

Government of the District of Columbia
Office of the Chief Financial Officer

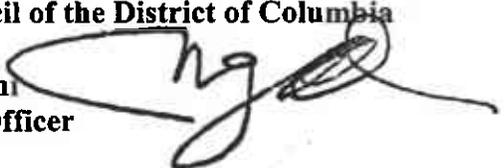
Natwar M. Gandhi
Chief Financial Officer



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CHAIRMAN CROPP

MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: APR 26 2005

SUBJECT: Fiscal Impact Statement (Revised): "Agreement Between the District of Columbia Board of Education and Teamsters Locals 639 and 730 Covering Wage Grade Employees Approval Resolution of 2005"

REFERENCE: Draft Approval Resolution – No Number Available

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed approval resolution. No additional resources will be required to approve and execute the proposed compensation agreement.

Background

The proposed legislation would approve a compensation settlement agreement between the District of Columbia Board of Education and 1,235 union wage grade employees that support operations in the District of Columbia Schools System (DCPS). These employees are members of the Teamsters Union Locals 639 and 730. This population of employees perform services as operating engineers, custodians, warehouse workers, transportation operations, cafeteria and food service.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed resolution. Retroactive pay increases of the

collective bargaining agreement will be expended from the current fiscal year. DCPS has sufficient funds for these purposes and no additional resources will be required.

The compensation increases include the following provisions:

- An increase to base wages of 2.00 percent effective October 2003;
- No change in 2005;
- An increase to base wages of 2.00 percent effective October 2006;
- An increase to base wages of 3.00 percent effective October 2007; and
- An increase to base wages of 3.00 percent effective October 2008.

The FY 2005 gross costs of implementing the agreement are approximately \$2.27 million. Benefits are estimated at 23 percent of the base salary costs. The table in Figure 1 presents the personnel service costs impacting the financial plan.

Figure 1.

Expenditure Impact to the Financial Plan				
(\$ in millions)				
FY 2005	FY 2006	FY 2007	FY 2008	4-Year Total
\$2.27	\$2.29	\$4.06	\$5.89	\$14.51

Note that costs for unfilled or vacant positions were projected at the old rate of pay.