

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: November 9, 2004

SUBJECT: Fiscal Impact Statement: “Legal Service Non-Union
Employees Compensation System Changes Approval
Resolution of 2004”

REFERENCE: Draft Approval Resolution – No Number Available

Conclusion

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed approval resolution. Implementing the compensation agreement will not require any additional staff or resources.

Background

The proposed legislation would approve a compensation system change recommended by the District’s Office of the Attorney General of the District of Columbia (OAG). The compensation increases would affect 22 non-union, non-management employees in OAG. Terms of the compensation system change include:

- A one-time bonus of \$1,600 for all positions in grades 14 and below retroactive to October 1, 2001. Grades 15 and above will equally share the remainder of the \$82,000 performance bonus award;
- By converting to the A33 compensation schedule effective April 2004, the result is an increase of 5 percent retroactive to April 1, 2004;
- In addition, any person with an “Exceeds Expectations” rating in their personnel review in 2004 will receive a one-time 2 percent bonus;

- Implements a step progression change on the effective date of the agreement that compresses the period for achieving all ten steps of any pay grade from 18 years to 14 years;
- Implements a compensation schedule equivalent to the federal GS schedule, with locality pay, that existed in January of 2003;
- An increase of 4.5 percent effective October 1, 2005;
- In addition, any person with an "Exceeds Expectations" rating in their personnel review in 2005 will receive a one-time 2 percent bonus;
- An increase of 4.5 percent effective October 1, 2006; and
- In addition, any person with an "Exceeds Expectations" rating in their personnel review in 2006 will receive a one-time 2 percent bonus.

Non-compensatory considerations include official time for representational purposes, Saturday court coverage, and holiday pay.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed resolution. Retroactive pay increases of the collective bargaining agreement will be expended from the current fiscal year. OAG has sufficient funds for these purposes and no additional resources will be required.

The FY 2003 obligations will be expended from FY 2005. The FY 2005 gross costs of implementing the agreement are approximately \$553,000. The local portion of this amount is approximately \$435,000.¹ The table in Figure 1 presents the personnel services costs associated with implementing the provisions of the proposed agreement.

Figure 1.

Expenditure Impact to the Financial Plan				
(\$ in 000s)				
FY 2005	FY 2006	FY 2007	FY 2008	TOTAL
\$435	\$424	\$529	\$560	\$1,948

OAG will be required to absorb all of the costs for the non-compensatory considerations. Compensation expended for these provisions is limited to existing resources and District agencies will be required to remain within their personnel services budget. Federal and District anti-deficiency laws² prohibit District officers and employees from exceeding appropriations in any fiscal year. If funding is available to absorb the additional costs,

¹ Impacts to the District's pay and retirement system will be incurred in the third year of implementation. Determining retirement costs will require an actuarial study that will be performed by the Pay and Retirement Board for the FY 2007 budget call.

² 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).

then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included in the budget and financial plan.

All Attorneys³ in the District of Columbia government are part of the Legal Service according to Title 1 § 608.51 of Chapter 6, Subchapter VIII-B of the D.C. Code. The D.C. Code also stipulates that the compensation of all other Legal Service Attorneys shall be competitive with that provided by the Federal General Schedule for Attorneys in the Washington metropolitan area having comparable duties, responsibilities, qualifications, and experience (§1-609.58). This was ultimately the decision of the Spring 2004 arbitration award for the unionized Attorneys and reported in a study by the D.C. Office of Personnel in August 2004.

³ 905 series; acting in the capacity of representational and legal services.