

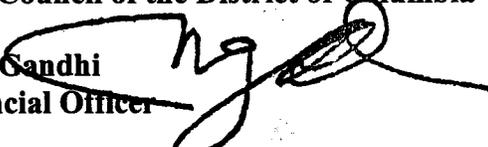
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

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: SEP -6 2006

SUBJECT: Fiscal Impact Statement: "Compensation Settlement Agreement for the Collective Bargaining Unit for the Doctors Council of the District of Columbia (CBA) and the District Department of Mental Health Compensation System Changes Approval Resolution of 2006"

REFERENCE: Draft Resolution to be Introduced – No Number Available

Conclusion

Funds are sufficient in the FY 2006 budget and the FY 2007 through FY 2010 budget and financial plan. No additional resources will be required to implement the proposed agreement.

Background

The proposed resolution approves a settlement agreement recommended by the District's Department of Mental Health. The compensation increases would affect employees who are dentists, physicians, psychiatrists and podiatrists at the Department of Mental Health through a collective bargaining agreement. This population of employees have an aggregate annualized salary of \$9.07 million. Terms of the agreement include:

- For FY 2006 the subject group of employees will move to D.C. Compensation Unit 19 FY 2005 Pay Table effective October 2005 and receive a one-time supplemental income payment retroactive to the implementation date;
- When moving to the new pay table employees will move to the applicable grade and step based on the pay table criteria applying a minimum 3 percent of base pay increase; and

- For FY 2007 the subject group of employees will move to D.C. Compensation Unit 19 Pay Table effective October 2006.

Financial Plan Impact

Funds are sufficient in the FY 2006 budget and the proposed FY 2007 through FY 2010 budget and financial plan to implement the provisions of the proposed resolution. Retroactive components of the collective bargaining agreement would need to be expended from the current fiscal year funds. Funding for the agreement includes Workforce Investment appropriations for FY 2007 and beyond.

The total cost of implementing the pay agreement in FY 2006 is approximately \$788,900 of which approximately \$765,200 is financed by local funds. The remainder is financed by other fund sources, e.g., federal funds, grants and other non-governmental sources. The table in Figure 1 presents the local personnel services costs¹ associated with implementing the proposed compensation agreement for the period of FY 2006 through FY 2010.

Figure 1.

FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	TOTAL
\$0.77	\$1.52	\$1.57	\$1.61	\$1.66	\$7.13

¹ Figures include salary and benefits.