

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: OCT 17 2006

SUBJECT: Fiscal Impact Statement: "Crime Reduction Initiative Emergency Amendment Act of 2006"

REFERENCE: Draft Legislation to be Introduced – No Number Available

Conclusion

The Mayor has requested the allocation of approximately \$11.2 million from the FY 2007 operating cash reserve budget to the extent that funds are not made available from the District's Contingency Reserve Fund. Use of the District's operating cash reserve funds requires 30-days advance congressional notification before funds may be obligated or expended; it is therefore necessary for the Mayor to also allocate funds from the District's Contingency Reserve Fund to meet the immediate fiscal requirements of the Emergency Crime Reduction initiatives. Funds from these sources are sufficient to fund the Mayor's Emergency Crime Reduction initiatives identified in the proposed legislation.

Background

The proposed legislation would provide law enforcement officers and prosecutors with additional authority to prevent and reduce crime in the District. The proposed legislation targets the District's Public and Safety Justice System and impacts, in particular, operations of the District's Metropolitan Police Department.

The approximate \$11.2 million is required to be allocated in the following manner:

- An amount not to exceed \$5 million to continue implementation of the Youth Development Strategy for youth violence prevention efforts;
- An amount not to exceed \$4,241,953 shall be for the Metropolitan Police Department to provide additional funding for overtime;
- An amount not to exceed \$1,737,532 shall be for the Metropolitan Police Department Closed Circuit Television operations; and
- An amount not to exceed \$191,687 shall be for the Metropolitan Police Department for fuel.

To support the Metropolitan Police Department (MPD) other federal and District agencies will increase operations.

Financial Plan Impact

The Mayor has requested \$11,171,172 from the District's \$50 million operating cash reserve budget to the extent that funds identified for crime reduction initiatives specified in the bill are not made available from the District's Contingency Reserve Fund. Because use of the District's operating cash reserve funds requires 30-days advance congressional notification before funds may be obligated or expended, it is necessary for the Mayor to also allocate funds from the District's Contingency Reserve Fund to meet the immediate fiscal requirements of the Emergency Crime Reduction initiatives.

Use of the Contingency Reserve Fund in this instance is consistent with the restrictions and requirements established under section 450A(b) of the District of Columbia Home Rule Act (Act).¹ Specifically, the Fund may be used to provide for unforeseen needs that arise during the fiscal year, including expenses associated with unforeseen or unexpected obligations created by a new public safety requirement that has been identified after the budget process. The Mayor's request for use of these funds for expenditures relating to the current proposed extension of the Crime Emergency in the District of Columbia is consistent with this requirement.

The Act requires that fifty percent (50 %) of any amount allocated from the Contingency Reserve Fund in any fiscal year be replenished during the next fiscal year and that the full amount shall be replenished in the second year following any such allocation. Also, any funds expended in FY 2007 from the District's Cash Reserve Fund must be replaced entirely in FY 2008.

1. Approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-204.50a(b)).