

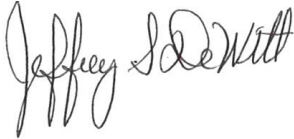
Government of the District of Columbia
Office of the Chief Financial Officer



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: December 6, 2016

SUBJECT: Fiscal Impact Statement – Council Financial Disclosure Amendment Act of 2016

REFERENCE: Bill 21-332, Draft Committee Print as shared with the Office of Revenue Analysis on November 30, 2016

Conclusion

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will cost \$94,000 in fiscal year 2017 and \$235,000 over the four-year financial plan period.

Background

The bill clarifies the definition of a public official subject to the District's ethics laws¹ to include the District's WMATA board appointees and Council employees who are paid at or higher than the rate of the midpoint of the Excepted Service 9 pay scale.²

Public officials, with limited exceptions,³ must file a financial disclosure form on an annual basis with the Board of Ethics and Government Accountability (BEGA). The bill's amended definition of a public official to include the District's WMATA board appointees now makes them subject to the annual financial disclosure requirement. The bill also establishes that the Chairman of the Council and each Councilmember must file the form semiannually⁴ and that BEGA must publish in the D.C.

¹ Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1161.01 et seq.).

² As of fiscal year 2017, the Excepted Service 9 pay scale midpoint is \$130,418.

³ Exceptions include Advisory Neighborhood Commissioners and candidates for elections to public office who are not otherwise required to file.

⁴ The Council disclosures are due by 11:59 PM on May 15th and November 15th of each year. Annual filers continue to file by 11:59 PM on May 15th of each year.

The Honorable Phil Mendelson

FIS: Bill 21-332, "Council Financial Disclosure Amendment Act of 2016," Draft Committee Print as shared with the Office of Revenue Analysis on November 30, 2016

Register the filing status of Councilmembers on a semiannual basis. The bill requires each agency head and the General Counsel of the Council to provide BEGA with a list of all public officials subject to the financial disclosure requirements.

Separate from public officials, public employees who are responsible for certain government functions, such as contracting, procurement, land use planning, and auditing, must file a confidential financial disclosure form with their agency heads to reveal potential conflicts of interest. The bill establishes a separate requirement for Council employees to file the confidential disclosure form to the Council's General Counsel. The bill requires any agency to retain these confidential forms for six years.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill establishes distinct financial disclosure requirements for Councilmembers and Council staff. BEGA indicated that its current staff does not have the capacity to facilitate the biannual Councilmember filings and must add a part-time employee and perform a one-time update to its e-filing system to manage this provision. Implementation of this provision will cost \$94,000 in fiscal year 2017 and \$185,000 over the four-year financial plan period.

Council Financial Disclosure Amendment Act of 2016 Implementation Costs of Bill 21-332 Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Total
Personnel	\$44,000	\$45,000	\$47,000	\$49,000	\$185,000
E-file System Update	\$50,000	\$0	\$0	\$0	\$50,000
Total	\$94,000	\$45,000	\$47,000	\$49,000	\$235,000

The Council can absorb any costs associated with its receipt of the confidential disclosure forms and the provision of a list of relevant employees to BEGA. BEGA can also absorb the costs of the new filing requirement for the District's WMATA board members within its existing resources.