

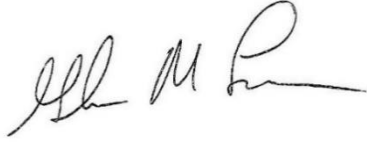
Government of the District of Columbia
Office of the Chief Financial Officer



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: November 22, 2022

SUBJECT: Fiscal Impact Statement – Child Wealth Building Amendment Act of 2022

REFERENCE: Bill 24-1034, Draft Committee Print as provided to the Office of Revenue Analysis on October 28, 2022

Conclusion

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill.

Background

The Child Wealth Building program¹ is a District funded and managed investment program for children born and residing in the District who are born with medical coverage provided by Medicaid, and whose household incomes do not exceed 300 percent of the Federal Poverty Level. Annual deposits are made into an account for eligible children until the child turns 18. At age 18, the participant may receive a disbursement of funds to be used for education, ownership or investment in a District business, property ownership in the District, or retirement savings.

Current law requires the program to establish a separate trust fund² for each child to be managed separately by the District. The bill repeals the requirement that separate trust funds be established for each participant, and instead requires that there are designated amounts for each enrollee within a single investment fund managed by the District.

¹ Child Wealth Building Act of 2021, effective February 18, 2022 (D.C. Law 24-53; 68 DCR 013227)

² D.C. Official Code § 4-681.02.

The Honorable Phil Mendelson

FIS: Bill 24-1034, "Child Wealth Building Amendment Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on October 28, 2022.

The bill requires that parental consent be provided for a child's enrollment in the program. Under current law³, children born in the District will be automatically enrolled.

The bill requires the Department of Human Services to annually provide the Office of the Chief Financial Officer with the number of eligible children in the program, as well as demographic information to include in an annual report to Council.

Lastly, the bill extends the deadline for the Office of the Chief Financial Officer to issue rules for the program to December 31, 2022.

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. Changes to the legal structure of participant funds and other administrative requirements established by the bill do not have a cost.

³ D.C. Official Code § 4-681.05.