

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: July 1, 2019

SUBJECT: Fiscal Impact Statement – Memoranda of Agreement for FY 2020 Wages between the Office of the State Superintendent of Education, Division of Student Transportation and Teamsters 639 and American Federation of State, County and Municipal Employees, District Council 20, Local 1959 Emergency Approval Resolution of 2019

REFERENCE: Draft Resolution sent to the Office of Revenue Analysis on July 1, 2019

Conclusion

Funds are sufficient in the fiscal year 2019 budget and fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the resolution. To cover the cost of the resolution, approximately \$173,000 will be needed in fiscal year 2020 and a total of about \$710,000 will be needed through fiscal year 2023. Funding is available in the Workforce Investments Fund to cover these costs.

Background

The resolution approves two memoranda of agreement (MOA) between the Office of the State Superintendent of Education (OSSE), Division of Student Transportation, and two unions representing bus attendants and motor vehicle operators: Teamsters 639 (Teamsters), which represents the full-time employees affected; and the American Federation of State, County and Municipal Employees (AFSCME), District Council 20, Local 1959, which represents the part-time employees.

The MOA provide a new fiscal year 2020 salary schedule that combines and replaces two schedules for OSSE bus attendants and motor vehicle operators negotiated separately by each of the unions¹. The new pay schedule ensures that the employees are paid from the same pay scale regardless of union membership.

¹ The previous Teamsters agreement is available at <http://lims.dccouncil.us/Legislation/PR22-0919>. The previous AFSCME agreement is available at <http://lims.dccouncil.us/Legislation/PR23-0059>.

The Honorable Phil Mendelson

FIS: "Memoranda of Agreement for FY 2020 Wages between the Office of the State Superintendent of Education, Division of Student Transportation and Teamsters 639 and American Federation of State, County and Municipal Employees, District Council 20, Local 1959 Emergency Approval Resolution of 2019," Draft Resolution sent to the Office of Revenue Analysis on July 1, 2019.

Combining the pay schedules into one new schedule will provide some employees in each union with a small pay raise. Approximately 352 employees represented by AFSCME will receive an average pay increase of \$284 in fiscal year 2020, while approximately 110 employees represented by the Teamsters will receive an average pay increase of \$485 in fiscal year 2020.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 budget and fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the resolution. To cover the cost of the resolution, approximately \$173,000 will be needed in fiscal year 2020 and a total of about \$710,000 will be needed through fiscal year 2023. Funding is available in the Workforce Investments Fund to cover these costs.

The costs come from pay increases some bus attendants and motor vehicle operators at OSSE will receive when they are moved to a combined pay schedule used for all employees regardless of union membership. Our estimates of this cost are in the table below and include the costs of increases in fringe benefits.

Cost of the MOA for FY 2020 Wages between OSSE, Division of Student Transportation, and Teamsters 639 and American Federation of State, County and Municipal Employees, District Council 20, Local 1959, FY 2019 through FY 2023						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Cost for Teamsters Employees	\$0	\$60,124	\$61,177	\$62,247	\$63,337	\$246,885
Cost for AFSCME Employees	\$0	\$112,681	\$114,653	\$116,659	\$118,701	\$462,693
Total Cost	\$0	\$172,805	\$175,829	\$178,906	\$182,037	\$709,578

Table Notes:

- Cost increases include wage increases as well as assumed increases to fringe benefits.
- MOA provides for a wage increase in fiscal year 2020 only. Costs in fiscal year 2021 and beyond incorporate the 1.75 percent increase assumed in the financial plan.