

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: June 24, 2004

SUBJECT: Fiscal Impact Statement: “Child and Youth, Safety and Health Omnibus Amendment Act of 2004”

REFERENCE: **Bill Number 15-607 - An Amendment in the Nature of a Substitute**

Conclusion

Funds are not sufficient within the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. The proposed legislation has been implemented in a temporary¹ nature beginning in January 2003, but will expire on November 10, 2004. The proposed legislation makes the initiative permanent.

Agency operations have been improved and modified to begin compliance with most bill requirements. Additional staff and resources will be required to implement the provisions of the proposed legislation. In the case of titles I(1) and II(2) \$750,000 is included in the financial plan. **However, implementing title VI(6) will cause unbudgeted costs of approximately \$0.49 million in FY 2005 and \$2.09 million in FY 2005 through FY 2008.**

The proposed legislation is an omnibus legislative vehicle for adopting eight service-related titles relating to health and safety. The purpose and financial impact of each title are summarized in the following pages.

¹ Act 15-003, Child and Youth, Safety and Health Omnibus Emergency Amendment Act of 2003, became effective January 22, 2003. A series of other emergency and temporary measures extended its expiration date, the most recent of which is Law 15-117, Child and Youth, Safety and Health Omnibus Temporary Amendment Act of 2004, which will expire on November 10, 2004.

Title I — Mandatory Drug and Alcohol Testing for the Protection of Children Act of 2004:

Background

The proposed title requires that applicants for certain positions with the District submit to drug and alcohol testing prior to the commencement of their employment. The proposed title would statutorily require the following applicants to submit to testing:

- Applicants for employment in safety-sensitive positions;
- All positions with the Child Support Enforcement Division of the Office of the Corporation Counsel, including temporary and contractual positions;
- Employees who have had a reasonable suspicion referral; and
- Post-accident employees, as soon as reasonably possible following an incident.

The proposed title requires that employees who are to be tested shall have 30-days written notice² and that a vendor shall be secured to provide testing services. The proposed title specifies development of District policy and procedure, a specific testing methodology, criteria and conditions for proper notifications, dispute resolution and re-testing.

The proposed title requires that any person operating a motor vehicle in the performance of their duties with the District government shall be deemed to have given their consent to the testing via urine or breath for the purpose of determining drug or alcohol content whenever a supervisor has probable cause of impaired performance. In addition, this consent applies when a metropolitan police officer arrests an employee for violation of the law and has reasonable grounds to believe that employee to have been operating or in physical control of a motor vehicle within the District while that person was under the influence of an intoxicating liquor or any drug or combination thereof.

The proposed title sets testing methodology, including alcohol and illicit substance dissolution and limitations, and requires the District to issue a policy in advance of implementing the drug and alcohol testing program. Issuance of policies and procedures is also required by vendors actively engaged in testing operations.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia because additional budget of \$750,000 has been included in the financial plan to offset the costs of staff or resources

² The proposed title requires commencement of notification on March 26, 2002.

that will be required to implement the provisions of Titles I and II. Contractual services will need to be secured to satisfy the requirements of the proposed title. The District will require two additional FTEs, additional non-personnel resources and additional contractual services in order to conduct the required operations. The District of Columbia Office of Personnel (DCOP) will need to hire an HR Assistant at DC Grade 8, and an HR Specialist at DC Grade 11. The table in Figure 1 presents the expenditure impact for Titles I and II because these activities may or may not be housed or performed under one agency operation to fulfill the requirements of both titles.

Figure 1.

Expenditure Impact on the Financial Plan					
(\$ in 000's)					
Item	FY 2005	FY 2006	FY 2007	FY 2008	4 - Year Total
PS Costs	(\$231.00)	(\$234.02)	(\$236.96)	(\$240.00)	(\$941.98)
NPS Costs	(10.00)	(10.00)	(10.00)	(10.00)	(40.00)
Contractual Services	(136.25)	(136.25)	(136.25)	(136.25)	(545.00)
Background Checks	(360.00)	(360.00)	(360.00)	(360.00)	(1,440.00)
Net Annual Impact	(\$737.25)	(\$740.27)	(\$743.21)	(\$746.25)	(\$2,966.98)

Personnel services (PS) costs are calculated as salary plus benefits at a rate of 15.5 percent. PS costs are inflated by a factor of 3.5 percent beginning in FY 2006. Nonpersonal services (NPS) costs exclude the costs for contractual services and only include the costs for resources to conduct the operations required by the proposed title. Contractual services assume annual screening of 1/4 of the existing population of employees impacted by the proposed title, plus an assumed 200 new hires every year. The costs for background checks assume a \$15 cost for each search performed by the Metropolitan Police Department (MPD), \$25 for each Department of Justice/Federal Bureau of Investigation search, and \$5 for each sexual offenders database search performed by the Department of Health (DOH)³. These costs will be passed along to the agency for which the background checks are required via Memorandums of Understanding (MOU). It is estimated that nearly 8,000 persons will need to be checked and screened every year.

The District may determine that other additional FTEs may be required to fully implement all the bill's provisions. Funds are sufficient as long as District agencies remain within the funding limitations.

³ A memorandum of understanding may be put in place between DCOP and DOH to structure the finances for these operations.

Title II — Criminal Background Checks for the Protection of Children Act of 2004:

Background

The proposed title requires that individuals under consideration for employment for positions with the following agencies/programs have a criminal background check performed:

- District agencies that provide direct services to children and youth whether they are compensated positions or not;
- Any public or private District agency with direct services for children and youth;
- The Child Support Enforcement Division of the Office of the Corporation Counsel; and
- Each applicant for the Child Support Enforcement Division of the Office of the Corporation Counsel.

The proposed title provides the criteria for the extent of the background search as well as the requirements for the documentation. The proposed title also establishes requirements concerning the confidentiality of the results of the record searches and subsequent disclosure. Components of the proposed title place criteria on proper notifications, fee schedules and employment process confirmation details. The Mayor would need to establish a register and an office for the purpose of facilitating the District's activities required by the provisions of the proposed title and to develop policy and procedures.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia because additional resources are included in the financial plan to implement the provisions of the proposed title. Two additional FTEs may be required at an estimated cost of \$150,000 and additional non-personnel resources will be needed in order to conduct the required operations for Titles I and II. The details of the fiscal impact are presented in Figure 1 found in the Financial Plan Impact section of Title I.

Title III — Uniform Child Health Screening Requirements and Reporting Form Temporary Act of 2004:

Background

The proposed title establishes uniform health care requirements for children from neonatal through 21 years of age regardless of insurance coverage or insurability. In

addition, the proposed title establishes a reporting system for the purposes of preventive healthcare planning.

The proposed title requires the Mayor to develop a uniform application form for the purpose of enrolling children in child-related health, human or social services, and educational programs.

The proposed title requires an insurer's health benefits plan to include the uniform health screening requirements for children from neo-natal to age 21 years of age. In addition, the proposed title requires this coverage for special needs individuals who reside or are receiving services in another state.

The proposed title requires enrollments for Medicaid, Head Start, Healthy Families, and Community Health Insurance Program (CHIP) to be expanded to include a requirement for uniform health screenings for all children.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia to implement the provisions of the proposed title. No additional staff or resources will be required.

Title IV — Juvenile Protective Custody Act of 2004:

Background

The purpose of this title is to require the Director of the Department of Human Services (DHS) to make "after care placements" for absconders⁴ in facilities that are supervised by a trained social worker.

Financial Plan Impact

The proposed title will not have an impact on the District budget and financial plan. DHS will be required to remain within the existing resources when implementing the proposed legislation. Any or all additional costs caused by the requirement for additional scrutiny of the social worker training requirement or delays in expedient placement of children will be an operational burden that must be absorbed by existing staff and resources.

⁴ Absconder is a legal term for one who sneaks or steals away by deliberate stealth.

Title V — D.C. Early Intervention Program Establishment Act of 2004:

Background

The proposed title establishes an early intervention program for infants and toddlers with disabilities through two years of age. The District of Columbia's Early Intervention Program (DCEIP) is the District's operation implementing Part C of the federal Individuals with Disabilities Education Act. Such a program is required to be offered to all children regardless of their financial condition and resources. The proposed title requires that the Mayor establish a coordinating council led by an agency designated by the Mayor.

Financial Plan Impact

Funds are sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. The program is 100 percent federally funded and is already a part of OECD in the Department of Human Services. No additional staff or resources will be required. This title is the permanent establishment of DCEIP. Since DCEIP is one of the three current divisions in the Office of Early Childhood Development (OECD) there is no fiscal impact.

Title VI — Public Charter School Nurse Assignment Amendment Act of 2004:

Background

The purpose of this title is to require that the public charter school health programs be administered from DOH. DOH will be required to assist in the operation of this program through intra-District agreements. The proposed title gives DOH sole administrative authority.

Financial Plan Impact

The FY 2005 budget for D.C. Public Charter Schools requires \$1.3 million to help offset the costs for the goods and services required under the provisions of the proposed title. DOH has \$4.33 million for the District of Columbia Public School System but this is insufficient to deploy nurses to the D.C. Public Charter Schools. The table in Figure 2 presents the expenditure impact on the District's financial plan as a result of implementing the proposed title.

Figure 2.

Net Impact to the Financial Plan				
(\$ in millions)				
FY 2005	FY 2006	FY 2007	FY 2008	4 - Year Total
(\$0.49)	(\$0.51)	(\$0.53)	(\$0.56)	(\$2.09)

Title VII — Public Charter Schools Drug Free Amendment Act of 2004:

Background

The purpose of this title is to establish 1,000 foot drug-free zones surrounding the District's Public Charter Schools. This provision is identical to the provisions governing the D.C. Public Schools.

Financial Plan Impact

Additional costs will not be incurred since additional staff or resources will not be required to implement the provisions of the proposed title. Signage costs, labor, and materials are not sufficiently extensive to have an impact on the FY 2005 through FY 2008 budget and financial plan. Enforcement of the "Drug Free Zone" is already in the scope and scale of responsibilities of the Metropolitan Police Department and will be absorbed by existing staff and resources.

SUMMARY

The table in Figure 3 presents the estimated annual net costs to implement the provisions of the proposed legislation.

Figure 3.

Estimated Net Expenditure Impact to the Financial Plan					
(\$ in millions)					
Item	FY 2005	FY 2006	FY 2007	FY 2008	TOTAL
Title I & II	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Title III	0.00	0.00	0.00	0.00	0.00
Title IV	0.00	0.00	0.00	0.00	0.00
Title V	0.00	0.00	0.00	0.00	0.00
Title VI	(0.49)	(0.51)	(0.53)	(0.56)	(2.09)
Title VII	0.00	0.00	0.00	0.00	0.00
Net Annual Impact	(\$0.49)	(\$0.51)	(\$0.53)	(\$0.56)	(\$2.09)