

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



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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 18 2006

SUBJECT: Fiscal Impact Statement: "Developmental Disabilities Services Management Reform Act of 2006"

REFERENCE: Bill 16-398 (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 the proposed legislation. Implementing the proposed legislation will require additional staff and resources. The proposed legislation will require an estimated \$669,000 in FY 2007 and an estimated \$4.83 million in FY 2007 through FY 2010.

Background

The proposed legislation establishes a separate Cabinet-level agency, subordinate to the Mayor, within the executive branch of the District of Columbia. The proposed legislation requires the new agency to:

- Lead the reform of the District's mental retardation and developmental disabilities system (MRDDA);
- Ensure that laws, regulations, programs, policies and budgets are developed and implemented; and
- Promote the well-being of individuals with developmental disabilities.

The proposed legislation would require the new agency, among other things, to:

- Establish rules, quality standards and policies for all services and support operations;
- Execute goods and services provider agreements as well as establish rates for all services in consultation with the District's Medical Assistance Administration (MAA);
- Identify federal and other appropriate funding opportunities as resources to offsets costs of services and support for individuals with developmental disabilities and their families; and
- Participate in local and regional emergency planning initiatives.

In addition, the proposed legislation requires the newly formed agency to be independent of the District's Office of Personnel and the Office of Contracting and Procurement.

The proposed legislation would require the District's Chief Financial Officer to separate the new agency's finances from that of DHS. The proposed legislation transfers all authority for the former MRDDA programs and operations from DHS to the new agency including, but not limited to, real or personal property, FTE positions, assets, records, obligations, unexpended balances of appropriations, allocations, and any other funds available or to be made available. The legislation would also transfer the Rehabilitation Services Administration to the new agency not later than June 30, 2007.

Financial Plan Impact

Funds would need to be added to the FY 2007 through FY 2010 budget and financial plan to implement the provisions of the proposed legislation. The newly established agency and required programs and operations will need additional resources and additional staff to fully implement all of the bill's provisions. The proposed legislation will require an estimated \$669,000 in FY 2007 and an estimated \$4.83 million in FY 2007 through FY 2010. The table in Figure 1 presents the estimated impact on the District's budget and financial plan.

Figure 1.

Estimated Impact to the Financial Plan				
<i>(S in millions)</i>				
FY 2007	FY 2008	FY 2009	FY 2010	4 -Year Total
\$0.67	\$1.30	\$1.38	\$1.48	\$4.83