

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: September 10, 2020

SUBJECT: Fiscal Impact Statement – Diverse Emerging Fund Managers and Reporting Requirements Amendment Act of 2020

REFERENCE: Bill 23-606, Committee print provided to the Office of Revenue Analysis on September 10, 2020

Conclusion

Funds are sufficient in the fiscal year 2021 thorough 2024 budget and financial plan to implement the bill.

Background

The bill requires the District of Columbia Retirement Board (“the Board”) to report, as part of the Board’s Annual Report¹, information on its efforts to utilize “diverse emerging fund managers” for asset management. The bill defines diverse emerging fund managers as firms with assets of \$2 billion or less, subject to inflationary growth rates, with substantial diversity among its senior leadership or ownership (as defined by the Board). The report must include data on race, gender, and fund size.

Additionally, the bill moves existing required reports on divestment and holdings related to Sudan² and Iran³ to the Board’s Annual Report. Currently these reports are provided separately to Council.

¹ D.C. Official Code § 1-909.02.

² DC. Official Code § 1-335.04.

³ D.C. Official Code § 1-336.04

The Honorable Phil Mendelson

FIS: "Diverse Emerging Fund Managers and Reporting Requirements Amendment Act of 2020," Bill 23-606,
Committee Print provided to the Office of Revenue Analysis on September 10, 2020.

Financial Plan Impact

Funds are sufficient in the fiscal year 2021 thorough 2024 budget and financial plan to implement the bill. The District of Columbia Retirement Board ("the Board") can report the required information on emerging fund managers within current resources. The Board already provides reports on holdings related to Sudan and Iran, so moving those reports to the Annual Report has no cost.