



FINANCIAL & ADMINISTRATIVE SERVICES

MEMORANDUM

TO: Robert J. Grey, Finance Committee Chairman

FROM: David L. Richardson, Treasurer/Comptroller *dlr*

DATE: October 16, 2015

SUBJECT: Revised Fiscal Year (FY) 2015 Consolidated Operating Budget ("COB") and FY 2016 Proposed Temporary Operating Budget ("TOB")

Two resolutions are being considered at the October 19, 2015 meeting of the Finance Committee; one for FY 2015 and one for FY 2016.

The first resolution is to approve the proposed Collective Bargaining Agreement ("Agreement") and revise the FY 2015 COB to reflect the effects of the Agreement in FY 2015 by increasing the Management and Grants Oversight ("MGO") Operating Budget and decreasing Contingency Funds by \$1,475,000. The revisions reflect retroactive compensation adjustments, which were negotiated under the Agreement and must be recognized as expenses in FY 2015. These market-based adjustments have been extended to all Management and Grants Oversight employees, including those in the bargaining unit and those not in the bargaining unit.

The effects of the Agreement in FY 2015 include:

- 1) a one-time payment of \$310,000 for employees who were employed on by LSC January 1, 2013 and who remain employed as of the effective date of the Agreement;
- 2) retroactive salary increases of \$358,052 and cost-of-living adjustments of \$123,297 for those employed on January 1, 2014 and who remain employed as of the effective date of the Agreement, based on the salary schedule; and
- 3) salary adjustments of \$470,734 required under the new salary schedule beginning January 1, 2015 for those who remain employed as of the effective date of the Agreement.

Robert J. Grey
FY 2015 Revised COB and FY 2016 Revised TOB
Page 2 of 2

By including retirement plan contributions and Social Security and Medicare taxes of \$199,375, as well as an additional \$13,542 to cover any other adjustments, the total revised MGO Operating Budget would be increased \$1,475,000.

The second resolution is for the proposed FY 2016 TOB. The revised TOB reflects the full year cost of increased salaries (\$681,200) will be paid, plus 1.5% for required salary increases. With benefits, the adjustment to the budget totals \$1,016,375.

The documents attached to the resolutions show the adjustments by office. If you have any questions, or want further information, please contact me by email (david.richardson@lsc.gov) or cell phone (202) 437-5579.

Attachments