

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: December 15, 2003

SUBJECT: Fiscal Impact Statement: "December Use of the Cash Reserve
Funds Emergency Act of 2003"

REFERENCE: Draft Legislation as Introduced

Conclusion

Funds are sufficient in the FY 2004 budget to implement the provisions of the proposed legislation.

Background

The proposed legislation requires that \$500,000 be made available from the District's FY 2004 cash reserve funds to implement the spending requirements of Bill 15-064 "The Police and Fireman's Service Longevity Amendment Act of 2003." Bill 15-064 requires the inclusion of active military and other creditable service in the calculation of longevity service eligibility associated with the Police and Fireman's Retirement Fund.

The proposed legislation requires that funds made available by this bill may not be expended unless future funding to support the provisions of Bill 15-064 is included in the FY 2005 budget, and the FY 2005 to FY 2010 budget and financial plan is passed by the Council of the District of Columbia and transmitted to the U.S. Congress.

Financial Plan Impact

The District Office of Personnel engaged Cheiron to perform an actuarial study to estimate the financial impacts of Bill 15-064 on the Police and Fireman's Retirement Fund. Cheiron concluded that the District would need \$500,000 annually to fund the initiative. The proposed legislation provides the District sufficient resources for the first year of implementation.