

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: April 30, 2002

SUBJECT: Fiscal Impact Statement: "Excepted Service and Executive Service Relocation Expenses Amendment Act of 2002"

REFERENCE: Draft Legislation as Introduced - No Bill Number Available

Conclusion

Funds are sufficient in the FY 2002 budget and the proposed FY 2003 through FY 2006 budget and financial plan because District agencies will be required to implement the provisions of the proposed legislation from within existing resources. Implementing the proposed legislation will not result in a reduction in local General Fund revenue nor will the bill significantly increase District liabilities associated with employee relocation. To the extent that agencies incur the types of expenses proposed in this legislation, future agency personnel decisions could be affected by available budget authority.

Anti-deficiency laws, 31USCA § 1341 (2000), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the District determine that funding is available to absorb the additional costs in FY 2002, then the net fiscal impact would be zero for this year. For subsequent years, the additional expenditures need to be included as budgeted expenditures.

Background

The proposed legislation amends the District of Columbia Comprehensive Merit Personnel Act of 1978 to allow District agencies to offer reimbursement for reasonable relocation expenses. Specifically, the proposed legislation authorizes the District to pay relocation expenses to Excepted Service and Executive Service personnel who live in the immediate metropolitan Washington area. Currently, the program is offered to only those

Excepted Service and Executive Service personnel who are relocating to the District from outside the metropolitan Washington area.

Financial Plan Impact

Funds are sufficient in the FY 2002 budget and the proposed FY 2003 through FY 2006 budget and financial plan because District agencies will be required to implement the provisions of the proposed legislation from within existing resources. Agencies will be required to examine their budgets when packaging reasonable relocation expenses into the position offerings. To relocate existing Excepted Service and Executive Service personnel to the District, agencies must find the funds from within their existing budget authority.

Although the proposed legislation comes at some expense to the agency directors who choose to make the types of offerings authorized by this bill, agency budget authority is not going to be increased to offset the costs. Agency directors will need to be mindful of their existing resources and understand that when funds are made available for relocation expenses, they are decreasing the availability of funds for other program or personnel needs.