

**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:** June 2, 2003

**SUBJECT:** Fiscal Impact Statement: “Compensation Units 1 and 2  
Compensation System Changes Emergency Approval  
Resolution of 2003”

**REFERENCE:** Draft Resolution as Introduced

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**Conclusion**

Funds are sufficient in the FY 2003 budget and the proposed FY 2004 through FY 2007 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia because additional resources are not required by this resolution.

**Background**

The proposed resolution would result in a new compensation system change for compensation units 1 and 2. Compensation units 1 and 2 represent 7,367 of the Districts unionized wage grade, professional and career service FTEs. The net impact of the new system compresses the period of time to earn in-grade, periodic step increases. An 18 year duration to earn steps 1 through 10 will now only require 14 years, the comparable progression time period prevailing in large jurisdictions in the Washington D.C. Standard Metropolitan Statistical Area (SMSA).

**Financial Plan Impact**

Funds are sufficient in the FY 2003 budget and the consensus FY 2004 through FY 2007 budget and financial plan. The budget includes the funding necessary to offset the personal services costs due to the provisions of the proposed resolution. In addition, the FY 2004 budget includes \$2.5 million within the overall \$22.3 million in Workforce

Investments to fund the planned increases. No additional staff or resources will be required to implement the components of the proposed spending plan and there will be no impact on local General Fund revenue.

*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 4<sup>th</sup> Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.*