


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:** March 5, 2019

**SUBJECT:** Fiscal Impact Statement – Collective Bargaining Agreement between the District of Columbia Department of Health, Department of Youth Rehabilitation Services, Department on Disability Services, Department of Health Care Finance, Child and Family Services Agency, Fire and Emergency Medical Services Department and the Office of the Chief Medical Examiner (Compensation Unit 13) and the District of Columbia Nurses Association Approval Resolution of 2019

**REFERENCE:** Draft Resolution sent to the Office of Revenue Analysis on February 7, 2019

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**Conclusion**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the resolution. Approximately \$788,000 in local funding will be needed to cover the cost of the agreement in fiscal year 2019, and \$1,579,000 will be needed over the four-year budget and financial plan. Funding is available in the Workforce Investments Fund to cover these costs.

**Background**

The resolution approves a compensation collective bargaining agreement between multiple agencies<sup>1</sup> (Compensation Unit 13) and the District of Columbia Nurses Association. The agreement is in effect from October 1, 2017 through September 30, 2020 and affects approximately 80 nurses.

The agreement provides a three percent salary increase in fiscal year 2018 (retroactively), a two percent increase in fiscal year 2019, and a three percent increase in fiscal year 2020. It also provides the following benefits:

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<sup>1</sup> Department of Health, Department of Youth Rehabilitation Services, Department on Disability Services, Department of Health Care Finance, Child and Family Services Agency, Department of Corrections, and the Department of Fire and Emergency Medical Services.

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FIS: "Collective Bargaining Agreement between the District of Columbia Department of Health, Department of Youth Rehabilitation Services, Department on Disability Services, Department of Health Care Finance, Child and Family Services Agency, Fire and Emergency Medical Services Department and the Office of the Chief Medical Examiner (Compensation Unit 13) and the District of Columbia Nurses Association Approval Resolution of 2019," Draft Resolution sent to the Office of Revenue Analysis on February 7, 2019.

- An increase in the monthly Metro benefit from \$25 to \$50;
- A payment for license renewal made by fiscal year 2020 that is equal to 0.5% of a nurse's fiscal year 2019 salary; and
- Mileage reimbursement for floating nurses working for the Department of Youth Rehabilitation Services.

Collectively the agencies that are parties to the agreement use local funding to pay for 53 percent of the nurses' salaries and benefits. They pay the rest of the salaries and benefits using federal and other funds.

### Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the resolution. Approximately \$788,000 in local funding will be needed to cover the cost of the agreement in fiscal year 2019, and \$1,579,000 will be needed over the four-year budget and financial plan. Funding is available in the Workforce Investments Fund to cover these costs.

The total cost of the agreement will range from approximately \$898,000 in fiscal year 2019 to \$1,252,000 in fiscal year 2022, with most of the costs coming from the salary increases. Retroactive costs from fiscal year 2018 and the beginning of fiscal year 2019 will need to be paid for entirely with local funds. For costs incurred moving forward, 47 percent will be paid for with non-local funds, reducing the cost agencies need to cover with local funding.

The table below provides a breakdown of the agreement's cost and the funding needed. Please note that the cost in fiscal year 2019 also includes the retroactive costs from fiscal year 2018.

<b>Cost of the Collective Bargaining Agreement between the District of Columbia Nurses Association, Compensation Unit 13, and Multiple District Agencies<sup>(a)</sup>, in Effect from October 1, 2017 through September 30, 2020</b>					
	<b>FY 2019<sup>(b)</sup></b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>Four-Year Total</b>
Salary increase <sup>(c)</sup>	\$766,043	\$802,385	\$987,422	\$1,175,696	\$3,731,546
Benefit increase (Metro, license renewal, mileage reimbursement) <sup>(d)</sup>	\$132,150	\$115,293	\$73,115	\$76,258	\$396,816
<b>Total cost increase</b>	<b>\$898,193</b>	<b>\$917,678</b>	<b>\$1,060,536</b>	<b>\$1,251,954</b>	<b>\$4,128,362</b>
Local funds needed <sup>(e)</sup>	\$788,173	\$486,369	\$562,084	\$663,536	\$2,500,163
Funding available in financial plan <sup>(f)</sup>	\$0	(\$151,793)	(\$306,242)	(\$463,394)	(\$921,429)
<b>Funding needed from Workforce Investment Fund</b>	<b>\$788,173</b>	<b>\$334,576</b>	<b>\$255,842</b>	<b>\$200,142</b>	<b>\$1,578,734</b>

Table notes:

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(a) Department of Health, Department of Youth Rehabilitation Services, Department on Disability Services, Department of Health Care Finance, Child and Family Services Agency, Department of Corrections, and the Department of Fire and Emergency Medical Services.

(b) Includes retroactive pay and benefits from FY 2018.

(c) Includes contract salary increases of three percent in fiscal year 2018, two percent in fiscal year 2019, and three percent in fiscal year 2020, along with assumed increases of 1.75 percent in fiscal years 2021 and 2022. We inflate the increase by 12.65 percent to account for increase in benefits tied to salary level. Included in salary amounts are overtime and additional pay estimates.

(d) Includes a \$25 increase in monthly Metro benefit; 0.5 percent of salary for license renewal for all nurses; and mileage reimbursement for floating nurses at DYRS.

(e) Assumes 53 percent of costs are paid with local funds and remainder of costs are paid with federal and other funds. Retroactive pay for fiscal year 2018 and the beginning of fiscal year 2019 must be paid entirely with local funds.

(f) The financial plan assumes a 1.75 percent annual increase in salaries.