

**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 1, 2003

**SUBJECT:** Fiscal Impact Statement: “Compensation Settlement Agreement for Collective Bargaining Unit for the Psychologists Union of the District of Columbia, Department of Mental Health, Local #3758, #1199 (NUHHCE) National Union of Hospital and Healthcare Employees, American Federation of State, County, and Municipal Employees, AFL-CIO Compensation System Changes Approval Resolution of 2003”

**REFERENCE:** Draft Resolutions as Introduced – No Numbers Available

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**Conclusion**

Funds are sufficient in the FY 2003 budget and the FY 2004 through FY 2007 budget and financial plan to implement the provisions of the proposed approval resolution. The proposed legislation will not require any additional resources.

**Background**

The proposed legislation approves a settlement agreement recommended by the District’s Office of Labor Relations and Collective Bargaining and the District Office of Personnel. The compensation increases would affect 61 employees who are psychologists and clinical psychology interns and residents at the Department of Mental Health through a collective bargaining agreement. Terms of the agreement include:

- An increase of 3 percent to base wages retroactive to July 1, 2002;
- An increase of 3 percent effective July 1, 2003; and
- An increase of 2 percent effective July 1, 2004.

## Financial Plan Impact

Funds are sufficient in the FY 2003 budget and the proposed FY 2004 through FY 2007 budget and financial plan to implement the provisions of the proposed resolution. Retroactive components of the collective bargaining agreement will be expended from the current fiscal year funds. The Department of Mental Health has accrued funds for these purposes.

Agency costs of the agreements include the following assumptions:

- A freeze in inter-grade compensation increases for the remainder of FY 2003 and all of FY 2004;
- An increase of 3 percent to base wages effective July 1, 2005; and
- An increase of 3 percent effective July 1, 2006.

The following table presents the personnel services costs associated with implementing the provisions of the proposed agreement.

Expenditure Impact to the Financial Plan					
(\$ in 000s)					
FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	TOTAL
\$120	\$177	\$241	\$329	\$341	<b>\$1,208</b>

*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>.*