

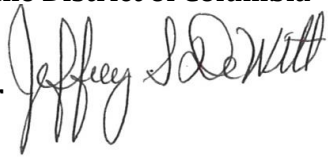
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 15, 2017

SUBJECT: Fiscal Impact Statement – Childhood Lead Exposure Prevention
Amendment Act of 2017

REFERENCE: Bill 22-29, Draft Committee Print as shared with the Office of Revenue
Analysis on June 14, 2017

Conclusion

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill's implementation will cost approximately \$12.9 million in fiscal year 2018 and \$41.4 million over the proposed four-year financial plan period.¹ The 2018 budget and financial plan include approximately \$5.3 million in fiscal year 2018 and \$22 million over the financial plan period to implement some of the bill's components.

Background

The bill requires all District of Columbia Public Schools (DCPS), the Department of Parks and Recreation (DPR), District of Columbia Public Charter Schools (DCPCS), and child development facilities to identify all drinking and non-drinking water sources, install and maintain lead filters,² annually test for lead at drinking water sources, and publicly report on the results of those tests.³

The bill makes the Department of General Services (DGS) responsible for DCPS and DPR facilities. DGS will install bar codes on all drinking water sources, annually test the water sources for lead, install and maintain lead filters, and post signage at non-drinking water sources that those sources are unsuitable for drinking or cooking. The lead concentrations should be below five parts per

¹ Assumes implementation on October 1, 2017.

² Filters must be certified for lead reduction to the National Sanitation Foundation/American National Standards Institute Standard 53 or 61 for Health Effects.

³ Child development facilities do not need to publicly report test results other than the parent notification requirements.

billion and if a water source has a higher concentration, DGS must notify DCPS and DPR within five business days about the test and the remediation plans. The bar code identification, test results, filter change details, and any remediation details must be posted on the DGS website for both DCPS and DPR facilities. DCPS must also post on its website and notify parents and guardians of an affected school within two days of receiving a failed test, including the remediation plan or the completed remediation effort from DGS.

DCPCS facilities' drinking water sources must also comply with the same requirements as DCPS and DPR facilities, but they must do so independently of a District agency. Therefore, the bill requires DGS to provide DCPCS facilities with a list of approved contractors who can test, remediate, and provide a certificate of compliance. DGS will reimburse a DCPCS facility for reasonable costs upon receipt of the certificate of compliance. DCPCS must notify, within five days, parents and guardians of children attending a school with failing lead test results and the corresponding remediation plan or completed remediation effort. The bill authorizes DGS to enter a charter school to ensure compliance and issue a civil penalty for non-compliance.

The bill also requires child development facilities in the District to comply with the same testing, filter installation, remediation, and parent notification requirements as the government buildings, but not the bar code or public posting requirements. The District Department of Energy and Environment (DOEE) will provide these facilities with a list of approved contractors to perform the work. DOEE will provide reasonable cost reimbursement to the contractors upon the receipt of a certificate of compliance from the child development facility. DOEE should report to the Office of the State Superintendent for Education (OSSE) whether or not a facility has complied with the lead testing and filter requirements and work with OSSE on an annual compliance report to the Mayor, the Council, and the Healthy Schools and Youth Commission. A child development facility must provide proof of compliance with these requirements at the time it applies for an initial or renewal operating license.

The bill requires the Mayor to host four public meetings within one year of the bill's implementation.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill.

DGS has installed filters at drinking sources, and posted signs at non-drinking sources in DCPS and DPR facilities. The budget and financial plan includes approximately \$3.2 million annually for DGS to address lead related issues at water sources in DCPS and DPR facilities. This includes funding for the installation, maintenance, and replacement of filters; the testing of one-third of the water sources for lead; and remediation costs. However, the bill requires DGS to test all sources annually for lead and to test kitchen water facilities. Annually testing the remaining two-thirds of the drinking water sources will cost approximately \$307,000. The testing and treatment of kitchen water facilities will cost approximately \$2.1 million annually.⁴ These latter two costs are not included in the proposed budget and financial plan.

⁴ The kitchen sinks, including early childhood education room sinks, have a higher one-time cost in FY 2018 (\$3.7 million) and an ongoing cost of approximately \$1.5 million annually in FY 2019 through FY 2021.

DCPCS facilities are also required to comply with the law, but DGS will provide reimbursement for reasonable expenses associated with lead testing and filter installation and replacement. The projected annual cost for DCPCS is approximately \$2.7 million annually.⁵ This funding is needed for lead testing; filter installations, replacements, and maintenance; excessive lead remediation; sign installations; and kitchen water facilities. The budget and financial plan does not include funding for these activities.

DOEE will manage the lead testing and filter reimbursement program for child development facilities and will maintain a list of approved contractors for the facilities to use for these projects. DOEE will need one additional environmental protection specialist within its Lead and Healthy Homes Division to manage this program. This specialist will cost \$87,000 in fiscal year 2018 and \$366,000 over the four-year financial plan period. DOEE will also need approximately \$1.9 million annually⁶ to provide reimbursements for the annual testing; filter installation and replacements; signage; excessive lead remediation; and kitchen water facilities costs at over 470 child development facilities across the District.

Childhood Lead Exposure Prevention Amendment Act of 2017 Implementation of Bill 22-29 FY 2018 - FY 2021 (\$000s)					
	FY 2018^a	FY 2019	FY 2020	FY 2021	Total
Full DGS Costs					
DCPS/DPR Facilities	(\$7,092)	(\$4,969)	(\$5,109)	(\$5,252)	(\$22,422)
DCPCS Reimbursement	(\$3,392)	(\$2,479)	(\$2,525)	(\$2,595)	(\$10,991)
Total DGS Costs	(\$10,484)	(\$7,448)	(\$7,634)	(\$7,847)	(\$33,413)
Full DOEE Costs					
Personnel	(\$87)	(\$90)	(\$93)	(\$96)	(\$366)
Child Development Facility Reimbursement	(\$2,374)	(\$1,716)	(\$1,750)	(\$1,799)	(\$7,639)
Total DOEE Costs	(\$2,461)	(\$1,806)	(\$1,843)	(\$1,895)	(\$8,005)
Total Full Bill Costs	(\$12,945)	(\$9,254)	(\$9,477)	(\$9,742)	(\$41,418)
Current Budgeted Resources					
DGS Budgeted Resources	\$3,092	\$3,169	\$3,258	\$3,349	\$12,868
DOEE Budgeted Resources	\$2,200	\$2,255	\$2,318	\$2,383	\$9,156
Total Budgeted Resources	\$5,292	\$5,424	\$5,576	\$5,732	\$22,024
Costs Not Included in the Budget					
DCPS/DPR Facilities ^b	(\$4,000)	(\$1,800)	(\$1,851)	(\$1,903)	(\$9,554)
DCPCS Reimbursement	(\$3,392)	(\$2,479)	(\$2,525)	(\$2,595)	(\$10,991)
DOEE Costs ^c	(\$261)	\$0	\$0	\$0	(\$261)
Total Costs Not in the Budget	(\$7,653)	(\$3,830)	(\$3,901)	(\$4,010)	(\$19,394)

Table Notes

^a Assumes October 1, 2017 implementation.

^b The DGS budget does not include funding for kitchen water facilities nor two-thirds of the cost of annual lead testing.

^c DOEE budgeted resources exceed projected costs over the financial plan period of fiscal year 2019 through fiscal year 2021.

⁵ One cost component, the kitchen and early childhood education room sinks, has a higher one-time cost in FY 2018 (\$1.6 million) and an ongoing cost of approximately \$663,000 annually in FY 2019 through FY 2021.

⁶ One cost component, the kitchen and classroom sinks, has a higher one-time cost in FY 2018 (\$1.1 million) and an ongoing cost of approximately \$459,000 annually in FY 2019 through FY 2021.