The Honorable Phil Mendelson, Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W.  
Washington, DC 20004  

Dear Chairman Mendelson:  

Attached for consideration by the Council of the District of Columbia are the “Washington Teachers’ Union and Additional Labor Agreements Funding Amendment Act of 2017”, the “Washington Teachers’ Union and Additional Labor Agreements Funding Temporary Amendment Act of 2017”, the “Washington Teachers’ Union and Additional Labor Agreements Funding Emergency Amendment Act of 2017”, and the “Washington Teachers’ Union and Additional Labor Agreements Funding Emergency Declaration Resolution of 2017” (collectively, the “legislation”). The legislation is necessary to fund the costs associated with the recently ratified collective bargaining agreement between the Washington Teachers’ Union (WTU) and the District of Columbia Public Schools (DCPS) and to provide funding needed to settle other labor agreements between the District government and other unions, such as Compensation Units 1 and 2, the Fraternal Order of Police, the DC Firefighters Union, and the DC Nurses Association.  

On September 8, 2017, WTU’s membership approved the new labor contract with DCPS—with over 95% of its members voting in favor of the contract—culminating five years of negotiation between DCPS and its union partners. Much of our progress as the fastest-improving urban school district in the country is due to our teachers. It is my hope that this agreement demonstrates how much the District government values its teachers and acknowledges and respects their expertise in the education of our children.  

Under the agreement, DCPS’s teachers will receive a 4% retroactive pay increase for Fiscal Year 2017, a 3% wage increase effective October 1, 2018; and a 2% wage increase effective October 1, 2019.  

In addition to the WTU contract, the District is currently in negotiations with a number of unions, including Compensation Units 1 and 2, the Fraternal Order of Police, the DC Firefighters Union, and the DC Nurses Association. In order to have the necessary flexibility to negotiate competitive salary increases as part of those negotiations, workforce investment funding above the amount currently allocated in the budget and
financial plan is necessary. Without this additional funding, the investments we can make in our employees will be constrained—and we will likely face collective bargaining impasses and arbitrations, instead of being able to continue the collaborative environment that has been established between management and labor.

Therefore, in order to fund the costs of the WTU contract and the other upcoming labor agreements, the proposed legislation:

- Authorizes the Mayor to use 100% of the June and September revenue estimate surpluses for workforce investments. These investments include the WTU collective bargaining agreements and the upcoming collective bargaining agreements with Compensation Units 1 and 2, the Fraternal Order of Police, the DC Firefighters Union, and the DC Nurses Association. The legislation also authorizes the Mayor to use the June and September revenue estimate surpluses to make certain payments to public charter schools (described below).
- Authorizes DCPS to use one percentage point of the Fiscal Year 2018 uniform per student funding formula (UPSFF) payment to pay for a portion of the costs of the WTU contract. DCPS has identified FY18 savings that it will backfill the use of the UPSFF funding, so this provision will have not negative impact on DCPS’s planned FY18 programming.
- Authorizes certain payments to public charter schools, so that their funding increases proportionately with the increases to DCPS’s funding
- Increases the FY18 UPSFF amounts to reflect the increases due to the costs of the WTU contract and the additional funding for public charter schools.
- Designates the Workforce Investments account as a nonlapsing account and designates purposes for which the account funds may be expended.

I appreciate your attention to this matter and encourage you to join me in affirming the critical role that our teachers and other labor partners play in the successful operations of the District government and their positive impacts on the lives of District residents.

I ask that you place the emergency legislation on the agenda of the September 19, 2017, legislative meeting so that we may clearly affirm the commitment to our children’s teachers and to our other employees, and so that we may promptly move forward with the implementation of the WTU contract and the settlement of other ongoing labor negotiations.

Please contact me or City Administrator Rashad Young at rashad.young@dc.gov should you have questions concerning this transmittal.

Sincerely,

Muriel Bowser

Enclosure
A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to amend the Fiscal Year 2018 Budget Support Act of 2017 and Fiscal Year 2018 Budget Support Emergency Act of 2017 to provide funding for the collective bargaining agreement between the District of Columbia Public Schools and the Washington Teachers Union, funding for other labor agreements and cost-of-living adjustments, and to provide additional funding to District of Columbia public charter schools; to amend the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998 to modify the uniform per student funding formula base amount, allocations, and add-ons for Fiscal Year 2018; to amend chapter 3 of title 47 of the District of Columbia Official Code to make the Workforce Investments account a nonlapsing account; and to authorize certain one-time payments to public charter schools.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Washington Teachers’ Union and Additional Labor Agreements Funding Emergency Declaration Resolution of 2017”.

Sec. 2. (a) There exists an immediate need to provide funding for the recently ratified collective bargaining agreement between the District of Columbia Public Schools (“DCPS”) and the Washington Teachers’ Union (“WTU”) and for upcoming labor agreements with other unions, including Compensation Units 1 and 2, the DC Firefighters Union, the Fraternal Order of Police, and the District of Columbia Nurses Association.

(b) If approved by the Council, the WTU contract will become the first formal contract between DCPS and WTU since 2012—a long overdue commitment to our teachers and an important milestone in our ongoing efforts to make DCPS the best school district in the country.
(c) The WTU contract provides for a 4% teacher salary increase for Fiscal Year 2017, which will be paid retroactively, a 3% increase for Fiscal Year 2018, and a 2% increase for Fiscal Year 2019. Funding for the contract, however, is not currently allocated in the Fiscal Year 2018 budget and financial plan. However, such funding will be available based on the June 2017 revenue estimate and will be allocated pursuant to the Washington Teachers’ Union and Additional Labor Agreements Funding Amendment Act of 2017.

(d) In addition to allocating funding for the WTU contract, certain legislative changes are necessary to implement the contract, such as modifying the Fiscal Year 2018 uniform per student funding formula and authorizing certain payments to public charter schools. These legislative changes are included in the Washington Teachers’ Union and Additional Labor Agreements Funding Amendment Act of 2017.

(e) Moreover, the District is currently in contract negotiations with its three largest unions—Compensation Units 1 and 2, the Fraternal Order of Police, and the DC Firefighters Union—among other unions. In order to have the necessary flexibility to negotiate competitive salary increases as part of those negotiations, additional funding is needed. Without the allocation of additional funding, the investments we can make in our employees will be unnecessarily constrained—and we will likely face collective bargaining impasses and arbitrations, instead of being able to continue the collaborative environment that has been established between management and labor. Funding for these agreements is expected to be available based on the September 2017 revenue estimate and will be allocated pursuant to the Washington Teachers’ Union and Additional Labor Agreements Funding Amendment Act of 2017.
(g) Failure to immediately approve funding for the WTU contract and for the other upcoming union contracts will result in undermining the confidence of union members in the District government and its leadership and could jeopardize the future relationship between labor and management.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in Section 2 constitute emergency circumstances making it necessary that the Washington Teachers’ Union and Additional Labor Agreements Funding Amendment Act of 2017 be adopted after a single reading.
MEMORANDUM

TO: Alana Intrieri
   Executive Director
   Office of Policy and Legislative Affairs

FROM: Janet M. Robins
   Deputy Attorney General
   Legal Counsel Division

DATE: September 14, 2017

SUBJECT: Draft Bill, the “Washington Teachers’ Union and Additional Labor Agreements Funding Emergency Declaration Resolution of 2017” (AE-17-452-C)

This is to Certify that this Office has reviewed the above-referenced draft resolution and found it to be legally unobjectionable. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

Janet M. Robins
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: September 18, 2017

SUBJECT: Fiscal Impact Statement – Compensation Collective Bargaining Agreement between the District of Columbia Public Schools (DCPS) and Washington Teachers Union (WTU) Local # 6 of the American Federation of Teachers Emergency Approval Resolution of 2017 and Washington Teachers’ Union and Additional Labor Agreements Funding Temporary Amendment Act of 2017

REFERENCE: Draft legislation sent to the Office of Revenue Analysis on August 15, 2017 and September 12, 2017

Conclusion

Funds are not sufficient in the fiscal year 2017 budget and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the collective bargaining agreement (CBA) that would be approved by the proposed resolution. Funds will be sufficient if the D.C. Council approves the Washington Teachers’ Union and Additional Labor Agreements Funding Temporary Amendment Act of 2017¹, as described below.

The agreement, which covers fiscal years 2017 (retroactive) through 2019, will cost a total of $174.5 million between fiscal years 2017 and 2021. Pay raises and benefit increases for positions affected by the agreement are expected to increase the District of Columbia Public Schools (DCPS) budget by $15.9 million in fiscal 2017 and $22.5 million in fiscal 2018, and a total of $94.6 million between fiscal 2017 and fiscal 2021. These budget increases will cause proportional increases in charter school funding as determined through the Uniform Per Student Funding Formula (UPSFF)², costing $13.1 million for fiscal 2017 and $19.1 million for fiscal 2018, and a total of $79.9 million between fiscal 2017 and fiscal 2021.

¹ Draft legislation sent to the Office of Revenue Analysis on September 12, 2017.
The Honorable Phil Mendelson  

As proposed in the funding legislation, the $174.5 million cost increase would be funded through a set-aside of additional District revenues certified in June 2017. The legislation also allows DCPS to use one-third of its fiscal year 2018 budget increase, received through the increased UPSFF, to fund the CBA. If Council does not pass this legislation, the CBA will not be funded.

Background

The proposed resolution approves a collective bargaining agreement for the teachers3 of the District of Columbia Public Schools, mutually agreed upon by DCPS and the Washington Teachers' Union, Local #6 of the American Federation of Teachers, AFL-CIO (also known as the WTU)4.

The CBA affects the working conditions, pay, and benefits of 4,910 positions in DCPS. Appendix A lists the positions affected. The term "teachers" will be used to refer to these positions, though other personnel like psychologists and social workers are also covered by the agreement.

The outline presented below shows the terms of the agreement that have cost implications.

Salary Increases

DCPS teachers will be due the following increases to their base salaries:

<table>
<thead>
<tr>
<th>Base Salary Increases Under the Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>4%</td>
</tr>
</tbody>
</table>

Bonuses will not be affected by these increases.

DCPS will pay the 2016-2017 increase to teachers retroactively. The other increases will be incorporated into teachers' biweekly pay checks.

Administrative Premium

The agreement increases from $34 per hour to $40 per hour the pay for the following assignments: summer school; Saturday school; after-school programs; class coverage; and other approved, eligible activities. The increased payment will begin in the 2017-2018 school year.

Benefits

The agreement increases the District's contributions towards teachers' dental, optical, and legal service plan premiums.

- Optical: Currently, DCPS provides teachers $15.40 a month for their optical plan premiums. Under the agreement, the contributions would increase as follows:

3 See Appendix A for the description of personnel impacted by the agreement.
4 As ratified by WTU members on September 8, 2017.
The Honorable Phil Mendelson

<table>
<thead>
<tr>
<th>Optical Plan Contributions under the Agreement (per month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self/Family</td>
</tr>
</tbody>
</table>

• Dental: For teachers’ dental premiums, DCPS currently provides $30 a month for teachers with single coverage and $60 a month for those with family coverage. The agreement increases the contributions towards the dental premiums as follows:

<table>
<thead>
<tr>
<th>Dental Plan Contributions under the Agreement (per month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
</tr>
<tr>
<td>Family</td>
</tr>
</tbody>
</table>

• Legal Services: DCPS currently contributes $11.50 per pay period for participation in a legal insurance plan contracted by the WTU. The agreement would increase DCPS's contributions towards the plan as follows:

<table>
<thead>
<tr>
<th>Legal Services Plan Contributions under the Agreement (per pay period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
</tr>
</tbody>
</table>

Impact on Charter Schools

While the CBA itself does not require the District to pay teachers or other personnel of charter schools, additional expenses in the DCPS budget and financial plan will require corresponding changes to the UPSFF that will require additional payments to public charter schools. Such payments to public charter schools are not restricted to teacher salaries and benefits. Charter schools will individually determine the use of the funding increase. Appendix B below lists the revised UPSFF for fiscal year 2017 and fiscal year 2018, as provided for in the funding legislation, as well as the projected UPSFF during the financial plan.

Financial Plan Impact

Funds are currently not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the resolution approving the CBA. Implementing the agreement requires budgetary action to (1) make additional revenue, certified by the CFO in June 2017, available for the contract provisions and additional charter school payments (including their deposit into a non-lapping account) and (2) revise the restriction\(^5\) on using any of the fiscal year 2018 UPSFF increase for collective bargaining agreements to allow DCPS to access one-third (one

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The Honorable Phil Mendelson
FIN: “Compensation Collective Bargaining Agreement between the District of Columbia Public Schools (DCPS) and
Washington Teachers Union (WTU) Local #6 of the American Federation of Teachers Emergency Approval Resolution of
2017,” Draft Resolution sent to the Office of Revenue Analysis on August 15, 2017 and Washington Teachers’ Union and
Additional Labor Agreement Temporary Amendment Act of 2017

percentage point) for payments under the agreement. The draft bill “Washington Teachers’ Union and
Additional Labor Agreements Funding Amendment Act of 2017” as provided to the Office of
Revenue Analysis on September 12, 2017, meets these requirements and can fully fund the costs of
the resolution.

Under the CBA, the cost of union salaries and benefits for fiscal year 2017 (retroactive) will be
$422.5 million and is estimated to grow to $460.8 by fiscal year 2021, (including assumed growth in
fiscal years 2020 and 2021 not covered by the contract). Growth in the DCPS budget assumed in the
financial plan can accommodate some of the salary increases. Making one percentage point of the
fiscal year 2018 UPSFF increase available pays for additional costs, as follows:

<table>
<thead>
<tr>
<th>Collective Bargaining Agreement Between DCPS and WTU</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in millions)</td>
</tr>
<tr>
<td><strong>Including revision to Section 4003 of BSA Subtitle IV.A.</strong></td>
</tr>
<tr>
<td>District of Columbia Public Schools</td>
</tr>
<tr>
<td>DCPS teachers’ salary and benefits under agreement: (1)</td>
</tr>
<tr>
<td>$422.5, $436.8, $445.5, $453.1, $460.8, $2,218.6</td>
</tr>
<tr>
<td>- Current DCPS budget for teacher salaries and benefits:</td>
</tr>
<tr>
<td>$406.6, $406.6, $416.4, $426.3, $436.5, $2,091.0</td>
</tr>
<tr>
<td>- 1% of FY 2018 UPSFF increase:</td>
</tr>
<tr>
<td>$0.0, $7.7, $7.8, $8.0, $8.1, $31.5</td>
</tr>
<tr>
<td>Net Cost of Agreement, DCPS</td>
</tr>
<tr>
<td>$15.9, $22.5, $21.3, $18.8, $16.1, $94.6</td>
</tr>
<tr>
<td>Required Payments to DC Public Charter Schools:</td>
</tr>
<tr>
<td>$13.1, $19.1, $18.1, $15.9, $13.7, $76.9</td>
</tr>
<tr>
<td><strong>Total Net Cost of Agreement (DCPS + DCPCS)</strong></td>
</tr>
<tr>
<td>$29.0, $41.6, $39.4, $34.7, $29.8, $174.5</td>
</tr>
</tbody>
</table>

Table Notes:
(1) Fiscal year 2020 and fiscal year 2021 costs include an assumed growth rate of 1.7 percent; the contract
expires at the end of fiscal year 2019.

Proposed funding legislation provided to the Office of Revenue Analysis on September 12, 2017
would allow the use of $177.1 million, which is more than sufficient to fund the net costs of the
agreement. These funds come from revenue certified in the CFO’s June 2017 revenue forecast,
which were not anticipated as of the previous revenue forecast and were not necessary to fund
costs incorporated into the fiscal year 2018 through fiscal year 2021 budget and financial plan.
Under the Fiscal Year 2018 Budget Support Act of 2017§, a portion of any new revenues identified
in June 2017 and September 2017 were dedicated to offset revenue loss from an eventual
dedication of sales taxes for the Washington Area Metropolitan Transit Authority, and this
dedication would have occurred through Paygo Capital. Under the proposed funding legislation, the
Mayor would be allowed to reprogram these new revenues from Paygo Capital to Workforce
Investments. Therefore 100 percent of the new revenues would be available for the costs of the
WTU collective bargaining agreement. Since the revenue increase is primarily front-loaded, the
legislation’s provision to make the Workforce Investments account non-lapsing is necessary to
capture the fiscal year 2017 revenue increase and fund the costs of the collective bargaining
agreement in fiscal year 2018 and subsequent fiscal years.

§ See Sections 7101 and 7102, Revised Revenue Contingency List Act of 2017, effective August 29, 2017 (D.C.
Law 22-16; 64 DCR 6581).
APPENDIX A: DCPS positions affected by the agreement

Employees in the occupational bargaining units and job classifications defined by the Agreement, including all full time and regular part time employees at ET 15 pay plan positions of Attendance Officer, Athletic Trainer, Audio Visual Coordinator, Counselor (elementary or secondary school), Curriculum Development Specialist, Hearing Therapist, Instructional Coach, Job Coordinator, Librarian (elementary or secondary school), Literacy Professional Developer, Numeracy Professional Developer, Placement Counselor, Psychiatric Social Worker, Reading Specialist, School Psychologist, School Social Worker, Speech and Language Pathologist, Teacher (elementary or secondary school), and Junior ROTC Instructor (holding BA); all full time and regular part time employees at ET 15/11 pay plan/grade position of Counselor (secondary school) and 15/12 pay plan/grade positions of Mentor Teacher and Incarcerated Youth Services (IVP and VSC); ET 15/12 and ET 15/11 employees, who work twelve or eleven months per year and are entitled to the same working conditions as all ET 15 bargaining unit members; all full-time employees who work a 40 hour week and 52 weeks a year in a probationary or permanent status, who are rendering educational services and receive compensation pursuant to the "EG" salary schedule, excluding supervisors, management personnel, confidential employees, employees engaged in personnel work other than in purely clerical capacities, employees in the ET bargaining unit, any other personnel currently represented by a labor organization and employees engaged in administering the provisions of Title 1, Section 618 of the D.C. Code, in the following job classifications: Counselor, Education Technician, Guidance Counselor, Instructor, Teacher (adult education, bilingual education, secondary education, special education, or vocational education), Teacher Coordinator, Training Instructor, Training Specialist, Vocational Rehabilitation Specialist, and Junior ROTC instructors (without Bachelor's); and any employee in a new title, classification or category created by DCPS, which has a community of interest with employees in the WTU bargaining unit.

APPENDIX B: Details on cost calculations

DCPS: Cost of increases in salaries and benefits for DCPS teachers

| DCPS costs affected by the Agreement (in millions of dollars) | Currently | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Five-Year Total |
|-------------------------------------------------------------|----------|---------|---------|---------|---------|---------|----------------|----------------|
| Teacher Base Salaries                                       | $393.5   | $409.2  | $421.5  | $429.9  | $437.2  | $444.7  | $2,142.5       |
| Dental Benefits                                             | $2.2     | $2.3    | $2.7    | $2.8    | $2.9    | $2.9    | $13.7          |
| Optical Benefits                                            | $0.9     | $0.9    | $1.0    | $1.1    | $1.1    | $1.1    | $5.1           |
| Legal Services                                              | $1.4     | $1.5    | $1.6    | $1.7    | $1.7    | $1.7    | $8.3           |
| Administrative Premiums                                     | $8.5     | $8.5    | $10.0   | $10.0   | $10.2   | $10.3   | $49.0          |
| TOTAL                                                       | $406.6   | $422.5  | $436.8  | $445.5  | $453.1  | $460.8  | $2,218.6       |

Table Notes:
- Teacher base salaries include a 1.45 percent Medicare tax.
- We assume a 1.7 percent increase in costs for fiscal years 2020 and 2021.