


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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: October 18, 2011

SUBJECT: Fiscal Impact Statement – “Unemployment Compensation Claim Processing Efficiency Emergency Amendment Act of 2011”

REFERENCE: Draft legislation shared with OCFO on September 23, 2011

Conclusion

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would allow¹ the Department of Employment Services (DOES) to communicate with claimants, employers, or other parties relevant to administration of unemployment compensation programs by way of electronic mail or similar forms of communication. Recipients would be able to select a method for receiving DOES correspondence, notices, determinations, or decisions from a set of communications options to be approved by the DOES Director. The proposed legislation would also allow the DOES Director to sign such communications using an electronic signature.

Financial Plan Impact

Funds are sufficient in the FY 2012 through FY 2015 budget and financial plan to implement the provisions of the proposed legislation.

¹ The bill amends the District of Columbia Unemployment Compensation Act of 1935, effective August 28, 1935 (49 Stat. 951; D.C. Official Code § 51-111).

The Honorable Kwame R. Brown

FIS: "Unemployment Compensation Claim Processing Efficiency Emergency Amendment Act of 2011," Draft legislation shared with OCFO on September 23, 2011

Most unemployment compensation claimants already choose to receive correspondence electronically, but current law requires DOES to also send the notifications in writing. The proposed legislation will reduce this redundancy, and thus save money on postage and paper. DOES estimates these savings to be in excess of \$1 million per year. Because postage and paper costs are allowable administrative costs paid from the Unemployment Insurance Trust Fund (UITF), any savings would remain dedicated to administration of the UITF and would not generate a local revenue impact.