

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: May 17, 2002

SUBJECT: Fiscal Impact Statement: “Compensation Settlement Agreement for Collective Bargaining Unit #4 for Union and Non-Union Uniformed Officers in the Department of Fire and Emergency Medical Services Compensation System Changes Approval Resolutions of 2002”

REFERENCE: Draft Resolution as Introduced– No Number Available

Conclusion

Funds are sufficient in the FY 2002 budget and the FY 2003 budget as currently agreed to by the Mayor and the Council. Funds have been allocated to impacted agencies for retroactive increases on an accrual basis. **There is an unbudgeted cost of \$12.22 million in FY 2004 and \$13.00 million in FY 2005. Additional funds will be required in the budget and financial plans for FY 2004 and FY 2005.**

Background

The proposed resolutions would approve the collective bargaining agreement recommended by the District’s Office of Labor Relations and Collective Bargaining and the District Office of Personnel and one non-union decision from the Mayor. The Collective Bargaining Unit #4 increases would affect 1,226 uniformed union members of the Department of Fire and Emergency Medical Services (F/EMS). In addition, 40 uniformed non-union members of F/EMS will receive similar increases per a Mayoral decision. Terms of the agreement include:

- An increase of 4 percent to base wages retroactive to October 1, 2000;
- An increase of 4 percent effective April 1, 2001;

- An increase of 4 percent effective October 1, 2001; and
- An increase of 4 percent effective October 1, 2002.

Financial Plan Impact

The available budget for Workforce Investments in the table below represents the remaining available budget for Workforce Investments following the approval and implementation of other initiatives for base pay increases, bonuses, payroll reform and pay schedule consolidation already approved by the Council. Additional requests for budget authority in the amounts of \$6 million and \$4 million were made in April 2002. These requests are meant to increase the available Workforce Investment funds to offset the costs of the compensation system changes. The request for \$6 million became available on May 9, 2002. Unless there is further action by the U.S. Congress the request for \$4 million will become available on May 23, 2002. The following table has been revised to include those personnel services costs associated with the collective bargaining agreement for #4 and non-union uniformed F/EMS.

Net Impact to the Financial Plan					
(\$ in millions)					
Item	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Compensation Units 1 and 2	(\$10.55)	(\$14.36)	(\$15.30)	(\$21.48)	(\$22.19)
Compensation Unit 10	0.00	0.00	0.33	0.34	0.35
Other Unions	0.00	(0.06)	(0.04)	(0.05)	(0.05)
Non-Union w/o UDC, DMH, Fire & Police	(13.73)	(9.22)	(1.90)	(3.32)	(3.43)
Non-Union UDC and DMH	0.00	0.00	1.32	1.36	1.41
Reform	0.00	(6.09)	(6.93)	(7.21)	(7.45)
Police Captains and Lieutenants	0.00	(0.66)	(0.22)	(0.23)	(0.24)
CWA Local 2336	(0.04)	(0.13)	(0.14)	(0.14)	(0.15)
Compensation Unit 19	(0.10)	(0.12)	(0.14)	(0.21)	(0.21)
Compensation Unit 3	(7.30)	(11.80)	(14.86)	(20.80)	(21.86)
Non-Union Uniform MPD	(0.79)	(1.24)	(1.55)	(2.18)	(2.27)
Compensation Unit 13	(0.15)	(0.24)	(0.28)	(0.33)	(0.34)
Compensation Unit 4	(4.02)	(8.26)	(9.05)	(9.35)	(9.66)
Non-Union Uniform F/EMS	(0.23)	(0.47)	(0.52)	(0.54)	(0.55)
Funding Requirement Subtotal	(36.91)	(52.65)	(49.28)	(64.14)	(66.64)
Available Budget	40.50	48.90	44.32	45.78	47.29
Funds Available May 23, 2002	0.00	4.00	0.00	0.00	0.00
Proposed Agency FY 2003 Funding	0.00	0.00	5.94	6.14	6.35
Remaining Available Budget	\$3.59	\$0.25	\$0.98	(\$12.22)	(\$13.00)