

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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer

DATE: November 21, 2018

SUBJECT: Fiscal Impact Statement – District Government Employee Residency
Amendment Act of 2018

REFERENCE: Bill 22-212, Draft Committee Print sent to the Office of Revenue
Analysis on November 20, 2018

Conclusion

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

Background

The bill makes several changes to the laws governing District government employment.

The bill changes¹ the proof of residency requirements for employees required to live in the District, such as employees who claimed residency to gain preference points while applying or those in specific positions, such as agency heads or Excepted Service employees. Currently these employees must submit eight items to prove they are District residents. The bill reduces the items to two: a District-issued license or identification, and proof that the employee's income is subject to the District income tax.

The bill also expands the list of employees who must live in the District to include highly-compensated employees, who are defined as persons appointed to Career, Educational, and Management Supervisory Service positions with salaries of \$150,000 or more a year.

¹ By amending Title I of the Jobs for D.C. Residents Amendment Act of 2007, effective February 6, 2008 (D.C. Law 17-108; D.C. Official Code § 1-515.01 et. seq.).

The Honorable Phil Mendelson

FIS: Bill 22-212, "District Government Employee Residency Amendment Act of 2018," Draft Committee Print sent to the Office of Revenue Analysis on November 20, 2018

Currently all employees subject to the District residency requirement must live in the District for seven consecutive years while employed. The bill allows this requirement to be waived for one year if the employee has a hardship beyond his or her control.

Currently the Mayor is required to audit employees' claims of residency and the bill makes the auditing requirements more specific, codifying details such as the frequency and scope of audits. It also requires that the Department of Human Resources (DCHR) have access to electronic records for the audits and residency verification, specifically Department of Motor Vehicle (DMV) records and income tax withholding data from the Office of Tax and Revenue (OTR).

The bill also streamlines the requirements for the reports the Mayor must submit to Council on employees' jobs, salaries, and residency status.

The bill also affects two very specific groups of employees: applicants who have exited the foster care system and administrative law judges. For those exiting the foster care system, the bill requires District residency within 180 days of leaving the system in order to receive the foster care hiring preference. It also makes the existing residency requirement for administrative law judges in the Office of Administrative Hearings consistent with the rest of the residency provisions of the bill.

Finally, the bill gets rid of outdated references to universal leave in the D.C. Code for employees who receive separate sick leave and vacation time instead of universal leave. This change will align the D.C. Code with current practice.

Financial Plan Impact

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

DCHR can implement the bill without additional resources. The agency is working toward data integration with DMV, and the cost of the data integration has been incorporated into the budget and financial plan. The agency will need to request individuals claiming District residency preference give permission to the Office of Tax and Revenue to share their withholding status with DCHR. The agency will have to develop new regulations and issue new reports, but that work has also been factored into the budget and financial plan.