

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: July 8, 2003

SUBJECT: Fiscal Impact Statement: "Reorganization Plan No. 1 of 2003 for the Office of Risk Management Approval Resolution of 2003"

REFERENCE: No Number - Draft Resolution as Introduced

Conclusion

Funds are sufficient in the FY 2003 Budget and the FY 2004 through FY 2007 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. No additional staff or resources will be required.

Background

The proposed resolution approves a reorganization of risk management offices and functions in the Executive Office of the Mayor (EOM) and other agency personnel with similar operations. The proposed plan does two things: It dissolves statutory authority of the old Office of Risk Management (ORM) and other agency authorities as those functions appear piece-meal throughout the government; and, then it reorganizes them under one centralized office and authority.

The proposed resolution dissolves the old Office of Risk Management in EOM and re-establishes an office under the same name in EOM with broader responsibilities and authority. The resolution will establish a Chief Risk Officer as the director of the new office. The new office is a public sector entity that will retain the state authority and functions to administer the District's disability compensation program.

The Department of Employment Services (DOES) will transfer the functions and operations of the Safety and Health Management Program. ORM will become the public sector entity authorized to administer the program.

Operations associated with claims for unliquidated damages filed against the District and administration of the Settlements and Judgments Fund will be transferred from the Office of the Corporation Counsel (OCC) to ORM. Similarly, operations associated only with the risk management aspects of the safety and physical protection of District government-owned facilities will be transferred from the Office of Property Management (OPM), Protective Services Division (PSD). ORM would become the regulator of standards and protocols.

The authority for purchasing insurance for District assets will be assigned to ORM rather than to directors of District agencies. In addition, personnel in each of approximately 40 District agencies that perform risk management functions will report to the Chief Risk Officer. The proposed legislation will establish the Risk Management Council to statutorily authorize those persons in their current functions.

Financial Plan Impact

Funds are sufficient to implement the provisions of the proposed resolution. The proposed resolution will not affect local General Fund revenue.

The proposed ORM will retain all personnel and resources of the old office to perform disability compensation and other operations. This office will absorb the functions transferred from DOES, OPM/PSD and OCC. Certain new functions do not require additional staff or resources, and in the case of others, resources have been allocated from one agency to another with the proposed change in authority. All personnel and operations required to implement the proposed plan are included in the FY 2003 budget and the approved FY 2004 through FY 2007 budget and financial plan.

The Chief Financial Officer's legislative fiscal analysis is prepared by the Special Projects and Fiscal Analysis Administration in the Office of Research and Analysis. Contact us at 441 4th Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.