

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: July 1, 2002

SUBJECT: Fiscal Impact Statement: "District of Columbia Public Schools
Personnel Compensation System Changes for Unit #7 and Unit
#9 Approval Resolution of 2002"

REFERENCE: Draft Resolution as Introduced - No Bill Number Available

Conclusion

Funds are sufficient in the FY 2002 budget and the proposed FY 2003 through FY 2006 budget and financial plan to implement the proposed resolution. Anti-deficiency laws, 31USCA § 1341 (2000), prohibits District officers and employees from exceeding agency appropriations in any fiscal year.

Background

The proposed resolutions would approve two collective bargaining agreements recommended by the District's School Board. The Compensation Unit #7 increases would affect 393 union members of DCPS. The Compensation Unit #9 increases would affect 291 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.

Bonuses will only be paid to current full-time employees employed before January 1, 2002.

Financial Plan Impact

Funds are sufficient in the FY 2002 budget and the proposed FY 2003 through FY 2006 budget and financial plan because provisions of the proposed resolution have been considered in the current budget and the development of the proposed budget and financial plan. DCPS will be required to remain within their budget authority with the passage of each compensation system change. The following table presents the estimated costs to DCPS personnel service expenditures.

Projected Costs Associated with Compensation System Changes				
(\$ in millions)				
FY 2002	FY 2003	FY 2004	FY 2005	4-Year Total
\$1.29	\$1.56	\$2.01	\$2.09	\$6.95