



# Fiscal Impact Statements

OFFICE OF THE BUDGET DIRECTOR  
COUNCIL OF THE DISTRICT OF COLUMBIA

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# What is a fiscal impact statement?

A fiscal impact statement (FIS) provides an estimate of the impact a bill or resolution has on the District's expenditures and revenues.

A FIS includes:

- The current year costs that would result from the enactment of the measure
- The costs over the four-year financial plan
- Whether funds are sufficient to implement the legislation

A FIS is required by law.

## What is the purpose of a FIS?

By law, the District's budget must be balanced.

Planned expenditures cannot exceed the expenditure levels set in the Local Budget Act for that fiscal year.

The FIS requirement helps ensure that any legislative action taken after the annual budget process takes into consideration the budgeted resources.

When a FIS states that "funds are not sufficient" this means that the cost of the measure cannot be supported by existing budgeted resources.

## How is a FIS scored?

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A fiscal impact is the difference between the baseline four-year financial plan and the expenditure necessary to implement the legislation.

A FIS analyzes the direct budgetary impact and does not address the indirect impacts of legislation.

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**Expenditure impacts:** When estimating expenditure impact, the analyst discusses the proposed activities with the agency to identify implementation costs. If time permits, the analyst reviews other jurisdictions with similar programs and researches the impact similar proposals have had there.

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**Revenue impacts:** If the legislation involves taxes, the analyst works with the ORA revenue team on tax proposals and OTR on tax abatements; for new or reduced/increased fines and fees, the analyst works with the agency and reviews other jurisdictions.

# Who prepares a FIS and when?

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## **Permanent bills, resolutions, contracts**

OCFO's Office of Revenue Analysis (ORA) prepares the FIS for all permanent bills, resolutions, and contracts.

For permanent bills, the FIS must be circulated before committee markup. In the event of a sequential referral, a FIS is required at each markup.

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## **Emergency and temporary bills, amendments**

ORA provides the FIS for a mayoral emergency.

The Budget Director provides the FIS for a Council emergency, temporary, and amendment.

The FIS must be circulated before the Council votes on the measure.

# FIS Request Process – ORA

*permanent bills*

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- Communicate with your ORA analyst when you're working on the committee print to discuss potential implementation costs that may exist for different choices.
- Council rules require that a FIS from the CFO must be circulated prior to markup. To accommodate this timing, you must contact your ORA analyst **before you schedule the markup** to ensure they can have the FIS in time. The analyst will provide an estimate of when the FIS can be completed.
- Please send the draft print (and a comparative print if the bill is amendatory) to your ORA analyst.
- Questions? Contact Deborah Freis, ORA's Director of Fiscal and Legislative Analysis, at [Deborah.Freis@dc.gov](mailto:Deborah.Freis@dc.gov) or (202) 741-8695.

# FIS Request Process – Budget Office

*emergency & temporary bills, amendments, revenue bonds*

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- Email your FIS request to the Budget Analyst assigned to that topic area (see slide 12). If you're not sure where your measure falls, email Jennifer Budoff, Budget Director, at [jbudoff@dccouncil.gov](mailto:jbudoff@dccouncil.gov).
- Include the measure and, per Council rules, a **comparative print**. If you have questions about what that looks like, contact Anne Phelps, Budget Counsel, at [aphelps@dccouncil.gov](mailto:aphelps@dccouncil.gov).
- Send the request as soon as possible **before** the measure is circulated. Budget Analysts need time to review the language and discuss possible impacts with the relevant agencies.
- If you want **confidentiality** before circulation, tell us. We'll respect that and do what analysis we can in the interim.
- If you make changes or decide to withdraw, let the Analyst know ASAP.



# Special situations

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All permanent bills, resolutions (with some exceptions), emergency measures, amendments, and revenue bonds require a FIS. However, for:

- **Emergency legislation that conforms to a permanent measure**, the FIS prepared for the permanent measure suffices.
- **Congressional review emergencies** that are identical (except for technical changes) to the preceding emergency measure, the FIS for the bill pending congressional review suffices.
- **Contract or reprogramming approval**, the Certification of Funding Availability supplied by the Agency Fiscal Officer suffices.
- **Emergency legislation on the Mayor's behalf**, the executive is responsible for requesting a FIS from ORA.



# FIS language in a measure

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The bill's FIS clause will differ depending on the measure. See section 5.1 of the drafting manual.

**Sec. 3. Fiscal impact statement.**  
The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

**statement for permanent bill**

**Sec. 3. Fiscal impact statement.**  
The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

**Example 34. Fiscal impact statement for emergency and temporary legislation (FIS prepared by the Budget Director)**

**Sec. 3. Fiscal impact statement.**  
The Council adopts the fiscal impact statement in the committee report for the Teachers' Retirement Amendment Act of 2013, passed on 1st reading on May 7, 2013 (Engrossed version of Bill 20-64), as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

**Example 35. Fiscal impact statement for emergency bill that references the committee report in a permanent bill**

# Can legislation be passed without funding to implement it?

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Yes, **permanent legislation** may be passed with a provision commonly referred to as a “subject to appropriation” clause.

- Legislation passed subject to appropriation will not be applicable until it receives funding through the budget process or until the Chief Financial Officer certifies that funds are available.

- All or part of a bill may be made subject to appropriation; **any measure moving subject to appropriation should include an applicability provision to reflect this.**

- Work with the Council Budget Office and the Office of the General Counsel to ensure the applicability provision accurately represents the FIS and is properly drafted.

- Note that any legislation passed subject to appropriation that remains unfunded for two fiscal years shall be subject to repeal in the Budget Support Act on the third fiscal year following its enactment (Council rule 736).

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As a procedural matter, emergency acts that would be subject to appropriation have been ruled out of order unless they can be funded during the 90-day effective period.

# Where to find fiscal impact statements

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ORA FISCAL IMPACT  
STATEMENTS

[OCFO FIS DATABASE](#)

BUDGET OFFICE FISCAL  
IMPACT STATEMENTS

[BUDGET OFFICE  
WEBSITE](#)

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