

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** September 13, 2002

**SUBJECT:** Fiscal Impact Statement (Revised): “Unemployment  
Compensation Funds Appropriation Authorization Emergency  
Act of 2002”<sup>1</sup>

**REFERENCE:** Draft Legislation as Introduced - No Bill Number Available

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**Conclusion**

Funds are sufficient in the FY 2002 budget and the FY 2003 through FY 2006 budget and financial plan as currently agreed to by the Mayor and the Council of the District of Columbia. Implementation of the proposed legislation will not require any additional staff or resources.

**Background**

The proposed legislation authorizes the appropriation of \$7.6 million from the funds distributed to the District of Columbia by the Social Security Act § 903(d). This federal provision is referred to as the Reed Act. The Reed Act allocates \$26 million in surplus or "spill-over" funds to the District and is a one-time funding allocation. Under the provisions of the proposed legislation, the Department of Employment Services (DOES) will be required to use the funds to improve the administration of the Unemployment Compensation Program. DOES will be required to expend the funds for the following activities:

- Train and transition DOES staff on compensation and tax benefits systems for the purpose of retiring the current contractor;

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<sup>1</sup> Formally “Reed Act Funds Appropriation Authorization Act of 2002.”

- Develop and maintain IT systems, including direct deposit of unemployment compensation benefits, to support Unemployment Compensation Program and One-Stop Career Center System operations; and
- Fund promotions of certain staff in the Offices of Unemployment Compensation and Employment Services and DOES.

### **Financial Plan Impact**

Funds are sufficient in the District's FY 2002 budget and the FY 2003 through FY 2006 budget and financial plan to implement the proposed resolution because additional staff and resources will not be required. The proposed legislation will approve the expenditure of \$7.6 million in federal Reed Act funding authorized in the Social Security Act.