

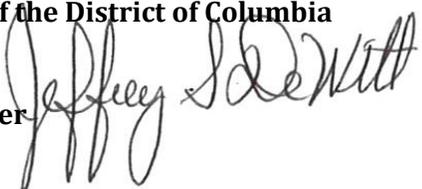
Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: May 27, 2014

SUBJECT: Fiscal Impact Statement – Fair Criminal Record Screening Act of 2014

REFERENCE: Bill 20-642, Draft Committee Print as Shared with the Office of Revenue Analysis on May 21, 2014

Conclusion

Funds are not sufficient in the proposed FY 2014 supplemental budget and the proposed FY 2015 through FY 2018 budget and financial plan to implement the bill. Implementation of the bill will increase personnel costs at the Office of Human Rights by approximately \$438,000 in FY 2015 and by approximately \$1.8 million over the four-year financial plan period.

During their May 14, 2014 budget mark-up, the Council of the District of Columbia's Committee on the Judiciary and Public Safety identified funding to implement this bill. Upon the Committee's recommendation being included in the final FY 2015 through FY 2018 budget and financial plan, funds will be sufficient to implement the bill.

Background

The bill prohibits a potential employer from inquiring about a person's past criminal convictions until after a first interview unless Federal or District law requires criminal history to be considered for a particular type of employment¹ or when the position is part of a Federal or District program designed to employ individuals with criminal histories. The bill also prohibits any inquiries into prior *arrests* or *criminal accusations*.

An individual aggrieved under the provisions of the bill has as his or her only remedy, the ability to file a complaint with the District's Office of Human Rights (OHR). OHR will receive, mediate, investigate, and adjudicate complaints and, when applicable, will take proper enforcement action, including monetary penalties. The penalties range from \$1,000 to up to \$5,000 based on the size of

¹ Such as employment with the Metropolitan Police Department or other law enforcement agencies.

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FIS: Bill 20-642, "Fair Criminal Record Screening Act of 2014," Draft Committee Print as shared with the Office of Revenue Analysis on May 21, 2014

the potential employer.² OHR is required to pay half the fine assessed on the potential employer to the aggrieved person.

The bill also requires OHR to maintain data and report annually on data on complaints filed with OHR, and its efforts to administer the bill's provisions and report annually to Council.

Financial Plan Impact

Funds are not sufficient in the proposed FY 2014 supplemental budget and the proposed FY 2015 through FY 2018 budget and financial plan to implement the bill.

The limited protections provided by the bill to persons with past convictions are expected to increase the number of cases filed with OHR. OHR would have to docket, investigate, and make a determination on each new case. The Office of Revenue Analysis estimates that OHR could receive over 400 additional intakes each year, resulting in approximately 140 new cases annually. To handle this additional work OHR would require three additional equal employment opportunity specialists (EEO) (for reviewing cases), one attorney (to make findings and determinations, and imposing remedies), and one intake specialist (to evaluate all claims when they are submitted to OHR and determine whether or not the actions qualify for referral to an EEO specialist for investigation). The table below outlines the estimated cost.

Estimated Cost of the Fair Criminal Record Screening Act of 2014 Bill 20-642 FY 2015 through FY 2018					
	FY 2015¹	FY 2016	FY 2017	FY 2018	Total
Three EEO Specialists ²	\$249,000	\$251,000	\$259,000	\$261,000	\$1,020,000
One Attorney/Hearings Officer ²	\$104,000	\$105,000	\$109,000	\$110,000	\$428,000
One Intake Specialist ²	\$65,000	\$65,000	\$68,000	\$69,000	\$267,000
Total Costs at OHR	\$418,000	\$421,000	\$436,000	\$440,000	\$1,715,000

Table Notes:

¹ It is assumed the legislation would be implemented on October 1, 2014.

² Total personnel costs include the salary and fringe benefits.

² Specifically, the penalties can be up to \$1,000 for employers with 11 to 30 employees, up to \$2,500 for employers with 31 to 99 employees, and up to \$5,000 for employers with 100 or more employees.