

# **Office of the County Auditor**

## **Auditor's Analysis**

### **Council Bill No. 1-2022**

Introduced: January 4, 2022

Auditor: Melanie A. Bishop

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#### Fiscal Impact:

##### **Recreational Licensed Child Care Providers**

Per the Administration, there will be an immediate fiscal impact in the Recreation and Parks Fund caused by changes in the pay scale for approximately twenty Recreational Licensed Child Care providers. These employees will receive pay increases ranging from \$0.08 to \$1.50 per hour when the legislation takes effect, as their current pay rate is below the new proposed pay scale minimum. While not quantified, the Administration expects the resulting impact to be minimal.

Besides those employees noted above, there is no anticipated immediate impact from this pay scale revision. Although the maximum pay rates in this scale are increasing, the Administration stated that it intends to keep all other current employees at, or as close as possible to, their current pay rate. This will cause the remaining fiscal impact to be recognized over time as new employees are hired into the revised pay scale and existing employees progress towards the new maximum pay rates in each grade.

Although these increases were included in the \$1.2 million fiscal impact provided by the Administration in Council Bill 82-2021 (which increased minimum wage), we determined that the starting salary for positions impacted by CB1-2022 will exceed the requirements dictated in CB82-2021. Our Office also notes that the fiscal impact of CB82-2021 will take effect in Fiscal Year 2023, while this legislation's impact will take effect in April 2022.

The future impact of this legislation, due to increases in the pay scale for Recreational Licensed Child Care providers, will be recognized in the Recreation and Parks Fund.

##### **Contingent employees**

The increase in the minimum rate of pay for professional contingent employees caused an unintentional fiscal impact. We were advised that the Administration will be filing an Amendment to change the minimum from \$18 per hour to the "minimum wage."

Any future impact from changes to the contingent employees pay scale will be spread across multiple County funds, with most of the impact being recognized in the General Fund and Recreation and Parks Fund.

Purpose:

To revise the pay scales for Recreational Licensed Child Care providers and contingent employees with an effective date of April 11, 2022.

Other Comments:

The percentage increase in the Recreational Licensed Child Care providers' pay scale is highest in the lower grades and decreases incrementally with each higher grade. The Administration noted that it felt there were pay gaps between the lower and higher pay grades that made this revision appropriate.