

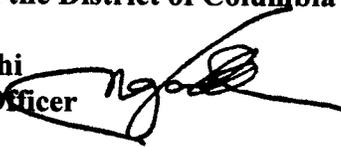
Government of the District of Columbia  
Office of the Chief Financial Officer



Natwar M. Gandhi  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chair, Council of the District of Columbia

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

**DATE:** APR -1 2008

**SUBJECT:** Fiscal Impact Statement: "Department of Small and Local Business Development Subcontracting Clarification, Benefit Expansion, and Grant-making Authority Amendment Act of 2008"

**REFERENCE:** Bill Number 17-444, Committee Print dated March 20, 2008

---

**Conclusion**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

**Background**

The proposed legislation would amend the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005<sup>1</sup> to:

- Clarify that construction contracts can meet the 35% subcontracting dollar value requirement<sup>2</sup> by including purchases from Small Business Enterprises (SBEs) that provide materials, goods, and supplies. Currently, all construction contracts must include a requirement that at least 35% of the dollar value, *excluding* the cost of materials, goods, and supplies, be subcontracted to SBEs;
- Clarify that the dollar value subcontracting requirement for *non-construction* contracts can include purchases from SBEs that provide materials, goods, and supplies;
- Provide the Department of Small and Local Business Development (DSLBD) grant-making authority; and

---

<sup>1</sup> Effective October 20, 2005. D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*

<sup>2</sup> Codified in D.C. Code § 2-218.46

- Make a number of technical corrections to the Act, including replacing the phrase "local, small, and disadvantaged" with "certified business enterprise."

### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Implementation of the proposed legislation would not have an impact on the FY 2008 through FY 2011 budget and financial plan.

The proposed legislation provides DSLBD grant making authority, but does not provide for any expenditure commitments related to this authority. Federal and District anti-deficiency laws<sup>3</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

---

<sup>3</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).