

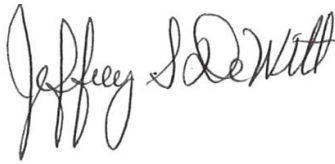
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** July 1, 2019

**SUBJECT:** Fiscal Impact Statement – Collective Bargaining Agreement between the District of Columbia Public Schools and Council of School Officers, Local #4, American Federation of School Administrators, AFL-CIO Emergency Approval Resolution of 2019

**REFERENCE:** Draft Resolution sent to the Office of Revenue Analysis on July 1, 2019

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**Conclusion**

Funds are sufficient in the fiscal year 2019 budget and in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the resolution. To cover the cost of the agreement, approximately \$7.2 million will be needed in fiscal year 2019, \$7.4 million in fiscal year 2020, and a total of \$37.6 million will be needed through fiscal year 2023. Funding is available in the Workforce Investments Fund to cover these costs.

**Background**

The resolution approves a collective bargaining agreement between District of Columbia Public Schools and Council of School Officers, Local #4 American Federation of School Administrators, AFL-CIO. The agreement covers fiscal years 2018 through 2020 and affects approximately 714 principals, assistant principals, and other school-based personnel who are not teachers.

The agreement provides a three percent salary increase in fiscal year 2018 (retroactively), a two percent increase in fiscal year 2019, and a three percent increase in fiscal year 2020. It also provides the following increases in benefits:

- *Professional development:* \$130,000 in fiscal year 2019 to be used over fiscal years 2019 and 2020 for professional development opportunities. Employees currently collectively receive \$80,000 a year.
- *Optical benefits:* up to \$16.39 a month starting in fiscal year 2020. Employees currently receive up to \$16.00 a month.

The Honorable Phil Mendelson

FIS: "Collective Bargaining Agreement between the District of Columbia Public Schools and Council of School Officers, Local #4, American Federation of School Administrators, AFL-CIO Emergency Approval Resolution of 2019," Draft Resolution sent to the Office of Revenue Analysis on July 1, 2019.

- *Dental benefits*: up to \$44.97 per month for individuals and \$77.71 for families in fiscal year 2019, once the agreement goes into effect, and up to \$47.02 for individuals and \$83.18 for families in fiscal year 2020. Employees currently receive \$38 per month for individuals and \$70 per month for families.
- *Legal plan*: Every other week, \$12.50 per covered employee will go towards a legal insurance plan starting in fiscal year 2019.

### Financial Plan Impact

Funds are sufficient in the fiscal year 2019 budget and in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the resolution. To cover the cost of the agreement, approximately \$7.2 million will be needed in fiscal year 2019, \$7.4 million in fiscal year 2020, and a total of \$37.6 million will be needed through fiscal year 2023. Funding is available in the Workforce Investments Fund to cover these costs.

Most of the cost of the agreement comes from the salary increases, which will cost around \$6.9 million in fiscal year 2019 (including retroactive increases from fiscal year 2018), and \$12.0 million by fiscal year 2023. Increases in benefits add another \$300,000 to \$400,000 a year to the cost of the agreement. Funding is available in the financial plan to offset these costs.

The table below provides a breakdown of the agreement's cost and the funding needed.

<b>Cost of the Collective Bargaining Agreement between District of Columbia Public Schools and Council of School Officers<sup>(a)</sup>, in Effect from October 1, 2017 through September 30, 2020</b>						
	<b>FY 2019<sup>(b)</sup></b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Five-Year Total</b>
Salary increase <sup>(c)</sup>	\$6,899,615	\$7,029,560	\$8,650,633	\$10,300,074	\$11,978,381	\$44,858,263
Benefits increase <sup>(d)</sup>	\$335,726	\$363,600	\$363,600	\$363,600	\$363,600	\$1,790,124
Total cost increase	\$7,235,340	\$7,393,160	\$9,014,233	\$10,663,674	\$12,341,980	\$46,648,387
Funding available in financial plan <sup>(e)</sup>	\$0	\$0	(\$1,498,055)	(\$3,022,327)	(\$4,573,273)	(\$9,093,654)
<b>Net Cost, funding for which is available in Workforce Investments Fund</b>	<b>\$7,235,340</b>	<b>\$7,393,160</b>	<b>\$7,516,177</b>	<b>\$7,641,347</b>	<b>\$7,768,708</b>	<b>\$37,554,733</b>

Table notes:

<sup>(a)</sup> Local #4 American Federation of School Administrators, AFL-CIO

<sup>(b)</sup> Includes retroactive pay and benefits from fiscal year 2018.

<sup>(c)</sup> Includes contract salary increases of 3 percent in fiscal year 2018, 2 percent in fiscal year 2019, and 3 percent in fiscal year 2020, along with assumed increases of 1.75 year in fiscal years 2021 and 2022. We inflate the increase by 12.65 percent to account for increase in benefits tied to salary level.

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<sup>(d)</sup> Includes an increase to \$130,000 from \$80,000 in fiscal year 2019 for professional development in fiscal year 2019 and fiscal year 2020, though no money will be allocated in fiscal year 2020 and beyond; an increase to \$16.39 per month from \$16.00 per month starting in fiscal year 2020 for optical; an increase to \$77.71 per month in fiscal year 2019 and \$83.18 per month in fiscal year 2020 from \$70 per month for family dental benefits; and a new legal fund, funded with \$12.50 per member every other week beginning in fiscal year 2019.

<sup>(e)</sup> The financial plan assumes a 1.75 percent annual increase in salaries.