

**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: MAY 2 2008**

**SUBJECT: Fiscal Impact Statement: "Compensation Settlement for  
Employees Represented by the District of Columbia Nurses  
Association and the District of Columbia Department of Mental  
Health Emergency Approval Resolution of 2008"**

**REFERENCE: Draft Resolution to be Introduced – Number Not 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 compensation settlement agreement recommended by the District Department of Labor Relations and Collective Bargaining on behalf of the District Department of Mental Health (DMH) with the District of Columbia Nurses Association (DCNA). The compensation increases would affect 181 employees with an aggregate salary of approximately \$12.9 million through a collective bargaining agreement. Terms of the proposed agreement include:

- Retroactive to the first day of the first full pay period after October 1, 2007, a 3.0 percent increase to baseline compensation and a loan reimbursement program; and
- Effective the first day of the first full pay period after January 1, 2009, a 3.5 percent increase to baseline compensation, a \$25.00 per month

- Effective the first day of the first full pay period after January 1, 2009, a 3.5 percent increase to baseline compensation, a \$25.00 per month transportation subsidy, affordable housing assistance, and a loan reimbursement program.

### **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 pay increase effective in FY 2009 (January 1, 2009) will be funded by Workforce Investment. The fiscal effect is approximately \$622,600 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.*

<b>Estimated Expenditure Impact to the Financial Plan</b>					
<i>(S in 000s)</i>					
<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>5 – Year Total</b>
\$622.6	\$1,305.8	\$1,390.9	\$1,431.2	\$1,466.2	<b>\$6,216.7</b>

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.