

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: September 13, 2002

SUBJECT: Omnibus Fiscal Impact Statement - Proposed District of Columbia Public Schools Compensation System Changes. Approval Resolutions for:

- ◆ Compensation Unit No. 8 - Teamsters, Local 639 and 730;
- ◆ (Revised) Compensation Unit Numbers 7 and 9 - AFSCME, Local 2921; and
- ◆ (Revised) Compensation Unit Numbers 6 and 17 - Council of School Officers.

REFERENCE: Draft Resolutions as Introduced - No Numbers Available

Conclusion

Although Funds are sufficient in the proposed FY 2003 budget to implement the proposed legislation, current District-wide budget shortfalls pose a risk to the funds proposed to support these compensation system changes. Implementing the proposed legislation would result in pay and benefit costs of \$8.07 million in FY 2002, \$13.65 million in FY 2003 and \$94.68 million in FY 2002 through FY 2006.

Background

The proposed group of resolutions would approve collective bargaining agreements recommended by the District's School Board. The Compensation Unit #8 increases would affect 1,606 union members of DCPS¹. The agreements are between the District's

¹ All background data presented for this and subsequent compensation units discussed in this document are as of pay period 13 in calendar year 2002.

School Board and the Teamsters Union Locals 639 and 730. The population of employees is comprised of Operating Engineers, Custodians, Transportation, Warehouse Workers, Cafeteria Workers and Cafeteria Managers. Terms of the agreement include:

- ◆ An increase of 4 percent to base wages effective October 1, 2000;
- ◆ An increase of 3 percent effective October 1, 2001;
- ◆ An increase of 9.8 percent effective October 1, 2002; and
- ◆ A one-time bonus of \$250 following the first complete pay period of FY 2003.

Two other collective bargaining agreements represent the American Federation of State, County, and Municipal Employees (AFSCME) local #2921 and are recommended by the District's School Board. The Compensation Unit #7 increases would affect 263 union members of DCPS. The Compensation Unit #9 increases would affect 513 union members of DCPS. Terms of both agreements include:

- ◆ An increase of 3 percent to base wages effective January 1, 2001;
- ◆ An increase of 2.5 percent effective January 1, 2002;
- ◆ An increase of 1.5 percent effective July 1, 2002;
- ◆ \$250 bonus on the first pay day following September 30, 2002; and
- ◆ An increase of 3 percent effective January 1, 2003.

Under the terms of these two agreements bonuses will only be paid to current full-time employees employed before January 1, 2002.

In addition, the proposed resolutions would approve another two collective bargaining agreements representing the Council of School Officers (CSO) and are also recommended by the District's School Board. The Compensation Unit #6 increases would affect 621 union members of DCPS. The Compensation Unit #17 increases would affect 107 union members of DCPS. Terms of both agreements include:

- ◆ An increase of 3 percent to base wages effective October 1, 2001;
- ◆ An increase of 3 percent effective October 1, 2002; and
- ◆ An increase of 7 percent effective October 1, 2003.

Financial Plan Impact

Funds are sufficient in the DCPS budget and financial plan to approve the proposed resolutions. The table in Figure 1 presents the costs associated with implementing the proposed resolutions.

Figure 1.

Expenditure Impact to the Financial Plan						
(\$ in millions)						
Item	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006²	4-Year Total
CU #8 - Teamsters	\$4.99	\$8.29	\$9.64	\$11.44	\$13.29	\$47.65
CU#7 and #9 - AFSCME	1.43	2.00	2.64	3.35	4.09	13.51
CU #6 and #17 - CSO	1.65	3.36	7.42	9.48	11.61	33.52
Net Annual Impact	\$8.07	\$13.65	\$19.70	\$24.27	\$28.99	\$94.68

The Chief Financial Officer's legislative fiscal analysis is prepared by the Special Projects and Fiscal Analysis Administration in the Office of Research and Analysis. Contact us at 441 4th Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.

² An inflationary factor of 3.3 percent has been applied to employee populations beginning in FY 2006 causing adjustments beyond the life of certain compensation agreements.