

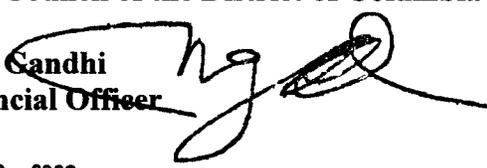
**Government of the District of Columbia
Office of the Chief Financial Officer**



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 Committee of Interns and Residents (CIR), Service Employee International Union, CTW, CLC, and the District of Columbia Government Department of Mental Health Emergency Approval Resolution of 2008"

REFERENCE: Public Resolution 16-1096 as Introduced

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 recommended by the District Department of Mental Health (DMH). The increases would affect 39 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 \$1.8 million.

Provisions of the collective bargaining agreements include:

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

- Effective the first day of the first full pay period after October 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 pay increase effective in FY 2009 (October 1, 2008) will be funded by Workforce Investment. Proposed pay increase effective FY 2010 will require additional funding approved by the Mayor. The fiscal effect is approximately \$59,500 in FY 2008 because the proposed agreement includes October 2007 retroactive provisions.¹ 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 000s)					
FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5 – Year Total
\$59.5	\$133.3	\$199.2	\$204.7	\$210.6	\$807.3

¹ Base salary and benefits expended against local sources.