

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

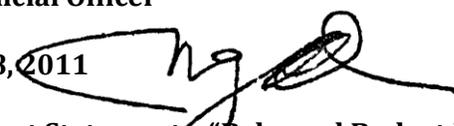


Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: January 28, 2011 

SUBJECT: Fiscal Impact Statement - "Balanced Budget Holiday Furlough
Emergency Act of 2011"

REFERENCE: Draft legislation shared with the OCFO on January 28, 2011

Conclusion

Funds are sufficient in the FY 2011 budget and to implement the provisions of the proposed legislation.

The proposed legislation is necessary to implement the planned furlough across all government agencies, offices, and independent instrumentalities, and thereby achieve the savings that are already incorporated into the FY 2011 budget.

Background

The proposed legislation outlines the basic structure of the four-day furlough policy that has been adopted through the FY 2011 Supplemental Budget Request Act.¹ Under the proposed legislation, when legally permissible, each agency, office, and independent instrumentality would be required to furlough each of its employees for four days without pay, for a total of 32 hours on the four specified holidays (Washington's Birthday on February 21, 2011, D.C. Emancipation Day on April 15, 2011, Memorial Day on May 30, 2011, and Independence Day on July 4, 2011). Agencies would have to give 15-day notice to their employees prior to the implementation of the furlough. Additionally essential and emergency personnel,² positions that are subject of a court order, and any other position deemed essential or emergency under an executive order would be exempt from furlough requirements.

¹ Enacted December 17, 2010 (D.C. Act 18-657, 58 D.C. Register 32).

² These include positions within the Metropolitan Police Department, and the Fire and Emergency and Medical Services Department.

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FIS: "Balanced Budget Holiday Furlough Emergency Act of 2011," Draft legislation shared with the OCFO on January 28, 2011

The furlough would be applicable to all government agencies subordinate to the Mayor, as well as all independent government agencies that are not subject to Mayoral rulemaking.³ All personnel cost savings achieved through the furlough would be transferred to the unrestricted fund balance of the General Fund.

Financial Plan Impact

Funds are sufficient in the FY 2011 budget to implement the proposed legislation. The projected savings from the proposed legislation have already been included in the revised FY 2011 budget.

The FY 2011 gap closing plan approved by the D.C. Council on December 7, 2011 includes a four-day furlough of all employees (with the exception of essential and emergency personnel). The revised FY 2011 budget included savings of approximately \$19.3 million from the implementation of the four-day furlough across the District government.

Based on the current intent of the Mayor, the OCFO estimates that savings could reach 19.6 million in FY 2011. Actual savings will depend on how these furloughs are implemented through Mayoral rulemaking, which is not yet publicly issued.

The proposed legislation is necessary to ensure that all D.C. Government agencies, offices and instrumentalities, and not just those subordinate to the Mayor, would follow the furlough requirements.

³Independent entities exempted from the furlough requirements include the Not-for-Profit Hospital Corporation, District of Columbia Housing Authority, District of Columbia Housing Finance Agency, Washington Convention and Sports Authority, District of Columbia Water and Sewer Authority, and Washington Metropolitan Area Transit Authority.