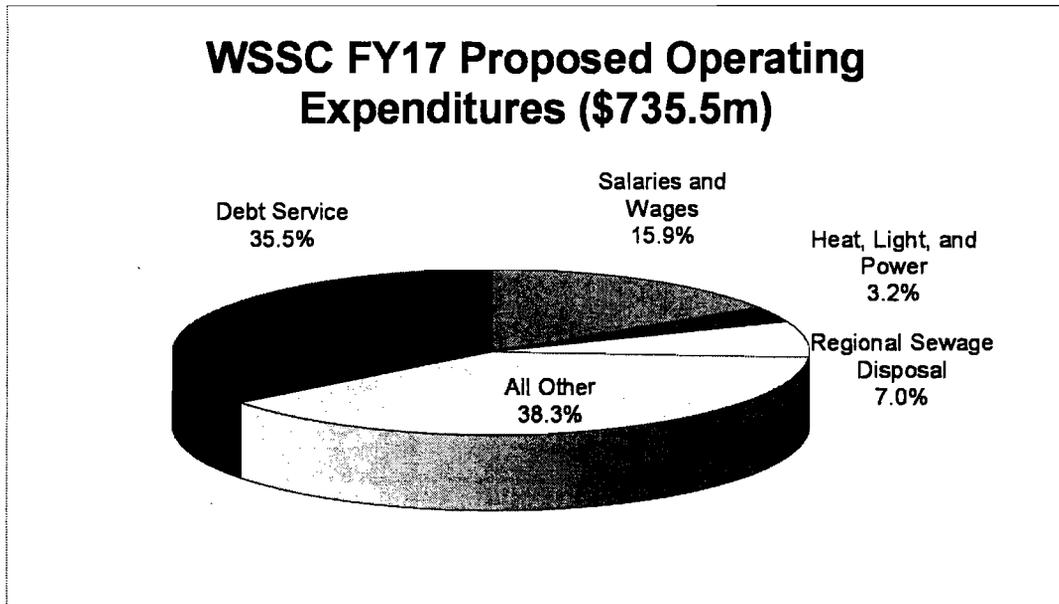
Percent increase FY16-FY17	FOP	MCGEO	Nonrepresented	TOTAL
Workyears	0.0%	-0.4%	4.2%	2.2%
Active employees:				
Wages	4.8%	3.0%	4.9%	4.4%
Social Security	22.0%	3.0%	1.7%	2.3%
Retirement	-17.4%	-29.5%	-26.6%	-25.6%
Group insurance for active employees	-0.5%	3.5%	2.4%	2.5%
Total compensation for active employees	-0.3%	-0.1%	1.1%	0.6%
Retiree benefits: group insurance				
Pay as you go amount	-4.8%	-4.5%	1.1%	-1.3%
Phase in of the Annual Required Contribution	-1.5%	-1.1%	4.6%	2.1%
Total compensation for retired employees	-3.9%	-3.5%	2.1%	-0.4%
Total compensation for active and retired employees	0.0%	0.0%	0.0%	0.6%

*Total Compensation costs and total operating budget figures do not include chargebacks, debt service, or reserves.

*Work Years include Career Work Years for Tax Supported Funds Only

WSSC Compensation Issues

Salary and wages remain a comparatively small, although still significant, part of the WSSC Operating budget, as shown in the following pie chart:



Even adding employee benefits, which are included in the “All Other” category, personnel costs for FY17 make up less than 25% of WSSC operating budget expenditures. By contrast, personnel costs represent 80% of the County’s total operating budget and 90% of the MCPS budget.

“Salaries and Wages” costs are proposed to increase by 5.5% overall and 4.4% within the WSSC operating budget. This increase covers WSSC’s proposed salary enhancements totaling \$5.5 million (\$4.36 million impact on rates) as well as 26 new positions, with an estimated ratepayer impact of \$1.5 million. A decision on the types of salary enhancements to be provided was left to the two Councils, based on their decisions regarding county government employee compensation.

WSSC’s personnel costs (and increases) are a small part of WSSC’s budget. The ratepayer impact of the salary enhancements (assuming a ratepayer impact of \$4.6 million) equates to about a 0.98% rate increase. *Note: since WSSC’s budget is funded by ratepayers rather than by tax dollars, WSSC’s compensation increases do not directly compete for the same tax supported funding that covers other County agency employees. However, both the Executive and the Council have expressed support for the concept of the equitable treatment of employees across agencies, especially in the context of annual pay increases.*

WSSC’s total salary cost for each 1.0% COLA is \$1,411,800. Each 1.0% merit (i.e., service increment) costs \$384,133. Putting aside WSSC’s allocation for IT bonuses (\$119,600)¹ and the mid-year COLA breakout assumed by the Executive, WSSC’s budget for salary enhancements would provide for a 3.0% COLA and 3.0% merits. This compensation is about double the cost to WSSC of providing COLA and merits similar to what the Executive has recommended. Equivalent increases for WSSC employees (1.0% COLA and 3.5% service increments) would cost about \$2.76 million. **On April 18 the T&E Committee supported Council staff’s recommendation of this amount.**

¹In addition to WSSC’s regular employees, WSSC has contract employees working in their IT office who are not eligible for COLA or merit increases. WSSC’s FY17 proposed budget assumes \$119,600 for bonus awards for these employees, which is consistent with past practice. **Council staff supports this bonus pay for these employees since they are not otherwise eligible for the other compensation increases.**

**MONTGOMERY COUNTY GOVERNMENT
OFFICE, PROFESSIONAL & TECHNICAL AND
SERVICE, LABOR, AND TRADES (MCGEO OPT/SLT) BARGAINING UNIT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRADE</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>	<u>LONGEVITY MAXIMUM*</u>
5	\$26,489	\$33,704	\$40,919	\$42,147
6	\$27,504	\$35,064	\$42,624	\$43,903
7	\$28,575	\$36,511	\$44,447	\$45,780
8	\$29,687	\$38,078	\$46,469	\$47,863
9	\$30,860	\$39,728	\$48,596	\$50,054
10	\$32,098	\$41,494	\$50,890	\$52,417
11	\$33,395	\$43,340	\$53,284	\$54,883
12	\$34,749	\$45,276	\$55,802	\$57,476
13	\$36,180	\$47,314	\$58,448	\$60,201
14	\$37,684	\$49,458	\$61,231	\$63,068
15	\$39,257	\$51,699	\$64,141	\$66,065
16	\$40,935	\$54,071	\$67,206	\$69,222
17	\$42,792	\$56,607	\$70,422	\$72,535
18	\$44,753	\$59,277	\$73,801	\$76,015
19	\$46,863	\$62,103	\$77,343	\$79,663
20	\$49,068	\$65,067	\$81,066	\$83,498
21	\$51,394	\$68,184	\$84,974	\$87,523
22	\$53,825	\$71,452	\$89,079	\$91,751
23	\$56,387	\$74,892	\$93,396	\$96,198
24	\$59,072	\$78,492	\$97,912	\$100,849
25	\$61,886	\$82,275	\$102,664	\$105,744
26	\$64,853	\$86,255	\$107,657	\$110,887
27	\$67,939	\$90,419	\$112,899	\$116,286
28	\$70,990	\$94,695	\$118,400	\$121,952

*A 3.0 percent longevity increment is provided to employees who are at the maximum of their grade and have completed 20 years of service.

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for MCGEO OPT/SLT bargaining unit employees.

**MONTGOMERY COUNTY GOVERNMENT
OFFICE, PROFESSIONAL & TECHNICAL AND
SERVICE, LABOR, AND TRADES (MCGEO OPT/SLT) BARGAINING UNIT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>GRADE</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>	<u>LONGEVITY MAXIMUM*</u>
5	\$26,621	\$33,873	\$41,124	\$42,358
6	\$27,642	\$35,240	\$42,837	\$44,122
7	\$28,718	\$36,694	\$44,669	\$46,009
8	\$29,835	\$38,268	\$46,701	\$48,102
9	\$31,014	\$39,927	\$48,839	\$50,304
10	\$32,258	\$41,701	\$51,144	\$52,678
11	\$33,562	\$43,556	\$53,550	\$55,157
12	\$34,923	\$45,502	\$56,081	\$57,763
13	\$36,361	\$47,551	\$58,740	\$60,502
14	\$37,872	\$49,705	\$61,537	\$63,383
15	\$39,453	\$51,958	\$64,462	\$66,396
16	\$41,140	\$54,341	\$67,542	\$69,568
17	\$43,006	\$56,890	\$70,774	\$72,897
18	\$44,977	\$59,574	\$74,170	\$76,395
19	\$47,097	\$62,414	\$77,730	\$80,062
20	\$49,313	\$65,392	\$81,471	\$83,915
21	\$51,651	\$68,525	\$85,399	\$87,961
22	\$54,094	\$71,809	\$89,524	\$92,210
23	\$56,669	\$75,266	\$93,863	\$96,679
24	\$59,367	\$78,885	\$98,402	\$101,354
25	\$62,195	\$82,686	\$103,177	\$106,272
26	\$65,177	\$86,686	\$108,195	\$111,441
27	\$68,279	\$90,871	\$113,463	\$116,867
28	\$71,345	\$95,169	\$118,992	\$122,562

*A 3.0 percent longevity increment is provided to employees who are at the maximum of their grade and have completed 20 years of service.

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for MCGEO OPT/SLT bargaining unit employees.

**MONTGOMERY COUNTY GOVERNMENT
MINIMUM WAGE / SEASONAL
SALARY SCHEDULE
PROPOSED FISCAL YEAR 2017
EFFECTIVE JUNE 26, 2016**

<u>GRADE</u>	<u>MINIMUM</u>		<u>MAXIMUM</u>	
	<u>ANNUAL</u>	<u>HOURLY</u>	<u>ANNUAL</u>	<u>HOURLY</u>
Grade S1*	\$22,360	\$10.75	\$22,360	\$10.75
Grade S2*	\$22,360	\$10.75	\$22,515	\$10.82
Grade S3	\$22,360	\$10.75	\$25,191	\$12.11
Grade S4	\$22,515	\$10.82	\$27,866	\$13.40
Grade S5	\$25,260	\$12.14	\$31,432	\$15.11
Grade S6	\$30,746	\$14.78	\$38,562	\$18.54
Grade S7	\$36,316	\$17.46	\$45,808	\$22.02
Grade S8	\$42,067	\$20.22	\$53,282	\$25.62

FY17 Notes:

* The Montgomery County minimum wage, beginning July 1, 2016, will be \$10.75 per hour. Salaries other than those affected by the increase in the minimum wage will increase by \$0.25 per hour on July 10, 2016.

The following job classes are assigned to the Minimum Wage/Seasonal Salary Schedule:

- County Government Aide (MW) (S1)
- Recreation Assistant 1 (S1)
- Community Correctional Intern (S1)
- County Government Assistant (S1)
- Library Page (S2)
- Recreation Assistant II (S2)
- Public Service Guide (S3)
- Nutrition Program Aide (S3)
- Recreation Assistant III (S3)
- Recreation Assistant IV (S4)
- Recreation Assistant V (S5)
- Recreation Assistant VI (S6)
- Recreation Assistant VII (S7)
- Gilchrist Center Office Assistant (S7)
- Recreation Assistant VIII (S8)

**MONTGOMERY COUNTY GOVERNMENT
MINIMUM WAGE / SEASONAL
SALARY SCHEDULE
PROPOSED FISCAL YEAR 2017
EFFECTIVE JULY 10, 2016**

<u>GRADE</u>	<u>MINIMUM</u>		<u>MAXIMUM</u>	
	<u>ANNUAL</u>	<u>HOURLY</u>	<u>ANNUAL</u>	<u>HOURLY</u>
Grade S1*	\$22,360	\$10.75	\$22,360	\$10.75
Grade S2*	\$22,360	\$10.75	\$23,035	\$11.07
Grade S3	\$22,360	\$10.75	\$25,710	\$12.36
Grade S4	\$23,035	\$11.07	\$28,386	\$13.65
Grade S5	\$25,780	\$12.39	\$31,951	\$15.36
Grade S6	\$31,266	\$15.03	\$39,082	\$18.79
Grade S7	\$36,836	\$17.71	\$46,327	\$22.27
Grade S8	\$42,587	\$20.47	\$53,802	\$25.87

FY17 Notes:

* The Montgomery County minimum wage, beginning July 1, 2016, will be \$10.75 per hour. Salaries other than those affected by the increase in the minimum wage will increase by \$0.25 per hour on July 10, 2016.

The following job classes are assigned to the Minimum Wage/Seasonal Salary Schedule:

- County Government Aide (MW) (S1)
- Recreation Assistant 1 (S1)
- Community Correctional Intern (S1)
- County Government Assistant (S1)
- Library Page (S2)
- Recreation Assistant II (S2)
- Public Service Guide (S3)
- Nutrition Program Aide (S3)
- Recreation Assistant III (S3)
- Recreation Assistant IV (S4)
- Recreation Assistant V (S5)
- Recreation Assistant VI (S6)
- Recreation Assistant VII (S7)
- Gilchrist Center Office Assistant (S7)
- Recreation Assistant VIII (S8)

**MONTGOMERY COUNTY GOVERNMENT
DEPUTY SHERIFF MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
D2	DEPUTY SHERIFF LIEUTENANT	\$66,072	\$103,348	\$106,448
D3	DEPUTY SHERIFF CAPTAIN	\$79,287	\$124,816	\$128,560
D4	DEPUTY SHERIFF COLONEL	\$91,181	\$143,991	\$148,311

* Completion of 20 Years Service
Longevity is 3% for Deputy Sheriff Management

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Deputy Sheriff Management

**MONTGOMERY COUNTY GOVERNMENT
DEPUTY SHERIFF MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
D2	DEPUTY SHERIFF LIEUTENANT	\$66,402	\$103,865	\$106,981
D3	DEPUTY SHERIFF CAPTAIN	\$79,683	\$125,440	\$129,203
D4	DEPUTY SHERIFF COLONEL	\$91,637	\$144,711	\$149,052

* Completion of 20 Years Service
Longevity is 3% for Deputy Sheriff Management

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Deputy Sheriff Management

**MONTGOMERY COUNTY GOVERNMENT
DEPUTY SHERIFF
UNIFORM SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>YEAR</u>	<u>STEP</u>	<u>DS I</u>	<u>DS II</u>	<u>DS III</u>	<u>SGT</u>
1	0	\$47,693	\$51,032	\$54,604	\$60,065
2	1	\$49,364	\$52,819	\$56,515	\$62,167
3	2	\$51,091	\$54,668	\$58,494	\$64,344
4	3	\$52,880	\$56,580	\$60,542	\$66,596
5	4	\$54,731	\$58,562	\$62,662	\$68,927
6	5	\$56,646	\$60,613	\$64,854	\$71,341
7	6	\$58,629	\$62,734	\$67,126	\$73,837
8	7	\$60,682	\$64,932	\$69,475	\$76,422
9	8	\$62,806	\$67,204	\$71,908	\$79,098
10	9	\$65,005	\$69,557	\$74,424	\$81,866
11	10		\$71,993	\$77,029	\$84,732
12	11		\$74,512	\$79,728	\$87,698
13	12			\$82,519	\$90,768
14-20	13			\$85,405	\$93,945
21+	L1*	\$66,955	\$76,747	\$87,967	\$96,763

*Completion of 20 years of service and at maximum for pay grade.
Starting salary for Deputy Sheriff Candidate is \$47,693.

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Deputy Sheriffs
- Deputy Sheriff salaries may not correspond to years of service as listed on the salary schedule.

**MONTGOMERY COUNTY GOVERNMENT
DEPUTY SHERIFF
UNIFORM SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>YEAR</u>	<u>STEP</u>	<u>DS I</u>	<u>DS II</u>	<u>DS III</u>	<u>SGT</u>
1	0	\$47,931	\$51,287	\$54,877	\$60,365
2	1	\$49,611	\$53,083	\$56,798	\$62,478
3	2	\$51,346	\$54,941	\$58,786	\$64,666
4	3	\$53,144	\$56,863	\$60,845	\$66,929
5	4	\$55,005	\$58,855	\$62,975	\$69,272
6	5	\$56,929	\$60,916	\$65,178	\$71,698
7	6	\$58,922	\$63,048	\$67,462	\$74,206
8	7	\$60,985	\$65,257	\$69,822	\$76,804
9	8	\$63,120	\$67,540	\$72,268	\$79,493
10	9	\$65,330	\$69,905	\$74,796	\$82,275
11	10		\$72,353	\$77,414	\$85,156
12	11		\$74,885	\$80,127	\$88,136
13	12			\$82,932	\$91,222
14-20	13			\$85,832	\$94,415
21+	L1*	\$67,290	\$77,132	\$88,407	\$97,247

*Completion of 20 years of service and at maximum for pay grade.
Starting salary for Deputy Sheriff Candidate is \$47,931.

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Deputy Sheriffs
- Deputy Sheriff salaries may not correspond to years of service as listed on the salary schedule.

**MONTGOMERY COUNTY GOVERNMENT
FIRE/RESCUE MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRAD RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY</u> (LS1)*	<u>LONGEVITY</u> (LS2)**
B3 FIRE/RESCUE BATTALION CHIEF	\$76,366	\$126,907	\$131,349	\$135,946
B4 FIRE/RESCUE ASSISTANT CHIEF	\$83,396	\$139,587	\$144,473	\$149,530
B6 FIRE/RESCUE DIVISION CHIEF	\$95,330	\$158,271	\$163,810	\$169,543

* 3.5 percent, upon completion of 20 years of service

** 3.5 percent, upon completion of 28 years of service

FY17 Notes:

- FY17 GWA is 1.0% on July 10, 2016, and 1.0% on February 5, 2017, for Fire/Rescue Management.

**MONTGOMERY COUNTY GOVERNMENT
FIRE/RESCUE MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE FEBRUARY 5, 2017

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY</u> (LS1)*	<u>LONGEVITY</u> (LS2)**
B3	FIRE/RESCUE BATTALION CHIEF	\$77,130	\$128,176	\$132,662	\$137,305
B4	FIRE/RESCUE ASSISTANT CHIEF	\$84,230	\$140,983	\$145,917	\$151,024
B6	FIRE/RESCUE DIVISION CHIEF	\$96,283	\$159,854	\$165,449	\$171,240

* 3.5 percent, upon completion of 20 years of service

** 3.5 percent, upon completion of 28 years of service

FY17 Notes:

- FY17 GWA is 1.0% on July 10, 2016, and 1.0% on February 5, 2017, for Fire/Rescue Management.

**MONTGOMERY COUNTY GOVERNMENT
FIRE/RESCUE BARGAINING UNIT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

GRADE	F1 FIRE FIGHTER RESCUER I	F2 FIRE FIGHTER RESCUER II	F3 FIRE FIGHTER RESCUER III	F4 MASTER FIRE FIGHTER RESCUER	B1 FIRE/RESCUE LIEUTENANT	B2 FIRE/RESCUE CAPTAIN
A	\$45,261	\$47,525	\$49,901	\$54,891	\$60,385	\$68,092
B	\$46,845	\$49,188	\$51,648	\$56,813	\$62,499	\$70,476
C	\$48,485	\$50,910	\$53,456	\$58,802	\$64,687	\$72,943
D	\$50,183	\$52,693	\$55,328	\$60,861	\$66,952	\$75,498
E	\$51,939	\$54,538	\$57,265	\$62,991	\$69,295	\$78,140
F	\$53,758	\$56,447	\$59,270	\$65,197	\$71,721	\$80,875
G	\$55,640	\$58,422	\$61,344	\$67,478	\$74,232	\$83,706
H	\$57,588	\$60,468	\$63,493	\$69,840	\$76,831	\$86,636
I	\$59,604	\$62,585	\$65,716	\$72,285	\$79,520	\$89,669
J	\$61,691	\$64,776	\$68,015	\$74,815	\$82,304	\$92,808
K	\$63,850	\$67,044	\$70,396	\$77,434	\$85,185	\$96,057
L	\$66,085	\$69,390	\$72,861	\$80,145	\$88,168	\$99,419
M	\$68,399	\$71,819	\$75,412	\$82,949	\$91,255	\$102,900
N	\$70,793	\$74,333	\$78,052	\$85,854	\$94,449	\$106,501
O	\$73,271	\$76,936	\$80,784	\$88,859	\$97,755	\$110,229
LS1*	\$75,835	\$79,629	\$83,611	\$91,969	\$101,176	\$114,087
LS2**	\$78,489	\$82,416	\$86,537	\$95,188	\$104,717	\$118,080

* Completion of 20 years of service.

** Completion of 28 years of service.

FY17 Notes:

- FY17 GWA is 1.0% on July 10, 2016, and 1.0% on February 5, 2017, for IAFF Bargaining Unit members.

**MONTGOMERY COUNTY GOVERNMENT
FIRE/RESCUE BARGAINING UNIT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE FEBRUARY 5, 2017

GRADE	F1 FIRE FIGHTER RESCUER I	F2 FIRE FIGHTER RESCUER II	F3 FIRE FIGHTER RESCUER III	F4 MASTER FIRE FIGHTER RESCUER	B1 FIRE/RESCUE LIEUTENANT	B2 FIRE/RESCUE CAPTAIN
A	\$45,714	\$48,000	\$50,400	\$55,440	\$60,989	\$68,773
B	\$47,313	\$49,680	\$52,164	\$57,381	\$63,124	\$71,181
C	\$48,970	\$51,419	\$53,991	\$59,390	\$65,334	\$73,672
D	\$50,685	\$53,220	\$55,881	\$61,470	\$67,622	\$76,253
E	\$52,458	\$55,083	\$57,838	\$63,621	\$69,988	\$78,921
F	\$54,296	\$57,011	\$59,863	\$65,849	\$72,438	\$81,684
G	\$56,196	\$59,006	\$61,957	\$68,153	\$74,974	\$84,543
H	\$58,164	\$61,073	\$64,128	\$70,538	\$77,599	\$87,502
I	\$60,200	\$63,211	\$66,373	\$73,008	\$80,315	\$90,566
J	\$62,308	\$65,424	\$68,695	\$75,563	\$83,127	\$93,736
K	\$64,489	\$67,714	\$71,100	\$78,208	\$86,037	\$97,018
L	\$66,746	\$70,084	\$73,590	\$80,946	\$89,050	\$100,413
M	\$69,083	\$72,537	\$76,166	\$83,778	\$92,168	\$103,929
N	\$71,501	\$75,076	\$78,833	\$86,713	\$95,393	\$107,566
O	\$74,004	\$77,705	\$81,592	\$89,748	\$98,733	\$111,331
LS1*	\$76,594	\$80,425	\$84,448	\$92,889	\$102,189	\$115,228
LS2**	\$79,275	\$83,240	\$87,404	\$96,140	\$105,766	\$119,261

* Completion of 20 years of service.

** Completion of 28 years of service.

FY17 Notes:

- FY17 GWA is 1.0% on July 10, 2016, and 1.0% on February 5, 2017, for IAFF Bargaining Unit members.

**POLICE MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
A2	POLICE LIEUTENANT	\$79,478	\$119,713	\$123,903
A3	POLICE CAPTAIN	\$90,515	\$136,753	\$141,539

* Completion of 20 Years of Service
Longevity is 3.5% for Public Safety

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Police Management.

**POLICE MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
A2	POLICE LIEUTENANT	\$79,875	\$120,312	\$124,523
A3	POLICE CAPTAIN	\$90,968	\$137,437	\$142,247

* Completion of 20 Years of Service
Longevity is 3.5% for Public Safety

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Police Management.

**MONTGOMERY COUNTY GOVERNMENT
POLICE BARGAINING UNIT
UNIFORM SALARY SCHEDULE
PROPOSED FISCAL YEAR 2017
EFFECTIVE JULY 10, 2016**

<u>STEP</u>	<u>YEAR</u>	<u>PO I</u>	<u>PO II</u>	<u>PO III</u>	<u>MPO</u>	<u>SGT</u>
0	1	\$50,211	\$52,721	\$55,358	\$58,126	\$63,941
1	2	\$51,969	\$54,568	\$57,297	\$60,162	\$66,178
2	3	\$53,788	\$56,478	\$59,303	\$62,269	\$68,495
3	4	\$55,671	\$58,455	\$61,379	\$64,448	\$70,892
4	5	\$57,620	\$60,501	\$63,527	\$66,704	\$73,375
5	6	\$59,638	\$62,620	\$65,752	\$69,040	\$75,943
6	7	\$61,725	\$64,812	\$68,054	\$71,457	\$78,602
7	8	\$63,887	\$67,081	\$70,435	\$73,958	\$81,353
8	9	\$66,123	\$69,429	\$72,902	\$76,546	\$84,201
9	10	\$68,437	\$71,860	\$75,453	\$79,227	\$87,148
10	11	\$70,833	\$74,375	\$78,096	\$82,001	\$90,199
11	12	\$73,314	\$76,979	\$80,829	\$84,871	\$93,356
12	13	\$75,880	\$79,673	\$83,658	\$87,841	\$96,624
13	14	\$78,536	\$82,463	\$86,588	\$90,917	\$100,006
14	15	\$81,285	\$85,350	\$89,620	\$94,099	\$103,506
L1*	21+	\$84,130	\$88,337	\$92,757	\$97,392	\$107,129

* Completion of 20 years of service.

Starting salary for Police Officer Candidate is \$50,211

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for FOP Bargaining Unit members.

**MONTGOMERY COUNTY GOVERNMENT
POLICE BARGAINING UNIT
UNIFORM SALARY SCHEDULE
PROPOSED FISCAL YEAR 2017
EFFECTIVE JANUARY 8, 2017**

<u>STEP</u>	<u>YEAR</u>	<u>PO I</u>	<u>PO II</u>	<u>PO III</u>	<u>MPO</u>	<u>SGT</u>
0	1	\$50,462	\$52,985	\$55,635	\$58,417	\$64,261
1	2	\$52,229	\$54,841	\$57,583	\$60,463	\$66,509
2	3	\$54,057	\$56,760	\$59,600	\$62,580	\$68,837
3	4	\$55,949	\$58,747	\$61,686	\$64,770	\$71,246
4	5	\$57,908	\$60,804	\$63,845	\$67,038	\$73,742
5	6	\$59,936	\$62,933	\$66,081	\$69,385	\$76,323
6	7	\$62,034	\$65,136	\$68,394	\$71,814	\$78,995
7	8	\$64,206	\$67,416	\$70,787	\$74,328	\$81,760
8	9	\$66,454	\$69,776	\$73,267	\$76,929	\$84,622
9	10	\$68,779	\$72,219	\$75,830	\$79,623	\$87,584
10	11	\$71,187	\$74,747	\$78,486	\$82,411	\$90,650
11	12	\$73,681	\$77,364	\$81,233	\$85,295	\$93,823
12	13	\$76,259	\$80,071	\$84,076	\$88,280	\$97,107
13	14	\$78,929	\$82,875	\$87,021	\$91,372	\$100,506
14	15	\$81,691	\$85,777	\$90,068	\$94,569	\$104,024
L1*	21+	\$84,550	\$88,779	\$93,220	\$97,879	\$107,665

* Completion of 20 years of service.

Starting salary for Police Officer Candidate is \$50,462

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for FOP Bargaining Unit members.



**MONTGOMERY COUNTY GOVERNMENT
UNIFORMED CORRECTIONAL MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
C1	CORRECTIONAL SHIFT COMMANDER (LT)	\$62,196	\$100,688	\$103,709
C2	CORRECTIONAL TEAM LEADER (CAPT)	\$68,417	\$110,757	\$114,080

* Completion of 20 Years Service

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Uniformed Correctional Manangement

**MONTGOMERY COUNTY GOVERNMENT
UNIFORMED CORRECTIONAL MANAGEMENT
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>GRADE</u>	<u>RANK</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>LONGEVITY*</u>
C1	CORRECTIONAL SHIFT COMMANDER (LT)	\$62,507	\$101,191	\$104,227
C2	CORRECTIONAL TEAM LEADER (CAPT)	\$68,759	\$111,311	\$114,650

* Completion of 20 Years Service

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Uniformed Correctional Management

**MONTGOMERY COUNTY GOVERNMENT
CORRECTIONAL OFFICER
UNIFORM SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>STEP</u>	<u>YEAR</u>	<u>CO I</u>	<u>CO II</u>	<u>CO III</u>	<u>SGT</u>
1	0	\$44,300	\$46,516	\$51,168	\$56,541
2	1	\$45,852	\$48,145	\$52,959	\$58,521
3	2	\$47,457	\$49,831	\$54,814	\$60,570
4	3	\$49,118	\$51,576	\$56,733	\$62,690
5	4	\$50,839	\$53,381	\$58,720	\$64,885
6	5	\$52,620	\$55,251	\$60,775	\$67,156
7	6	\$54,462	\$57,186	\$62,903	\$69,507
8	7	\$56,368	\$59,187	\$65,105	\$71,941
9	8	\$58,340	\$61,260	\$67,384	\$74,458
10	9	\$60,383	\$63,404	\$69,744	\$77,065
11	10	\$62,497	\$65,623	\$72,185	\$79,763
12	11	\$64,685	\$67,922	\$74,713	\$82,556
13	12		\$70,301	\$77,328	\$85,445
14	13				\$88,436
15	14-20				\$91,532
L1*	21+	\$66,626	\$72,410	\$79,648	\$94,278

* Completion of 20 years of service and at maximum for pay grade.

Starting salary for Correctional Officer 1 (Private) is \$44,300

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Correctional Officers

- Correctional Officer salaries may not correspond to years of service as listed on the salary schedule.

**MONTGOMERY COUNTY GOVERNMENT
CORRECTIONAL OFFICER
UNIFORM SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>STEP</u>	<u>YEAR</u>	<u>CO I</u>	<u>CO II</u>	<u>CO III</u>	<u>SGT</u>
1	0	\$44,522	\$46,749	\$51,424	\$56,824
2	1	\$46,081	\$48,386	\$53,224	\$58,814
3	2	\$47,694	\$50,080	\$55,088	\$60,873
4	3	\$49,364	\$51,834	\$57,017	\$63,003
5	4	\$51,093	\$53,648	\$59,014	\$65,209
6	5	\$52,883	\$55,527	\$61,079	\$67,492
7	6	\$54,734	\$57,472	\$63,218	\$69,855
8	7	\$56,650	\$59,483	\$65,431	\$72,301
9	8	\$58,632	\$61,566	\$67,721	\$74,830
10	9	\$60,685	\$63,721	\$70,093	\$77,450
11	10	\$62,809	\$65,951	\$72,546	\$80,162
12	11	\$65,008	\$68,262	\$75,087	\$82,969
13	12		\$70,653	\$77,715	\$85,872
14	13				\$88,878
15	14-20				\$91,990
L1*	21+	\$66,958	\$72,773	\$80,046	\$94,750

* Completion of 20 years of service and at maximum for pay grade.

Starting salary for Correctional Officer 1 (Private) is \$44,522

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Correctional Officers

- Correctional Officer salaries may not correspond to years of service as listed on the salary schedule.

**MONTGOMERY COUNTY GOVERNMENT
GENERAL SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRADE</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>	PERFORMANCE LONGEVITY MAXIMUM*
5	\$26,489	\$33,704	\$40,919	\$41,737
6	\$27,504	\$35,064	\$42,624	\$43,476
7	\$28,575	\$36,511	\$44,447	\$45,336
8	\$29,687	\$38,078	\$46,469	\$47,398
9	\$30,860	\$39,728	\$48,596	\$49,568
10	\$32,098	\$41,494	\$50,890	\$51,908
11	\$33,395	\$43,340	\$53,284	\$54,350
12	\$34,749	\$45,276	\$55,802	\$56,918
13	\$36,180	\$47,314	\$58,448	\$59,617
14	\$37,684	\$49,458	\$61,231	\$62,456
15	\$39,257	\$51,699	\$64,141	\$65,424
16	\$40,935	\$54,071	\$67,206	\$68,550
17	\$42,792	\$56,607	\$70,422	\$71,830
18	\$44,753	\$59,277	\$73,801	\$75,277
19	\$46,863	\$62,103	\$77,343	\$78,890
20	\$49,068	\$65,067	\$81,066	\$82,687
21	\$51,394	\$68,184	\$84,974	\$86,673
22	\$53,825	\$71,452	\$89,079	\$90,861
23	\$56,387	\$74,892	\$93,396	\$95,264
24	\$59,072	\$78,492	\$97,912	\$99,870
25	\$61,886	\$82,275	\$102,664	\$104,717
26	\$64,853	\$86,255	\$107,657	\$109,810
27	\$67,939	\$90,419	\$112,899	\$115,157
28	\$70,990	\$94,695	\$118,400	\$120,768
29	\$74,192	\$99,184	\$124,175	\$126,659
30	\$77,559	\$103,902	\$130,245	\$132,850
31	\$81,093	\$108,853	\$136,613	\$139,345
32	\$84,798	\$112,796	\$140,794	\$143,610
33	\$88,693	\$116,836	\$144,978	\$147,878
34	\$92,785	\$120,975	\$149,164	\$152,147
35	\$97,083	\$125,215	\$153,347	\$156,414
36	\$101,595	\$129,564	\$157,533	\$160,684
37	\$106,327	\$134,020	\$161,713	\$164,947
38	\$111,299	\$138,366	\$165,432	\$168,741
39	\$116,519	\$142,194	\$167,868	\$171,225
40	\$122,002	\$146,152	\$170,301	\$173,707

*A one-time 2.0 percent performance-based longevity increment is provided to employees who received performance ratings of "exceptional" and/or "highly successful" for the two most recent consecutive years, are at the maximum of their grade, and have completed 20 years of service.

FY17 Notes:

FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for General Salary Schedule employees

**MONTGOMERY COUNTY GOVERNMENT
GENERAL SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>GRADE</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>	<u>PERFORMANCE LONGEVITY MAXIMUM*</u>
5	\$26,621	\$33,873	\$41,124	\$41,946
6	\$27,642	\$35,240	\$42,837	\$43,694
7	\$28,718	\$36,694	\$44,669	\$45,562
8	\$29,835	\$38,268	\$46,701	\$47,635
9	\$31,014	\$39,927	\$48,839	\$49,816
10	\$32,258	\$41,701	\$51,144	\$52,167
11	\$33,562	\$43,556	\$53,550	\$54,621
12	\$34,923	\$45,502	\$56,081	\$57,203
13	\$36,361	\$47,551	\$58,740	\$59,915
14	\$37,872	\$49,705	\$61,537	\$62,768
15	\$39,453	\$51,958	\$64,462	\$65,751
16	\$41,140	\$54,341	\$67,542	\$68,893
17	\$43,006	\$56,890	\$70,774	\$72,189
18	\$44,977	\$59,574	\$74,170	\$75,653
19	\$47,097	\$62,414	\$77,730	\$79,285
20	\$49,313	\$65,392	\$81,471	\$83,100
21	\$51,651	\$68,525	\$85,399	\$87,107
22	\$54,094	\$71,809	\$89,524	\$91,314
23	\$56,669	\$75,266	\$93,863	\$95,740
24	\$59,367	\$78,885	\$98,402	\$100,370
25	\$62,195	\$82,686	\$103,177	\$105,241
26	\$65,177	\$86,686	\$108,195	\$110,359
27	\$68,279	\$90,871	\$113,463	\$115,732
28	\$71,345	\$95,169	\$118,992	\$121,372
29	\$74,563	\$99,680	\$124,796	\$127,292
30	\$77,947	\$104,422	\$130,896	\$133,514
31	\$81,498	\$109,397	\$137,296	\$140,042
32	\$85,222	\$113,360	\$141,498	\$144,328
33	\$89,136	\$117,420	\$145,703	\$148,617
34	\$93,249	\$121,580	\$149,910	\$152,908
35	\$97,568	\$125,841	\$154,114	\$157,196
36	\$102,103	\$130,212	\$158,321	\$161,487
37	\$106,859	\$134,691	\$162,522	\$165,772
38	\$111,855	\$139,057	\$166,259	\$169,584
39	\$117,102	\$142,905	\$168,707	\$172,081
40	\$122,612	\$146,883	\$171,153	\$174,576

*A one-time 2.0 percent performance-based longevity increment is provided to employees who received performance ratings of "exceptional" and/or "highly successful" for the two most recent consecutive years, are at the maximum of their grade, and have completed 20 years of service.

FY17 Notes:

FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for General Salary Schedule employees

**MONTGOMERY COUNTY GOVERNMENT
MANAGEMENT LEADERSHIP SERVICE
SALARY SCHEDULE
PROPOSED FISCAL YEAR 2017
EFFECTIVE JULY 10, 2016**

<u>PAY BAND</u>	<u>MLS LEVEL</u>	<u>MINIMUM</u>	<u>CONTROL POINT</u>	<u>MAXIMUM</u>
M1	MANAGEMENT LEVEL I	\$98,602	\$167,475	\$175,127
M2	MANAGEMENT LEVEL II	\$86,224	\$149,495	\$156,525
M3	MANAGEMENT LEVEL III	\$74,075	\$129,260	\$135,392

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Management Leadership Service employees.

**MONTGOMERY COUNTY GOVERNMENT
MANAGEMENT LEADERSHIP SERVICE
SALARY SCHEDULE
PROPOSED FISCAL YEAR 2017
EFFECTIVE JANUARY 8, 2017**

<u>PAY BAND</u>	<u>MLS LEVEL</u>	<u>MINIMUM</u>	<u>CONTROL POINT</u>	<u>MAXIMUM</u>
M1	MANAGEMENT LEVEL I	\$99,095	\$168,312	\$176,003
M2	MANAGEMENT LEVEL II	\$86,655	\$150,243	\$157,308
M3	MANAGEMENT LEVEL III	\$74,445	\$129,907	\$136,069

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Management Leadership Service employees.

**MONTGOMERY COUNTY GOVERNMENT
MEDICAL DOCTORS
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JULY 10, 2016

<u>GRADE</u>	<u>MEDICAL JOB CLASS</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>
MD I	MEDICAL DOCTOR I	\$103,482	\$130,433	\$157,383
MD II	MEDICAL DOCTOR II	\$113,827	\$143,474	\$173,120
MD III	MEDICAL DOCTOR III	\$125,210	\$157,820	\$190,429
MD IV	MEDICAL DOCTOR IV	\$137,731	\$173,602	\$209,473

Medical job class designation is based upon the requirements of the position

- MD I - Not eligible for Board Certification
- MD II - Board Eligible
- MD III - Board Certified
- MD IV - Board Certified in a sub-specialty

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Medical Doctors.

**MONTGOMERY COUNTY GOVERNMENT
MEDICAL DOCTORS
SALARY SCHEDULE**

PROPOSED FISCAL YEAR 2017

EFFECTIVE JANUARY 8, 2017

<u>GRADE</u>	<u>MEDICAL JOB CLASS</u>	<u>MINIMUM</u>	<u>MIDPOINT</u>	<u>MAXIMUM</u>
MD I	MEDICAL DOCTOR I	\$103,999	\$131,085	\$158,170
MD II	MEDICAL DOCTOR II	\$114,396	\$144,191	\$173,986
MD III	MEDICAL DOCTOR III	\$125,836	\$158,609	\$191,381
MD IV	MEDICAL DOCTOR IV	\$138,420	\$174,470	\$210,520

Medical job class designation is based upon the requirements of the position

- MD I - Not eligible for Board Certification
- MD II - Board Eligible
- MD III - Board Certified
- MD IV - Board Certified in a sub-specialty

FY17 Notes:

- FY17 GWA is 0.5% on July 10, 2016, and 0.5% on January 8, 2017, for Medical Doctors.

EMPLOYEE HEALTH BENEFITS SELF INSURANCE FUND

FY17-22 FISCAL PROJECTION							
	Estimate - FY16	Projected - FY17	Projected - FY18	Projected - FY19	Projected - FY20	Projected - FY21	Projected - FY22
BEGINNING BALANCE	8,028,016	855,282	5,001,196	9,358,990	14,642,500	15,990,346	17,449,809
REVENUES							
Premium Contributions	181,356,741	197,556,329	215,432,711	235,403,906	257,194,139	280,829,208	306,711,216
Premium Contributions: Retiree Insurance NDA	36,768,000	52,300,000	56,791,869	62,297,192	63,384,061	68,905,740	75,038,527
Investment Income	100,900	144,140	288,280	432,420	576,560	720,700	864,840
TOTAL REVENUES	218,225,641	250,000,469	272,512,860	298,133,518	321,154,761	350,455,648	382,614,583
TOTAL FUNDS AVAILABLE	226,253,657	250,855,750	277,514,056	307,492,508	335,797,261	366,445,993	400,064,392
EXPENDITURES							
Claims, Premiums, & Carrier Administration	220,909,403	240,914,301	262,967,800	287,403,379	314,087,955	342,991,276	374,708,552
Actives	138,221,215	151,139,735	164,783,654	180,048,866	196,689,218	214,736,361	234,595,279
Retirees	82,688,188	89,774,567	98,184,146	107,354,513	117,398,737	128,254,915	140,113,273
In-house expenses	4,488,972	4,940,253	5,187,266	5,446,629	5,718,960	6,004,908	6,305,154
TOTAL EXPENDITURES	225,398,375	245,854,554	268,155,066	292,850,007	319,806,915	348,996,184	381,013,706
ENDING BALANCE	855,282	5,001,196	9,358,990	14,642,500	15,990,346	17,449,809	19,050,686
TARGET FUND BALANCE (5% OF EXPENDITURES)	11,269,920	12,292,730	13,407,750	14,642,500	15,990,350	17,449,810	19,050,690
ENDING BALANCE AS % OF EXPENDITURES	0.4%	2.0%	3.5%	5.0%	5.0%	5.0%	5.0%

Compensation and Employee Benefits Adjustments

This NDA contains a General Fund and a non-tax appropriation, and provides funding for certain personnel costs related to adjustments in employee and retiree benefits, pay-for-performance awards for employees in the Management Leadership Service and non-represented employees, deferred compensation management, and unemployment insurance.

Non-Qualified Retirement Plan: This provides funding for that portion of a retiree's benefit payment that exceeds the Internal Revenue Code's \$415 limits on payments from a qualified retirement plan. Payment of these benefits from the County's Employees' Retirement System (ERS) would jeopardize the qualified nature of the County's ERS. The amount in this NDA will vary based on future changes in the Consumer Price Index (CPI) affecting benefit payments, new retirees with a non-qualified level of benefits, and changes in Federal law governing the level of qualified benefits.

Deferred Compensation Management: These costs are for management expenses required for administration of the County's Deferred Compensation program. Management expenses include legal and consulting fees, office supplies, printing and postage, and County staff support.

Management Leadership Service Performance-Based Pay Awards: In FY99, the County implemented the Management Leadership Service (MLS) which includes high level County employees with responsibility for developing and implementing policy and managing County programs and services. The MLS was formed for a number of reasons, including improving the quality and effectiveness of service delivery through management training, performance accountability, and appropriate compensation; providing organizational flexibility to respond to organizational needs; allowing managers to seek new challenges; and developing and encouraging a government-wide perspective among the County's managers. MLS employees are not eligible for service increments. Performance-Based awards for MLS employees are funded in FY17.

Unemployment Insurance: The County is self-insured for unemployment claims resulting from separations of service. Unemployment insurance is managed by the Office of Human Resources through a third party administrator who advises the County and monitors claims experience.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	2,450,458	1.23
Increase Cost: Actuarial Charges	75,000	0.00
Increase Cost: MLS Pay for Performance - Non-Tax Supported	6,077	0.00
Increase Cost: FY17 Compensation Adjustment	2,353	0.00
Increase Cost: Group Insurance Adjustment	781	0.00
Increase Cost: Printing and Mail	273	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(150)	0.00
Increase Cost: Retirement Adjustment	(263)	0.00
Decrease Cost: Annualization of FY16 Personnel Costs	(782)	(0.05)
FY17 Recommended	2,533,747	1.18

Consolidated Retiree Health Benefits Trust (MCPS)

This NDA provides consolidated funding for Montgomery County Public Schools' contribution to the Retiree Health Benefits Trust.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	61,733,000	0.00
Increase Cost: County Contribution Based on Actuarial Valuation	1,322,000	0.00
FY17 Recommended	63,055,000	0.00

Consolidated Retiree Health Benefits Trust (Montgomery College)

This NDA provides consolidated funding for Montgomery College's contribution to the Retiree Health Benefits Trust.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	1,428,000	0.00
Increase Cost: County Contribution Based on Actuarial Valuation	96,000	0.00
FY17 Recommended	1,524,000	0.00

Group Insurance for Retirees

Group insurance is provided to an estimated 6,242 retired County employees and survivors, as well as retirees of participating outside agencies. Employees hired before January 1, 1987, are eligible upon retirement to pay 20 percent of the premium for health and life insurance for the same number of years (after retirement) that they were eligible to participate in the group insurance plan as an active employee. The County government pays the remaining 80 percent of the premium. Thereafter, these retirees pay 100 percent of the premium. Employees hired before January 1, 1987, are also offered the option at retirement to convert from the 20/80 arrangement to a lifetime cost sharing option.

Employees hired after January 1, 1987, are eligible upon retirement for a lifetime cost sharing option under which the County pays 70 percent of the premium and the retiree pays 30 percent of the premium for life for retirees who were eligible to participate in the County group insurance plan for 15 or more years as active employees. Minimum participation eligibility of five years as an active employee is necessary to be eligible for the lifetime plan. The County will pay 50 percent of the premium for retirees with five years of participation as an active employee. The County contribution to the payment of the premium increases by two percent for each additional year of participation up to the 70 percent maximum.

On March 5, 2002, the County Council approved a one-time opportunity for retirees still under the 20/80 arrangement with an expiration date to elect the lifetime cost sharing arrangement. The new percentage paid by the County for those electing this arrangement ranges from 50 percent to 68 percent, depending upon years of active eligibility under the plan and years since retirement. The cost sharing election process has been completed. The budget does not include employer contributions from participating outside agencies.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	36,768,000	0.00
Increase Cost: Group Insurance Claims Costs Based on Actual Annual Claims	15,532,000	0.00
FY17 Recommended	52,300,000	0.00

Montgomery County Employee Retirement Plans

The mission of this NDA is to manage prudent investment programs for the members of the Employee Retirement Plans and their beneficiaries. Expenditures associated with this program are funded from the Employees' Retirement System (ERS), Retirement Savings Plan (RSP), and the General Fund on behalf of the Montgomery County Deferred Compensation Plan (DCP) trust funds and are, therefore, not appropriated here. This NDA manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy and investment guidelines. The Board also administers the investment programs for the RSP and DCP. The Board consists of 13 trustees including the Directors of Human Resources, Finance, and Management and Budget; the Council Administrator; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	0	0.00
FY17 Recommended	0	0.00

Retiree Health Benefits Trust

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50 year-old practice of prefunding for retiree pension benefits. The reasons for doing this are simple: Due to exponential growth in expected retiree health costs, the cost of funding these benefits, which were being paid out as the bills came due, would soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

One approach used to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Annual OPEB Cost or "AOC", consists of two pieces - the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated as needed to fund retirees' future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County has committed to an approach of "ramping up" to the AOC amount over several years, with the amount set aside each year increasing steadily until the full AOC is reached. In FY 2011, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The bill amended existing law and provided a funding mechanism to pay for other post employment benefits for employees of Montgomery County Public Schools and Montgomery County College. In FY15, the County and all other agencies implemented the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This will reduce retiree drug insurance costs and the County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council resolution No. 16-555. In FY16, these contributions were \$43.5 million (County General Fund), \$61.7 million (MCPS Consolidated Trust), and \$1.4 million (Montgomery College Consolidated Trust).

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	43,520,060	0.00
Decrease Cost: County Contribution Based on Actuarial Valuation	(6,510)	0.00
FY17 Recommended	43,513,550	0.00

State Positions Supplement

This NDA provides for the County supplement to State salaries and fringe benefits for secretarial assistance for the resident judges of the Maryland appellate courts.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	60,756	0.00
FY17 Recommended	60,756	0.00

State Retirement Contribution

This NDA provides for the County's payment of two items to the State Retirement System:

- Maryland State Retirement System: Unfunded accrued liability, as established by the Maryland State Retirement System (MSRS), for employees hired prior to July 1, 1984, who are members of the MSRS (including former Department of Social Services employees hired prior to July 1, 1984), and for those who have retired (all County employees participated in the State Retirement System until 1965.) The County's contribution for this account is determined by State actuaries. Beginning in FY81, the amount due was placed on a 40-year amortization schedule.
- State Library Retirement: Accrued liability for retirement costs for three Montgomery County Public Library retirees who are receiving a State retirement benefit. These were County employees prior to 1966 who opted to stay in the State plan.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	1,313,995	0.00
Increase Cost: Adjustment Based on Actuarial Schedule	65,512	0.00
FY17 Recommended	1,379,507	0.00

Consolidated Retiree Health Benefits Trust: Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50 year-old practice of prefunding for retiree pension benefits. The reasons for doing this are simple: Due to exponential growth in expected retiree health costs, the cost of funding these benefits, which were being paid out as the bills came due, would soon become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, not only is a prudent and responsible approach, but will result in significant savings over the long term.

As a first step in addressing the future costs of retiree health benefits, County agencies developed current estimates of the costs of health benefits for current and future retirees. These estimates, made by actuarial consultants, concluded that the County's total future cost of retiree health benefits if paid out today, and in today's dollars, is \$1.8 billion – approximately thirty-one percent of the total FY17 budget for all agencies.

Proposed FY17 Consolidated Retiree Health Benefits Trust Contributions	
Montgomery County Government (MCG)	FY17
<i>General Fund:</i>	
Retiree Health Benefits Trust NDA	\$43,513,550
<i>Proprietary Funds:</i>	
Bethesda Parking District	\$152,610
Wheaton Parking District	15,790
Silver Spring Parking District	105,240
Solid Waste Collection	21,050
Solid Waste Disposal	399,930
Liquor Control	2,157,520
Permitting Services	1,062,970
Community Use of Public Facilities	142,090
Motor Pool	1,057,710
Risk Management	52,620
Central Duplicating	163,130
<i>Participating Agency Contributions:</i>	
Total MCG Trust Contributions	\$50,361,000
Consolidated Trust: Montgomery County Public Schools	\$63,055,000
Consolidated Trust: Montgomery College	\$1,524,000
Park and Planning Commission Trust Fund*	\$1,908,226
Total Contributions/Assets Held in Trust	\$116,848,226

*MNCPPC's contribution from tax supported funds is \$1,827,601.

One approach used to address retiree health benefits funding is to determine an amount which, if set aside on an annual basis and actively invested through a trust vehicle, will build up over time and provide sufficient funds to pay future retiree health benefits and any accrued interest on unfunded liability. This amount, known as an Annual OPEB Cost or "AOC", is estimated at \$119.2 million. This amount consists of two pieces – the annual amount the County would usually pay out for health benefits for current retirees (the pay as you go amount), plus the additional amount estimated as needed to fund retirees' future health benefits (the pre-funding portion). The pay as you go amount can be reasonably projected based on known facts about current retirees, and the pre-funding portion is estimated on an actuarial basis.

The County committed to an approach of "ramping up" to the AOC amount over several years, with the amount set aside each year increasing steadily until the full AOC is reached. In FY 2011, the County Council enacted Bill 17-11 which established the Consolidated Retiree Health Benefits Trust. The bill amended existing law and provided a funding mechanism to pay for other post employment benefits for employees of Montgomery County Public Schools and Montgomery County College. In FY15, the County and all other agencies implemented the Medicare Part D Employer Group Waiver Program for Medicare eligible retirees/survivors effective January 1, 2015. This will reduce retiree drug insurance costs and the

County's OPEB liability. The County achieved full pre-funding in FY15, consistent with Council resolution No. 16-555. In FY16, these contributions were \$43.5 million (County General Fund), \$61.7 million (MCPS Consolidated Trust), and \$1.4 million (Montgomery College Consolidated Trust). A detailed breakdown of FY17 recommended contributions to the Consolidated Retiree Health Benefit Trust for County Government tax supported agencies, participating agencies, Montgomery County Public Schools, and Montgomery College is displayed in the table above. The Executive is recommending that the Retiree Health Benefits Trust provide \$27.2 million to Montgomery County Public Schools for the payment of retiree health insurance claims in FY17.



OFFICE OF HUMAN RESOURCES

Fiscal Year 2015 County Awards Summary (Updated)

Department	Annual Leave/ Paid Time Off (hours)	Award Amount						Recruitment/ Retention Incentive	Department Total	Recruitment/ Retention Annual Leave (hours)	Sick Leave Bonus (hours)	Physical Training Test (hours)
		Employee of the Year	Recognition		Automotive Service Excellence (ASE)							
			Cash	Non-Cash	Successful Exam	Master Mechanic						
01 - County Council	879											
15 - Office of the County Executive	20											
19 - Ethics Commission		\$250	\$100					\$350				
24 - Board of Elections	168											
30 - Office of the County Attorney	240											
31 - Office of Management & Budget	216	\$750						\$750				
32 - Department of Finance	72	\$1,500	\$500					\$2,000				
36 - Department of General Services	272		\$650		\$93,500	\$85,000		\$179,150				
39 - Department of Consumer Protection	112											
42 - Department of Correction & Rehabilitation	32						\$7,000	\$7,000				
45 - Montgomery County Fire & Rescue Service	160				\$15,200	\$17,000		\$32,200				
47 - Department of Police	5,792						\$2,500	\$2,500	640			
48 - Sheriff's Office	480									552	548	
50 - Department of Transportation	5,150	\$30,250	\$100					\$30,350				
60 - Department of Health & Human Services	6,002	\$750	\$50					\$800				
70 - Community Use Public Facilities	32											
75 - Department of Permitting Services	168	\$1,650						\$1,650				
76 - Department of Housing & Community Affairs	80											
78 - Department of Economic Development	200											
80 - Department of Environmental Protection	216											
85 - Department of Liquor Control		\$1,000	\$100					\$1,100				
Total	20,291	\$36,150	\$1,500	\$0	\$108,700	\$102,000	\$9,500	\$257,850	640	552	548	

Fiscal Year 2016 County Awards Summary

Department	Annual Leave/ Paid Time Off (hours)	Award Amount						Recruitment/ Retention Incentive	Department Total	Recruitment/ Retention Annual Leave (hours)	Sick Leave Bonus (hours)	Physical Training Test (hours)
		Employee of the Year	Recognition		Automotive Service Excellence (ASE)							
			Cash	Non-Cash	Successful Exam	Master Mechanic						
01 - County Council	1,156											
15 - Office of the County Executive	30											
30 - Office of the County Attorney		\$2,000	\$200					\$2,200				
31 - Office of Management & Budget	232	\$250						\$250				
32 - Department of Finance	60	\$800	\$100					\$900				
34 - Department of Technology Services	40											
36 - Department of General Services	424				\$99,200	\$94,000		\$193,200				
39 - Department of Consumer Protection	208											
42 - Department of Correction & Rehabilitation							\$4,500	\$4,500				
45 - Montgomery County Fire & Rescue Service	80											
47 - Department of Police	1,832						\$8,000	\$8,000	200			
48 - Sheriff's Office	444									576	412	
50 - Department of Transportation	376	\$16,000						\$16,000				
60 - Department of Health & Human Services	476											
70 - Community Use Public Facilities	16											
71 - Montgomery County Public Libraries	1,120											
75 - Department of Permitting Services			\$200					\$200				
78 - Department of Economic Development	500											
85 - Department of Liquor Control			\$100					\$100				
Total	6,994	\$19,050	\$600	\$0	\$99,200	\$94,000	\$12,500	\$226,350	200	576	412	