

**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

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MEMORANDUM

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

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

DATE: JUN 20 2005

SUBJECT: **Fiscal Impact Statement: "Income Withholding Transfer and Revision Amendment Act of 2005"**

REFERENCE: **Draft Legislation – Bill Number Not Available**

Conclusion

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation. The proposed legislation would result in an additional \$2.0 million in budgeted expenditures in FY 2006 and \$8.4 million over the four year period from FY 2006 through FY 2009. The expenditures are included in the proposed FY2006 agency budget¹ of the Office of the Attorney General.

Background

The proposed legislation would consolidate core child support program activities within the Office of the Attorney General's Child Support Services Division (CSSD) by transferring child support income withholding responsibilities from the District of Columbia Superior Court to CSSD. In addition, the proposed legislation would clarify the procedures and requirements applicable to income withholding, fill gaps and resolve inconsistencies that have developed through successive amendments to the withholding provisions, and ensure the District's continuing compliance with federal requirements.

¹ The Office of Attorney General Program Budget for Child Support Services Object Class 041-0409 (Contractual Services) and 011-0111 (Personal Services), which has been identified by the agency as the funding source for this proposed legislation.

Financial Plan Impact

The proposed legislation would result in \$2.0 million of budgeted expenditures in FY 2006 and \$8.4 million over the four-year period of FY 2006 through FY 2009. The expenditures are included in OAG's proposed FY2006 budget and in the baseline for the proceeding fiscal years.

The local match funds cost summary for the period FY 2006 through FY 2009 is detailed in the table below. Both personal services and non-personal services costs assume a three percent increase for inflation in each year beginning in FY 2007.

FY2006 – FY2009 Cost Summary for Local Match Funds						
		FY 2006	FY 2007	FY 2008	FY 2009	4-Year Total
Non-Personal Services		\$1,500,000	\$1,545,000	\$1,591,350	\$1,639,091	\$6,275,441
Personal Services		\$500,000	\$515,000	\$530,450	\$546,363	\$2,091,813
Total		\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$8,367,254

A comparison of the local contribution versus the corresponding Federal match funds is detailed in the table below; beginning FY2007, costs assume a three percent increase for inflation each year.

FY2006 – FY2009 Cost Summary for Local and Federal Match Funds						
		FY 2006	FY 2007	FY 2008	FY 2009	4-Year Total
Local Share (34%)		\$2,000,000	\$2,060,000	\$2,121,800	\$2,185,454	\$8,367,254
Federal Share (66%)		\$4,000,000	\$4,120,000	\$4,243,600	\$4,370,908	\$16,734,508
Total (100%)		\$6,000,000	\$6,180,000	\$6,365,400	\$6,556,362	\$25,101,762