

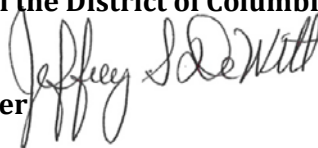
Government of the District of Columbia
Office of the Chief Financial Officer



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: June 28, 2017

SUBJECT: Fiscal Impact Statement – Subrogation Fund Establishment Act of 2017

REFERENCE: Draft bill provided to the Office of Revenue Analysis on June 28, 2017

Conclusion

Funds are sufficient in fiscal year 2017 and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

Background

The bill creates a non-lapsing special purpose fund called the Subrogation Fund (“Fund”), to be administered by the Chief Risk Officer (“CRO”). The bill directs revenue arising from subrogation¹ claims brought by or for the CRO, including revenue arising from subrogation claims referred by the CRO to the Office of the Attorney General for prosecution, to the Fund, except for the revenue currently incorporated into local fund revenue in the budget and financial plan. Currently, revenue received as a result of subrogation claims varies by agency, but some agencies deposit the revenue directly into the local fund.

The Fund may be used to repair and replace District property damaged or lost by negligence, and to pay for administrative costs related to subrogation within the Office of Risk Management and the Office of the Attorney General.

Financial Plan Impact

Funds are sufficient in fiscal year 2017 and the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

¹ Subrogation is defined in the bill as the right of the District to pursue claims against persons who caused loss or damage to District property.

The Honorable Phil Mendelson

FIS: "Subrogation Fund Establishment Act of 2017," draft bill as provided to the Office of Revenue Analysis on June 28, 2017.

The bill ensures that only subrogation revenue above the amount currently incorporated into the local fund revenue in the budget and financial plan will be directed to the new Fund. Because these local funds are the only subrogation revenues with a basis for estimation, there is no projection at this time for any revenues for the new special purpose revenue Fund. If additional revenues are received by the District and deposited into the Fund, the Office of Risk Management and the Office of the Attorney General would need to request budget authority in a supplemental or subsequent budget before spending such revenues.

Subrogation Fund Establishment Act of 2017 Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Amount of revenue remaining in the local fund	\$310	\$315	\$322	\$328	\$1,275