

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: December 17, 2004

SUBJECT: Fiscal Impact Statement: "Compensation Settlement for Employees Represented by the American Federation of State, County, and Municipal Employees Local 2095, The American Federation of Government Employees Local 383, Approval Resolution of 2004"

REFERENCE: Proposed Resolution 15-1225

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed approval resolution. The fiscal effect, estimated to be \$7.34 million over four years, will be funded from existing resources found in Department of Mental Health (DMH) appropriations.

Background

The proposed resolution would approve a settlement agreement recommended by the District Department of Mental Health (DMH). The compensation increases would affect 687 employees at DMH through a collective bargaining agreement. Terms of the agreement include an increase of 4.5 percent to base wages retroactive to October 1, 2003, and a 4.5 percent one-time bonus in FY 2005.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed approval resolution. No additional staff or resources will be required to implement the provisions of the proposed resolution.

The gross costs of implementing the agreement in FY 2005 are approximately \$3.95 million. The local portion of this amount is approximately \$3.42 million. The following table presents the personnel services costs associated with implementing the provisions of the proposed agreement.

Expenditure Impact to the Financial Plan (\$ in millions)				
FY 2005	FY 2006	FY 2007	FY 2008	TOTAL
\$3.42	\$1.29	\$1.31	\$1.32	\$7.34