

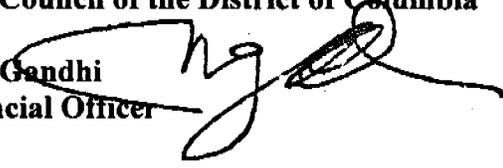
GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Chief Financial Officer



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-Union Career Service Employees  
Compensation System Changes Approval Resolution of 2007"

**REFERENCE:** Draft Approval Resolution – No Number Available

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**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). An increase of 4.0 percent to base wages retroactive to October 1, 2005 will be reflected in the proposed salary schedule. The compensation increases would affect 58 non-union career<sup>1</sup> service employees at UDC with an aggregate salary of \$1.5 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 \$136,200. This number is

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<sup>1</sup> District payroll systems further classify this UDC population into District Service and Wage Service categories.

the sum of the FY 2006 expenditure impact which is approximately \$67,100, and the FY 2007 expenditure impact which is approximately \$69,100. The table in Figure 1 presents the approximate local personnel services costs<sup>2</sup> associated with implementing the proposed compensation agreement for FY 2007 through FY 2010.

*Figure 1.*

<b>Expenditure Impact to the Financial Plan</b>				
<b>(S in 000s)</b>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 -Year Total</b>
<b>\$136.2</b>	<b>\$71.3</b>	<b>\$73.4</b>	<b>\$75.6</b>	<b>\$356.5</b>

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<sup>2</sup> 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.