

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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: December 14, 2017

SUBJECT: Fiscal Impact Statement – Office of Employee Appeals Hearing
Examiner Classification Amendment Act of 2017

REFERENCE: Bill 22-552, Draft Committee Print sent to the Office of Revenue
Analysis on December 8, 2017

Conclusion

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost \$159,000 in fiscal year 2018 and \$916,000 over the four-year budget and financial plan.

Background

The bill reclassifies¹ hearing examiners in the Office of Employee Appeals as legal service employees. Currently these employees are classified as career service employees.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost \$159,000 in fiscal year 2018 and \$916,000 over the four-year budget and financial plan.

The bill will increase the salaries and benefits of seven FTEs in the Office of Employee Appeals. As career service employees, these employees would earn salaries and benefits totaling about \$746,000 in fiscal year 2018. As legal service employees, their salaries and benefits would increase to \$984,000, roughly \$238,000 more a year than they currently earn. In fiscal year 2019, the change in classification would increase the employees' salaries by a total of \$248,000. In fiscal year 2020

¹ By amending Section 851(2) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-608.51(2)).

The Honorable Phil Mendelson

FIS: Bill 22-552, "Office of Employee Appeals Hearing Examiner Classification Amendment Act of 2017," Draft Committee Print sent to the Office of Revenue Analysis on December 8, 2017

and fiscal year 2021, the increase in employees' salaries and benefits will be higher because we assume salaries and benefits will increase by 1.7 percent a year.

The table below pro-rates the fiscal year 2018 cost to account for only the portion of the year for which we assume the bill will be in effect.

Cost of the Office of Employee Appeals Hearing Examiner Classification Amendment Act of 2017, Fiscal Years 2018 - 2021				
FY 2018	FY 2019	FY 2020	FY 2021	Four-Year Total
\$159,000	\$248,000	\$252,000	\$257,000	\$916,000

Table notes:

- In fiscal year 2018 the cost of salaries and benefits for affected employees would increase from a total of \$746,000 to \$984,000 if the bill were in effect the whole year. However, we have pro-rated the costs for 8 months, assuming the bill will go into effect February 2018.
- In fiscal year 2019 the cost of salaries and benefits for affected employees would increase from a total of \$755,000 to \$1.003 million.
- For fiscal year 2020 and fiscal year 2021, we assume salaries and benefits will increase 1.7 percent a year.