

Office of the White House Press Secretary  
-----NOTICE TO THE PRESS

The President has signed H. R. 15842 which provides salary increases for D. C. policemen, firemen and teachers; establishes a salary setting mechanism for these employees after home rule goes into effect; increases annuities for certain retired D. C. teachers; amends substantially the basis and method for setting and administering the property tax on real estate; authorizes the D. C. Council to increase certain taxes to meet the cost of the employee pay increases.

Title I of H. R. 15842 provides for a 16 percent salary increase for D. C. policemen and firemen, retroactive to July 1, 1974. This would increase a private's beginning salary from \$10,000 to \$11,600. (The increase would also apply to the U. S. Park Police and the Executive Protective Service, since the pay of these Federal employees is based on that of the District police.) The cost of this increase for fiscal year 1975 will be \$18.5 million for D. C. policemen and firemen, \$2.45 million for the Executive Protective Service, and \$1.6 million for the Park Police.

Title I will establish procedures for an annual joint labor/management review of pay of policemen and firemen with recommendations by the Mayor to the City Council of any proposed changes.

Title I will also establish procedures for the settlement of labor disputes and collective bargaining negotiations between the District Government and representatives of the policemen and firemen, including mandatory arbitration in the case of an impasse.

In addition, Title I will amend the policemen and firemen retirement system to provide that a retirement or disability annuity be based on a 12 month average, rather than the current highest day's salary. Finally, Title I will require that an officer who seeks disability retirement without the concurrence of the Board of Police and Fire Surgeons has the burden of proving that the condition was caused or aggravated by the performance of duty.

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Title II provides for a two-stage salary increase of 13 percent for D. C. teachers. A 10 percent raise would be effective September 1, 1974, with the remaining 3 percent to be effective on January 1, 1975. It also provides for a yearly review by the Board of Education of teachers' salaries, and recommendations by it to the Mayor and by him to the City Council of any proposed changes.

Title III will increase annuities by \$240 per year for teachers who retired prior to October 20, 1969, and by \$132 per year for their survivors. It would also provide that no teacher's annuity shall be less than the minimum amount provided for social security recipients.

Title IV will extensively revise the real property tax system in the District. It would provide for assessment at 100 percent of the market value of real property, but would leave the setting of the tax rate itself to the City Council. It will provide a legislative basis for assessments, require public notification, and establish an independent Board of Equalization and Review as part of a simplified appeals procedure.

Title IV would also authorize the City Council, upon enactment of the bill, to raise certain taxes to help cover the cost of the salary increases. The taxes involved include income, sales, use, cigarette, alcohol and motor vehicle fuel taxes.

This title would also provide tax relief and incentives to improve or rehabilitate residential, commercial and historical properties, and for tax relief for low income persons whose property tax exceeds a certain percentage of their income.

Title V would provide that the District Government may legislate changes to this bill after home rule goes into effect on January 2, 1975, subject to the limitations and prohibitions in the Home Rule Act.

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