



2017 SEP 18 AM 9:00  
OFFICE OF THE  
SECRETARY

**MURIEL BOWSER**  
MAYOR

SEP 18 2017

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW, Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council is the "2018 Unemployment Compensation Maximum Weekly Benefit Amount Increase Approval Resolution of 2017." This resolution is presented in accordance with section 2112 of the Unemployment Benefits Modernization Act of 2016, effective October 8, 2016 (49 Stat.946, D.C. Law 21-169; D.C. Official Code § 51-107(b)(3)), which requires an annual review of the Maximum Weekly Benefit Amount by the Director of the Department of Employment Services.

I am further enclosing the letter of Director Odie Donald setting forth his reasons for recommending an increase in the Maximum Weekly Benefit Amount from \$425 to \$432. As benefit claims are filed and paid on the basis of calendar weeks, the increased amount would apply to all claims effective January 7, 2018.

I urge the Council to take prompt and favorable action on the enclosed resolution. Please do not hesitate to contact me or DOES Director Odie Donald should the Council require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written over a large, stylized flourish.

Muriel Bowser

Enclosures

  
Chairman Phil Mendelson at  
the request of the Mayor

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6 A PROPOSED RESOLUTION  
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9 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
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13 To approve the recommendation of the Director of the Department of Employment Services to  
14 increase the maximum weekly benefit amount under The District of Columbia  
15 Unemployment Compensation Act to \$432, effective January 6, 2018.  
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17 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution  
18 may be cited as the "2018 Unemployment Compensation Maximum Weekly Benefit  
19 Amount Increase Approval Resolution of 2017."  
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21 Sec. 2. Pursuant to section 7(b)(3) of the District of Columbia Unemployment  
22 Compensation Act, approved August 28, 1935 (49 Stat. 949; D.C. Law 21-160, effective October  
23 8, 2016; D.C. Official Code § 51-107(b)(3)), the Council approves the recommendation of the  
24 Director of the Department of Employment Services to increase the maximum weekly benefit  
25 amount for unemployment compensation benefit claims effective January 6, 2018 to \$432.

26 Sec. 3. The Council adopts the fiscal impact statement of the Chief Financial Officer as  
27 the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule  
28 Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

29 Sec. 4. This resolution shall take effect immediately.


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:** June 27, 2017

**SUBJECT:** Fiscal Impact Statement – 2018 Unemployment Compensation  
Maximum Weekly Benefit Amount Increase Approval Resolution of  
2017

**REFERENCE:** Draft Bill sent to the Office of Revenue Analysis on June 13, 2017

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**Conclusion**

Funds are sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

**Background**

The resolution approves<sup>1</sup> a recommendation from the director of the Department of Employment Services (DOES) to increase the maximum weekly unemployment benefit from \$425 to \$432 beginning January 6, 2018. The director's recommendation is authorized under a new law<sup>2</sup> allowing him to annually recommend an increase to the maximum weekly benefit no higher than the increase in the Consumer Price Index<sup>3</sup>. The increase will take effect unless Council passes a resolution disapproving the recommendation.

**Financial Plan Impact**

The subtitle will increase expenditures in the Unemployment Insurance Trust Fund and the Unemployment Compensation Fund, both managed by the Department of Employment Services. The Unemployment Trust Fund is not a part of the District's budget. It holds the unemployment

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<sup>1</sup> Pursuant to section 7(b)(3) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 949; D.C. Law 21-160, effective October 8, 2016; D.C. Official Code § 51-107(b)(3)).

<sup>2</sup> The "Unemployment Benefits Modernization Amendment Act of 2016", passed as a part of the FY 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; 63 DCR 12932).

<sup>3</sup> The Consumer Price Index for urban consumers in the Washington metropolitan statistical area.

The Honorable Phil Mendelson

FIS: "2018 Unemployment Compensation Maximum Weekly Benefit Amount Increase Approval Resolution of 2017," Draft Bill sent to the Office of Revenue Analysis on June 13, 2017

taxes paid by employers and is used to pay unemployment benefits. The District does not pay unemployment taxes; rather it reimburses the Trust Fund for all benefits paid to recipients who were District government employees. The Unemployment Compensation Fund holds the budget for the reimbursed amounts.

The amount of the increase in payments from the Trust Fund depends on economic conditions and the characteristics of claimants. If the number of claimants receiving the maximum benefit remained similar to the number in fiscal years 2015 and 2016 (about 7,000 to 8,000 claimants), and the number of weeks they received benefits remained about the same (13 to 14 weeks), Trust Fund payments would increase by about \$800,000 a year. If economic conditions worsened or future claimants had higher incomes than past claimants, the increase in payments would be higher.

Any increase in Trust Fund benefits increases the likelihood that certain economic conditions could trigger an increase in unemployment taxes to balance the fund, but the increase proposed in this resolution is not expected to be large enough for this to occur in the current financial period. DOES projects that the Trust Fund balance will continue to grow<sup>4</sup>, even with the increase in benefits, if current economic conditions continue or remain similar to those of the past 25 years. Currently the Trust Fund has a balance of \$463 million.

The increase in benefits to former District government employees can be absorbed in the Unemployment Compensation Fund. The fiscal year 2018 budget for this fund is about \$6.8 million, the same as fiscal year 2017, and in fiscal year 2017 the expected spending from the Compensation Fund is \$4.6 million or less.

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<sup>4</sup> Along with the Average High Cost Multiple, an actuarial metric of adequacy that measures how many years of benefits the fund balance could pay. The U.S. Department of Labor recommends the Average High Cost Multiple remain above 1. DOES projects the Average High Cost Multiple will grow to 1.68 if current economic conditions continue, and to 1.07 if conditions are similar to those of the past 25 years.

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL



KARL A. RACINE  
ATTORNEY GENERAL

LEGAL COUNSEL DIVISION

MEMORANDUM

**TO:** Lolita S. Alston  
Director  
Office of Legislative Support

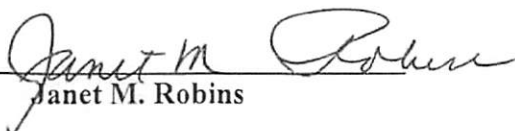
**FROM:** Janet M. Robins  
Deputy Attorney General  
Legal Counsel Division

**DATE:** August 28, 2017

**SUBJECT:** Legal Sufficiency Review of Resolution, the "2018 Unemployment  
Compensation Maximum Weekly Benefit Amount Increase Approval  
Resolution of 2017."  
(AE-17-360)

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**This is to Certify that** this Office has reviewed the above-referenced legislation and has found it to be legally sufficient. If you have questions regarding this certification, please do not hesitate to contact me at 724-5524.

  
Janet M. Robins