

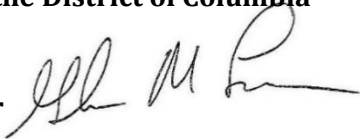
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: July 1, 2024

SUBJECT: Fiscal Impact Statement – Pay Our Youth a Fair Summer Wage
Amendment Act of 2024

REFERENCE: Bill 25-744, Committee Print as provided to the Office of Revenue
Analysis on June 17, 2024

Conclusion

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill will increase wages paid to Marion S. Barry Summer Youth Employment Program participants by \$8.9 million in fiscal year 2025 and \$38.4 million over the four-year budget and financial plan.

Background

The bill raises the wages for participants in the Department of Employment Services Marion S. Barry Summer Youth Employment Program¹ (MBSYEP). Wages for participants aged 14 and 15² are increased from \$6.25 per hour to \$10 per hour. Wages for participants aged 16 through 21³ are increased from \$8.25 to an hourly rate equal to the District's minimum wage.⁴ Wages for older participants are already set to the District's minimum wage.⁵

¹ <https://does.dc.gov/service/mayor-marion-s-barry-summer-youth-employment-program>

² D.C. Official Code § 32-242(a)(A)(ii).

³ D.C. Official Code § 32-242(a)(A)(iii).

⁴ D.C. Official Code § 32-1003.

⁵ D.C. Official Code § 32-242(a)(A)(iv).

The Honorable Phil Mendelson

FIS: Bill 25-744, "Pay Our Youth a Fair Summer Wage Amendment Act of 2024", Committee Print as provided to the Office of Revenue Analysis on June 17, 2024.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill will increase wages paid to Marion S. Barry Summer Youth Employment Program participants by \$8.9 million in fiscal year 2025 and \$38.4 million over the four-year budget and financial plan.

An estimated 4,500 participants aged 14 and 15 will receive \$3.25 in additional wages per hour. An estimated 6,850 participants aged 16 through 21 will receive an additional \$8.75 per hour in fiscal year 2025, and increasing each subsequent year along with increases in the minimum wage.⁶

The Department of Employment Services has \$18.1 million budgeted for program wages in fiscal year 2025. The fiscal impact in the chart below reflects the estimated cost above the estimated current law costs.

Pay Our Youth a Fair Summer Wage Amendment Act of 2024					
Fiscal Impact					
(\$ thousands)					
	FY 2025	FY 2026^(c)	FY 2027	FY 2028	Total
Cost of increased wages in the Summer Youth Program. ^{(a) (b)}	\$8,966	\$9,379	\$9,838	\$10,270	\$38,453

Table Notes:

- (a) 12,000 estimated participants (4,500 ages 14-15; 6,580 ages 16-21; 920 ages 22-24.)
- (b) Each age group has different maximum allowable hours of daily work during the six-week program. This analysis assumes 20 hours of work per week for ages 14-15, and 25 hours per week for ages 16-21.
- (c) The analysis uses the outlook for the Consumer Price Index for the Washington Area presented in the Office of Revenue Analysis Quarterly Revenue Estimate for February 2024 to estimate the minimum wage for fiscal years 2026 through 2028. (2.3% for fiscal year 2026, 2.5% for fiscal year 2027, and 2.3% for fiscal year 2028.) [https://ora-cfo.dc.gov/sites/default/files/dc/sites/ora-cfo/publication/attachments/February%20Revenue%20Estimate%20Certification_FEB%2029%202024_FINAL.pdf]

⁶ Minimum wage is increased in proportion to the annual average increase, if any, in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics of the U.S. Department of Labor. (D.C. Official Code § 32-1003(6)(A).).