

**Government of the District of Columbia
Office of the Chief Financial Officer**



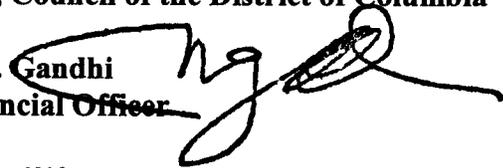
2006 DEC 19 AM 10:17

CHAIRMAN CROPP

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: DEC 19 2006

SUBJECT: Fiscal Impact Statement: "Homeland Security, Risk Reduction, and Preparedness Act of 2006"

REFERENCE: Bill Number 16-242 (Committee Print, December 4, 2006)

Conclusion

Funds would need to be added to the FY 2007 through FY 2010 budget and financial plan to implement the provisions of proposed legislation. The proposed legislation will require approximately \$676,000 in FY 2007 and \$1.08 million in FY 2007 through FY 2010 for additional staff and resources. Depending on the results of a required vulnerability assessment, funds may need to be added in the future.

The proposed legislation authorizes statutory changes to implement the District's civil protection and homeland security plan. The purpose and the impact of each title are summarized in the following pages.

Title I – Establishing a Homeland Security Program Within the Government of the District of Columbia Act of 2006:

Background

The proposed title establishes a Homeland Security Program within the Government of the District of Columbia. The proposed title identifies elements and operations that would be required to be undertaken such as, but not limited to, contractual services, assessments to be performed,

dissemination of information, training, community input, large building security, readiness exercises, and reporting requirements.

Financial Plan Impact

Funds are not sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the proposed legislation. Additional resources will be required. Implementing the proposed legislation will result in an estimated \$550,000 in one-time costs for contractual services for a baseline threat and vulnerability assessment of the District of Columbia to be completed in one year. The table in Figure 1 presents the estimated impact to the District's budget and financial plan. Depending on the results of a required vulnerability assessment, funds may need to be added in the future.

Figure 1.

Expenditure Impact to the Local Financial Plan				
(S in 000s)				
FY 2007	FY 2008	FY 2009	FY 2010	4 -Year Total
\$550.0	\$0.0	\$0.0	\$0.0	\$550.0

Title II – Establishment of the District of Columbia Homeland Security Commission Act of 2006:

Background

The proposed title establishes a Commission whose purpose is to gather together persons who are subject matter experts in the key aspects of homeland security and assist the Government of the District of Columbia and the public on homeland security issues. The proposed title dictates the elements that are required to formulate the new Commission and lists the responsibilities and operations to be embraced and undertaken.

The proposed title dictates the Commission's membership, terms of service and administration. The proposed title makes requirements as to the use of assessment information and the reporting requirements. The proposed title emphasizes confidentiality of information with regard to Commission operations.

Financial Plan Impact

Funds are not sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the proposed legislation. Additional resources will be required. The Commission will require a staff of

two FTEs along with resources to support Commission operations. Implementing the proposed legislation will result in an estimated \$126,000 in FY 2007 and \$530,000 in FY 2007 through FY 2010. The table in Figure 2 presents the expenditure impact to the budget and financial plan.

Figure 2.

Expenditure Impact to the Financial Plan				
<i>(\$ in 000s)</i>				
FY 2007	FY 2008	FY 2009	FY 2010	4 –Year Total
\$126.0	\$130.2	\$134.5	\$138.9	\$529.6

Title III – Strict Liability for Release of Hazardous Materials During Transport Act of 2006:

Background

The proposed title amends existing law addressing the following areas:

- Strict liability in the case of the release of explosives, flammable gasses, poisonous gasses, and poisonous materials other than gases;
- Recoverable costs by the District of Columbia for containment, cleanup, removal, and any other action necessary to protect public health and welfare;
- Authorizing the Attorney General of the District of Columbia to take Civil Action in the Superior Court of Washington D.C. against any person liable in the previously mentioned matters; and
- Clarifying the determination of the liability holders with exemptions only for act or omission caused by an act of God or an act of war where there exists a preponderance of evidence to support such a determination.

In addition, the proposed title authorizes the award of punitive damages if it is proved that the plaintiff's injuries were cause by a defendant's wanton or reckless disregard for public safety in the transportation of gasses, explosives, and materials previously described.

Financial Plan Impact

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the proposed legislation. The Office of the Attorney General of the District of Columbia will be required to absorb any unanticipated costs associated with implementing the provisions of the proposed legislation.

Title IV – District of Columbia Homeland Security Needs Act of 2006:

Background

The proposed title describes the needs to be addressed and the policy decisions that need to be made when it comes to homeland security initiatives and operations in the District of Columbia. The proposed title clarifies the operations of Homeland Security Programs and the District of Columbia Homeland Security Commission.

Financial Plan Impact

The proposed title has no impact on the District's budget and financial plan that are not a component part or anticipated in the previous titles of the proposed legislation.

Title V – Conforming Amendments Act of 2006:

Background

The proposed title makes the technical changes to existing law that will be required to implement all of the provisions of the proposed legislation.

Financial Plan Impact

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