


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: July 11, 2008

SUBJECT: Fiscal Impact Statement: "District of Columbia Food Processing Operations Code Approval Resolution of 2008"

REFERENCE: Draft resolution¹ – No bill number available

Conclusion

Funds are sufficient in the FY 2008 budget and proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed resolution.

Background

The proposed rules would establish sanitary standards for wholesale food operations that do not provide food directly to the consumer, including manufacturers, processors, repackagers, and distributors of food, by adding a new Title 25A to the *District of Columbia Municipal Regulations* – DCMR (the District of Columbia Food Processing Operations Code). These rules are intended to assist the Department of Health (DOH) to enhance regulatory oversight of food operations, including but not limited to bakery plants, food manufacturing plants, food warehouses and distribution centers, ice manufacturing plants, and shellfish processors.

Financial Plan Impact

¹ This fiscal impact statement is based on draft legislation submitted to the Office of Revenue Analysis, Office of the Chief Financial Officer, on June 30, 2008.

Funds are sufficient in the FY 2008 budget and proposed FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed resolution. Implementation of the proposed resolution would have an expenditure impact of approximately \$3,200 in FY 2009 and \$16,600 over the FY 2009 through FY 2012 budget and financial plan period. It is estimated that DOH could absorb the expenditure impact of the implementing the proposed rules with existing resources.

The proposed rulemaking would require Sanitarians in the Bureau of Community Hygiene within DOH to obtain certifications required by the Food and Drug Administration (FDA) related to inspections of shellfish and food processing operations. The cost for each certification ranges from \$600 to \$800 per person, and each certification is valid for either 3 (food processing regulations) or 5 (shellfish operations) years.

The table below displays in detail the expenditure impact of implementing the proposed resolution using an implementation strategy provided to the Office of the Chief Financial Officer by the Bureau of Community Hygiene on July 1, 2008.

Expenditure Impact on the Budget and Financial Plan					
	FY 2009	FY 2010	FY 2011	FY 2012	4 Year Total
FDA/USDA Certification for Shellfish Operations (\$600 each)	\$0	\$0	\$600	\$0	\$600
FDA/USDA Certification for Food Processing Regulations (\$800 each)	\$3,200	\$3,200	\$3,200	\$6,400	\$16,000
Total Certification Costs	\$3,200	\$3,200	\$3,800	\$6,400	\$16,600

* Assumes implementation on or after October 1, 2008. Certification for Shellfish Operations is valid for 5 years. DOH employs two Shellfish Sanitarians but only one would require certification during the financial plan period. Food Processing FDA/USDA certification is valid for three years.