

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



Natwar M. Gandhi
Chief Financial Officer

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MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: FEB -3 2006

SUBJECT: Fiscal Impact Statement: "Installation of Automated External Defibrillators Amendment Act of 2006"

REFERENCE: Bill Number 16-043 as Introduced

Conclusion

Funds are not sufficient in the FY 2006 through FY 2010 budget and financial plan. Unbudgeted costs of \$10.9 million in FY 2007¹ and \$25.9 million in FY 2006 through FY 2010 will be required. Purchase and installation of equipment is estimated over a two-year period. In addition, the proposed legislation will cause unbudgeted expenditures in the District's PAD² program.

Background

The proposed legislation requires that within two years of the effective date of the proposed legislation Automated External Defibrillators³ (AED) must be installed, at the building owner's expense, in each building that accommodates more than 1,000 persons. In addition, the proposed legislation requires that AEDs be installed in District buildings that have more than 100 occupants.

The Department of Fire and Emergency Services (Fire/EMS) are to oversee the installations in government facilities and each is to be located in the building with an accessibility of less than one minute.

¹ The proposed legislation needs to be funded in an approved budget and financial plan. As currently planned expenditures will not impact the District's finances until FY 2007 (October 1, 2006).

² Public Access to Automated Defibrillators (PAD).

³ AEDs are small, lightweight devices that look at a person's heart rhythm (through special pads placed on the torso) and can recognize ventricular fibrillation (VF), also known as "sudden cardiac arrest" or SCA. If SCA is present, an AED will advise, and will talk the responder through some very simple steps to defibrillate. AEDs are designed to be used by lay rescuers or "first responders".

Financial Plan Impact

Funds are not sufficient in the FY 2006 through FY 2010 budget and financial plan because additional resources will be required. Fire/EMS has assumed there are approximately 497 buildings for which two to four AEDs will be required for each floor. For example, the District's government facility at One Judiciary Square⁴ will require four AEDs on each of the eleven floors. At an estimated cost of \$1,700 per unit the costs before installation are approximately \$74,800. Similarly, the Wilson building⁵ may need four to six AEDs on each of five floors for a cost of \$34,000 to 51,000. The table in figure 1 estimates the estimated expenditure impact of implementing the proposed legislation. Installation costs are estimated to be a minimal compared to equipment purchases and existing resources may be available to offset installation costs.

Figure 1.

Expenditure Impact to the Local Financial Plan					
<i>(\$ in Millions)</i>					
FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	5 -Year Total
\$0.0	\$10.9	\$11.1	\$1.9	\$2.0	\$25.9

The estimates include acquisition, installation, maintenance, training, staffing, vehicles, inspection operations, technology upgrades and PAD program supplies. These estimates are based on the current understanding by Fire/EMS of implementing the proposed initiative. Fire/EMS may discover cost savings, the Office of the Chief Procurement Officer may negotiate a wholesale purchase, overall costs may increase due to inflation, and other factors cause the figures in the table to be estimates.

⁴ 441 4th Street, N.W.

⁵ 1350 Pennsylvania Avenue.