

**LRB-FISCAL REVIEW SECTION ANALYSIS**

**FINANCE AND PERSONNEL COMMITTEE  
FEBRUARY 6, 2002**

**ITEM 4, FILE # 011347  
MARK A. RAMION**

File # 011347 is a substitute resolution transferring funds from the 2001 Common Council Contingent Fund to the 2001 Tuition Benefit Special Purpose Account.

**Background**

1. This ongoing account is used to reimburse tuition costs for city employees. Specific maximum reimbursement levels are determined by collective bargaining. The annual maximum reimbursement depends upon the bargaining unit.
2. The fund level is affected by the number of employees who take advantage of this benefit and by the level of reimbursement provided. Increases and decreases in course fees also have an impact.
3. This SPA is managed and monitored by the Department of Employee Relations (DER).
4. The 2001 Tuition Benefit SPA was budgeted for \$700,000.

**Discussion**

1. This resolution authorizes and directs the City Comptroller to transfer \$31,411 from the 2001 Common Council Contingent Fund to the Tuition Benefit Special Purpose Account to pay the final tuition benefit costs for 2001.
2. DER budgets for this SPA based upon historical experience. For year 2000, approximately 1,600 City of Milwaukee employees used this benefit. Similar numbers were projected for 2001.
3. The tuition reimbursement benefit is negotiated through the labor contracts and the amount for reimbursement varies with the bargaining unit. Every employee is guaranteed this benefit if the employee chooses to use it.
4. The employee usage of this benefit varies with the number of courses taken or other approved expenditures used as well as the extent to which the full, individual benefit is expended.
5. The total amount of tuition reimbursement expenses claimed in 2001 was \$731,411, a 4.5% increase over the 2001 SPA budgeted amount.
6. DER has no 2001 operating funds remaining to transfer and offset the incurred expenses for tuition reimbursement.

**Fiscal Impact**

1. The fiscal impact of this resolution is \$31,411. The money is to be transferred into this SPA from the year 2001 Common Council Contingent Fund.
2. On January 11, 2002, the 2001 Contingent Fund had a balance of \$1,777,766. If this resolution is approved, the 2001 Contingent Fund balance will be \$1,746,355.

**Further Information**

1. The 2002 Tuition Benefit Special Purpose Account is budgeted for \$700,000, a similar level to years 2000 and 2001.
2. Item 14, File # 011356, to be considered at this meeting, requests \$4,000 from the 2001 Contingent Fund.

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