

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 [signature]
Chief Financial Officer

DATE: April 6, 2004

SUBJECT: Fiscal Impact Statement: "Omnibus Public Safety Agency Reform Amendment Act of 2004"

REFERENCE: Bill Number 15-032 as Introduced

Conclusion

Funds are sufficient in the FY 2004 budget, but not in the proposed FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. Although the District will incur costs in the out-years the Mayor and the Council of the District of Columbia will develop two successive consensus budget and financial plans before incurring a majority of those costs. The District has sufficient resources to absorb all FY 2004 and FY 2005 costs. **It is estimated that the District will require \$15.1 million beginning in FY 2006 and \$47.6 million from FY 2006 through FY 2008 to offset unbudgeted expenditures.**

Federal and District anti-deficiency laws, 31USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et Sequitor* (2003), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the District determine that funding is available to absorb the additional costs, then the fiscal impact would be zero. For all subsequent years, the additional expenditures must be included as budgeted expenditures.

The purpose and the impact of each title of the Omnibus Public Safety Agency Reform Amendment Act is summarized in the following pages.

Title I - Command Staff Promotions for Fire and Police Amendment Act of 2004

Background

The proposed title requires the Chief of Fire and Rescue and the Chief of Police to recommend to the Director of Personnel the criteria for promotion for all executive positions in their perspective agencies. In the case of certain positions specified by the

bill, criteria concerning history of certain disciplinary measures will prevent promotion under the provisions of the proposed title.

Financial Plan Impact

The proposed title is procedural in nature and will have no impact on the District's budget and financial plan. Stricter regulation of the executive positions may result in performance efficiencies but may not translate into budgetary savings.

Title II - Fire and Emergency Medical Services Department Training Act of 2004

Background

The proposed title requires the Chief of Fire and Rescue to implement an education and training program that provides training for entry level/cadet, in-service, special needs and skills, specialized equipment, new construction techniques, and authorized emergency medical treatment. The proposed title requires that all training measures will be based on the Department's mission and operational performance measures.

Financial Plan Impact

The FY 2004 budget and the proposed FY 2005 through FY 2008 budget and financial plan provides the Department with \$2.1 million in FY 2004 and \$2.9 million in FY 2005 for training purposes. In addition, \$16,000 is provided in each fiscal year for administration of Department of Fire and Emergency Medical Services (Fire/EMS) training. The proposed title provides no additional funding therefore, the Chief of Fire and Rescue will be required to remain within his existing resources when implementing the provisions of the proposed legislation.

Title III - Police Officers Standards and Training Board Technical Amendment Act of 2004

Background

The proposed title changes the name of the District of Columbia Police Training and Standards Board to the Police Officers Standards and Training Board ("the board"). The proposed title amends the configuration of the board to include representation from the collective bargaining agents and a non-voting member from the reserve corps. The latter is to be appointed by the Mayor.

Financial Plan Impact

The proposed title is procedural in nature and will have no impact on the District's budget and financial plan.

Title IV - Fire and Emergency Medical Services Cadet Program Amendment Act of 2004

Background

The proposed title amends the Police Officer and Firefighter Cadet Programs Funding Authorization and Human Rights Act of 1977 Amendment Act of 1982¹ which grants the Chief of the Fire and Emergency Medical Services Department discretionary authority to establish a cadet program. The Fire/EMS Department is currently using said authority to operate a cadet program, contingent upon federal funding. The proposed title adds clarifying language updating the mission statement of the existing cadet program by noting that its purpose is to prepare cadets for service as dual-role cross-trained firefighters/EMT's and firefighter/paramedics. This new language is consistent with current practice and harmonizes the mission statement of the existing cadet program with the strategic plan of the Fire/EMS Department. The proposed title is permissive, and does not contain any new programmatic mandates, nor does it alter the Fire/EMS Chief's current discretionary authority to choose not to operate a cadet program.

Financial Plan Impact

The proposed title provides no additional funding, therefore, the Fire/EMS Chief will be required to remain within his existing resources if choosing to continue to operate a cadet program. The cadet program is currently funded through FY 2004, largely through federal grants. Funding and operations of this program for FY 2005 are contingent on continued grant awards. If grant funds cease, so will these operations. The proposed title is permissive and contains no programmatic mandates, therefore there is no fiscal impact associated with this title.

Title V - Fire and Police Disciplinary Action Procedure Act of 2004

Background

The proposed title requires that disciplinary action by the Metropolitan Police Department (MPD) or F/EMS sworn members of the force or civilian employees may not be undertaken after 90 days excluding Saturdays, Sundays, and legal holidays. An exception is made to suspend the beginning of the 90-day period if the incident is under

¹ D.C. Law 4-172; D.C. Official Code §§ 5-418; effective March 9, 1983.

investigation by the Office of Citizen Complaint Review Board. In such a case the 90-day period would begin upon conclusion of their investigation.

In addition, the proposed title requires that the Chief of Police and the Chief of Fire and Rescue to submit a report of misconduct to the Mayor and the Council by October 31 of each year beginning in 2004. The proposed title dictates the content of the report.

Financial Plan Impact

The proposed title is procedural in nature and will have no impact on the District's budget and financial plan.

Title VI - Fire and Police Medical Leave and Limited Duty Act of 2004

Background

Under current law, uniformed members of MPD and Fire/EMS who sustain injuries or illnesses are evaluated by the medical staff where a determination is made as to their duty status. Currently members may remain on non-full duty for extended periods of time that impact the agencies ability to achieve their operational objectives.

The proposed title is designed to facilitate the return to full duty status for employees if possible, or effect separation from the agency. To accomplish this objective, the proposed title would:

- (1) Establish new rules for the defined workers compensation program for uniformed members of MPD and Fire/EMS;
- (2) Establish restrictions to limited duty program for members recovering from injuries and illnesses; and
- (3) Mandate retirement on disability when members have achieved maximum medical improvement but can no longer perform at full duty capacity.

The proposed title authorizes the Director to process retirement for individuals when it is determined employees will not be able to return to full performance, or when a certain number of cumulative days in a non-full duty status has passed when a set time criteria has passed since the employee's injury or illness was reported. This title also gives the Director discretion to increase the two-year review period under certain special circumstances. Although the retirement recommendations of the director will be transmitted to the Police and Firefighters' Retirement and Relief Board, the proposed law will require the immediate retirement of the employee as disabled regardless of usefulness in their position under limited duty status.

Financial Plan Impact

Funds are sufficient in the FY 2004 budget, but not in the proposed FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. Although the District will incur costs in the out-years the Mayor and the Council of the District of Columbia will develop two successive consensus budget and financial plans before incurring a majority of those costs. By anticipating them now and budgeting for them where required, fiscal impacts will be neutralized through the ongoing consensus budget and Retirement Board certification process. The District has sufficient resources to absorb all FY 2004 and FY 2005 costs.

Because many human behavioral dynamics and official government actions enter into the estimation process for this title, these numbers will need to be considered as "conservative" or "worst case." It is assumed that the majority of the cases reviewed by the board as a result of the proposed title will begin 12 to 14 months from the date of implementation. This will impact the latter part of FY 2005 if the board determines certain persons should be retired from the District workforce. In the case of such a determination, compensation for those persons will move from the personnel services funding for MPD and Fire/EMS, to the Police and Firefighters Retirement System.

The retirement system will require additional resources because the annuities supporting the benefits program will be below legal funding levels² being burdened by sudden and premature retirements not planned for in these growth fund annuities.

The New York Office of EFI Actuaries was engaged to determine the costs to the retirement systems for the proposed title. Their findings indicate spending pressures beginning in FY 2006. The number of retirees as a result of implementing the proposed title will taper off over time. The table in Figure 1 presents the additional funding requirements to support the retirement payment system.

Figure 1.

Impact to the District's Safety Services Pay and Retirement Systems				
(\$ in millions)				
FY 2005	FY 2006	FY 2007	FY 2008	4 -Year Total
\$0.00	(\$15.1)	(\$15.9)	(\$16.6)	(\$47.6)

The District's Police and Firefighters Retirement System will absorb the FY 2005 costs however, the Retirement Board will subsequently notify the District certifying the new funding requirements for subsequent years.

² D.C. Official Code Title 1 § 907.02.

Anti-deficiency laws, 31USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et Sequitor* (2003), prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the District determine that appropriations are available to fully fund all costs associated with the proposed legislation, then these amounts need to be included as budgeted expenditures in all subsequent fiscal years. In addition, the retirement annuities are regulated. Funding levels need to be maintained for the purpose of supporting all systemic payments made to all recipients in the District systems³. Failure to do so may result in the resurrection of the District of Columbia Financial Responsibility and Management Assistance Authority and have negative impacts on the District by bond rating agencies.

Title VII - Police and Fire Minimum Standards Amendment Act of 2004

Background

The proposed title requires that all MPD and Fire/EMS personnel pass a physical requirement and physical agility examination to be administered on a biennial basis.

Financial Plan Impact

The proposed title is procedural in nature and will have no impact on the District's budget and financial plan. Stricter regulation of safety service positions may result in performance efficiencies but may not translate into budgetary savings.

Title VIII - District of Columbia Comprehensive Merit Personnel Act of 1978 Technical Amendment Act of 2004

Background

The proposed title clarifies that the Mayor of the District of Columbia may delegate his authority to the Director of Personnel but that the delegation must be an exclusive delegation.

Financial Plan Impact

The proposed title is an authority in nature and will have no impact on the District's budget and financial plan.

³ D.C. Official Code Title 1 § 907.02.

Title IX - Office of Police Complaint Review Amendment Act of 2004

Background

The proposed title changes the name of the Office of the Citizen Complaint Review Board to the Office of the Police Complaint Review Board.

Financial Plan Impact

The proposed title is procedural in nature and will have no impact on the District's budget and financial plan.

Title X - Metropolitan Police Department Reserve Corps Establishment Act of 2004

Background

The proposed title requires the Chief of Police to issue orders that: prescribe duties and responsibilities; define scope and scale of authorities; acceptable discretion in performance of their duties; limitations and restrictions of authority; delineate supervision; and proffered after reviewing existing national standards.

Financial Plan Impact

The proposed title will have no impact on the District's budget and financial plan. The proposed title provides no additional resources to implement the titles provisions. The Chief of Police will be required to remain within his existing resources when implementing the titles provisions.

Anti-deficiency laws, 31USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et Sequitor* (2003), prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

Title XI - Repealers; Conforming Amendments

Background

The proposed title repeals current law that restricts where a member of MPD may reside.

Financial Plan Impact

The proposed title will have no impact on the District's budget and financial plan.

Title XII - Applicability to Pre-1980 Employees

Background

The proposed title clarifies that the proposed legislation will be applicable to employees hired prior to 1980.

Financial Plan Impact

The proposed title will have no impact on the District's budget and financial plan.