

# SUFFOLK COUNTY LEGISLATURE



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Director

## BUDGET REVIEW OFFICE

July 10, 2019

To: DuWayne Gregory, Presiding Officer and  
All Suffolk County Legislators

From: Robert Lipp, Director *Robert Lipp*  
Budget Review Office

Subject: **Analysis of COA Contract 2019-2024**

The Memorandum of Agreement (MOA) between the County and the Suffolk County Corrections Officers Association (SCCOA) contains 18 provisions. All items are effective upon full ratification and approval of the agreement, unless otherwise indicated. A summary of these items follows.

### **I. Term**

The term of this contract is six years, from January 1, 2019 through December 31, 2024.

### **2. Base Salary, 3. Pay Scale, 9. Investigator Salary Charts**

Correction Officers hired before the ratification of the last collective bargaining agreement (June 5, 2015) will remain on the same six-step salary schedule with wages increasing as follows:

Effective January 1, 2019	0.00%
Effective January 1, 2020	2.00%
Effective July 1, 2021	1.50%
Effective July 1, 2022	1.75%
Effective July 1, 2023	2.00%
Effective July 1, 2024	2.75%

Correction Officers hired after June 5, 2015 and going forward will be placed in a new 24-step schedule, with step movement every six months. Similar to the recently settled PBA agreement, newer employees will eventually reach the same top step salary as employees that are more senior. This new wage scale is included as Attachment A to the MOA. Step 1 increases from \$30,000 to \$33,000, and remains at \$33,000 for the term of the contract.

To cost out the contract we used the June 16, 2019 biweekly payroll and projected all steps and rate increases through 2024. We assumed 48 retirements over the course of each year and a class of 48 Correction Officers on January 1st each year, starting in 2020. Overtime, terminal pay, and other salaries are based on data in the 2018 W-2 report. The following table summarizes our projected costs for several major salary categories. These costs include the increase in Correction Officer I Investigator pay, which is nominal, approximately 1.25% for 19 employees. The following chart shows estimated salary costs (1000s) not specifically covered in other sections of this memo.

<b>Increased Salary Costs</b>						
<b>Expenditure</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Permanent Salaries	\$492,355	\$3,071,274	\$4,304,527	\$6,290,234	\$8,609,593	\$11,827,610
Overtime	\$83,700	\$569,957	\$787,965	\$1,265,607	\$1,822,491	\$2,545,256
Terminal Pay	\$0	\$53,933	\$74,562	\$119,759	\$172,455	\$240,847
Other	\$59,083	\$143,058	\$203,360	\$330,480	\$480,516	\$675,244
<b>Total</b>	<b>\$635,138</b>	<b>\$3,838,221</b>	<b>\$5,370,414</b>	<b>\$8,006,081</b>	<b>\$11,085,056</b>	<b>\$15,288,957</b>

Under the previous agreement, base pay for a top step employee hired after the contract was ratified was approximately 18.5% less than employees hired before June 5, 2015. Assuming a hire date of January 1, 2020, employees will earn an average of an additional \$17,676 each year until reaching top step. The following chart shows that the salary cost per recruit including lineup pay etc. until reaching top step will be \$212,115 more under the new salary schedule compared to the previous schedule, and the cost will be almost \$27,000 each year thereafter.

<b>Change in Salary Costs for new COs</b>			
<b>Year</b>	<b>Current</b>	<b>New</b>	<b>Cost</b>
1	\$35,460	\$39,427	\$3,967
2	\$38,422	\$44,897	\$6,475
3	\$41,384	\$50,575	\$9,191
4	\$44,347	\$56,989	\$12,642
5	\$48,174	\$65,195	\$17,022
6	\$53,497	\$73,488	\$19,992
7	\$58,926	\$80,025	\$21,099
8	\$64,302	\$86,497	\$22,196
9	\$69,627	\$92,908	\$23,281
10	\$74,560	\$98,804	\$24,244
11	\$80,106	\$105,519	\$25,412
12	\$85,692	\$112,286	\$26,594
13	\$87,070	\$113,954	\$26,884
<b>Cost for first 12 years</b>			<b>\$212,115</b>
<b>Cost for each year thereafter</b>			<b>\$26,884</b>

#### 4. Sick Leave

Section 4 of the MOA states that effective upon the full ratification of the agreement that employees hired after June 5, 2015 will no longer be credited with sick time for each day that they are actually ill and unable to work but instead with an annual entitlement of 13 days sick leave. Upon ratification of the agreement, these employees will immediately be credited with 6 days for the remainder of 2019 and 13 days for 2020. Beginning in 2021, these employees will be credited annually with 13 days sick leave on January 1. These employees will be credited for sick leave retroactively for each year they have worked on a sliding scale basis in conjunction with the actual number of sick days they used in those past years as illustrated in the following table.

Sick days used in given year	Retroactive sick days credit
<i>Less than 11</i>	<b>3</b>
<b>11</b>	<b>2</b>
<b>12</b>	<b>1</b>
<i>More than 12</i>	<b>0</b>

Additionally, effective upon the full ratification of the agreement, all employees hired after June 5, 2015 but before full ratification of the agreement who have used all their sick leave will be granted extended sick leave in accordance with Section 8.7 of the existing Collective Bargaining Agreement (CBA) subject to the following limitations.

- 2019 extended sick leave will be granted at the rate of one pay period at half pay for each year of continuous service completed or eight pay periods, whichever is longer.
- 2020 extended sick leave will be granted at the rate of one pay period at half pay for each year of continuous service completed or six pay periods, whichever is longer.
- 2021-2024 extended sick leave will be granted at the rate of one pay period at half pay for each year of continuous service completed or four pay periods, whichever is longer.

Employees hired after the full ratification of the agreement will be credited with sick leave in accordance with Section 8.7 of the most current CBA (thirteen days annually prorated in year 1). Accumulated sick leave will be paid for by the County upon retirement or death in accordance with Section 8.8 of the most current CBA (up to a total of 180 days paid for 360 days accumulated).

We estimate that this provision of the contract will have an immediate savings, which will be somewhat offset by additional terminal pay costs in future years. By limiting the amount of sick days available to employees, it is anticipated that absences will decrease and reduce the need to cover shifts with overtime. The Executive estimated a savings of five days per employee hired after June 15, 2015. It is not clear how the sick leave policy change will affect behavior, but the Executive's assumption is reasonable. Based on this assumption, we would estimate an annual savings of approximately \$500,000.

#### 5. Benefit Fund

Section 5 of the MOA states that effective upon the full ratification of the agreement, Section 7.5 (A) (3) of the Collective Bargaining Agreement is deleted. Section 7.5 (A) (3) states that the Association has the option of joining another existing County Employee Benefit Fund. To date, the COA has not exercised this option, which has been a savings to the County. This provision guarantees that the County will not have additional costs from the COA joining a benefit fund with a higher contribution rate; it does not provide any additional savings.

## 6. Clothing

Section 6 of the MOA states that effective January 1, 2020, the clothing allowance set forth in Section 10 (B) of the Collective Bargaining Agreement shall be increased by \$300. Section 10 (B) states that employees serving in plain clothes shall receive an annual clothing allowance of \$700 per employee. Therefore, effective January 1, 2020, the annual clothing allowance for employees serving in plain clothes is \$1,000. This provision of the agreement would apply to 35 employees currently and is estimated to cost the County \$10,500 annually based upon the number of employees currently eligible to receive this allowance.

## 7. Longevity

Longevity shall be increased as follows:

- Effective January 1, 2020, an increase of \$350 at years 5, 10, 15, 20, 25 and 30.
- Effective January 1, 2021, an increase of \$100 at years 10, 15, 20, 25 and 30.
- Effective January 1, 2022, an increase of \$100 at years 15, 20, 25 and 30.
- Effective January 1, 2023, an increase of \$100 at years 20, 25 and 30.
- Effective January 1, 2024, an increase of \$100 at years 20, 25 and 30.

The additional cost over the current longevity pay schedule will be \$263,900 in 2020, \$320,100 in 2021, \$363,500 in 2022, \$387,900 in 2023, and \$412,300 in 2024, for a total of \$1,747,700.

The following table shows total longevity per Correction Officer.

Longevity Pay						
Year	2019	2020	2021	2022	2023	2024
5 Yrs	\$1,000	\$1,350	\$1,350	\$1,350	\$1,350	\$1,350
10 Yrs	\$1,500	\$1,850	\$1,950	\$1,950	\$1,950	\$1,950
15 Yrs	\$2,200	\$2,550	\$2,650	\$2,750	\$2,750	\$2,750
20 Yrs	\$2,700	\$3,050	\$3,150	\$3,250	\$3,350	\$3,450
25 Yrs	\$3,200	\$3,550	\$3,650	\$3,750	\$3,850	\$3,950
30 Yrs	\$3,700	\$4,050	\$4,150	\$4,250	\$4,350	\$4,450

## 8. Stipends

Section 8 of the MOA states that effective January 1, 2020 an annual stipend of \$1,000 shall be paid to all employees assigned to the Sheriff's Emergency Response Team (SERT) and that this supplemental tasks stipend shall not increase the members' "rate of pay" for other compensation calculations. This provision of the agreement would apply to 84 employees currently and is estimated to cost the County \$84,000 annually based upon the number of employees currently eligible to receive this allowance.

## 10. Personal Leave

Personal leave will be pro-rated for each month of service, in the employee's year of separation, for all months up to and including the month in which they separate. There should be a small unquantifiable savings from this provision.

## **11. Education**

Section 5.3 of the Collective Bargaining Agreement shall be amended for employees hired after June 5, 2015 who successfully complete or have completed the Suffolk County Correction Officer Academy and don't/didn't receive college credits for same to reduce the required amount of college credits to 99. There is no estimated fiscal impact.

## **12. Sick Leave Management Program**

The following language shall be added to Appendix F, Section C(2)(a): "An employee who has been designated a Sick Leave Abuser for the first time shall be eligible to work overtime after ninety (90) days provided the employee does not use sick leave during the period the employee is designated a Sick Leave Abuser." There is no estimated fiscal impact.

## **13. Compensatory Time, Use of**

Upon ratification of the MOA, employees on military leave will be permitted to exceed the 10-day maximum imposed for other uses. We do not estimate a significant cost from this provision.

## **14. X Days**

There are currently 172 employees working the 5 on 2 off shift that would now be eligible for seven X Days (2 more than currently provided in the CBA) as a result of an amendment contained within this MOA. The rationale behind this provision is to close the gap in the number of workdays between those on rotating shift and those on fixed shift. Although these day shift employees are not likely to be replaced during their absence, there is a potential cost to the County associated with compensating employees for these vacation days, if they are unused, upon separation from the County. This will go into effect January 1, 2020.

## **15. Representative Compensation**

Section 15 of the MOA states that effective January 1, 2020, all SCCOA Executive Board members will receive an annual \$2,500 stipend for work performed on their days off, except, the President of the SCCOA's stipend is effective January 1, 2023. This provision of the agreement would apply to seven employees currently and is estimated to cost the County \$15,000 annually in 2020-2022 then \$17,500 annually from 2023 forward based upon the number of employees currently eligible to receive this allowance.

## **16. Paperless Pay Stub Agreement**

Within 90 days of the full ratification of this Agreement, the parties shall execute a Memorandum of Agreement to allow for a paperless paystub program where paystubs would be sent electronically to employees. There should be some savings for paper and printing.

## **17. Temporary Assignments**

The Warden will have the ability to temporarily assign new recruits until movement opens, not more than one year. There is no estimated fiscal impact.

## 18. Reopener

The COA will be entitled to re-open negotiations over terms and conditions of employment in the event that the DSPBA agrees to a collective bargaining agreement or is awarded through interest arbitration a change in overall terms and conditions of employment for the period 2019-2024 inconsistent with the pattern set forth in this 2019-2024 Agreement. Any potential changes due to this clause would need to be evaluated at the time such changes go into effect.

### Analysis

The following table summarizes our estimated costs and savings for items for which we were able to quantify from 2019 through 2024. We estimate a five-year cost of \$34 million and \$52.4 million over the life of the contract.

Summary of 2019-2024 COA Contract Costs						
Expenditure	2019	2020	2021	2022	2023	2024
Permanent Salaries	\$492,355	\$3,071,274	\$4,304,527	\$6,290,234	\$8,609,593	\$11,827,610
Overtime	\$83,700	\$569,957	\$787,965	\$1,265,607	\$1,822,491	\$2,545,256
Terminal Pay	\$0	\$53,933	\$74,562	\$119,759	\$172,455	\$240,847
Clothing Allowance	\$0	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Longevity	\$0	\$263,900	\$320,100	\$363,500	\$387,900	\$412,300
SERT Stipend	\$0	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000
Other	\$59,083	\$143,058	\$203,360	\$330,480	\$480,516	\$675,244
Union Stipends	\$0	\$15,000	\$15,000	\$15,000	\$17,500	\$17,500
Social Security	\$48,588	\$277,967	\$382,801	\$559,619	\$764,607	\$1,043,675
Retirement	\$0	\$117,246	\$767,509	\$1,056,918	\$1,543,131	\$2,106,748
<b>Cost</b>	<b>\$683,726</b>	<b>\$4,606,835</b>	<b>\$6,950,324</b>	<b>\$10,095,619</b>	<b>\$13,892,694</b>	<b>\$18,963,680</b>
Savings	\$250,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
<b>Net Cost</b>	<b>\$433,726</b>	<b>\$4,106,835</b>	<b>\$6,450,324</b>	<b>\$9,595,619</b>	<b>\$13,392,694</b>	<b>\$18,463,680</b>
<b>Cumulative Net Cost</b>	<b>\$433,726</b>	<b>\$4,540,561</b>	<b>\$10,990,886</b>	<b>\$20,586,504</b>	<b>\$33,979,198</b>	<b>\$52,442,877</b>

By comparison, the County Executive fiscal impact statement (FIS) includes the following estimated costs over the first five years of the contract.

	2019	2020	2021	2022	2023	Total
Cost	\$1,006,678	\$4,857,534	\$7,064,969	\$9,796,246	\$12,831,782	\$35,557,209
Savings	\$790,733	\$1,129,377	\$1,355,527	\$1,555,265	\$1,756,435	\$6,587,338
<b>Net Cost</b>	<b>\$215,945</b>	<b>\$3,728,157</b>	<b>\$5,709,442</b>	<b>\$8,240,981</b>	<b>\$11,075,347</b>	<b>\$28,969,871</b>

The County Executive's FIS includes two main components of savings; the savings expected from the transition to a fixed sick leave allocation for most officers, and the cost avoidance to the County for the deletion of Section 7.5(A)(3), which allowed the SCCOA the option of joining another benefit fund. BRO does not consider a potential cost avoidance as savings, and we do not include it in our cost analysis. We have included the overtime savings realized from the sick leave changes calculated by the Executive Budget Office. Our calculation does not include a cost for the sick leave changes

that would be incurred in terminal pay, since no officers transitioning to the new allocation will be eligible for retirement during the new contract term.

The County Executive's analysis includes the FIS standard five-year cost projection. Our analysis extends through 2024, which is the last year of the agreement. When we compare the five-year period in our analysis to that of the County Executive's Budget Office, BRO estimates a net cost of \$34 million (2019-2023) compared to \$29 million. The \$5 million difference is primarily due to the differing assumption regarding the potential savings of the benefit fund provision; costs without including savings differ by less than 2%.