

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: December 10, 2009

SUBJECT: Fiscal Impact Statement – “Collective Bargaining Agreement Between District of Columbia Public Schools and Teamsters Locals 639 and 730, Affiliated with the International Brotherhood of Teamsters”

REFERENCE: DRAFT – No Number Available. Shared with OCFO on November 19, 2009

Conclusion

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed resolution. The terms of the collective bargaining agreement, which cover FY 2009 through FY 2011, will require approximately \$37.99 million in compensation and other benefits in FY 2010 and FY 2011 each. The District of Columbia Public Schools’ FY 2010 budget and FY 2011 planned expenditures already incorporate the fiscal effect of this agreement.

Background

The proposed resolution would approve a collective bargaining agreement (Agreement) for certain employees¹ of the District of Columbia Public Schools (DCPS), which is the result of a negotiation between the DCPS and Teamsters Locals 639 and 730, affiliated with the International Brotherhood of Teamsters (Union). The Agreement covers both compensation and non-compensation issues. The parties did not include a wage increase, but the Agreement provides a reopener provision. It also includes an increase in the District’s contributions towards dental premiums. The reopener² specifies that if during the negotiation period for the 2009-2011 contract and/or during FY 2010 or FY 2011, DCPS enters into a contract with American Federation of State, County and Municipal Employees (AFSCME) Local 2921 to grant a FY

¹ All employees in the occupational units and classifications defined, but excluding the employees transferred to the Office of Public Education Facilities Modernization and the Transportation Unit. The Maintenance Unit (Local 639) includes custodial worker supervisor, custodian, digital computer mechanic, gardener, gardener worker, general appliance repairer, janitor, and school maintenance worker. The number of employees on the roll affected by this contract was 777 in FY 2009, and 668 at present.

² Within Article XXXIX of the Collective Bargaining Agreement.

2010 or FY 2011 wage increase for all of its members, the Union would be entitled to reopen the wage article to negotiate a wage increase. The dental plan benefits indicate that the premiums will increase by \$0.14 for self enrolled members and by \$0.27 for family enrolled members in FY 2010 and FY 2011³.

This Agreement would affect 668 current employees represented by the Union. The members of this collective bargaining unit represented an annual gross salary of approximately \$35 million in FY 2009.

Financial Plan Impact

Funds are sufficient in the FY 2010 through FY 2013 budget and financial plan to implement the proposed resolution. The funding required to implement the Agreement can be accommodated by the allocations to DCPS in the FY 2010 through FY 2013 budget and financial plan period. The increase in dental benefits will increase per employee dental costs by \$5.40 annually from FY 2009 to FY 2010, but because of a decline in the number of employees, overall dental benefit expenditures will decrease in FY 2010. Dental benefit expenditures will increase by \$3,606 between FY 2010 and FY 2011.

Estimated Expenditure Impact to the Financial Plan of the Collective Bargaining Agreement			
	FY 2009 (base year)	FY 2010	FY 2011
Headcount (FTEs)	777	668	668
Compensation	\$34,987,768	\$30,161,869	\$30,161,869
Overtime Pay	\$2,596,668	\$2,232,399	\$2,232,399
Personal Leave	\$134,568	\$115,690	\$115,690
Health Plan	\$5,947,921	\$5,113,528	\$5,113,528
Dental Plan	\$213,351	\$186,359	\$189,964
Optical Plan	\$110,101	\$94,656	\$94,656
Legal Aid	\$80,808	\$69,472	\$69,472
Uniforms	\$15,000	\$15,000	\$15,000
Total	\$44,086,185	\$37,988,973	\$37,992,578

Table Notes: With the exception of dental benefits, all the expenditures that remain constant were prorated based on the FY 2009 (base year) amounts.

The Interim Chief Financial Officer for the DCPS has certified the availability of the funds for this contract.

³ Article XLI of the Collective Bargaining Agreement.