

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



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: October 5, 2026

SUBJECT: Fiscal Impact Statement – Compensation and Working Conditions
Agreement between the District of Columbia Government and the
International Association of Fire Fighters, Local 36, AFL-CIO Emergency
Approval Resolution of 2026

REFERENCE: Draft resolution as provided to the Office of Revenue Analysis on July
31, 2026

Conclusion

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the resolution.

The resolution approves retroactive and base pay increases for covered members of the District of Columbia Fire Fighters Union (International Association of Fire Fighters, Local 36, AFL-CIO, MWC) (“Union”) that will increase personnel costs by \$40.9 million for the local fund in fiscal year 2027, including retroactive costs, and a total of \$118.7 million over the four-year financial plan. Additional personnel costs in non-local funds will be \$4.7 million over the financial plan. An additional \$3.67 million is also required over the financial plan to fund increased contributions for the firefighters’ retirement plan. The total local fund cost of the resolution is \$40.9 million in fiscal year 2027 and \$122.4 million over the financial plan. Funding in the Workforce Investments Account is sufficient to pay the total cost of the agreement, including costs at the Fire and Emergency Management Agency (FEMS) and the firefighters’ retirement plan.

Background

The resolution approves a compensation and working conditions agreement between the Union and the District that covers the period from October 1, 2024 through September 30, 2027 and includes approximately 1,976 current employees, with an average base salary of \$93,127.

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FIS: "Fiscal Impact Statement – Compensation and Working Conditions Agreement between the District of Columbia Government and the International Association of Fire Fighters, Local 36, AFL-CIO Emergency Approval Resolution of 2026," Draft provided to the Office of Revenue Analysis on July 31, 2026.

Increases to Base Salary

Compensation unit members who were/are actively employed in a given fiscal year, will receive the following increases to base salary, effective October 1 of each of the following years:

- 2.0 percent for fiscal year 2025 (retroactive);
- 3.5 percent for fiscal year 2026 (retroactive);
- 3.5 percent for fiscal year 2027.

The agreement also increases the premium pay provided to dual role Firefighter/Paramedics. Currently, Firefighter/Paramedics are paid a premium of 15 percent of the Class 1, Step 1 of the Class and Step to which they are entitled. The new Agreement increases the premium rate to 18 percent of their current Class and Step beginning October 1, 2026.

The agreement also increases employer contributions to Optical and Dental insurance premiums. The employer contribution for optical insurance increases in steps from \$10.80 per month to \$24.33 by the end of fiscal year 2027. The employer contribution for dental insurance changes from \$60.81 per month for any plan, to \$56.82 for a single plan and \$108.48 for a family plan.

Financial Plan Impact

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the resolution. The agreement will increase personnel costs by \$40.9 million in fiscal year 2027 for the local fund, including retroactive costs, and a total of \$118.7 million over the four-year financial plan. Additional personnel costs in non-local funds will be \$4.7 million over the financial plan. An additional \$3.67 million is also required over the financial plan to fund increased contributions for the firefighters' retirement plan. The total local fund cost of the resolution is \$40.9 million in fiscal year 2027 and \$122.4 million over the financial plan

The fiscal year 2027 cost includes \$18.2 million of retroactive costs on fiscal year 2025 and fiscal year 2026 earnings.

The agreement increases fringe costs by \$320,000 in fiscal year 2027, and \$1.7 million over the financial plan to account for the required 1.45 percent Medicare tax. Fringe is further increased by \$324,000 and \$1.6 million over the financial plan to account for the changes in employer contribution to premiums for optical and dental coverage.

Lastly, the annual contributions due for the Police Officers' and Firefighters' Retirement Plan due the agreements will increase by \$1.17 million in fiscal year 2028 and \$3.6 million over the four-year financial plan, due to the agreement's pay raises.

Funding in the Workforce Investments Account¹ is sufficient to pay the total cost of the agreement, including costs at the Fire and Emergency Management Agency (FEMS) and the Police Officers' and Firefighters' Retirement Plan.

A breakout of the costs is in the chart below.

¹ Agency UP0.

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Cost of the Compensation and Working Conditions Agreement between the District of Columbia Government and the International Association of Fire Fighters, Local 36, AFL-CIO Emergency Approval Resolution of 2026 FY 2027- FY 2030 (\$ in thousands)					
	FY 2027^(a)	FY 2028^(b)	FY 2029	FY 2030	Four-Year Total
RETROACTIVE COSTS					
Retroactive Salary	\$13,668	\$0	\$0	\$0	\$13,599
Retroactive Overtime	\$3,646	\$0	\$0	\$0	\$15,579
Retroactive Additional Gross Pay	\$655	\$0	\$0	\$0	\$642
Retroactive Medicare Tax	\$261	\$0	\$0	\$0	\$259
TOTAL RETROACTIVE COSTS	\$18,230	\$0	\$0	\$0	\$18,230
CURRENT YEAR COSTS					
Salary Increase	\$16,758	\$20,745	\$24,812	\$28,961	\$91,277
Overtime Increase	\$4,500	\$5,567	\$6,656	\$7,767	\$24,490
Premium Pay Increase ^(b)	\$846	\$863	\$880	\$898	\$3,487
Additional Gross Pay Increase	\$844	\$1,036	\$1,231	\$1,431	\$4,541
Fringe Increase (Optical and Dental coverage)	\$324	\$436	\$436	\$436	\$1,633
Medicare Tax Increase	\$320	\$397	\$474	\$553	\$1,744
TOTAL CURRENT YEAR COSTS	\$23,592	\$29,044	\$34,490	\$40,046	\$127,172
TOTAL PERSONNEL COST	\$41,822	\$29,044	\$34,490	\$40,046	\$145,402
Less Funds available in the Financial Plan for salaries ^(c)		(\$3,652)	(\$7,304)	(\$10,956)	(\$21,912)
Less Non-local funding ^(d)	(\$881)	(\$1,085)	(\$1,289)	(\$1,496)	(\$4,751)

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Cost of the Compensation and Working Conditions Agreement between the District of Columbia Government and the International Association of Fire Fighters, Local 36, AFL-CIO Emergency Approval Resolution of 2026 FY 2027- FY 2030 (\$ in thousands)					
	FY 2027^(a)	FY 2028^(b)	FY 2029	FY 2030	Four-Year Total
Remaining local personnel costs	\$40,941	\$24,307	\$25,898	\$27,593	\$118,739
Retirement plan contributions	\$0	\$1,179	\$1,225	\$1,273	\$3,677
TOTAL COSTS	\$40,941	\$25,486	\$27,123	\$28,866	\$122,416

Table Notes:

- (a) Retroactive salary, additional gross pay, and overtime costs includes 2.0 percent increase for covered members in fiscal year 2025 retroactive to October 1, 2024, 3.5 percent increase for fiscal year 2026 retroactive to October 1, 2025. An additional 1.45 percent Medicare tax is also added on the increased wages. Current year costs reflect the 3.5 percent increase for fiscal year 2027, the increased employer contribution for optical and dental plans, and the premium pay increase for Firefighter / Paramedics.
- (b) Assumes a trend growth in salaries of 2 percent annually for fiscal years 2028 through 2030.
- (c) Increases already built into the financial plan for current base salaries are used toward the cost of the agreement.