

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 [signature]
Chief Financial Officer

DATE: June 22, 2004

SUBJECT: Fiscal Impact Statement (Revised): “Career Service, Legal Service, Excepted Service, and Management Supervisory Service Non-Union Employees Compensation System Changes Approval Resolution of 2004”

REFERENCE: Draft Resolution as Introduced

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. No additional resources are required to implement this resolution.

Background

The proposed resolution would approve the establishment of a new compensation system for Career Service, Legal Service, Excepted Service, and Management Supervisory Service non-union employees. Career Service, Legal Service, Excepted Service, and Management Supervisory Service employees represent 5,825 of the Districts non-union 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).

The proposed resolution will approve a new step 6 for wage service pay schedules. This resolution will also approve a one-time, non-recurring payment equivalent to 3 percent of an employees rate of basic pay for persons who are at or below DS Grade 14, are already

at the maximum step of 10, and would not otherwise benefit from other provisions of the proposed resolution.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 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 2005 budget includes \$1.3 million within the budgets of District agencies. No additional resources will be required to implement the provisions of the proposed spending plan. The table in figure 1 presents the estimated impacts associated with the system changes.

Figure 1.

Expenditure Impact to the Financial Plan				
(\$ in millions)				
FY 2005	FY 2006	FY 2007	FY 2008	TOTAL
\$1.3	\$1.4	\$1.4	\$1.5	\$5.6