

**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
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: April 9, 2009

SUBJECT: Fiscal Impact Statement – “Intern Anti-Discrimination Amendment Act of 2009”

REFERENCE: Bill Number 18-62, Committee Print

Conclusion

Funds are not sufficient in the FY 2009 budget and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. Implementation of the proposed legislation would require an additional full-time-equivalent staff at \$73,748 annually. The fiscal impact in FY 2009 would be approximately \$30,000 and \$347,000 over the FY 2009 through FY 2013 budget and financial planning period.

Background

The proposed legislation would amend the D.C. Human Rights Act (DCHRA) to change the definition of employee to include unpaid interns.¹ Currently, the definition of “employee” under the DCHRA is based on the Title VII of the Civil Rights Act of 1964, which defines employee as an individual receiving some form of compensation from an employer.

The DCHRA protects individuals from discrimination for any reason other than that of individual merit, such as discrimination by reason of race, color, religion, national origin, sex, and age. If enacted, unpaid interns would have the same protections as employees from forms of discrimination prohibited under DCHRA by employers and, therefore, would have the same legal recourse as an employee under the law, if they were unlawfully discriminated against.

¹ Effective December 13, 1977 (D.C. Law 2-38; D.C. Official Code § 2-1401.02(9))

Currently, the D.C. Office of Human Rights (OHR) receives and investigates all complaints filed by individuals or organizations that believe they have been unlawfully discriminated against. The OHR currently staffs eight officers to conduct investigations, with an average of about 50 cases per officer. The OHR is required to close all employment-related cases within 210 days of the complaint being filed.

According to the OHR, there has been a 56 percent increase in the number cases at OHR in the first five month for FY 2009 when compared with the number of cases filed during the same time period in FY 2008.² If the proposed amendment were enacted, given the number of unpaid internships available in the District, the OHR expects the number of complaints to further increase; therefore, the OHR would need to hire an additional officer to help manage the increase in the caseload and prevent a backlog of cases from developing.

Financial Plan Impact

Funds are not sufficient in the FY 2009 budget and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed amendment.

The proposed amendment would require the Office of Human Rights to hire an additional full-time officer to implement the proposed legislation. Sufficient funds for this position have not been included in the budget and financial plan for OHR. The table and notes below describe in detail the cost impact of this position on the budget and financial plan.

Fiscal Impact on the Budget and Financial Plan						
B18-62 "Intern Anti-Discrimination Amendment Act of 2009"						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	5 Year Total
Compensation for Additional Officer ^a	\$24,583	\$75,960	\$78,239	\$80,586	\$83,004	\$342,373
One-time Mandatory Training ^b	\$5,000	-	-	-	-	\$5,000
Total Impact	\$29,583	\$75,960	\$78,239	\$80,586	\$83,004	\$347,373

^aTotal compensation for an additional full-time Officer (Grade 12/step 1), including fringe benefits, would be \$73,748. It is assumed the additional FTE would be hired once the legislation became effective and would be employed with the District for the last four months of the fiscal year. An inflationary adjustment of 3 percent was applied based on the Washington DC Area Consumer Price Index calculated by the Bureau of Labor Statistics (http://www.bls.gov/ro3/fax_9156.htm).

^b Mandatory training is required for the position.

² Director of OHR also noted that there has been an increase in job bias claims nationwide as a result of the economic situation and employment uncertainty (personal communication, April 3, 2009).