

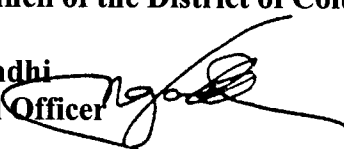
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: DEC 29 2008

SUBJECT: Fiscal Impact Statement: "Accrued Sick and Safe Leave Act Regulations Approval Resolution of 2009"

REFERENCE: Draft Resolution

Conclusion

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the proposed resolution.

The proposed resolution has a minimal cost that can be absorbed by the District of Columbia agencies affected by this resolution.

Background

Approval of the proposed resolution would authorize rules that govern the paid sick and safe day benefits District of Columbia employers, including the District of Columbia government, must offer to their employees. The underlying legislation for these rules, D.C. Law 17-0152, requires that District employers offer one hour of paid leave for every 37 to 87 hours worked, depending on the size of the firm, to every employee who has worked for at least 1,000 hours and have been employed for a 12 month period by the same employer. The rulemaking that would be authorized by the proposed resolution regulates the administration of the paid sick and safe day benefits.

Financial Plan Impact

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the proposed resolution.

Methodology Appendix

Prior to the effective date of D.C. Law 17-0152, District government employees hired under the "When Actually Employed" ("WAE") provisions (governed by section 824 of the District Manual) were not eligible for benefits. These positions are intended to fill a temporary need or temporarily fill a permanent need. The maximum contract term for a WAE position is one year, but no limitations exist on renewals.

According to the data obtained from the District of Columbia Department of Human Resources (DCHR), the District government has 698 employees that do not currently receive any benefits but would be eligible under the new law. Four hundred and twelve of these employees are employed by the University of District of Columbia, and they include faculty and instructor positions that are not for a full year, and are often offered through non-WAE contracts. The OCFO did not receive detailed information on the pay structure of these employees. We eliminated from the analysis teaching and tutoring positions, but kept in the potentially eligible list other positions that might be year-round jobs, based on the job title. Of this group, 179 are expected to work enough days and hours to qualify for paid sick leave benefit in FY 2009. For every fiscal year between 2010 and 2012, 186 employees are expected to qualify. Approximately twenty District agencies and entities have WAE employees. Given the minimal impact in each agency (see Table 2), agencies can absorb the costs associated with the proposed legislation.

Table 1 provides the estimated aggregate fiscal impact for the FY 2009 Budget and FY 2009 – FY 2012 financial plan period.

Table 1 Aggregate Fiscal Impact of the Proposed Resolution Accrued Sick and Safe Leave Act Regulations Approval Resolution of 2009					
	FY2009	FY2010	FY2011	FY2012	Total
Total WAE Employees	698	698	698	698	
Eligible Employees	179	186	186	186	
Average Hours Worked	1649	1608	1608	1608	
Average Hourly Salary ^a	\$14.77	\$15.36	\$15.97	\$16.61	
Average Benefit Hours	44.56	43.46	43.46	43.46	
Total Sick Pay Estimate	\$88,345	\$124,939	\$129,119	\$134,284	\$476,687
Taxes ^b	\$9,718	\$13,743	\$14,203	\$14,771	\$52,436
Net Fiscal Impact	\$98,063	\$138,682	\$143,322	\$149,055	\$529,122

^a A 4 percent cost of living adjustment is included in the analysis.

^b It is assumed that the payroll taxes are 11 percent of base salary.

Table 2 provides the agency-by-agency break down of estimated eligible WAE employees and the corresponding cost estimates for FY 2009.

Table 2 Estimated Agency-by-Agency Breakdown of Eligible Employees and the Value of the Paid Sick Leave FY 2009		
Agency	Eligible Employees	Estimated Cost
Council of the District of Columbia	6	\$3,343
Department On Disability Services	1	\$557
Elections and Ethics, Board of	1	\$557
Employee Appeals, Office of	2	\$1,114
Employment Services, Department of	3	\$1,672
Environment, Department of the	6	\$3,343
Executive Office of the Mayor	1	\$557
Health, Department of	6	\$3,343
Human Resources, Department of	20	\$11,144
Human Services, Department of	2	\$1,114
Libraries	34	\$18,944
Lottery and Charitable Games Control Board	1	\$557
Mental Health, Department of	6	\$3,343
Motor Vehicles, Department of	1	\$557
Office of the Chief Financial Officer	23	\$12,815
Parks and Recreation, Department of	48	\$26,744
Retirement Board	7	\$3,900
Transportation, District Department of	6	\$3,343
Youth Rehabilitation Services, Department of	2	\$1,114
TOTAL	176	\$98,061.00