

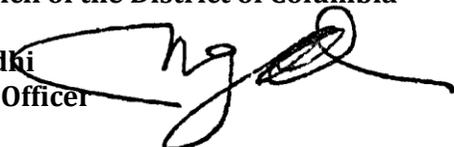
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** December 12, 2013

**SUBJECT:** Fiscal Impact Statement – “Public Service Commission and People’s Counsel Terms of Service Harmonization Amendment Act of 2013”

**REFERENCE:** Bill 20-356 – Draft Committee Print shared with the Office of Revenue Analysis on December 9, 2013

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**Conclusion**

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

**Background**

Current law<sup>1</sup> states that Public Service Commissioners (“Commissioners”) are to be paid at a grade 17, step 8 on the non-union Career Service<sup>2</sup> pay scale, while the Chairperson of the Public Service Commission of the District of Columbia (“Chairperson”) is to be paid at grade 17, step 10. However, those steps no longer exist under current salary schedules. To correct this problem, the bill would set the salary of Commissioners at the midpoint range of the E5 grade on the non-union Executive Service<sup>3</sup> salary schedule, and the Chairperson will receive a salary five percent above the E5 grade. Employees would still be considered part of the Career Service, but salaries would be tied to the Executive Service scale. Additionally, the bill allows for future cost of living adjustments for Commissioners and the Chairperson.

The bill also changes the terms of Commissioners, the Chairperson, and the People’s Counsel for the Public Service Commission of the District of Columbia. Currently, the terms of Commissioners and the Chairperson end on June 30 of staggered years, and appointments to fill a vacancy serve out the remainder of a predecessor’s term. The bill would allow the Mayor to determine whether a

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<sup>1</sup> D.C. Official Code § 34-801.

<sup>2</sup> See D.C. Official Code § 1-608.01 for creation of Career Service, including qualifications and requirements.

<sup>3</sup> See D.C. Official Code § 1-523.01 for creation of Executive Service, including qualifications and requirements.

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FIS: Bill 20-356, "Public Service Commission and People's Counsel Terms of Service Harmonization Amendment Act of 2013," Draft Committee Print shared with the Office of Revenue Analysis on December 9, 2013

nominee will serve out the remainder of an unexpired term, or serve a new full four-year term. The bill changes the term of the People's Counsel from three years to four years and also allows the Mayor to determine if a nominee is beginning a new four year term or finishing the term of a predecessor.

### **Financial Plan Impact**

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Tying the salaries of Commissioners and the Chairperson to the midpoint E5 grade would increase personal services costs at the Public Service Commission by a total of \$8,455 in FY 2014, and \$35,375 over the four year financial period. The Public Service Commission has indicated it can absorb the increased cost of the salaries within its current resources. No additional costs are expected from the other provisions in the bill.