



Legislation Text

File #: 65933, **Version:** 1

Fiscal Note

The proposed resolution provides a one-time essential worker premium payment to general municipal employees (GME) in 2021 in a dollar amount equal to 3.75% of the average yearly wage of all permanent general municipal employees. The payment would be funded from the local government aid under the federal American Rescue Plan Act ("ARPA") which is providing \$47.2 million to the City of Madison.

Under ARPA, funding can be used for COVID-19 response costs, including addressing negative economic impacts in the community; premium pay for essential workers; maintaining government services up to the amount of revenue loss due to the pandemic; and for water, sewer and broadband infrastructure investments.

Under the US Treasury's interim rule related to use of the state and local government aid under ARPA, premium pay can only be paid to essential workers. Essential workers are those in critical infrastructure sectors "who regularly perform in-person work, interact with others at work, or physically handle items handled by others." Critical infrastructure sectors include health care, education and child care, transportation, sanitation, grocery and food production, and public health and safety, among others. More sectors can be added to the list as long as those sectors are considered critical to protect the health and well-being of residents.

The interim final rule emphasizes the need to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average wage requires a specific justification for how it responds to the needs of these workers.

Further, the rule specifies that a worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence. The average annual salary for permanent full-time GMEs is \$70,950 and the payment per full-time GME would be \$2,661. Approximately 1,485 employees would be eligible for the payment, including permanent part-time employees who would receive a pro-rated payment based on their FTE. The estimated total cost of the payment is \$4.5 million, including benefits. The impact on the General and Library Funds is approximately \$2.8 million.

Title

Providing a One-Time Emergency Stimulus Payment to General Municipal Employees

Body

WHEREAS, the COVID-19 pandemic has been ravaging our county, state, and world for over a year and has put City employees in unimaginable situations to navigate and balance work, family, and health concerns. President Biden signed the American Rescue Plan ("ARPA") into law on March 11, 2021, to bring solutions that offer relief from some of these unmitigated circumstances and direct financial assistance to local government. The ARPA provides over \$47 million dollars to the City of Madison; and

WHEREAS, one of the allowable uses for this \$47,000,000 in relief money is to provide premium pay to workers performing essential work who are serving during this pandemic, in amounts up to \$13 per hour or \$25,000 per employee; and

WHEREAS, the City's general municipal employees are 6% percent behind the City's protective service employees, having received lower or no wage increases in the recent past, but all working families have suffered increased to costs and hardships, both personally and in the workplace, resulting from the pandemic;

and

WHEREAS, the City's protected services employee groups are receiving a 3.75% wage increase in 2021 while the wages of the City's general employees were not raised in 2021 at all; and

WHEREAS, the decision not to provide a cost-of-living increase for the general employees in 2021 was made before the American Rescue Plan or its dollar allocations to Madison were announced; and

WHEREAS, the City's general municipal employees provide essential, critical services to maintain continuity of operations across all areas of City operations and infrastructure, providing services that are critical to protect the health and well-being of all residents;

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Madison directs appropriate staff to make a one-time essential worker premium payment, in 2021, in a dollar amount equal to 3.75% of the average yearly wage of all permanent general municipal employees, to each of the City's permanent General Municipal Employees as defined by state law.