

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: JAN -7 2008

SUBJECT: Fiscal Impact Statement: "Minority and Women-Owned Business Assessment Act of 2007"

REFERENCE: Bill Number 17-337 Committee Print

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Implementation of the proposed legislation would cost \$20,000 in FY 2008; however, the Department of Small and Local Business Development (DSLBD) could absorb this cost with existing resources.

Background

The proposed legislation would direct the DSLBD to establish the Minority and Women-Owned Business Assessment Program. The program would:

- Analyze the current state of businesses owned or controlled by minorities or women qualifying as Certified Business Enterprises (CBEs);
- Record and track the number of businesses owned or controlled by minorities or women that have been awarded District of Columbia government contracts;
- Assess findings and recommend ways to encourage businesses owned by minorities or women to compete for District of Columbia procurement contracts; and
- Submit findings to the DC Council's Committee on Economic Development.

As the current CBE application process does not collect information on race or gender, manual review of all applicant files would be required to capture this information for the approximately 1,000 applications on file, and current FTE levels within DSLBD are not adequate to implement

such a manual review. In addition, modifications to the DSLBD online application system for CBEs would be necessary for future assessments. Finally, assessment and formulation of an outreach strategy is not currently covered in the FY 2008 financial plan for DSLBD.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. DSLBD can absorb the cost of implementing the proposed legislation with existing resources. The costs of the proposed legislation are detailed below.

A manual review of all applicant files would be required to capture race and gender information for the approximately 1,000 applications on file with the DSLBD. Current FTEs are not sufficient to perform such a manual review, which is estimated to require a minimum of eight (8) person-weeks to complete, at an estimated cost of \$11,000 for temporary staff.

In addition, modifications to the DSLBD online CBE application system, as well as forms redesign and reprinting, would be required to continue the assessment into the future. A preliminary estimate from the Office of the Chief Technology Officer (OCTO) of the cost of such a modification, in addition to forms printing costs, is \$4,000.

Finally, the assessment of collected data and formulation of an outreach strategy for attracting additional minority and women-owned businesses is estimated to cost \$5,000.

Estimated Cost of Implementation ¹					
	FY 2008	FY 2009	FY 2010	FY 2011	4 Year Total
Manual File Review	(\$11,000)	0	0	0	(\$11,000)
Systems and Forms Modification	(\$4,000)	0	0	0	(\$4,000)
Assessment and Recommendations	(\$5,000)				(\$5,000)

¹ All estimates based on information provided by the DSLBD and OCFO.