


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



Fitzroy Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Fitzroy Lee
Chief Financial Officer 

DATE: July 11, 2022

SUBJECT: Fiscal Impact Statement – Fiscal Year 2022 and Fiscal Year 2023
District Government Employee Pay Schedules Emergency Approval Act
of 2022

REFERENCE: Introduction, as circulated on July 8, 2022

Conclusion

Funds are sufficient in the fiscal year 2022 budget and fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will approve salary payments that will cost \$57.8 million in fiscal year 2022, \$46.2 million in fiscal year 2023, and a total of \$369 million through fiscal year 2026. The cost that must be paid with local funds is approximately \$36.9 million in fiscal year 2022, \$29.5 million in fiscal year 2023, and a total of \$235.8 million from fiscal year 2022 through fiscal year 2026. Funding is available in the Workforce Investments account to cover these costs. The non-local portion of the cost will be covered by federal funds, private funds, and special purpose revenue.

Background

The bill gives¹ the following pay increases and bonus payments to non-union current District government employees:

- In fiscal year 2022, an increase in the salary schedule of 1.5 percent (retroactive to October 10, 2021) as well as a one-time bonus payment of 3.5 percent; and

¹ Pursuant to Sections 858, 956, 1052, 1105, 1106, and 1111 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 §§ 1-608.58, 1-609.56, 1-610.52, 1-611.05, 1-611.06, and 1-611.11).

- In fiscal year 2023, an increase in the salary schedule of 2.5 percent.

The bill applies to non-union, current District government employees and employees of the University of the District of Columbia (UDC) in the following service categories:

- Career;
- Excepted;
- Management Supervisory;
- Legal; and
- Executive Service.

The bill also applies to these employees:

- Educational Service employees of the Office of the State Superintendent of Education and UDC;
- Non-instructional employees of the District of Columbia Public Schools (DCPS); and
- “When Actually Employed” instructional Educational Service employees of DCPS.

The new pay schedules will apply to approximately 14,400 positions at the District and UDC, of which approximately 10,850 are currently filled and have an average salary of approximately \$94,000.

Former employees are excluded from the pay raise.

Financial Plan Impact

Funds are sufficient in the fiscal year 2022 budget and fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will approve salary payments that will cost \$57.8 million in fiscal year 2022, \$46.2 million in fiscal year 2023, and a total of \$369 million through fiscal year 2026. The cost that must be paid with local funds is approximately \$36.9 million in fiscal year 2022, \$29.5 million in fiscal year 2023, and a total of \$235.8 million from fiscal year 2022 through fiscal year 2026. Funding is available in the Workforce Investments account to cover these costs. The non-local portion of the cost will be covered by federal funds, private funds, and special purpose revenue.

Cost of the Pay Increase Granted by the Fiscal Year 2022 and Fiscal year 2023 District Government Employee Pay Schedules Emergency Approval Act of 2022						
(Dollars in thousands)						
	FY 2022	FY 2023	FY 2024^(a)	FY 2025^(a)	FY 2026^(a)	Five-Year Total
Gross Funds Cost of FY22 and FY23 Pay Increases and FY22 Bonus ^(b)	\$57,811	\$46,198	\$67,030	\$88,226	\$109,794	\$369,059
Local Cost^(c)	\$36,937	\$29,517	\$42,827	\$56,370	\$70,150	\$235,800
Less: Funding Available in Financial Plan ^(d)	(\$0)	(\$11,241)	(\$22,680)	(\$34,318)	(\$46,160)	(\$114,399)

Cost of the Pay Increase Granted by the Fiscal Year 2022 and Fiscal year 2023 District Government Employee Pay Schedules Emergency Approval Act of 2022						
(Dollars in thousands)						
	FY 2022	FY 2023	FY 2024^(a)	FY 2025^(a)	FY 2026^(a)	Five-Year Total
Cost to be Covered by Workforce Investments	\$36,937	\$18,276	\$20,147	\$22,052	\$23,990	\$121,401

Table Notes:

- (a) Assumes salaries increase by 1.75 percent.
- (b) Includes fringe rate of 12.65 percent.
- (c) Approximately 63 percent of affected FTEs are funded with local funding.
- (d) Increases of 1.75 percent built into the financial plan are used toward the cost of the agreement.