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

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Glen Lee
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Glen Lee** **Chief Financial Officer**
DATE:	**May 31, 2023**
SUBJECT:	**Fiscal Impact Statement – Compensation System Changes for Non-Union, Uniformed Members of the Metropolitan Police Department Emergency Approval Resolution of 2023**
REFERENCE:	**Draft Introduction as provided to the Office of Revenue Analysis on April 26, 2023**

Conclusion

Funds are sufficient in the fiscal year 2023 budget and proposed fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The resolution will approve pay increases that will cost the Metropolitan Police Department (MPD) $6.8 million in fiscal year 2023, $3.9 million in fiscal year 2024, and a total of $26.6 million through fiscal year 2027. Of these amounts, approximately $6.5 million in fiscal year 2023, $3.6 million in fiscal year 2024 and a total of $24.5 million from fiscal year 2023 through fiscal year 2027 will be paid from local funds. Funding is available in the Workforce Investments Fund to cover the local portion of these costs. The non-local portion of the cost will be covered by federal funds, private funds, special purpose revenue funds, or absorbed by MPD.

Background

The resolution approves pay increases for non-union officers of MPD to align them with increases provided under the recent compensation and working conditions agreement with the Fraternal Order of Police/MPD Labor Committee, which is in effect from fiscal year 2021 through fiscal year 2023. The increases include the following annual salary raises, which replace increases provided to the non-union officers when all District government non-union employees received raises:

- FY 2021: 2.5%;
- FY 2022: 3.5%; and

- FY 2023: 4.0%.

The pay schedules also provide an annual 5% base retention differential once an officer reaches 5 years of experience. Currently the officers receive a 5% base retention differential only after reaching 20 years of experience. Officers with at least 20 years of experience will now receive the previous 5% differential on top of the new differential given after 5 years.

Similar pay schedules, including the base retention differential, were approved under R24-716, the Compensation System Changes for Non-Union Police Officers Emergency Approval Resolution of 2022. The pay schedules included with the current resolution differ from those included with R24-716. Under R24-716, salary increases for the non-union police officers were not shown in the pay schedules as cumulative. The current proposed resolution also clarifies that retroactive payments due under the resolution shall be reduced by the fiscal year 2022 bonus payment (3.5% of salary) provided to all District nonunion employees under the Fiscal Year 2022 and Fiscal Year 2023 District Government Employee Pay Schedules Emergency Approval Act of 2022 (D.C. Act 24-513).

The resolution will affect 208 filled, non-union MPD positions that had an average salary of approximately $127,000 during fiscal year 2022.[1]

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 budget and proposed fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The resolution will approve pay increases that will cost the Metropolitan Police Department (MPD) $6.8 million in fiscal year 2023, $3.9 million in fiscal year 2024, and a total of $26.6 million through fiscal year 2027. Of these amounts, approximately $6.5 million in fiscal year 2023, $3.6 million in fiscal year 2024 and a total of $24.5 million from fiscal year 2023 through fiscal year 2027 will be paid from local funds. Funding is available in the Workforce Investments Fund to cover the local portion of these costs. The non-local portion of the cost will be covered by federal funds, private funds, special purpose revenue funds, or absorbed by MPD.

Cost of the Compensation System Changes for Non-Union, Uniformed Member of MPD Emergency Approval Resolution of 2023 ($ in thousands)						
	FY 2023[a]	FY 2024[b]	FY 2025[b]	FY 2026[b]	FY 2027[b]	Total
Cost of Base Salary Increases	$946	$1,579	$2,074	$2,577	$3,089	$10,264
Cost of 5% Base Retention Differential at 5 Years	$4,118	$1,449	$1,473	$1,499	$1,524	$10,063

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[1] As of August 2022.

The Honorable Phil Mendelson
FIS: "Compensation System Changes for Non-Union, Uniformed Members of the Metropolitan Police Department Emergency Approval Resolution of 2023," Draft Introduction as provided to the Office of Revenue Analysis on April 26, 2023

Cost of the Compensation System Changes for Non-Union, Uniformed Member of MPD Emergency Approval Resolution of 2023 ($ in thousands)						
	FY 2023[a]	FY 2024[b]	FY 2025[b]	FY 2026[b]	FY 2027[b]	Total
Cost of Increased Fringe Benefits[c]	$641	$383	$449	$516	$583	$2,571
Cost of Overtime Pay Increase[d]	$1,068	$526	$635	$746	$759	$3,733
TOTAL COST	**$6,772**	**$3,937**	**$4,631**	**$5,337**	**$5,955**	**$26,631**
LOCAL PORTION OF TOTAL COST	$6,490	$3,581	$4,202	$4,833	$5,442	$24,548
Local Funding available in Financial Plan[e]	$0	$0	($563)	($1,137)	($1,722)	($3,422)
COST TO BE COVERED BY WORKFORCE INVESTMENTS	**$6,490**	**$3,581**	**$3,638**	**$3,696**	**$3,721**	**$21,126**

Table Notes

   a) Includes retroactive amounts due for FY21 and FY22
   b) Assumes salaries increase by 1.7%
   c) Assumes salary increases lead to additional fringe costs equal to 12.65% of increases.
   d) Increases to base pay and the new base retention differential will lead to increases in the hourly rate which overtime pay is based on.
   e) Increases of 1.7% for salaries and 2.38% for fringe benefits are built into the financial plan and are used toward the cost of the resolution