

**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: DEC 13 2006

SUBJECT: Fiscal Impact Statement: "Compensation Settlement for Employees Represented by the Committee of Interns and Residents (CIR), Service Employee International Union, CTW, CLC, and the District of Columbia Department of Mental Health Emergency Approval Resolution of 2006"

REFERENCE: Public Resolution 16-1096 as Introduced

Conclusion

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan. The compensation settlement agreement will be funded with existing resources.

Background

The proposed resolution would approve a settlement agreement recommended by the District Department of Mental Health (DMH). The increases would affect 44 current employees represented by the Committee on Interns and Residents/Service Employees International Union, CTW, CLC (CIR/SEIU). The current members of this collective bargaining unit represent an annual gross salary of approximately \$1.9 million.

Provisions of the collective bargaining agreements include:

- Retroactive to October 1, 2005, PGY¹ groups I, II, and V will receive a lump sum cash payment representing a 5.5 percent increase to baseline compensation;

¹ PGY = Post Graduate Year.

- Retroactive to October 1, 2005, PGY groups III and IV will receive a lump sum cash payment representing a 4.0 percent increase to baseline compensation;
- Retroactive to October 1, 2006, PGY groups I, III, and IV will receive a 2.0 percent increase to baseline compensation;
- Retroactive to October 1, 2006, PGY group II will receive a 3.0 percent increase to baseline compensation; and
- Retroactive to October 1, 2006, PGY group V will receive a 2.5 percent increase to baseline compensation.

In addition, PGY groups I and II shall receive an on-call allowance each fiscal year, and PGY groups III and IV and Dental Residents will receive on-call allowance of \$500 each fiscal year.

Financial Plan Impact

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan. The compensation settlement agreement will be funded with agency resources and District Workforce Investment funds.

The local costs are approximately \$378,600 in FY 2007 because the proposed agreement includes retroactive provisions.² FY 2006 retroactive local costs are \$163,000 which will be received as a one-time payment. FY 2007 local costs are \$215,600. Eligible employees will receive the difference from October 1, 2006 to the implementation date of the approval resolution as a supplemental payment, then continue receiving the remainder of the compensation system change in their regular periodic pay for the remainder of the fiscal year.

The table in Figure 1 presents the personnel service costs impacting the financial plan.³

Figure 1.

Expenditure Impact to the Local Financial Plan				
<small>(\$ in 000s)</small>				
FY 2007	FY 2008	FY 2009	FY 2010	4 -Year Total
\$378.6	\$168.6	\$173.7	\$178.9	\$899.8

² Base salary and benefits expended against local sources.

³ The D.C. Retirement Board determines local funding requirements periodically through an actuarial study. Adjustments are a funding requirement to the third subsequent fiscal year following implementation to maintain an account's full funding status.