

**City of Alexandria, Virginia
FY 2025 Proposed Operating Budget & CIP
Budget Questions & Answers**

April 4, 2024

Question:

What is the cost if the retroactive application of the current promotional rule was applied to all eligible employees?

Response:

OMB estimates that retroactively granting steps to employees affected by the FY21 step freeze would cost \$3.34 million in salaries and benefits in FY25. In total, there are approximately 1,170 City employees on stepped pay-scales who were employed during FY21 and who would not have received a merit increase for that year. There are another 215 employees who were at the top of their pay-scales in FY21 and would not have been eligible for a step increase that year that are not included in this total. They would add an additional \$0.59 million to the cost.

Since FY21, salary determinations (including for new hires, promotions, and internal equity reviews) have been made based on real-time data that did not reflect the possibility of steps being granted retroactively. Reversing the freeze would impact internal pay structures throughout the City in unanticipated ways.

The decision to freeze merits was made at the height of the Coronavirus Pandemic. It allowed the City to forgo the layoffs and furloughs seen at many other organizations at that time. Further, the freeze was implemented alongside a number of other offsetting compensation actions such as mid-year pay-scale adjustments, enhancements to emergency response pay, and the FY22 addition of 3 steps to the General Schedule pay-scale and a City-wide pay-scale adjustment of 4.5%.