

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 —1, 2004

SUBJECT: Fiscal Impact Statement: “Department of Emergency Medical Services Establishment Act of 2004”

REFERENCE: Bill Number 15-837

Conclusion

Funds likely are not sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation as a result of potential indirect and direct costs associated with creating a separate Department of Emergency Medical Services. The magnitude of these unbudgeted costs cannot be estimated at this time.

Should the new department continue to operate with no changes other than its reporting structure, no new costs would result and funds would be sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation

Federal and District anti-deficiency laws prohibit District officers and employees from exceeding agency appropriations in any fiscal year. 31 U.S.C.A §1341 (2000); D.C. Code §47.355.01 *et. seq.* (2003). The proposed legislation cannot be implemented without violating these anti-deficiency laws unless funds are identified in the existing budget and financial plan and allocated to cover the expenditures required by the proposed legislation.

Background

The proposed legislation would establish the Department of Emergency Medical Services (DEMS) as a separate administrative unit within the Executive Office of the Mayor. All

functions related to the powers, duties, operations and administration of DEMS would be transferred to the new department October 1, 2006. The new department would be headed by the Chief of Emergency Medical Services, appointed by the Mayor with the consent of the Council. Under current law, the emergency medical services are within the Department of Fire and Emergency Medical Services.

Financial Plan Impact

Funds likely are not sufficient in the FY 2005 through FY 2008 budget and financial plan to implement the proposed legislation. Indirect costs could result from the loss of economies of scale currently realized as a result of the joint Fire and Emergency Medical Services administrative unit for equipment, space, contracts, information technology, human resources, scheduling and other functions that are now shared. Direct costs also could be generated to the extent that the new, separate administrative unit resulted in higher or additional salaries for staffing the new department as well as new supplies and equipment. Both the potential indirect and direct costs cannot be estimated at this time in the absence of a specific implementation plan.