

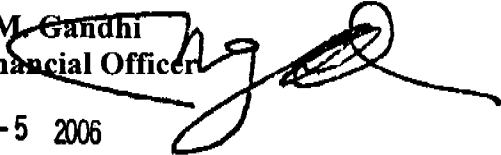
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: JUN -5 2006

SUBJECT: Fiscal Impact Statement: "Career Service, Legal Service, Excepted Service, and Management Supervisory Service Non-Union Employees Compensation System Changes Emergency Approval Resolution of 2006"

REFERENCE: Draft Resolution to be Introduced – No Number Available

Conclusion

Funds are sufficient in the FY 2006 budget and the proposed FY 2007 through FY 2010 budget and financial plan because no additional resources are required to implement this resolution.

Background

The proposed resolution would approve new salary schedules reflecting a 3.0 percent increase to base wages for certain Career Service, Excepted Service and Management Supervisory Service employees. These employees are not represented in collective bargaining.

In addition, the proposed legislation approves a 4.5 percent increase in base wages to non-union Legal Service attorney managers, Senior Executive Attorney Service (SEAS), and non-SEAS Legal Service attorney managers in agencies other than the District Office of the Attorney General of the District of Columbia (OAG).¹

¹ This population will exclude those attorneys in agencies non covered by collective bargaining.

The proposed compensation changes will be applied to 4,468 FTE who have an aggregate annualized payroll of over \$286.46 million and will be made effective April 2, 2006.

Terms of the related agreement include an adjustment of rates of pay for grade levels 1 through 14 on the general Career Service (CS) schedule. It also establishes a new combined open range system for grade levels 15 through 18 on the General CS Schedule effective April 2, 2006. It will adjust the current rates of pay for the Excepted Service (ES) effective on April 2, 2006.

The proposed resolution is not applicable to employees of the District of Columbia Board of Education or the Board of Trustees of the University of the District of Columbia.

Financial Plan Impact

Funds are sufficient in the FY 2006 budget and the consensus FY 2007 through FY 2010 budget and financial plan. The budget includes the funding necessary to offset the personal services costs due to the provisions of the proposed resolution. No additional resources will be required to implement the components of the proposed spending plan. The table in Figure 1 presents the estimated local costs from the effective date of the proposed resolution over current rates of pay including estimated cost of fringe benefits associated with the compensation system changes.

Figure 1.

Expenditure Impact to the Financial Plan					
(S in Millions)					
FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	5 -Year Total
\$3.33	\$7.20	\$7.33	\$7.55	\$7.78	\$33.19