


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: November 19, 2020

SUBJECT: Fiscal Impact Statement – Commission on Poverty Establishment
Amendment Act of 2020

REFERENCE: Bill 23-90, Draft Committee Print provided to the Office of Revenue
Analysis on November 10, 2020

Conclusion

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost approximately \$498,000 in fiscal year 2021 and \$2,432,000 over the four-year financial plan.

Background

The bill establishes the Commission on Poverty.

The Commission will study issues surrounding poverty, evaluate current and previous poverty-reduction initiatives in the District and the U.S. to determine their effectiveness, and make continuing recommendations to the Mayor and D.C. Council for strengthening the economic status of persons in poverty in the District. The Commission must also

- Develop and publish a comprehensive strategic plan, every five years, for the reduction of poverty in the District, and publish annual progress reports on the poverty-reduction plan;
- On an ongoing basis and in preparation for issuance of its annual report, conduct studies and review the progress of programs and District agencies engaged in addressing poverty;
- Meet six times a year, to include four listening sessions in District communities;
- Establish and maintain a publicly accessible website;
- Conduct subject matter expert forums; and

- Review and comment on proposed District legislation, including the Mayor's annual budget submission to the Council, and regulations, policies, and programs that address or may have an effect on poverty, among other duties.

The Commission will consist of 8 appointed members representing each Ward, who are or have recently been in poverty at time of appointment; 11 appointed at-large members who have experience in public policy or programs related to poverty; and 7 ex-officio members representing various District agencies. Appointed members will serve without compensation but can be reimbursed for certain expenses.¹

To conduct this work, the bill requires the Commission to have at least three staff members, one of whom will be an executive director appointed by the Mayor. The staff will assist in the preparation of the poverty-reduction plan and annual reports, conduct the administrative activities of the Commission, and perform other duties. The staff may retain outside consultants to assist with preparation and drafting poverty-reduction plan and annual reports.

The bill requires the Mayor to provide sufficient office space and technical and administrative support to assist the Commission and its staff in meeting the goals mandated by the bill.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost approximately \$498,000 in fiscal year 2021 and \$2,432,000 over the four-year financial plan. The majority of the cost comes from staffing for the commission, estimated at roughly \$415,000 a year to support salaries and benefits for three FTEs, including an executive director and two support staff. The estimated the cost of office space, furnishings, supplies, devices, and software for these FTEs is \$49,000 during the first year and \$43,000 in subsequent years, .

The cost estimate also includes \$150,000 a year for a consultant to assist in writing the comprehensive strategic plan and annual progress reports, and conduct studies relevant to the reports.

While the appointed Commission members will be unpaid, they will be eligible for reimbursement of travel expenses, which could total up to \$1,710 a year.

Creating and maintaining a public website and conducting public meetings, listening sessions, and expert forums will incur additional expenses, which are expected to cost \$25,000 and \$10,000 a year, respectively.

The costs of the bill are in the table below, with the fiscal year 2021 cost pro-rated for 9 months of the fiscal year due to an assumed January 2021 implementation date.

¹ Pursuant to section 1108(d) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-611.08(d)).

The Honorable Phil Mendelson

FIS: "Commission on Poverty Establishment Amendment Act of 2020," Bill 23-90, Draft Committee

Print provided to the Office of Revenue Analysis on November 10, 2020.

Fiscal Impact of the Commission on Poverty Establishment Amendment Act of 2020, Fiscal Years 2021 - 2024					
	FY 2021^(a)	FY 2022	FY 2023	FY 2024	Four-Year Total
Commission Staff (3 FTEs) ^(b)	\$309,247	\$413,445	\$414,577	\$415,726	\$1,552,995
Consultant for Report Preparation	\$112,500	\$150,000	\$150,000	\$150,000	\$562,500
Travel Reimbursement for Appointed Members ^(c)	\$1,283	\$1,710	\$1,710	\$1,710	\$6,413
Website Creation and Maintenance	\$18,750	\$25,000	\$25,000	\$25,000	\$93,750
Office Space, Furnishings, Supplies, Devices, and Software ^(d)	\$49,159	\$43,212	\$43,212	\$43,212	\$178,795
Meeting, Listening Session, and Forum Expenses	\$7,500	\$10,000	\$10,000	\$10,000	\$37,500
TOTAL COST	\$498,439	\$643,367	\$644,499	\$645,648	\$2,431,952

Table Notes:

^(a) Costs assume bill goes into effect in January 2021 and therefore costs are pro-rated for three-quarters of the fiscal year, except for one-time expenses.

^(b) Assumes Executive Director receives a salary equivalent to the midpoint of a CS Grade 17/18, and the two other staff have salaries of CS Grade 12/5. Fringe benefits are assumed to increase costs by 22% and are expected to grow 1.5% a year.

^(c) Allows the 19 appointed members to receive the maximum reimbursement allowed, \$15, for each of the 6 meetings required by the bill.

^(d) Includes costs for three computers, desk phones, and cell phones; 600 sq. ft. office space; furnishings for three workstations; common area expenses including a printer/copier; supplies and materials for three staff; software licenses for three staff.