




OFFICE OF MANAGEMENT AND BUDGET

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MEMORANDUM

February 11, 2019

TO: Board of County Commissioners

FROM: Norman Foster, Director 
Office of Management and Budget

SUBJECT: Fiscal Impact Statement Re: Proposed Ordinance Amending Section 26-102 of the Broward County Code of Ordinances, Relating to Health Care Benefit Increase

Summary

The proposed ordinance amends Section 26-102 of the Broward County Code of Ordinances, relating to the Living Wage Health Care Benefit increase.

Contracts entered into prior to January 1, 2019: The proposed ordinance adjusts the amount paid by a covered employer or the County for health care benefits to \$1.63 per hour, effective January 1, 2019.

Contracts entered into on or after January 1, 2019: The proposed ordinance adjusts the amount paid by a covered employer or the County for health care benefits to \$1.63 per hour, effective January 1, 2019, adjusted annually, consistent with the proposed ordinance.

Effective January 1, 2021, all covered contracts would be required by the Ordinance to pay a health care benefits amount of \$3.44.

The amendment also provides for severability and inclusion in the code.

Fiscal Impact

Current law includes annual indexing that covered employers must follow for the health care benefits amount. Current law would adjust the health care benefits amount from \$1.61 for calendar 2018 to \$1.63 on January 1, 2019.

Since the proposed ordinance sets the health care benefits amount to the same \$1.63 that current law indexing would on January 1, 2019, there is no fiscal impact to Broward County from the changes in the proposed ordinance.

The January 1, 2021, adjustment to \$3.44 is difficult to estimate as any calculation would necessarily rely upon current contract data. Assuming no changes to County contracts, the January 1, 2021, fiscal impact of the proposed ordinance could be up to \$3.25 million to the General Fund, with comparable impacts to other funds.