

**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 Collective Bargaining Agreement for Employees Represented by the Service Employees International Union 1199, United Healthcare Workers East 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 Service Employees International Union 1199, United Healthcare Workers East. The compensation increases would affect 89 employees with an aggregate salary of approximately \$6.37 million annually. Terms of the proposed agreement include:

- Retroactive to the first day of the first full pay period after October 1, 2007, a 3.25 percent increase to baseline compensation, and a program for the District to reimburse for education;
- Effective the first day of the first full pay period after October 1, 2008, a 4.0 percent increase to baseline compensation, a \$25.00 per month

transportation subsidy, affordable housing assistance, and a loan reimbursement program; and

- Effective the first day of the first full pay period after October 1, 2009, a 4.0 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 (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 \$337,400 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 (\$ in 000s)					
FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	5 – Year Total
\$337.4	\$667.8	\$977.8	\$1,002.9	\$1,028.3	\$4,014.2

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