

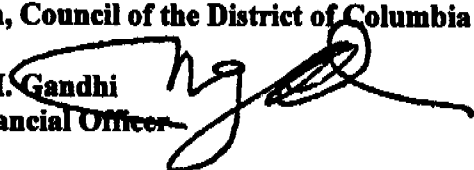
**Government of the District of Columbia
Office of the Chief Financial Officer**



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: JUL 10 2006

SUBJECT: Fiscal Impact Statement (Revised): "Memorandum of Agreement
Between the District of Columbia Public Schools and the Teamsters,
Local 639 and Local 730, Approval Resolution of 2006"

REFERENCE: Public Resolution 16-662 as Introduced

Conclusion

Funds are sufficient in the FY 2006 budget and the FY 2007 through FY 2010 budget and financial plan to implement the proposed approval resolution. No additional resources will be required to approve and execute the proposed Memorandum of Agreement.

Background

The proposed legislation would approve a compensation Memorandum of Agreement between the District of Columbia Board of Education and 1,379 union wage grade employees that support operations in the District of Columbia Schools System (DCPS). These employees are members of the Teamsters Union Locals 630 and 730. These employees perform services as operating engineers, custodians, warehouse workers, transportation operations, cafeteria and food service.

Financial Plan Impact

Funds are sufficient in the FY 2006 budget and the FY 2007 through FY 2010 budget and financial plan to implement the proposed resolution. The compensation Memorandum of Agreement includes the following provisions:

- An increase to base wages of 2.00 percent effective October 1, 2003;
- No change in fiscal year 2005;

- An increase to base wages of 2.00 percent effective October 1, 2005;
- An increase to base wages of 3.00 percent effective October 1, 2006; and
- An increase to base wages of 3.00 percent effective October 1, 2007.

The FY 2006 local costs (including FY 2004 and FY 2005) of implementing the agreement total approximately \$4.39 million which will be covered by the DCPS FY 2005 year-end accruals. Benefits are estimated at 16 percent of the base salary costs. Projected minimum commitment costs for FY 2006 through FY 2010 are shown in the table below.

Figure 1.

Expenditure Impact to the Local Financial Plan (in Millions)					
FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	5-Year Total
\$4.39	\$3.91	\$5.66	\$5.83	\$6.01	\$25.80