

**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:** APR 29 2008

**SUBJECT:** Fiscal Impact Statement: "Compensation Settlement for Employees Represented by District Council 20 Local 1959 AFSCME and the Transportation Administrator for the Division of Transportation of the District of Columbia Public Schools Approval Resolution of 2008"

**REFERENCE:** Approval Resolution to be Introduced – No Number Available

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**Conclusion**

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan. The compensation settlement agreement will be funded with existing resources.

**Background**

The proposed resolution would approve a settlement agreement that is the result of a determination by the Transportation Administrator. The increases would affect 1,615 employees represented by District Council 20, Local 1959 American Federation of State County and Municipal Employees, AFL-CIO (AFSCME) and non-union vehicle drivers and attendants. The members of this collective bargaining unit represent an annual gross salary of approximately \$35 million.

Provisions of the collective bargaining agreements include:

- Retroactive to the first full pay period after October 1, 2007 a 3.0 percent increase to baseline compensation;
- Effective October 1, 2008 a 3.0 percent increase to baseline compensation; and

- Effective July 1, 2009 a 3.0 percent increase to baseline compensation.

### Financial Plan Impact

Funds are sufficient in the FY 2008 and the proposed FY 2009 through FY 2012 budget and financial plan. The compensation settlement agreement will be funded with agency resources in FY 2008. Agency resources together with Workforce Investment will fund the increase beginning in FY 2009. The carry forward effect of the FY 2008 increase on FY 2009 will be funded with agency resources. The two pay increases effective in FY 2009 (October 1, 2008 and July 1, 2009) will be funded by Workforce Investment. The fiscal effect is approximately \$2.07 million in FY 2008 because the proposed agreement includes October 2007 retroactive provisions.<sup>1</sup> The table in Figure 1 presents the personnel service costs impacting the financial plan.

Figure 1.

Estimated Expenditure Impact to the Financial Plan (S in millions)					
FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5 – Year Total
\$2.07	\$3.52	\$4.98	\$5.11	\$5.25	\$20.93

Additional cost from the performance incentives may vary depending on how many employees qualify.

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<sup>1</sup> Base salary and benefits expended against local sources.