**Summary of Prospective Costs, P.O. 2020-0224 Establishing Juneteenth as a Paid County Holiday**

**From: Matthew McCoy, King County Office of Labor Relations**

**To: Mike Reed, Council Staff**

**June 21, 2020**

Hi Mike,

There are at least a couple different ways to approach the cost of the holiday.  The way I think about it is actual extra money out the door (beyond what we would be paying if there was no holiday).  We can also look at the lost productivity of the day.  For many employees, however, they will simply make up for lost productivity on another day (such as you and me, I suspect).  This is certainly true for exempt employees so they can be excluded altogether.  For non-exempt employees, about 75% of the workforce, if we take the productivity loss for just that day, the cost is about $6.3M.

If we concentrate more on actual money out the door, the question becomes does this department maintain service even on holidays.  If they do, they are almost certain to be paying OT for it.  To focus in on this, I looked at the OT rates for departments as an indication that they would need to pay OT for the holiday.  I found that there are six departments where OT exceeds 3% of payroll (see chart below).  To arrive at a ballpark estimate I have assumed that for all those departments with >3% OT the holiday would be paid at 1.5X payroll.  For all others it would be 0.  This results in what I think is a conservative, on the high side, estimate of $4.8M.  Transit is half of that total.  The cost to the general fund, loosely defined by the department, is a bit under $1M.  A less conservative estimate might be something like 75% of the holiday being turned into 1.5X pay, or $3.6M ($750k for GF)

The costs go down if we did something really radical, like have no bus service at all that day.  I think pretty much the only departments that must work OT are the jail (a lot of employees), paramedics (small # of employees), wastewater (modest number of employee), and depending on who you talk to, the Sheriff’s office (don’t think I am missing any others – maybe public health?).  There is also a question of lost revenue which may be an issue with some departments.  I am ignoring that.

I do want to be clear that this is a 30,000 foot examination of this.  If I had more time I would want to study the six high OT departments in more depth and try to gauge the relationship between the OT and holiday pay.  If you want a different breakout of the costs let me know.  Any other questions just let me know.  If not clear, just let me know. 

-Matt

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| Agency | % of Payroll that is OT |  |
| DAJD-Adult & Juvnile Detention | 14.30% | >3% |
| DCHS - Community & Human Srvcs | 0.46% |  |
| DES - Executive Services | 2.71% |  |
| DHR - Dept. of Human Resources | 0.24% |  |
| DJA - Judicial Administration | 1.79% |  |
| DLS - Dept. of Local Services | 4.23% | >3% |
| DNRP-Natural Resources & Parks | 3.97% | >3% |
| DOA - Assessor's Office | 1.27% |  |
| DPD - Dept of Public Defense | 0.08% |  |
| DPH - Public Health | 3.72% | >3% |
| EXEC - Executive's Office | 0.02% |  |
| KCAO - Administration Offices | 2.35% |  |
| KCC - King County Council | 0.07% |  |
| KCDC - District Court | 0.23% |  |
| KCE - King County Elections | 1.93% |  |
| KCIT - Information Technology | 0.19% |  |
| KCSC - Superior Court | 0.29% |  |
| KCSO - Sheriff's Office | 13.49% | >3% |
| MTD - Metro Transit | 13.21% | >3% |
| PAO - Prosecuting Attorneys | 0.31% |  |
|  |  |  |
|  | General Fund |  |