

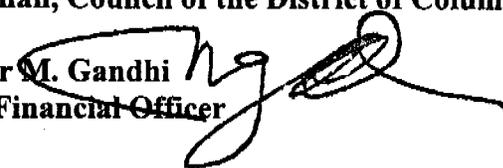
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: FEB 22 2007

SUBJECT: Fiscal Impact Statement: "University of the District of Columbia Non-Faculty, Non-Union Educational Service Employees Compensation System Changes Approval Resolution of 2007"

REFERENCE: Draft Approval Resolution – No Number Available

Conclusion

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

Background

The proposed legislation would approve a 4.0 percent Cost of Living Adjustment (COLA) approved by the Board of Trustees of the University of the District of Columbia (UDC). The compensation increases would affect 481 non-faculty, non-union educational service employees at the UDC. An increase of 4.0 percent to base wages retroactive to October 1, 2005 will be reflected in the proposed salary schedule. This population of employees currently has an annual aggregate base compensation of \$26.3 million.

Financial Plan Impact

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the provisions of the proposed resolution. The total cost of the pay agreement

in FY 2007 for this population of employees is approximately \$2.54 million. This number is the sum of the FY 2006 expenditure impact which is approximately \$1.25 million, and the FY 2007 expenditure impact which is approximately \$1.29 million. The table in Figure 1 presents the approximate local personnel services costs¹ associated with implementing the proposed compensation agreement for FY 2007 through FY 2010.

Figure 1.

Expenditure Impact to the Financial Plan				
<i>(in millions)</i>				
FY 2007	FY 2008	FY 2009	FY 2010	4 -Year Total
\$2.54	\$1.33	\$1.37	\$1.41	\$6.65

¹ 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.