


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



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MEMORANDUM

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

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 26, 2018

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2019 Budget Support Act of 2018”

REFERENCE: Bill 22-753, Amendment in the Nature of a Substitute, Circulated June 25, 2018

Conclusion

Funds are sufficient in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the Fiscal Year 2019 Budget Support Act of 2018.

The District’s fiscal year 2019 budget includes \$7.852 billion in Local funds spending supported by \$7.88 billion of local resources, with a \$24.7 million increase in reserves and an operating margin of \$0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to Local funds, are \$9.12 billion.

The proposed budget and financial plan accounts for the expenditure and revenue implications of the bill.

The bill, the “Fiscal Year 2019 Budget Support Act of 2018,” is the legislative vehicle for adopting statutory changes needed to implement the District’s budget for the fiscal years 2019 through 2022 budget and financial plan period. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I - GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Fair Elections Implementation Amendment Act of 2018

Background

The District recently approved the establishment of a Fair Elections Program (Program) as a publicly-funded campaign finance program administered by the Office of Campaign Finance (OCF).¹ Candidates running for covered offices² in the District who want to participate and meet the Program's requirements can get a base amount of public funding and matching contributions against small-dollar contributions, up to a limit. The Mayor must budget for the funding of elections in the District, including special elections and a contingency. The Act, as approved, is not funded and its implementation is subject to its inclusion in an approved budget and financial plan.

The subtitle eliminates the requirement that the Mayor budget for special elections and other contingencies and repeals the clause that makes the Act subject to its inclusion in an approved budget and financial plan. The subtitle clarifies that a candidate in an uncontested election who receives and expends ineligible contributions, such as contributions exceeding the small-dollar contribution limit, prior to becoming a certified candidate, must deduct from his or her matching payments an amount equal to the ineligible contributions up to the base amount that would have been received if the election was contested.³ The subtitle also clarifies that the Program begins on November 7, 2018.

The subtitle also makes several clarifying or technical edits.

Financial Plan Impact

Implementation of the Fair Elections Program will cost \$860,000 in fiscal year 2019 and approximately \$20.6 million over the four-year financial plan period, and these costs have been incorporated in the budget and financial plan.

The public financing of campaigns will begin with the 2020 election cycle and is estimated to cost \$555,000 in fiscal year 2019 and \$19.5 million over the four-year financial plan period. The actual funding needs will depend on the number of candidates that elect to participate in the Program, the number who can reach the minimum required number of contributions, and the amount of qualifying matching contributions they raise. The subtitle's changes to the underlying Act eliminate the need for an annual appropriation of approximately \$1.6 million to cover special elections and contingencies. These activities, if necessary, can be funded out of the District's Contingency Reserve Fund⁴ if they are replenished within the two fiscal years following the fiscal year of expenditure. There is no fiscal impact associated with the subtitle's clarification on the treatment of ineligible contributions.

OCF will require three new auditors to implement the Program. This will cost \$243,000 in fiscal year 2019 and \$1 million over the four-year financial plan period. As more candidates elect to participate in the Program, OCF will utilize existing auditors to assist with Program implementation and

¹ Fair Elections Amendment Act of 2018, effective May 5, 2018 (D.C. Law 22-94; D.C. Official Code § 1-1161.01 et seq.).

² Covered offices include State Board of Education seats, Council, Attorney General, and the Mayor.

³ Candidates in uncontested elections are not eligible for a base payment amount.

⁴ District of Columbia Appropriations Act, 2001, effective November 22, 2000 (PL 106-522; D.C. Official Code § 1-204.50a).

oversight. OCF will also need to upgrade its filing system at a one-time technology cost of \$62,000 in fiscal year 2019.

These costs are included in the fiscal year 2019 through fiscal year 2022 budget and financial plan.

Fair Elections Implementation Amendment Act of 2018					
Implementation Costs					
Fiscal Year 2019 - Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Primary and General Election Financing^b	\$555	\$2,305	\$4,312	\$12,298	\$19,470
OCF Administrative Costs	\$305 ^a	\$252	\$260	\$269	\$1,086
Total Program Costs	\$860	\$2,557	\$4,572	\$12,567	\$20,556

Table Notes

^a OCF administrative costs includes the \$62,000 technology cost in fiscal year 2019.

^b The public financing costs assume that, for an election cycle that does not include the Mayor, approximately 17 percent of the funding is needed in the fiscal year prior to the primary election, 73 percent in the fiscal year of the primary election, and 10 percent in the fiscal year of the general election. For an election cycle that includes the Mayor, approximately 21 percent is required in the fiscal year prior to the primary election, 66 percent in the fiscal year of the primary election, and 13 percent in the fiscal year of the general election.

Subtitle (I)(B) – Procurement Practices Reform Exemption Amendment Act of 2018

Background

The subtitle extends the exemption that certain agencies and projects have from the Procurement Practices Reform Act of 2010⁵ ("PPA"). Under current law, the Health Benefit Exchange Authority, the Captive Insurance Agency, and certain procurements related to the production of permanent supportive housing will be subject to the PPA beginning October 1, 2018. The subtitle extends the exemption until October 1, 2023.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan.

Subtitle (I)(C) – Project Labor Agreements in Construction Procurement Amendment Act of 2018

Background

The subtitle amends a previously unfunded law⁶ to require that District Government construction project solicitations valued at more than \$75 million, beginning fiscal year 2020, include a Project Labor Agreement ("PLA"). PLAs require non-union contractors to follow union practices, such as hiring through union halls and contributing to union pension plans. This requirement will affect all

⁵ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351 et seq.).

⁶ Procurement Integrity, Transparency, and Accountability Amendment Act of 2016, effective October 8, 2016 (D.C. Law 21-158; 63 DCR 12930).

future construction contracts over \$75 million, not just the projects currently in the six-year capital improvement plan (CIP).

Financial Plan Impact

The subtitle is estimated to increase the cost of affected projects in the CIP by ten percent⁷, and there are currently three projects in the CIP to which the subtitle will apply and to which the cost increase has been budgeted. The cost increase arises because PLAs discourage contract bids from non-union contractors, thus removing some of the competitive pressure among the remaining bidders to offer lower-priced bids.

In addition to the three projects in the current CIP, the subtitle will increase the cost of all future construction projects over \$75 million.

Fiscal Impact of Subtitle (I)(C) Project Labor Agreements in Construction Procurement Amendment Act of 2018 Fiscal Year 2019 – Fiscal Year 2024 Capital Improvement Plan (\$000s)							
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2019 - FY 2024
Project YY101C – Banneker High School	\$0	\$2,957	\$6,554	\$0	\$0	\$0	\$9,512
Project UMV01C – St Elizabeths Medical Center	\$0	\$0	\$0	\$0	\$25,800	\$0	\$25,800
Project BR005C – H Street Bridge	\$0	\$0	\$2,684	\$5,413	\$6,157	\$1,764	\$16,018
TOTAL							\$51,330

Subtitle (I)(D) – Other Post-Employment Benefits Fund Administrative Costs Amendment Act of 2018

Background

The subtitle establishes an agency-level budget for the administration costs associated with the Other Post-Employment Benefits Fund. A transfer from the Fund will pay for the administration costs, but the cost details will be presented in the new agency.

Financial Plan Impact

The fiscal year 2019 budget establishes a separate budget for administrative cost for the management of the Other Post-Employment Benefits Fund, and includes a special purpose revenue fund budget of \$837,649 to cover administrative costs.

⁷ Studies of school projects in Boston, Massachusetts and California demonstrate that a project labor agreement could increase construction project costs anywhere from approximately 4.9 percent to 14 percent, even when prevailing wage laws eliminate wage differentials between unionized and non-unionized labor.

Subtitle (I)(E) – Street Harassment Prevention Act of 2018

Background

The subtitle establishes a seventeen-member Advisory Committee on Street Harassment (Committee) that will be chaired by the director of and will receive administrative support from the District's Office of Human Rights (OHR). The Committee must conduct a survey on incidences of street harassment⁸ by April 1, 2019. The Committee must submit a report to the Mayor and Council that identifies the District employees and residents that are most at risk for street harassment and propose policies, training, and strategies to prevent, respond, and raise awareness about street harassment. This report is due by September 30, 2019. OHR should conduct a public information campaign to inform members of the public about the availability of resources for victims of street harassment also by September 30, 2019. By April 1, 2020, the relevant District agencies should implement the recommended policies in the Committee report and OHR should monitor the policies' implementation. The Committee must submit its final report by September 30, 2020 detailing its work, policy implementations at District agencies, and OHR's efforts to raise public awareness about street harassment.

This subtitle expires on October 1, 2020.

Financial Plan Impact

OHR requires a new staff member to help the Committee conduct its survey and produce its reports, and to help OHR monitor the District's implementation of the recommended policies and manage a public awareness campaign. That position will cost \$100,000 in fiscal year 2019 and \$103,000 in fiscal year 2020. The survey itself will cost \$45,000 in fiscal year 2019 and OHR will need \$40,000 in fiscal year 2019 and fiscal year 2020 for the public awareness campaigns and other related outreach. These costs are included in OHR's fiscal year 2019 through fiscal year 2022 budget and financial plan.

The subtitle expires at the end of fiscal year 2020.

Subtitle (I)(F) – Voter Registration Agency Amendment Act of 2018

Background

The subtitle designates the District of Columbia Public Library (DCPL) and the District of Columbia Public Schools (DCPS) as agencies that can register individuals to vote. The subtitle limits DCPS' voter registration activities to students and DCPS employees.

Current voter registration agencies include the Office of Aging, Department of Parks and Recreation, Department of Youth Rehabilitation Services, Department of Corrections, and any other agency that provides public assistance or works with persons with disabilities.

Financial Plan Impact

The budget and financial plan includes the funds required by DCPL and DCPS for additional resources to manage the added responsibility of registering voters. DCPL requires an additional staff member to oversee the program at a cost of \$114,000 in fiscal year 2019 and \$474,000 over the four-year

⁸ The subtitle defines street harassment as disrespectful, offensive, or threatening statements, gestures, or conduct directed at an individual without the individual's consent and based on the individual's actual or perceived ethnicity, housing status, or other protected trait (as defined in the Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2-38; D.C. Official Code § 2-1401.01 et seq.).

financial plan period. DCPS will only need to provide voter registration support for students and DCPS employees, but the additional administrative staff time for this will cost \$103,000 annually. The District of Columbia Board of Elections will provide DCPS with the necessary resources and these resources are included in its fiscal year 2019 through fiscal year 2022 budget and financial plan.

Voter Registration Agency Amendment Act of 2018 Implementation Costs Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
DCPL Personnel	\$114	\$117	\$120	\$123	\$474
DCPS Resources^a	\$103	\$105	\$107	\$109	\$424
Total Cost	\$217	\$222	\$227	\$232	\$898

Table Notes

^a The D.C. Board of Elections will provide DCPS with this funding.

Subtitle (I)(G) – Advisory Neighborhood Commissions Travel Reimbursement Clarification Amendment Act of 2018

Background

The subtitle clarifies that Advisory Neighborhood Commissions (ANCs) may reimburse Commissioners for non-WMATA local transportation, and the Office of the Advisory Neighborhood Commissions (OANC) maintains its authority to approve these reimbursements.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. The subtitle will not change the practice of ANCs or OANC; it simply clarifies the intent of the Advisory Neighborhood Commissions Omnibus Amendment Act of 2016.

Subtitle (I)(H) – Agencies, Boards, and Commissions Jurisdiction Clarification Amendment Act of 2018

Background

The subtitle makes⁹ technical changes to distinguish between the Commission on Selection and Tenure of Administrative Law Judges and other commissions that come before the Office of Administrative Hearings.

Financial Plan Impact

The subtitle does not impact the budget and financial plan.

⁹ By amending The Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.01 et seq.).

Subtitle (I)(I) – BEGA Amendment Act of 2018

Background

The subtitle makes substantive changes to both the structure of the Board of Ethics and Government Accountability (BEGA) and the requirements it imposes on lobbyists.

The subtitle abolishes the Office of Open Government as an independent office and establishes the Open Government Office as a subordinate office within BEGA. The Open Government Office will be run by a Director¹⁰ who is appointed by BEGA and will implement the Open Meetings Act¹¹ through rules, training, advisory opinions, and enforcement. The Director may also issue advisory opinions related to the Freedom of Information Act.¹²

The subtitle reaffirms BEGA as an independent agency with its own personnel authority, including BEGA's ability to assign personnel to its subordinate offices.¹³ The subtitle ensures that at least one member of the Board of Ethics and Government Accountability has experience in open government and transparency.

The subtitle also expands the definitions of administrative decisions by the Mayor and legislative actions by the Council to include contracts, grants, procurements, and reprogrammings. This means that lobbyists must disclose their activities around these new decisions and actions. In addition to expanding the activities that must be reported by lobbyists, the subtitle requires lobbyists to submit activity reports quarterly and include additional details related to the expanded reporting activities described above. These reports are currently submitted semi-annually by lobbyists. These latter lobbyist requirements will be effective as of January 1, 2019. BEGA must also make lobbyist reports publicly available and searchable.

The subtitle renames the Board of Ethics and Government Accountability Fund¹⁴ the Ethics Fund and dedicates its resources to the Office of Government Ethics. The subtitle also establishes a new Fund, the Open Government Fund, and dedicates its resources to the Office of Open Government. The Office of Open Government will deposit fine revenues for violations of the Open Meetings Act into the Open Government Fund.

Financial Plan Impact

BEGA will need to enhance two vacant positions to fulfill the expanded lobbyist reporting activities and frequency and any associated audits or complaint reviews. The positions will shift from a program analyst and paralegal specialist to a program specialist and auditor, respectively. These new positions have been budgeted with a salary enhancement of \$44,000 in fiscal year 2019 and \$182,000 over the four-year financial plan period.

BEGA can manage the transition of the Office of Open Government to the Open Government Office with resources included in the fiscal year 2019 through fiscal year 2022 budget and financial plan.

¹⁰ The Director must be a District resident.

¹¹ Effective March 31, 2011 (D.C. Law 18-350; 58 DCR 734).

¹² Effective March 29, 1977 (D.C. Law 1-96; D.C. Official Code § 2-531 et seq.).

¹³ BEGA can transfer personnel between its subordinate offices, but only with approval of the Director of the losing subordinate office.

¹⁴ Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1162.10).

Subtitle (I)(I) – Use of Public School Building By Civic Association Act of 2018

Background

The subtitle allows a civic association or other organization that is comprised primarily of members of a particular community and organized around the welfare and enhancement of that community to hold up to twelve regularly scheduled meetings at a District of Columbia Public Schools’ (DCPS) building at no cost. Civic associations will no longer have to pay security, custodial, or rental fees under the subtitle. The subtitle also requires the Department of General Services (DGS) – the agency that permits uses of public buildings – to reimburse civic associations for the cost of procuring commercial liability insurance required under use agreement if the civic association obtains the insurance through a District-approved partnership program.¹⁵

Financial Plan Impact

The subtitle requires DGS to waive all charges associated with the use of a DCPS facility by a civic association and reimburse any costs borne for a requirement to have commercial liability insurance. We estimate that roughly eight civic associations currently use DCPS facilities and that number could grow to twenty-four once charges are waived and costs are reimbursed in the first year.

DGS typically charges for security and custodial costs that will be waived under the subtitle at a cost of \$26,000 and \$58,000 in fiscal year 2019, respectively. The increased usage will also impose wear and tear and other usage burdens on the DCPS facilities at a cost of \$7,000 in fiscal year 2019. The cost of an annual commercial liability insurance policy related to the use of public buildings is estimated to cost approximately \$1,800 per civic association or \$43,000 for all associations. The budget and financial plan includes the total implementation cost of this subtitle: \$134,000 in fiscal year 2019 and \$548,000 over the four-year financial plan period.

Use of Public School Building By Civic Association Act of 2018					
Implementation Costs					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Security Costs	\$26	\$26	\$26	\$26	\$104
Custodial Costs	\$58	\$59	\$60	\$61	\$238
Usage Costs	\$7	\$7	\$7	\$7	\$28
Insurance Reimbursement	\$43	\$44	\$45	\$46	\$178
Total Costs	\$134	\$136	\$138	\$140	\$548

Subtitle (I)(K) – Interim Terms of the Deputy Mayor for Education, Chancellor, Chief Technology Officer, and the Director of the Department of Employment Services Amendment Act of 2018

Background

Under current law,¹ the Mayor must nominate a person to serve as an agency head within 180 days of a position becoming vacant. If the Mayor fails to nominate a person within this time frame, the

¹⁵ The Office of Risk Management is working to create a program whereby users of the District’s public buildings and space can procure affordable liability insurance that automatically names the District as a co-insured party.

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District is prohibited from compensating any person serving as an agency head on an interim basis. The subtitle exempts individuals serving in an interim capacity as the Deputy Mayor for Education, the Chancellor of the District of Columbia Public Schools, the Chief Technology Officer of the Office of the Chief Technology Officer, or the Director of the Department of Employment Services from this compensation prohibition until January 31, 2019.

Financial Plan Impact

The cost of implementing this subtitle is included in the proposed budget and financial plan. The salaries and fringe benefits for the interim Deputy Mayor for Education, interim Chancellor of the District of Columbia Public Schools, interim Chief Technology Officer of the Office of the Chief Technology Officer, and interim Director of the Department of Employment Services are included in agency budgets.

Subtitle I(L) – Eastern Market Enterprise Fund Amendment Act of 2018-06-24

Background

The subtitle dedicates up to \$5,000 annually from the Eastern Market Fund ("Fund") for operating costs of the Eastern Market Community Advisory Committee ("EMCAC"). The subtitle also adds language stating that the Fund may not be used for capital expenditures at Eastern Market or Eastern Market Square.

Financial Plan Impact

The subtitle does not have a fiscal impact. Annual revenue in the Fund can accommodate the \$5,000 dedication to EMCAC. Prohibiting capital expenditures from the Fund does not have a fiscal impact. However, the Department of General Services had planned to use the Fund to purchase a new air conditioning unit (a "chiller") that needs replacing at the Market, so now a different source of funding will need to be identified to pay for the unit. A temporary chiller is currently being used at the Market.

TITLE II - ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Supermarket Tax Incentive Technical Amendment Act of 2018

Background

A supermarket may be eligible for ten-year property and sales and use tax exemptions¹⁶ if it is located in one of five codified census tracts or in a Historically Underutilized Business Zone ("HUBZone").¹⁷ HUBZone boundaries are defined by the United States Small Business Administration (SBA) and subject to change regularly.

The subtitle clarifies that if a supermarket is certified eligible for a supermarket tax exemption by the Deputy Mayor for Planning and Economic Development, it remains eligible throughout the ten-year abatement period, even if boundaries are changed by the SBA and the supermarket is no longer in a HUBZone.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Current revenue estimates already assume the abatements will continue for the full ten years.

Subtitle (II)(B) – Neighborhood Prosperity Initiative Act of 2018

Background

The subtitle establishes the Neighborhood Prosperity Initiative whereby the Mayor can issue competitive grants to eligible mixed-use and retail development projects. The projects must be in a low-income community,¹⁸ have a gap in funding for only the commercial component of the project, and be ready to commence construction within eighteen months of the grant award. The project developers must also enter into a First Source Agreement,¹⁹ if applicable, and a Certified Business Enterprise Agreement.²⁰

Financial Plan Impact

The fiscal year 2019 budget includes \$2.9 million for the Deputy Mayor of Planning and Economic Development to issue Neighborhood Prosperity Initiative Grants.

¹⁶ District of Columbia Official Code § 47-3802.

¹⁷ For more information on the Supermarket Incentive Program visit:
<https://dmped.dc.gov/publication/healthy-food-access>

¹⁸ As defined in the Internal Revenue Code of 1986, approved December 21, 2000 (114 Stat. 2763; 26 U.S.C. § 45D).

¹⁹ First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03).

²⁰ Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-21801 et seq.).

**Subtitle (II)(C) – Deputy Mayor for Planning and Economic Development Grant-Making
Authority Amendment Act of 2018**

Background

The subtitle expands the Local Fund grant-making authority of the Deputy Mayor for Planning and Economic Development (DMPED) to include the Great Streets Initiative, the redevelopment of the St. Elizabeths East Campus, and the Walter Reed Redevelopment Site.

Financial Plan Impact

The fiscal year 2019 budget includes \$5.4 million for Great Streets Initiative grants, approximately \$1.5 million for St. Elizabeths grants, and \$400,000 for Walter Reed grants. The subtitle gives DMPED the authority to issue grants using this Local funding.

Subtitle (II)(D) – Walter Reed Grant-Making Authority Amendment Act of 2018

Background

The Walter Reed Redevelopment Fund (Fund) was established to support the maintenance, operation, and construction activities on the Walter Reed Redevelopment Site²¹. The funding source for the Fund is the possessory interest tax²² the developer pays for the property. Current law grants authority for the Deputy Mayor for Planning and Economic Development to make grants from the Fund to the developer only.²³ The subtitle removes this limitation and allows DMPED to grant more broadly from the Fund for the same allowable purposes of the Fund.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Total grants cannot exceed money in the Fund, so expanding who can receive grants from the Fund has no fiscal impact.

**Subtitle (II)(E) – Administration of the District of Columbia Jobs Trust Fund Amendment Act
of 2018**

Background

The bill transfers²⁴ the administration of the District of Columbia Jobs Fund (Fund) from the Deputy Mayor of Planning and Economic Development (DMPED) to the Department of Employment Services (DOES). Money in the Fund is currently used for the Workforce Intermediary Pilot Program, which is run by the Workforce Investment Council in partnership with DOES.

²¹ This is the site of the former Walter Reed Army Medical Center in Ward 4. For more information on development on the site visit the Local Redevelopment Authority site for the Walter Reed campus at <http://www.walterreedlra.com/>.

²² See D.C. Official Code § 47-1005.01 regarding possessory interest tax obligations.

²³ D.C. Official Code § 2-1227.06(d).

²⁴ By amending Section 5 of the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.01 et seq.).

Money in the Fund can come from two sources: donations and fines from violations of the District's First Source law²⁵, which requires projects receiving financial assistance from the District²⁶ to hire District residents as part of a project's workforce. DOES enforces the First Source law, and in fiscal year 2017 it made the first deposit into the Fund from fines it levied for First Source violations. The Fund currently holds about \$60,000 from these fines.

Administration of the Fund involves transferring money from the Fund to the Workforce Intermediary Pilot Program, and auditing and reporting on these transfers and the use of the money. Although the D.C. Code currently lists DMPED as the administrator of the Fund, DMPED never dedicated any resources to administering the Fund nor did it make any transfers from it since the Fund was empty until fiscal year 2017.

Financial Plan Impact

Funds are sufficient in the budget and financial plan for DOES to implement the subtitle. DOES plans to use an existing staff member to manage the Fund. This person will oversee transfers out of the Fund and will audit and report on the use of the money.

Subtitle (II)(F) – Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018

Background

On a standard weekend night, on-premises alcoholic beverage retailers must stop selling alcohol and cease operations at 3 a.m. On the Saturday and Sunday before Memorial Day and Labor Day, extended hours are in effect, and on-premises retailers may remain open 24 hours and sell alcohol until 4 a.m.

The subtitle expands extended hours to four additional holiday weekends: the Saturday and Sunday before Columbus Day, Washington's Birthday (Presidents' Day), and Martin Luther King, Jr.'s Birthday, and the Friday, Saturday, and Sunday after Thanksgiving Day.

Financial Plan Impact

The subtitle will increase sales tax revenue by \$313,000 in fiscal year 2019 and \$1.3 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (II)(F) Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Increase in general sales tax revenue	\$313	\$325	\$338	\$352	\$1,328

²⁵ Codified at D.C. Official Code § 2-219.01 et seq.

²⁶ Contracts, grants, tax abatements, land transfers for redevelopment, or tax increment financing that results in a financial benefit of \$300,000 or more.

Subtitle (II)(G) – Expedited Building Permit Review Program Fund Amendment Act of 2018

Background

The subtitle establishes a special purpose revenue fund called the Expedited Building Permit Review Program Fund (Fund) within the Department of Consumer and Regulatory Affairs (DCRA) in which revenues from fees for expedited review of building permit applications will be deposited. Three levels of accelerated review permits were created by emergency rulemaking on September 26, 2017. For projects 50,000 square feet or less, the fee for DCRA review is \$50,000 per day. For projects between 50,000 and 99,999 square feet, an additional 50 cents per square foot above 50,000 square feet is charged per day. For projects over 100,000 square feet, the fee is \$75,000 per day. The funding will be used to pay the costs of the expedited building permit review program. Any revenue deposited above the cost of administering the program will be directed to the General Fund.

Financial Plan Impact

The Expedited Building Permit Revenue Fund has authorized spending of \$800,000 in fiscal year 2019 and \$2.4 million over the fiscal year 2019 through 2022 budget and financial plan to support eight FTEs dedicated to the expedited permit program.

Subtitle (II)(H) – Arts and Humanities License Plates Amendment Act of 2018

Background

The subtitle authorizes the Mayor to issue one or more vehicle tags that enhance the public's awareness of the District's arts and humanities communities, works, and programming. The subtitle requires interested residents to pay a one-time application fee and an annual display fee at a level established by the Mayor. The Mayor will deposit application and display fees into the Arts and Humanities Enterprise Fund (Fund) to support the Commission on the Arts and Humanities' programs.²⁷

Financial Plan Impact

There are over 300,000 active vehicle tags in the District, but the number of residents who are willing to pay an additional fee for and register their cars with the new arts and humanities tag is unknown. Tag revenues will be deposited into the Fund, but the Mayor must initiate a subsequent budget action to spend any new revenues.

The Commission on the Arts and Humanities will design the new tag and the agency can do this with the resources in the fiscal year 2019 budget. The Department of Motor Vehicles can also support the implementation of the new tag with the resources in its fiscal year 2019 through fiscal year 2022 budget and financial plan.

²⁷ Arts and Humanities Enterprise Fund Establishment Amendment Act of 1997, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01).

Subtitle (II)(I) – Omnibus Operator Assessment Elimination Amendment Act of 2018

Background

The subtitle eliminates a \$50 annual license fee that District law authorizes the Department of For-Hire Vehicles (DFHV) to charge taxicab and for-hire vehicle operators.²⁸

Financial Plan Impact

DFHV charges operators for a one-year or two-year hacker's license but does not separately charge the \$50 annual license fee as authorized. The subtitle's elimination of the \$50 fee will not impact the fiscal year 2019 through fiscal year 2022 budget and financial plan.

Subtitle (II)(J) – Local Rent Supplement Program Flexibility Amendment Act of 2018

Background

The subtitle allows²⁹ money allocated to the Local Rent Supplement Program for project-based and sponsor-based rental vouchers to be used towards security deposits or applications fees for rental units supported by the Partnership Program for Affordable Housing. It also allows money for tenant-based vouchers to be used toward security deposits and application fees for units leased under the D.C. Housing Authority's Housing Choice Voucher Program.

Financial Plan Impact

The subtitle does not impact the budget and financial plan since it expands the uses of money allocated to the Local Rent Supplement Program but does not change the amount of money allocated to the program.

Subtitle (II)(K) – African-American Civil War Museum Grant Implementation Act of 2018

Background

The African-American Civil War Museum occupies space in the Historic Grimke School located at 1923 Vermont Avenue, N.W. The District recently approved the disposition³⁰ of the school building for private development, but the development project will continue to include at least 10,000 square feet of space for the Museum.³¹

The subtitle authorizes the District to grant up to \$500,000 in fiscal year 2018 to the Museum to redevelop its space within the Grimke School building. The subtitle exempts this grant from the competitive bidding requirements for grants over \$50,000 and the associated public notice requirements.³²

²⁸ District of Columbia Taxicab Commission Fund Amendment Act of 1988, effective May 10, 1988 (D.C. Law 7-107; D.C. Official Code § 50-301.20(d)).

²⁹ By amending The District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-201 et seq.).

³⁰ As authorized in the Grimke School Disposition Approval Resolution of 2017, effective November 7, 2017 (D.C. Resolution 22-257; 65 DCR 13).

³¹ African-American Civil War Memorial Freedom Foundation Inc., Museum Development Act of 2013, effective December 24, 2013 (D.C. Law 20-61; 61 DCR 962).

³² Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13).

Financial Plan Impact

This subtitle authorizes the Deputy Mayor for Planning and Economic Development (DMPED) to issue a grant up to \$500,000 in fiscal year 2018 to the African-American Civil War Museum. DMPED has the funding available in its Economic Development Special Account³³ to support the grant in fiscal year 2018. There is no fiscal impact associated with exempting this grant from grant-making processes.

Subtitle (II)(L) – Non-Health Professional Licensing Fees Adjustment Amendment Act of 2018

Background

The subtitle ratifies license fees that are currently being collected by the Department of Consumer and Regulatory Affairs for elevator inspectors, elevator mechanics, elevator contractors, tour guides, and body artists. Fees for body artist licenses that have been collected since October 1, 2012 are ratified, and those that have not been collected as of the effective date of the fiscal year 2019 Budget Support Act will be waived. Fees for the above referenced elevator and tour guide licenses that have been collected since May 1, 2004 are ratified, and those that have not been collected by the effective date of the fiscal year 2019 Budget Support Act are waived.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan.

Subtitle (II)(M) – Retail Priority Area Amendment Act of 2018

Background

The subtitle expands the Rhode Island Avenue, N.E. and New York Avenue, N.E. Retail Priority Areas to include additional geographic areas.³⁴ The Rhode Island Avenue, N.E. Retail Priority Area will be expanded northward to include additional parts of the Brookland neighborhood. The New York Avenue, N.E. Retail Priority Area is expanded to include the entirety of the Fort Lincoln and Gateway neighborhoods.

Financial Plan Impact

This subtitle expands the number of potential businesses that can apply for the \$5.4 million that is budgeted in fiscal year 2019 for retail priority areas. No additional funding is included in the budget.

Subtitle (II)(N) – Labor Law Enforcement Authority Clarification Amendment Act of 2018

Background

The subtitle clarifies³⁵ that to enforce wage theft laws, the Mayor may conduct investigations at her own discretion, in addition to investigations prompted by complaints. It also clarifies that the Mayor

³³ National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).

³⁴ Retail Incentive Act of 2004, effective September 8, 2004 (D.C. Law 15-185; D.C. Official Code § 2-1217.73).

³⁵ Section 6 of An Act To provide for the payment and collection of wages in the District of Columbia, approved August 3, 1956 (70 Stat. 977; D.C. Official Code § 32-1306).

has the authority to conduct investigations of any wage and hour violations through means such as inspecting employer records and conducting witness interviews.

Financial Plan Impact

This subtitle does not require additional investigations and therefore does not have an impact on the District's budget and financial plan. Currently the Department of Employment Services only conducts investigations prompted by complaints and the agency reports that it does not have enough money in its budget to do additional types of investigations.

Subtitle (II)(O) – Marion S. Barry Summer Youth Employment Program Participant Raise Amendment Act of 2018

Background

The subtitle revises³⁶ the allowed hourly wage rate for participants in the Summer Youth Employment Program aged 16 to 21 years old, from \$8.25 to *no less than* \$8.25. This allows the Mayor to pay these participants an hourly wage above \$8.25 if funds are available.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan since it allows but does not mandate a higher wage for certain participants in the Summer Youth program. Wages must be set at a rate that keep program costs within the approved program budget.

Subtitle (II)(P) – DC Central Kitchen Grants Amendment Act of 2018

Background

The subtitle requires³⁷ the Workforce Investment Council (WIC) to award a grant of \$1,000,000 to the D.C. Central Kitchen to purchase or build-out a new facility providing culinary training and community nutrition programming.

Financial Plan Impact

The cost of the subtitle has been incorporated into the budget and financial plan. WIC can award the grant without additional resources.

Subtitle (II)(Q) – Eastern Market Competitive Grant Act of 2018

Background

The subtitle gives the Deputy Mayor for Planning and Economic Development (DMPED) grant-making authority to issue a grant of up to \$300,000 for a comprehensive study and strategic plan for the development of Eastern Market in fiscal year 2019. The study should include an assessment of management and marketing challenges and opportunities, and it should make recommendations addressing those areas.

³⁶ Section 2(a)(1)(A)(iii) of the Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241(a)(1)(A)(iii)).

³⁷ Notwithstanding Section 4(c) of the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code § 32-1603(c)), and the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 et seq.).

Financial Plan Impact

The fiscal year 2019 budget includes \$300,000 for DMPED to complete the Eastern Market study.

Subtitle (II)(R) – Minority and Women-Owned Business Assessment Amendment Act of 2018

Background

The Department of Small and Local Business Development (DSLBD) manages a Minority and Women-Owned Business Assessment Program (Program) to analyze, record, track, and assess the state of businesses in the District that are owned by minorities or women and are qualified as Certified Business Enterprises.^{38,39} DSLBD is currently required to report on any findings on the state of these businesses and provide recommendations to encourage them to participate in the District's procurement opportunities, but the report does not need to be provided on a date certain. The Subtitle requires DSLBD to issue this report annually by March 1st.

The subtitle also requires DSLBD to issue a grant of up to \$200,000 to conduct a District-based disparity study. The study should assess if there are disparities between the availability and utilization of minority or women-owned prime contractors and subcontractors and determine if there are any statistical discrepancies in the utilization of these businesses on government-assisted projects. DSLBD will have approximately nine months to submit the final study to the Council Committee on Business and Economic Development.

Financial Plan Impact

DSLBD is currently required to assess the Program and provide its findings and recommendations to the Council, but current law does not provide a time-frame for this reporting. The subtitle requires the report to be submitted annually by March 1st and DSLBD can complete this activity with its budgeted resources. The fiscal year 2019 budget includes \$200,000 for DSLBD to complete the disparity study.

Subtitle (II)(S) – Living Wage Certification Grant Program Amendment Act of 2018

Background

The subtitle requires the Department of Small and Local Business Development (DSLBD) to issue a grant to an organization for the administration of a Living Wage Certification Program (Program) for District businesses. Under the Program, an employer may apply to the Program administrator if it pays and commits to paying its employees a living wage,⁴⁰ maintains its primary office in the District, and certifies that a majority of its owners or employees are District residents. The Program administrator should develop a logo for promotional purposes and maintain a public list of certified employers. A certification is valid for three years.

³⁸ Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.31 et seq.)

³⁹ Minority and Women-Owned Business Assessment Act of 2008, effective March 26, 2008 (D.C. Law 17-136; D.C. Official Code § 2-214.01 et seq.).

⁴⁰ Living Wage Act of 2006, effective June 8, 2006 (D.C. Law 16-118; D.C. Official Code § 2-220.02).

Counties and regions across the United States offer living wage certification programs. Some of these, such as Orange County, North Carolina; Tompkins County, New York; and Durham, North Carolina, are part of a broader group, the Living Wage Network,⁴¹ to support the expansion of living wage certification programs across the country.

Financial Plan Impact

DSLBD will need to issue a grant to an organization that can administer the Program on the District's behalf by certifying employers who pay their employees a living wage and providing employers with the tools needed to market themselves as a certified employer. The fiscal year 2019 budget includes approximately \$170,000 in funding to start the Program, and then \$100,000 annually thereafter to maintain the Program. Based on the experiences of other living wage certification programs across the country, this level of funding should be sufficient for a Program administrator to develop a Program, market the Program, certify and recertify employers, and provide employers with the necessary support to market themselves as certified employers.

Subtitle (II)(T) – Rental Assistance for Unsubsidized Seniors Amendment Act of 2018

Background

The subtitle establishes⁴² the Rental Assistance for Unsubsidized Seniors Program ("Program"), which will be administered by the D.C. Housing Authority. The Program will provide rent subsidies for households headed by seniors⁴³ who do not receive other District or federal rental assistance. To qualify, a household must be paying more than 30 percent of its monthly income in rental housing costs and have an income less than or equal to 60 percent of the area median income.

The Program is authorized to provide a subsidy of up to \$600 a month, or the difference between 30 percent of the household's monthly income and the household's total monthly lease rent, whichever is less.

To fund the Program, the subtitle establishes the Tenant-Based Assistance Fund ("Fund"), which will receive money from an increase in the rental unit fee. The amount of funds spent by the Program will be limited by available revenue in the Fund.

Financial Plan Impact

Program spending will be bound by the revenue we expect to be deposited into the Fund from the \$5 rental unit fee increase: \$736,100 in fiscal year 2019, and \$743,100 a year in subsequent fiscal years. After Program administration costs, we estimate that about \$680,00 to \$690,000 a year will be available for the subsidies.

⁴¹ <https://www.livingwagework.org/>

⁴² The District of Columbia Housing Authority Act of 1999, effective March 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-201 et seq.).

⁴³ D.C. residents who are 62 years of age or older.

Funds Budgeted for the Rental Assistance for Unsubsidized Seniors Amendment Act of 2018					
	FY 2019	FY 2020	FY 2021	FY 2022	Four-year Total
Subsidies	\$681,574	\$688,056	\$688,056	\$688,056	\$2,745,741
Program administration	\$54,526	\$55,044	\$55,044	\$55,044	\$219,659
TOTAL	\$736,100	\$743,100	\$743,100	\$743,100	\$2,965,400

Subtitle (II)(U) – Housing Production Trust Fund Advanced Solicitation Amendment Act of 2018

Background

The subtitle requires⁴⁴ the Department of Housing and Community Development (DHCD) to create a publicly available database with information about Housing Production Trust Fund (HPTF) loans and to file quarterly reports with Council on the status of HPTF loans.

The subtitle also allows DHCD to solicit proposals for use of HPTF subsidies in the fiscal year prior to collection of the tax revenues that will fund the subsidies, provided that the money has been certified for use by the Fund in the District’s financial plan and has not been committed for other purposes. DHCD may not enter into contracts or other commitments to provide funding until the year in which the funds are budgeted and available.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. DHCD can create required quarterly reports and the database of HPTF loan information without additional resources. The advancement of solicitation of HPTF funds does not increase the budget for HPTF spending and does not change the financial plan.

Subtitle (II)(V) – Reverse Mortgage Foreclosure Prevention Amendment Act of 2018

Background

The subtitle creates⁴⁵ a one-year pilot program at the DC Housing Finance Agency (DCHFA) that will provide loans to homeowners facing foreclosure on their reverse mortgage due to unpaid property taxes and insurance. District homeowners will be eligible for the program if they are at least 62 years old, have an annual income of 80 percent or less of the area median income for a four-person household, have executed a reverse mortgage with a lender financial institution which has recorded a lien on the home in which the homeowner lives, and if their home is at risk of foreclosure.

⁴⁴ By amending Section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802).

⁴⁵ The District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Official Code § 42-2703.01 et seq.).

No homeowner may receive more than \$25,000 in assistance, and total spending for the pilot program is capped at \$500,000.

Financial Plan Impact

The fiscal year 2019 budget allocates \$500,000 to DCHFA for the program. Of that amount, around \$232,000 will go toward loans and \$267,000 toward administration of the program.⁴⁶ Roll-out of the program will take 18 months (6 months set-up plus 12 months during which DCHFA will issue the loans), so DCHFA may spend some of the funds in fiscal year 2020.

Funding for the subtitle comes from the Department of Housing and Community Development's Unified Fund. The use of the Unified Funds for this purpose is authorized by Subtitle (II)(Y).

Subtitle (II)(W) – Rental Unit Fee Disbursement Amendment Act of 2018

Background

The subtitle increases the rental unit fee by \$5, from \$25 to \$30. The fee is an annual fee that landlords pay for each rental unit they own in the District. Revenue generated by the increase will be deposited into the Tenant-Based Assistance Fund which will be administered by the D.C. Housing Authority.

Financial Plan Impact

Based on fee revenues in fiscal year 2017, we estimate a \$5 increase in the rental unit fee will generate about \$743,100 in additional revenue each year. In fiscal year 2019, DCRA will require \$7,000 of budget so the agency can make the IT upgrades necessary to collect the increased fee.

Additional Revenue from increase Rental Unit fee by \$5, from \$25 to \$30					
	FY 2019	FY 2020	FY 2021	FY 2022	Four-Year Total
Revenue from additional \$5	\$743,100	\$743,100	\$743,100	\$743,100	\$2,972,400
Cost of DCRA IT upgrade	-\$7,000	\$0	\$0	\$0	-\$7,000
Revenue available	\$736,100	\$743,100	\$743,100	\$743,100	\$2,965,400

Subtitle (II)(X) – Common Interest Community Repairs Amendment Act of 2018

Background

The subtitle creates the Common Interest Community Repairs program ("Program"), which will be administered by the Department of Housing and Community Development (DHCD). The Program will fund repairs to common areas of income-eligible common-interest communities (residential condominiums, cooperatives, etc.). Allowable repairs include those to plumbing, electrical systems, roofs, entrance security, elevators, shared stairways, shared porches and fire escapes, and other

⁴⁶ Assuming DCHFA issues 29 loans.

common elements. The total value of services a single community can receive cannot exceed \$100,000.

Repairs funded through the Program must fulfill or exceed Green Communities environmental standards, when applicable.

To be eligible for the Program, a community must have at least 5 units, and two-thirds of units that are owner- or -shareholder-occupied must have household incomes no greater than 60 percent of the area median family income. The communities also must be registered with the Department of Consumer and Regulatory Affairs. If a community has received Program services in the past year, it will be ineligible to reapply for additional services during that year.

Program spending is limited to funds available in an approved budget and financial plan.

Financial Plan Impact

Subtitle (II)(Y) reserves \$2.5 million in special purpose revenue from DHCD property dispositions in fiscal year 2018 and/or fiscal year 2019 to fund the subtitle in fiscal year 2019. Once DHCD receives the revenue, the agency will be required by Subtitle (II)(Y) to fund the Program.

To administer the Program, DHCD expects to need an administrative assistant (0.5 FTE), attorney (0.5 FTE), program manager (1 FTE), housing inspector (1 FTE), and compliance monitor (1 FTE). Salaries and benefits for these staff members will total around \$400,000 a year. Up to \$2.1 million of remaining revenue received from DHCD property dispositions (subject to Subtitle (II)(Y)) will therefore be available for common interest community repairs.

Subtitle (II)(Y) – Affordable Housing Priorities Amendment Act of 2018

Background

The subtitle requires \$500,000 from the Unified Fund to be given in FY 2019 to the D.C. Housing Finance Agency to implement the Reverse Mortgage Foreclosure Prevention Program created by Subtitle (II)(V).

Beginning June 1, 2018, the subtitle also requires⁴⁷ local revenue from the disposition of properties by the Department of Housing and Community Development (DHCD) to be used for the following purposes in fiscal year 2019, in order of priority:

- \$125,000 for programs funded by the Unified Fund;
- \$5,000,000, as needed, to repay the fiscal year 2018 contingency cash withdrawal by the Mayor to fund the Home Purchase Assistance Program;
- \$2,500,000 for the Common Interest Community Repairs Program, established in Subtitle (II)(X);
- \$1,000,000 for the D.C. Housing Authority Rehabilitation and Maintenance Fund;
- \$1,000,000 for the Emergency Rental Assistance Program administered by the Department of Human Services;
- With any remainder deposited into the Unified Fund.

⁴⁷ Section 2009 of the Department of Housing and Community Development Unified Fund Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 42-2857.01).

Financial Plan Impact

In fiscal year 2018 and fiscal year 2019, DHCD expects to receive \$12.148 million in revenue from the disposition of properties, \$9.268 million of which will be local revenue that can be used toward the items listed above, in the order in which they are listed. Funding of each of the items will be contingent on revenue actually received.

The remaining \$2.88 million in expected revenue will be federal money that can be used only for purposes allowed by the federal Community Development Block Grant program, since the properties generating this revenue were purchased with Community Development Block Grants.

Subtitle (II)(Z) – Disposal of Abandoned and Deteriorated Property Amendment Act of 2018

Background

Currently, the Mayor may dispose of a derelict property only after she holds a public hearing and transmits to Council a proposed resolution providing for the disposition of the property, which Council has 60 days to review. The subtitle changes⁴⁸ the disposition process by requiring the Mayor to hold a hearing or transmit a resolution to Council—but not both.

If the Mayor chooses to hold a hearing instead of transmitting a resolution to Council, she must still submit to Council, within 10 business days of settlement, a description of the property and summary of the terms and conditions of the disposition.

This subtitle will be applicable as of October 1, 2017.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan.

Subtitle (II)(AA) – Securities and Banking Regulatory Trust Fund Amendment Act of 2018

Background

The subtitle amends the Department of Insurance and Securities Regulation Establishment Act of 1996⁴⁹ to allow certain licensure, registration and fee revenues obtained pursuant to securities regulation and banking regulation to be recognized as Local Fund revenue, provided sufficient revenue is available to fund the operations of the Department of Insurance Security and Banking (DISB).

Financial Plan Impact

The fiscal year 2019 budget for DISB requires \$14.3 million of the special purpose revenue collected for securities and banking regulation. Total revenues to be received will be \$25.4 million, leaving \$11.1 million available for Local Funds purposes in fiscal year 2019 and each year of the financial plan.

⁴⁸ Section 433(a)(1) of the Due Process Demolition Act of 2002, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-3171.03(a)(1)).

⁴⁹ Effective May 21, 1997 (D.C. Law 11-268; D.C. Official Code § 31-107).

Subtitle (II)(BB) – Security Officer Wage Amendment Act of 2018

Background

The subtitle amends the Minimum Wage Act Revisions Act of 1992 regarding the minimum wage for security officers employed in office buildings located in the District. Current law requires such security officer wages to be greater than or equal to the minimum wage plus fringe benefit rates set by the U.S. Department of Labor (DOL) for a guard 1 classification, whenever DOL adjusts the wage. The subtitle clarifies that wage determinations for security officers must be made no later than July 1 each year and must equal the latest DOL wages published as of the previous September 1. This means employers will only need to make the wage adjustment once per year.

Financial Plan Impact

The subtitle does not have a fiscal impact. The District government will still be required to update wage rates whenever DOL updates them, per federal law.

Subtitle (II)(CC) - Rental Housing Registration Update Amendment Act of 2018

Background

The subtitle requires⁵⁰ the Office of the Tenant Advocate (OTA) to create an online portal that landlords in the city will use to re-register each of their rental units and, if applicable, re-submit claims of exemption from rent control. OTA must launch the portal within 180 days of the effective date of this subtitle. Within 240 days of the effective date, all landlords in the city must submit new registrations and rent-control exemptions for each rental unit they own. This will, in effect, create an electronic database of all rental units in the city, including those that are rent-controlled.

OTA will incorporate the data it collects on the city's rental units into a permanent online portal accessible from the website of the Department of Housing and Community Development (DHCD). The portal will allow the public to search for information on rent-controlled units in the city. It will also allow landlords to submit future registration of units and claims of rent-control exemption online, as opposed to on paper as is done currently. OTA must transfer administration and maintenance of the portal and database to DHCD no later than December 13, 2019.

Landlords that don't register a rental unit within 240 days of the effective date of the subtitle will pay a penalty of \$100 per unit to the District government. Penalties will be deposited into the Rental Housing Registration Fund, which will be administered by OTA while OTA is in control of the portal and database. When OTA transfers administration of the portal and database to DHCD, it will also transfer administration of the fund, which will be used to develop and maintain the portal and database. The fund will be non-lapsing.

Beginning January 2020, DHCD will be required to send monthly reports to Council on usage of the database along with electronic spreadsheets of new data submitted to the database during the prior month.

⁵⁰ By amending the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 et seq.).

Financial Plan Impact

The cost of this subtitle has been incorporated into the budget and financial plan. Developing and maintaining the portal and database will cost \$995,000 in fiscal year 2019 and \$1,495,000 over the four-year budget and financial plan. Currently this money is in the budget of the Office of the Tenant Advocate (OTA); OTA will have to send a portion of this money via an intra-district transfer to the Department of Housing and Community Development.

In fiscal year 2019, it will cost OTA \$945,000 to conduct the re-registration and develop the online portal that it will transfer to DHCD. This cost includes the cost of IT development as well as outreach and customer service for the re-registration campaign.

While OTA is developing the portal and conducting re-registration in fiscal year 2019, DHCD will need 0.5 FTE to serve as a liaison for the project. This position will cost approximately \$50,000.⁵¹ Once OTA transfers the portal and database to DHCD in fiscal year 2020, DHCD will continue to need a 0.5 FTE to oversee the transition and integrate the new online registration system into DHCD's registration process. DHCD will also need \$150,000 a year⁵² to maintain the system after the transfer.

Cost of the Rental Housing Registration Update Amendment Act of 2018, FY 2019 - FY 2022					
	FY 2019	FY 2020	FY 2021	FY 2022	Four-Year Total
OTA - portal/database development	\$945,000	\$0	\$0	\$0	\$945,000
DHCD - 0.5 FTE	\$50,000	\$50,000	\$0	\$0	\$100,000
DHCD - IT maintenance	\$0	\$150,000	\$150,000	\$150,000	\$450,000
TOTAL COST	\$995,000	\$200,000	\$150,000	\$150,000	\$1,495,000

Subtitle (II)(DD) – Guaranty Trust Fund Act of 2018

Background

Currently, a \$50 license fee is triggered when the Real Estate Guaranty and Education Fund^[1] ("Fund") balance drops below the required minimum. The fee is intended to add a boost of revenue to the Fund if revenues are not sufficient to meet expenditures. The subtitle requires the fee to be triggered when the Office of the Chief Financial Officer projects that the balance will drop below the minimum within a current fiscal year. Allowing the fee to be collected based on projections will give more time for fees to be collected and mitigate the risk of any Fund shortfall.

Financial Plan Impact

The subtitle does not have a fiscal impact.

⁵¹ DHCD requested 1 FTE in fiscal year 2019 to serve as a liaison and conduct outreach and customer service. ORA reduced this to 0.5 FTE since the cost of outreach and customer service was included in the budget of OTA, which in fiscal year 2019 will be in charge of the re-registration and portal development.

⁵² OTA estimates system maintenance will cost \$100,000 to \$200,000 a year.

[1] D.C. Official Code § 42-1707(1).

TITLE III - PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Criminal Code Reform Commission Term Extension Act of 2018

Background

In fiscal year 2017, the Criminal Code Reform Commission (Commission) was created as a separate commission by pulling the criminal code review component from the Sentencing and Criminal Code Revision Commission.⁵³ The Commission is scheduled to deliver its final criminal code reform recommendations by October 1, 2018, when its establishing authority sunsets.

The subtitle extends the due date of the Commission's report to September 30, 2019 and sunsets the Commission's activities on October 1, 2019.

Financial Plan Impact

The Commission's activities are funded at approximately \$705,000 in fiscal year 2019. The Commission will terminate at the end of fiscal year 2019.

Subtitle (III)(B) – Retired Police Officer Redeployment Amendment Act of 2018

Background

The Metropolitan Police Department (MPD) currently rehires retired police officers as fully sworn officers with no impact on their retirement benefits. These officers are paid on the Police Service pay schedule as officers⁵⁴ and are not eligible for longevity pay. The Omnibus Public Safety and Justice Amendment Act⁵⁵ expanded the retired police officer rehire program to include pay opportunities at the detective⁵⁶ and sergeant⁵⁷ levels of the Police Service pay schedule for eligible retirees. The detective and sergeant programs will sunset on October 12, 2019.

The subtitle eliminates the sunset date for the rehiring of retired police officers at the detective and sergeant levels, but requires that a participating officer be hired prior to October 1, 2019. The subtitle allows MPD to rehire an officer under this part of the program for no more than three years.

Financial Plan Impact

MPD rehires retired officers into positions that are included in MPD's budget in the fiscal year 2019 through fiscal year 2022 budget and financial plan. The eliminated sunset provision and the three-year limit for rehired officers at the detective and sergeant levels can also be accommodated within the budget and financial plan.

⁵³ Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 et seq.).

⁵⁴ The pay grade and step is class 1, step 5.

⁵⁵ Effective April 22, 2017 (D.C. Law 21-280; D.C. Official Code § 5-761(h)).

⁵⁶ The pay grade and step is class 3, step 4.

⁵⁷ The pay grade and step is class 4, step 3.

Subtitle (III)(C) – Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2018

Background

The subtitle designates that the Emergency and Non-Emergency Number Telephone Calling Systems Fund (Fund)⁵⁸ resources can only be used to pay personnel, technology hardware, software and software maintenance, contractual support, 911/311 outreach and training, supplies, and equipment costs necessary to provide 911/311 communications. The subtitle also prohibits the Office of Unified Communications (OUC) from using the Fund’s resources to defray direct costs incurred by wireless carriers or supporting annual audit costs.

Presently, the Fund’s resources can only be used to defray technology and equipment costs directly incurred by providing the 911 system and costs incurred by wireless carriers to provide E-911 services.

Financial Plan Impact

OUC plans to transition 23 information technology contractors to full-time employees and will pay their salaries out of the Fund. This transition will save approximately \$969,000 annually for the Fund that generates approximately \$11 million in revenue annually. OUC does not currently reimburse wireless carriers for the provision of 911 services, so there is no impact related to that change. The Chief Financial Officer (CFO) commissions the annual audit of the Fund as required, but the cost of the audit is budgeted within the CFO’s budget and is not supported by the Fund.

Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2018					
Special Purpose Revenue Fund Cost Savings					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Current Contractor Costs	\$3,351	\$3,431	\$3,513	\$3,597	\$13,892
Full-time Employee Costs^a	\$2,416	\$2,474	\$2,533	\$2,594	\$10,017
Cost Savings	\$935	\$957	\$980	\$1,003	\$3,875

Table Notes

^a Cost includes 23 full-time employees and four specialty contractors.

Subtitle (III)(D) – Neighborhood Engagement Achieves Results Amendment Act of 2018

Background

The Neighborhood Engagement Achieves Results Amendment Act of 2016⁵⁹ established initiatives and programs to address violent crime in the District. Two of those efforts were to establish the Office of Neighborhood Safety and Engagement (ONSE) and a private security camera incentive program.

⁵⁸ Emergency and Non-Emergency Number Telephone Calling Systems Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172;D.C. Official Code § 34-1802).

⁵⁹ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-1251 D.C. Official Code § 7-2411 et seq.).

The Honorable Phil Mendelson

Fiscal Impact Statement for Bill 22-753, "Fiscal Year 2019 Budget Support Act of 2018," Amendment in the Nature of a Substitute circulated June 25, 2018

ONSE is a combination of the Community Stabilization Program⁶⁰ and the Safer, Stronger DC Community Partnerships Program.⁶¹ These programs fulfill ONSE's duties of coordinating the District's violence prevention strategy, identifying and engaging individuals who might be at high risk for criminal activity, identifying high crime neighborhoods, and coordinating with District agencies and nonprofits to provide youth outreach and employment opportunities for individuals in high crime neighborhoods or who are at high risk for criminal activity. ONSE will also collaborate with District agencies and nonprofits to provide wrap-around services to crime victims and their families.

The subtitle enhances ONSE by transferring a portion of the Department of Parks and Recreation's (DPR) Roving Leaders Program to ONSE. The Roving Leaders Program performs outreach to youth and youth groups to prevent, neutralize, and control hostile behaviors through the development of positive relationships between youth and outreach workers.

The Office of Victim Services and Justice Grants (OVSJG) manages the private security camera incentive program and provides vouchers and reimbursements to residents and businesses in the District who purchase, externally install, and register with the Metropolitan Police Department private security cameras at their residence or place of business.⁶² OVSJG produces monthly reports that it makes available on its website and transmits to Council.

The subtitle also reaffirms that OVSJG produce a monthly report, but only requires that it be made available on its website. OVSJG would be required to transmit an annual report to Council by January 15th.

Financial Plan Impact

The fiscal year 2019 through fiscal year 2022 budget and financial plan transfers ten Roving Leaders Program workers and their associated personnel costs from DPR to ONSE. The budget also includes a \$52,000 salary enhancement for the transferred positions to ensure their salaries are consistent with existing ONSE personnel.

OVSJG currently produces monthly reports and makes them available on its website. The budget and financial plan maintain the resources necessary for OVSJG to continue posting reports online and to transmit an annual report to Council.

(The bill does not contain a subtitle (III)(E))

⁶⁰ The Community Stabilization Program is currently administered by the Office of the Deputy Mayor for Public Safety and Justice.

⁶¹ The Safer, Stronger DC Community Partnerships Program is currently administered by the Office of the Deputy Mayor for Health and Human Services.

⁶² Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125: D.C. Official Code § 7-2831).

Subtitle (III)(F) – Fatality Review Committee Amendment Act of 2018

Background

The subtitle establishes a Violence Fatality Review Committee (Committee)⁶³ within the Office of the Chief Medical Examiner (OCME) to evaluate homicides and suicides⁶⁴ in the District. The Committee should review District agencies' efforts and any duplication of efforts; describe data patterns; review socioeconomic risk factors; and recommend systemic improvements, policies, or training to prevent and respond to homicides and suicides. By July 1st of each year, the Committee should publicly issue a report with its findings and recommendations. The Committee has the right to request information from any District agency or health provider in the District and is granted the power to subpoena any documents or testimony it needs to fulfill its mission. The subtitle also ensures that the Committee keeps information confidential and destroys any records it receives following the production of its annual report.

The subtitle also amends the Child Fatality Review Committee⁶⁵ to include a member of the Public Charter School Board and gives the Child Fatality Review Committee the authority to conduct a voluntary parental interview with the parent or guardian of a deceased child in the course of its activities to review child fatalities.

The subtitle also makes a number of technical changes to the Maternal Mortality Review Committee.⁶⁶

Financial Plan Impact

The fiscal year 2019 budget includes funding for two additional fatality review program specialists who will support all four of the Office of the Chief Medical Examiner's fatality review committees. These new specialists will bring the total staff of the fatality review team to seven. These specialists will cost \$198,000 in fiscal year 2019 and \$819,000 over the four-year financial plan period.

No additional resources are needed to support the new Violence Fatality Review Committee or the amendments to the Child Fatality and Maternal Mortality Review Committees.

Subtitle (III)(G) – Emergency Medical Services Transport Contract Authority Amendment Act of 2018

Background

In 2016, the District gave the Mayor the authority to enter into a third-party contract for the provision of pre-hospital medical care and transport services in the District.⁶⁷ The current authority is slated to expire on September 30, 2019.

⁶³ The Committee will be comprised of representatives from District agencies; federal, judicial, and private agency partners; representatives from District hospitals; representatives from other organizations that work in the behavioral and mental health services or violence intervention programs; and community members.

⁶⁴ The Committee will review homicides and suicides for persons 19 years of age or older.

⁶⁵ Child Fatality Review Committee Establishment Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 4-1371.01 et seq.).

⁶⁶ Maternal Mortality Review Committee Establishment Act of 2018, enacted April 12, 2018 (D.C. Act 22-315; 65 DCR 4278).

⁶⁷ Emergency Medical Services Contract Authority Temporary Amendment Act of 2015, effective January 30, 2016 (D.C. Law 21-55, 62 DCR 15597).

The subtitle extends the Mayor's authority to enter into a contract for a third-party ambulance service provider to September 30, 2021. The subtitle reduces a third-party contractor's reporting requirement from quarterly to biannually but adds a required reporting element indicating the number of minutes the contractor had no ambulances in service during the contract period. The subtitle also reduces from quarterly to biannually the Department of Fire and Emergency Medical Services and Office of Unified Communications required reports to Council related to third-party ambulance contracts.

Financial Plan Impact

The subtitle extends the Mayor's authority to enter into a third-party ambulance contract through fiscal year 2021 but does not require the Mayor to do so. The fiscal year 2019 budget includes approximately \$12 million to fund the contract through September 30, 2019, but the District has not committed financial resources beyond that. The District has contracted with a third-party ambulance provider since early 2016.

Subtitle (III)(H) – Returning Citizens Opportunity to Succeed Amendment Act of 2018

Background

The subtitle creates pilot programs for fiscal year 2019 to waive fees for certain documents issued by District agencies and to provide transportation benefits for District residents returning from Federal Bureau of Prisons (BOP) custody⁶⁸ or residing in BOP halfway houses.

For returning citizens, the Department of Health (DOH) should waive fees for birth certificates and the Department of Motor Vehicles (DMV) should waive fees for driver's licenses, permits, provisional licenses, and identification cards. The subtitle also requires DOH to accept BOP documentation as proof of identification if DOH requires identifying documentation for a vital records application.

Financial Plan Impact

The subtitle waives DOH birth certificate fees and DMV license, permit, and identification fees for returning citizens for fiscal year 2019. Some returning citizens pay these fees today, so the subtitle's implementation will reduce revenues by \$8,000 and \$30,000 at DOH and DMV, respectively. DOH and DMV will still have to produce these documents, so the fiscal year 2019 budget includes an increase of \$32,000 and \$92,000 at DOH and DMV, respectively.

The fee waivers are limited to pilot programs in fiscal year 2019.

Subtitle (III)(I) – Expanding Access to Justice Amendment Act of 2018

Background

In fiscal year 2018,⁶⁹ the Office of Victim Services and Justice Grants (OVSJG) started the Access to Justice Civil Legal Counsel Projects Program to provide grants for legal counsel for persons below 200 percent of the federal poverty level who are facing eviction proceedings. The subtitle ensures

⁶⁸ The returning citizens must be within one year of their release from custody.

⁶⁹ Expanding Access to Justice Amendment Act of 2018, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 4-1801 et seq.).

that the grants are nonlapsing and can be spent or sub-granted across District fiscal years by the grant recipient.

Financial Plan Impact

The District has budgeted \$4.5 million annually to support grants for the Access to Justice Civil Legal Counsel Projects Program. OVSJG grants this money to the Bar Foundation⁷⁰ that then grants it to legal providers to assist tenants below 200 percent of the federal poverty level who are facing evictions proceedings. The Bar Foundation does not grant money consistent with the District's fiscal year, so this subtitle will ensure that it can continue to issue grants consistent with its operating calendar. There are no costs associated with making the grants nonlapsing.

Subtitle (III)(J) – Office of the Attorney General Information Technology Authority and Housing Receivership Costs Amendment Act of 2018

Background

The subtitle allows the Office of the Attorney General (OAG) to invest in, procure, and maintain its own information technology and telecommunications systems outside of the purview of the Office of the Chief Technology Officer.

The subtitle also allows OAG to spend resources in the Drug-, Firearm-, or Prostitution-Related Nuisance Abatement Fund⁷¹ on efforts to investigate and prosecute housing receivership cases.⁷² The Fund receives damages awarded to the District from drug, firearm, and prostitution nuisance cases.

Financial Plan Impact

The fiscal year 2019 budget includes any resources OAG requires to manage its information technology needs.

The Fund's revenues are dependent upon cases being closed and damages being paid, so the revenues can be unpredictable. In fiscal year 2017, the Fund received over \$4 million in revenue. The subtitle's allowance of the Fund's resources to be spent on housing receivership case efforts will not affect funds spent on other nuisance abatement efforts and will be limited to funds available in the Fund.

Subtitle (III)(K) – Immigrant Legal Services Program Act of 2018

Background

The subtitle establishes an Immigrant Legal Services Program (Program) within the Office of Victim Services and Justice Grants (OVSJG) to provide grants to legal services providers for legal representation or attorney training related to the District's immigrant population. OVSJG should issue rules to define the scope of services that a grant recipient must provide to be eligible for a grant under the Program.

⁷⁰ Access to Justice Initiative Amendment Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 4-1701.01(6)).

⁷¹ Nuisance Abatement Reform Amendment Act of 2006, effective April 4, 2006 (D.C. Law 16-81; D.C. Official Code § 42-3111.01).

⁷² Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3651.01 et seq.).

Financial Plan Impact

The subtitle requires OVSJG to develop the Program to provide legal services and training for members of or lawyers who work with the District’s immigrant population. OVSJG will need to hire an additional grant specialist to manage the Program and update its grant management system. The fiscal year 2019 through fiscal year 2022 budget and financial plan includes \$400,000 annually for the Program. OVSJG will use \$104,000 of that in fiscal year 2019 and \$424,000 over the four-year financial plan period to pay for the new staff and system update. Approximately \$294,000 annually will be available to provide grants under the Program.

TITLE IV. PUBLIC EDUCATION

Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2018

Background

This subtitle sets⁷³ the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$10,658. This is a 3.9 percent increase over the fiscal year 2018 base amount.⁷⁴ Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per-pupil funding at that level or for these services.

The subtitle also increases the weighting for the special education compliance add-on a from 0.069 to 0.099 and the at-risk add on from 0.219 to 0.224.

The following tables show the foundation level funding at each grade level and the various add-ons:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2019
Pre-Kindergarten 3	1.34	\$14,282
Pre-Kindergarten 4	1.30	\$13,855
Kindergarten	1.30	\$13,855
Grades 1-5	1.00	\$10,658
Grades 6-8	1.08	\$11,511
Grades 9-12	1.22	\$13,003
Alternative program	1.44	\$15,348
Special education school	1.17	\$12,470
Adult	0.89	\$9,486

⁷³ By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 et seq.).

⁷⁴ The Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017, effective Jan 25, 2018, (D.C. Law 22-44) sets the base level funding for the Uniform Per Student Funding Formula at \$10,257.

Special Education Add-ons			
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$10,338
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$12,790
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$20,996
Level 4: Special Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	\$37,196
Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	\$1,055
Attorney's Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per student basis for attorney's fees.	0.089	\$949
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$17,799

General Education Add-ons			
ELL	Additional funding for English Language Learners	0.49	\$5,222
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.224	\$2,387

Residential Add-ons			
Level 1: Special Education Residential	Additional funding to support the after-hours level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.37	\$3,943
Level 2: Special Education Residential	Additional funding to support the after-hours level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.34	\$14,282
Level 3: Special Education Residential	Additional funding to support the after-hours level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.89	\$30,802
Level 4: Special Education Residential	Additional funding to support the after-hours level 4 special education needs of limited and non-English proficient students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$30,802
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$7,120

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Special Education Level 1 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.063	\$671
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	\$2,419

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$5,233
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	\$5,233

Financial Plan Impact

The proposed 3.9 percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed fiscal year 2019 budget includes approximately \$1.59 billion for instructional budgets; \$848.02 million for the District of Columbia Public Schools and \$740.43 million for the public charter schools. The increase to the special education compliance weight will result in an additional \$2.26 million for the District of Columbia Public Schools and \$1.96 million for the public charter schools above what would have been expected if the weight had remained the same. The increase to the at-risk weight will result in an additional \$1.33 million for the District of Columbia Public Schools and \$1.03 million for the public charter schools above what would have been expected if the weight had remained the same.

Charter schools will receive \$144.27 million for facilities allowances in fiscal year 2019, bringing the collective public charter school local budget to \$889.38 million.

Subtitle (IV)(B) – State Athletics Amendment Act of 2018

Background

This subtitle creates a completely independent District of Columbia State Athletic Commission (DCSAC) by no longer requiring DCSAC to submit its annual budget and program oversight reports to Council through the Office of the State Superintendent of Education (OSSE). The DCSAC will also have independent budget authority rather than being a program code within OSSE.

Financial Plan Impact

This subtitle will transfer the school athletics budget out of OSSE and into its own standalone budget. The proposed fiscal year 2019 budget for the DCSAC is \$1.34 million. This funding transfer is incorporated into the budget and financial plan.

Subtitle (IV)(C) – Early Childhood Higher Education Incentive Amendment Act 2018

Background

This subtitle makes technical amendments to the Higher Education Incentive Program to clarify allowable costs and reporting requirements. The program is operated by the University of the District of Columbia and aims to increase the number of early education teachers teaching in the District by offering tuition assistance to students.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan.

Subtitle (IV)(D) - Healthy Schools Amendment Act of 2018

Background

This subtitle allows⁷⁵ organizations that provide technical assistance to schools to apply for Healthy Schools grants which are administered by the Office of the State Superintendent of Education. Specifically, these organizations can apply for grants that promote physical activity in schools and increase cafeteria staff’s abilities to provide healthy meals for students.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. Expanding the entities that are eligible to receive Healthy School grants does not have a financial impact.

Subtitle (IV)(E) – DC Public Schools Sales and Licensing Authority Amendment Act of 2018

Background

The subtitle allows⁷⁶ the Chancellor of the District of Columbia Public Schools (DCPS) to sell or license DCPS intellectual property rights. DCPS may also sell tickets to school athletic events and performances. All revenue generated by the sale of advertisements, intellectual property, and tickets must be deposited into a newly established, non-lapsing District of Columbia Public Schools Revenue Generation and Sponsorship Fund. DCPS may use any revenue collected to support instruction, education programs, human resources, athletics, the arts, and community engagement.

Financial Plan Impact

The subtitle may generate a small amount of revenue for DCPS, which will be deposited into the non-lapsing District of Columbia Public Schools Revenue Generation and Sponsorship Fund. The proposed budget and financial plan does not rely on any such deposits.

⁷⁵ By amending Section 102(c) of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)).

⁷⁶ By amending Section 105a of the District of Columbia Public Schools Agency Establishment Act of 2007, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 38-174.01).

**Subtitle (IV)(F) - District of Columbia Public Library Lease and Permitting Authority
Amendment Act of 2018**

Background

The subtitle allows the District of Columbia Public Library (DCPL) to lease property for up to a five-year period and use the leased property for DCPL programs. DCPL must consult with the Department of General Services (DGS) before entering into lease agreements. DCPL may issue revocable permits for short-term events, programs, and activities in DCPL facilities under the jurisdiction of the Board of Library Trustees. The subtitle also allows DCPL to negotiate and execute five-year lease agreements for space located in the Martin Luther King Jr. Memorial Library.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Allowing DCPL to lease space and execute leases does not have a financial impact.

**Subtitle (IV)(G) - Student Fair Access to School Applicability and Technical Amendment Act
of 2018**

Background

This subtitle clarifies portions of Student Fair Access to School Amendment Act of 2018 (Act)⁷⁷ to make clear that the Office of the State Superintendent of Education (OSSE) should make supports and opportunities available, rather than provide specific services to every school or teacher. The subtitle also updates the applicability provision of the Act to reflect the funding allocated for implementing portions of the Act in fiscal year 2019.⁷⁸

Financial Plan Impact

Funds are allocated in the fiscal year 2019 budgets of OSSE, District of Columbia Public Schools (DCPS), and District of Columbia Public Charter Schools (DCPCS) to implement several provisions in the Student Fair Access to School Amendment Act of 2018. The fiscal year 2019 includes the following appropriations:

- \$2.19 million in non-lapsing reoccurring local funds to establish a School Safety and Positive Climate Fund⁷⁹ at OSSE;
- \$348,000 in reoccurring local funds to support three full time employees at OSSE that provide training and technical assistance to schools;
- \$1.19 million in reoccurring local funds, through an increase in the UPSFF at-risk weight, to support additional behavioral specialists and trainings at DCPS; and,
- \$1.03 million in reoccurring local funds, through an increase in the UPSFF at-risk weight, to implement new behavioral systems at DCPCS.

⁷⁷ Student Fair Access to School Act of 2018, passed on 2nd reading on May 1, 2018 (Enrolled version of Bill 22-594).

⁷⁸ Sections 204(a) and 206(a)(4) of the Student Fair Access to School Amendment Act of 2018 remain subject to appropriations.

⁷⁹ The School Safety and Positive Climate Fund will be used to support the professional development, technical assistance, and certificate programs as well as the evaluation OSSE must perform every five years.

Subtitle (IV)(H) Access to Emergency Epinephrine in Schools Clarification Amendment Act of 2018

Background

The subtitle clarifies⁸⁰ that employees or agents of a public school who are certified through the Office of the State Superintendent of Education to administer epinephrine can legally administer both designated and undesignated epinephrine autoinjectors.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The subtitle makes a technical clarification to an already existing program.

Subtitle (IV)(I) OSSE Grants Act of 2018

Background

The subtitle requires Office of the State Superintendent of Education to award a competitive grant of \$350,000 to support a teacher preparation program that provides training for special education teachers related to standards-based content and cultivating teacher and student wellbeing.

Financial Plan Impact

This subtitle has a one-time cost of \$350,000 in fiscal year 2019 to implement the competitive grant program. This one-time funding is incorporated into the fiscal year 2019 budget and financial plan.

TITLE V. HEALTH AND HUMAN SERVICES

Subtitle (V)(A) –Health Insurance Requirement Act of 2018

Background

The subtitle establishes, as of January 1, 2019, a health insurance requirement ("Requirement") for District taxpayers and their dependents and requires payment of a shared responsibility payment from individuals not meeting the Requirement, unless they qualify for an exemption. The required payment is the same due under federal regulations that were in effect as of December 15, 2017, with one modification to tie the maximum payment to District health insurance prices. Subsequent to that date, federal law changed the federal shared responsibility payment amount to zero. If federal law should reinstate the federal shared responsibility payment, the subtitle provides that the payment due to the District would be reduced by such federal payment.

The Requirement to maintain health insurance applies to all individuals who are residents of the District. Part-year residents of the District are subject to the requirements during months of District residency. Health insurance providers must provide information to District taxpayers and the Office of Chief Financial Officer in a similar manner to which they have produced and filed federal 1095 forms.

In order to meet the Requirement, individuals must maintain health insurance coverage meeting the definition of "minimal essential coverage" as defined under federal law as of December 15, 2017; the

⁸⁰ By amending The Student Access to Treatment Act of 2007, effective February 2, 2008 (D.C. Law 17-107; D.C. Official Code § 38-651.01 et seq.).

Immigrant Children’s Program established under D.C. Official § 1-307.03(b); or health coverage provided by ERISA-eligible employers that was offered as of December 15, 2017.

Under the subtitle, the following individuals are exempt from the Requirement:

- Taxpayers aged 21 and over whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the applicable income level published by the Health Benefit Exchange Authority (HBX) based on the federal poverty level;
- Taxpayers who are aged 20 and younger, not claimed as a dependent on someone else’s return, and whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the federal poverty level;
- Dependents aged 21 and over who are claimed by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the federal poverty level as published by HBX; and
- Dependents aged 20 or younger who are claimed as a dependent by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the applicable qualifying income level published by HBX.

The income levels may be adjusted by the Mayor if eligibility requirements for the District’s Medicaid, Children’s Health Insurance Program or Immigrant Children’s Program change.

In addition to the above exemptions, individuals may apply to the HBX for an exemption from the Requirement for reasons of unaffordability based on projected income or general hardship. HBX will apply the same affordability and hardship exemptions that were allowed under the federal regulations as of December 15, 2016. Such exemptions are to be applied for during the tax year, at the time an individual does not purchase insurance.

The subtitle establishes a special, non-lapsing fund, the Individual Insurance Market Affordability and Stability Fund (“Fund”), into which the shared responsibility payments will be deposited. Money in the Fund shall be used to engage in outreach and other activities that either increase the availability of health insurance options for District residents or increase the affordability for District residents of insurance premiums in the individual health insurance market.

Financial Plan Impact

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan provides one-time and recurring funding to the Office of the Chief Financial Officer for setting up new tax forms and systems modifications, and providing additional Office of Tax and Revenue (OTR) personnel to support the new Requirement. The HBX can absorb any additional costs of administering affordability and hardship exemptions. At this time, the OCFO is not estimating revenue from shared responsibility payments for the Fund. Any payments will first be received in FY 2020.

Health Insurance Requirement Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
OCFO Set-up Costs^a	\$549	\$0	\$0	\$0	\$549
OTR Additional Employees^b	\$551	\$561	\$603	\$613	\$2,328
Total Cost	\$1,100	\$561	\$603	\$613	\$2,877

Table Notes

^a Cost includes forms, programming and public information campaign

^b 5 FTEs

Subtitle (V)(B) – Burial Assistance Program Increase Amendment Act of 2018

Background

The subtitle increases⁸¹ from \$800 to \$1,000 the maximum amount of assistance DHS can provide eligible residents for burial or cremation services. Currently, the Department of Human Services offers up to \$800 toward funeral services or \$450 toward the cost of cremation for eligible residents.⁸²

The subtitle also changes the eligibility requirements for assistance. Currently a deceased person is eligible for assistance if their liquid assets at time of death do not exceed \$800; the subtitle increases the allowable amount of liquid assets to \$1,000.

Financial Plan Impact

The subtitle does not impact the budget and financial plan since burial assistance is not an entitlement and spending on the program is limited by funds available in an approved budget and financial plan. Furthermore, since the subtitle affects the maximum amount of assistance DHS is allowed to provide, the agency still has discretion in setting the exact amount of assistance provided.

Though not required by the subtitle, Council has added \$110,000 a year to DHS's burial assistance budget.

Subtitle (V)(C) – D.C. Healthcare Alliance Recertification Reporting Amendment Act of 2018

Background

The subtitle amends the applicability clause of the D.C. Health Care Alliance Recertification Simplification Amendment Act of 2017 (D.C. Law 22-35) to allow two parts of the law to go into effect. First, the Act's special provisions for certification and recertification for certain individuals will go into effect. These provisions allow for waivers of face-to-face interviews for enrollees who care for a household member who is hospitalized, disabled, or elderly. Currently those waivers are only available to hospitalized, disabled, or elderly enrollees (and not their caregivers).

Second, many of the Act's reporting requirements will go into effect. Beginning October 1, 2018, the subtitle requires⁸³ the Mayor to annually submit to Council a report with the following information:

- The number of DC HealthCare Alliance enrollees required to recertify;
- The number of DC HealthCare Alliance enrollees required to recertify who successfully completed recertification;
- The number of DC HealthCare Alliance enrollees who did not recertify;
- The number of DC HealthCare Alliance enrollees who re-enrolled in DC HealthCare Alliance within 30 days after termination and the number of enrollees who reenrolled within 60 days after termination;

⁸¹ By amending Section 1802(a) of the Burial Assistance Program Reestablishment Act of 1999, effective October 20, 1999 (D.C. Law 13-38; D.C. Official Code § 4-1001(a))

⁸² According to the burial assistance program website: <https://dhs.dc.gov/service/burial-assistance>

⁸³ By amending Section 7d of the Health Care Privatization Amendment Act of 2001, effective December 13, 2017 (D.C. Law 14-18; D.C. Official Code § 7-1409)

- The number of DC HealthCare Alliance enrollees required to recertify who completed interviews, whether face-to-face or over the telephone⁸⁴, disaggregated by interview type;
- The number of recertification interviews conducted at each location where interviews are offered;
- The number of requests made before, or during, an interview for an accommodation due to disability, disaggregated by interview type;
- The number of requests made before, or during, an interview for service in a language other than English, disaggregated by interview type; and
- The number of requests for waivers of face-to-face interviews that were: (A) made; (B) granted; and (C) denied, and the grounds for denial.

The Act's reporting requirements on average waiting times for enrollment interviews remain subject to appropriation.

Financial Plan Impact

The number of increased enrollments by people who are caregivers of elderly, disabled and hospitalized household members is expected to be small, so this provision of the subtitle can be accommodated in the budget. The subtitle's reporting requirements require the Department of Human Services (DHS) to make the IT upgrades necessary to report the data required by the subtitle. The FY 2019 budget allocates \$200,000 to the Department of Human Services for such IT upgrades.

Subtitle (V)(D) - Medicaid Hospital Outpatient Supplemental Payment Amendment Act of 2018

Background

This subtitle authorizes the District to continue to charge a fee on each hospital's outpatient gross patient revenue⁸⁵ in fiscal year 2019. All revenues collected from fees will be deposited into a non-lapsing Hospital Provider Fee Fund (Fund). The Fund must be used to make Medicaid outpatient hospital access payments and refunds. The subtitle expires on September 30, 2019, which is the end of fiscal year 2019.

Financial Plan Impact

The hospital outpatient fee is estimated to generate \$7.66 million in dedicated tax revenue and approximately \$17.64 million in federal Medicaid funding. Council has included \$25.3 million of additional spending by the Department of Health Care Finance in the fiscal year 2019 budget supported by these dedicated taxes and federal funds.

⁸⁴ The section of the Act allowing one recertification interview per year to be done by phone for all enrollees remains subject to appropriations.

⁸⁵ Gross patient revenue is the amount calculated in accordance with generally accepted accounting principles for hospitals that is reported as the sum of Lines 18 and 19; Column 2; Worksheet G-2 of the Hospital and Hospital Health Care Complex Cost Report.

Subtitle (V)(E) - Medicaid Hospital Inpatient Rate Supplement Amendment Act of 2018

Background

This subtitle authorizes the District to continue to charge a fee on each hospital's inpatient net patient revenue⁸⁶ in fiscal year 2019. All revenues collected from fees will be deposited into a non-lapsing Hospital Provider Fee Fund (Fund). The Fund must be used to fund District Medicaid inpatient fee-for-service. The subtitle expires on September 30, 2019 which is the end of fiscal year 2019.

Financial Plan Impact

The hospital inpatient fee is estimated to generate \$8.5 million in dedicated tax revenue and approximately \$19.84 million in federal Medicaid funding. Council has included \$28.34 million of additional spending by the Department of Health Care Finance in the fiscal year 2019 budget supported by these dedicated taxes and federal funds.

Subtitle (V)(F) - Public School Nurse Hiring Act of 2018

Background

The subtitle requires the Department of Health's School Health Services Program to spend its fiscal year 2019 budget enhancement on the hiring of Registered Nurses and Licensed Practical Nurses.

Financial Plan Impact

The Department of Health received a \$4.4 million budget enhancement in the fiscal year 2019 budget to expand the School Health Services Program. This money will be used to hire Registered Nurses and Licensed Practical Nurses as a result of this subtitle.

Subtitle (V)(G) - Department of Health Care Finance Grant-Making Amendment Act of 2018

Background

- The subtitle authorizes⁸⁷ the Department of Health Care Finance (DHCF) to award specific competitive grants in fiscal year 2019 as follows:
- \$75,000 to develop a pilot program focused on strengthening faith-based organizations' ability to deliver health screening, assessments, and care through technologies such as telehealth; and reduce low-acuity, non-emergency room visitation, avoidable hospitalizations, and hospital readmission for persons who live in Wards 5, 7, and 8;
- \$100,000 to fund one-time capital and equipment expenses associated with enhanced oncological services for health care facilities in Wards 7 and 8; and,
- \$30,000 to a community provider of free medical services to teen parents through a program at a high school located in Ward 7 or Ward 8.
- \$500,000 to an organization to design and develop a community resource inventory that is accessible to health and social support organizations and that has the capacity to communicate and track referrals.

⁸⁶ Inpatient net patient revenue is the amount calculated in accordance with generally accepted accounting principles for hospitals as derived from each hospital's filed Hospital and Hospital Health Care Complex Cost Report.

⁸⁷ By amending Section 8a of the Department of Health Care Finance Establishment Act of 2007, effective December 13, 2017 (D.C. Law 17-109; D.C. Official Code § 7-771.07a).

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- \$200,000 to an entity to provide a multi-disciplinary, patient-centered preventative health and perinatal educational services to Medicaid and Medicaid-eligible, high-risk expectant mothers residing in Wards 7 and 8.

Financial Plan Impact

The Department of Health Care Finance's fiscal year 2019 budget includes \$905,000 of one-time funding to implement the three grant programs required in the subtitle.

Subtitle (V)(H) - Support for Teen Parents Act of 2018

Background

The subtitle requires the Department of Human Services (DHS) to establish a program in FY 2019 that supports students in DC public schools and public charter schools who are pregnant or parenting. The goals of the program will be to keep these students engaged in school, improve graduation rates of teen parents, prepare student parents for college or career, and prevent subsequent teen pregnancies. Support for the students should include case management, supplies and resources, assistance with securing services, educational workshops, incentives, and transportation stipends. DHS may administer a grant of up to \$1 million to administer the program.

Financial Plan Impact

The cost of the subtitle has been incorporated into the budget and financial plan. Council has allocated \$1 million to DHS in FY 2019 to administer the program.

TITLE VI - TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) - Dedicated Funding for the Washington Metropolitan Transit Authority Act of 2018

Background

The subtitle changes rates for four different tax types and sets annual dedications of sales tax for transportation and arts purposes. The subtitle dedicates, in each of fiscal years 2019 and 2020, \$178.5 million of general sales tax revenue annually to a new fund called the "Washington Metropolitan Area Transit Authority (WMATA) Dedicated Financing Fund" ("Fund"). The dedication amount grows by three percent annually, beginning in fiscal year 2021. In fiscal year 2019, the funding will be included as part of the District's regular subsidy payments to WMATA.⁸⁸ Beginning in fiscal year 2020, the funding will be issued as a grant to WMATA for the purposes of WMATA capital improvements,

The subtitle eliminates an existing dedication⁸⁹ for WMATA of 50 percent of revenue certified above the amounts certified in the June and September 2017 revenue estimates.

The subtitle partially offsets the revenue available for the District's Local Fund by:

⁸⁸ See the Washington Metropolitan Area Transit Authority budget book chapter under agency code KE0 for more detail on the regular subsidy transfer to WMATA.

⁸⁹ See Section 7102 of the Fiscal Year 2018 Budget Support Act of 2017, effective August 29, 2017 (D.C. Law 22-16; 64 DCR 6581).

- Raising the general sales tax and corresponding use tax⁹⁰ rates from 5.75 percent to 6.0 percent as well as the tax on car rentals and off-premises alcoholic beverages from 10.0 percent to 10.25 percent;
- Raising the hotel sales tax and corresponding use tax⁹¹ rates from 10.05 percent to 10.2 percent (not including the rate dedicated to the Washington Convention and Sports Authority);
- Raising the gross receipts tax⁹² on for-hire vehicles, which does not include taxis, from 1 percent to 6.00 percent;
- Changing the Class 2 (commercial) property tax rate.⁹³ The rate on properties valued below \$5 million will be \$1.65 per \$100 of assessed value; properties valued between \$5 million and \$10 million will be taxed at \$1.77 per \$100 of assessed value, and properties valued at \$10 million or greater will be taxed at \$1.89 per \$100 of assessed value.

All of the above tax changes will be effective October 1, 2018. Any money deposited in the Fund cannot revert to the general fund of the District at any time.

In addition, the subtitle dedicates general sales and use revenues to the Commission on Arts and Humanities in an amount equivalent to 0.3% of the 6.0% general sales and use tax rate⁹⁴.

Financial Plan Impact

Budget for the Commission on Arts and Humanities is now included in a dedicated tax fund. All of the revenue changes made by this subtitle are included in the proposed budget and financial plan, and are summarized in the chart below:

Summary of changes made by Subtitle (VI)(A) Dedicated Funding for WMATA Act of 2018 Fiscal Year 2019 - Fiscal Year 2022 (\$ millions)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Dedication of sales tax revenue to WMATA Dedicated Funding Fund	\$178.5	\$178.5	\$183.9	\$189.3	\$730.2
Dedication of sales tax revenue to Commission on Arts & Humanities	\$28.1	\$29.3	\$30.7	\$31.7	\$119.9
LOCAL REVENUE ADJUSTMENTS MADE BY SUBTITLE					
General Sales Tax, car rentals and off-premises alcohol increase by 0.25 percent	\$26.4	\$27.6	\$28.7	\$30.1	\$112.8
Hotel Sales Tax increase to 10.2 percent	\$3.4	\$3.5	\$3.7	\$3.8	\$14.4
Gross Receipts Tax Increase for for-hire vehicles (not taxis) to 6.0 percent	\$23.0	\$23.8	\$24.6	\$25.4	\$96.7

⁹⁰ D.C. Official Code §§ 47-2002(a); D.C. Official Code § 47-2202. Does not include parking sales tax, but does include tax on theaters and entertainment venues and use tax.

⁹¹ D.C. Official Code §§ 47-2002(a)(2); 47-2202(2)(A)

⁹² D.C. Official Code § 50-301.31(b)(11).

⁹³ D.C. Official Code § 47-812(b-9)(2)(A)(ii).

⁹⁴ Defined as 5% of general sales and use tax revenues

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Commercial property tax changes, net of TIF & PILOT transfers	\$40.4	\$41.4	\$42.5	\$43.7	\$168.0
Reverse current WMATA Dedicated Funding	\$24.2	\$24.2	\$24.2	\$24.2	\$96.7
TOTAL	\$117.4	\$120.5	\$123.6	\$127.2	\$488.6

Subtitle (VI)(B) – Performance Parking Program Fund Amendment Act of 2018

Background

In fiscal year 2014, the District ended the transfer of some parking meter revenues to two special purpose revenues funds:⁹⁵ the Performance Parking Fund⁹⁶ and the Sustainable Transportation Fund.⁹⁷

The subtitle repeals the language that directed parking meter revenue transfers to these funds prior to fiscal year 2014. The subtitle also repeals the Performance Parking Fund and its authorized uses.

Financial Plan Impact

The District ended the transfer of parking meter revenues to these two Funds beginning in fiscal year 2014 and the repeal of the transfers will have no impact on the fiscal year 2019 through fiscal year 2022 budget and financial plan. The repeal of the Performance Parking Fund and its uses will also have no impact.

Subtitle (VI)(C) – Advertisements on District Department of Transportation Assets on Private Property Amendment Act of 2018

Background

The District Department of Transportation (DDOT) currently has the authority to enter into advertising agreements for the placement of advertisements on District property located in the public space, including advertising related to the bicycle sharing, DC Circulator, and DC Streetcar programs.

The subtitle extends DDOT's authority to enter into advertising agreements to include DDOT controlled assets in private space.

Financial Plan Impact

DDOT does not have any current plans to sell advertising on its assets located in private space and no new revenues are included in the fiscal year 2019 through fiscal year 2022 budget and financial

⁹⁵ Fiscal Year 2014 Budget Support Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 50-2603(8)(B)(2)).

⁹⁶ Performance Parking Pilot Zone Act of 2008, effective November 25, 2008 (D.C. Law 17-279; D.C. Official Code § 50-2531.01).

⁹⁷ Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168, D.C. Official Code §50-921.15).

plan. Any revenues received for future advertising agreements will be deposited into the DDOT Enterprise Fund for Transportation Initiatives.⁹⁸

Subtitle (VI)(D) – Rail Safety and Security Amendment Act of 2018

Background

The District approved, but did not fund, the Rail Safety and Security Amendment Act of 2016⁹⁹ which establishes a comprehensive rail program within the Department of Energy and Environment (DOEE) to oversee both railroad¹⁰⁰ that operates in the District and the DC Streetcar program. The rail program includes a DOEE Rail Safety Division (Division) that oversees a State Railroad Safety and Security Authority (Authority) that works with the Federal Railroad Administration (FRA) to ensure compliance with federal railroad safety laws and the State Safety Office (SSO)¹⁰¹ that implements the Federal Transit Administration (FTA) safety and security requirements for the DC Streetcar program. DOEE must seek certification with both FRA and FTA to implement both the Authority and the SSO, respectively. The SSO is currently established within the Fire and Emergency Medical Services Department (FEMS).

The subtitle establishes the Rail Safety and Security Fund (Fund) to collect fees imposed by the Authority for the transportation of hazardous materials as authorized by FRA. DOEE can use the Fund's resources for emergency response, rail safety, and rail security programs. The Act required the Mayor to submit a study on the imposition of fees for the rail transportation of hazardous materials by November 30, 2017, but the subtitle delays that requirement until July 1, 2019.

Financial Plan Impact

DOEE requires two new staff members to manage the Division and begin the process of obtaining FRA and FTA approvals for the Authority and SSO, respectively. The fiscal year 2019 through fiscal year 2022 budget and financial plan includes the resources necessary to establish the Division. DOEE will issue rules to begin charging fees to railroad providers, but the fees are not yet set. DOEE expects to set the fees at a level sufficient to fund the Authority's programs and will deposit the fees into the Fund.

The SSO will not transfer from FEMS to DOEE until DOEE receives the appropriate FTA approval. A portion of the resources that currently support the SSO at FEMS can transfer to DOEE and they will be sufficient to operate the SSO.¹⁰²

Rail Safety and Security Amendment Act of 2018 Implementation Costs Fiscal Year 2019 – Fiscal Year 2022

⁹⁸ District Department of Transportation Omnibus Amendment Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 50-921.13).

⁹⁹ Effective April 7, 2017 (D.C. Law 21-254; D.C. Official Code § 8-151.08c). The Act was passed subject to its inclusion in an approved budget and financial plan.

¹⁰⁰ Railroad does not include rail services operated by the Washington Metropolitan Area Transit Authority or the District Department of Transportation (DC Streetcar).

¹⁰¹ State Safety Oversight Agency Establishment Amendment Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 5-401.01).

¹⁰² The SSO is currently staffed by two employees, one of whom is a uniformed firefighter. The non-uniformed employee can move to DOEE and reestablish the FTA grant funds necessary to run the SSO.

(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Division Personnel	\$255 ^a	\$248	\$254	\$260	\$1,017

Table Notes

^a Fiscal year 2019 costs includes approximately \$13,000 in one-time non-personnel funds to support two new staff members.

Subtitle (VI)(E) – Transit Subsidy Programs Amendment Act of 2018

Background

The subtitle expands¹⁰³ the Kids Ride Free program by allowing the Mayor to subsidize Metrorail, Metrobus, and DC Circulator fares for public school students under 22 years old traveling to employment and training sites. Currently Kids Ride Free subsidies are available only for school-related trips. The Mayor may extend Kids Ride Free to travel for other purposes if she thinks it will enhance the effectiveness of the program or alleviate administrative issues encountered.

The subtitle also clarifies that travel on Metrobus and the DC Circulator is covered by the Kids Ride Free program in addition to travel on Metrorail.

The subtitle requires WMATA to roll over into the next fiscal year and use for the adult learner program any money it received for the adult learner program that remains unspent at the end of a fiscal year. It also requires WMATA to report to the Mayor and Council each year on adult learner spending and fund balances.

Spending on Kids Ride Free and the adult learner programs is limited by available funding.

Financial Plan Impact

The subtitle does not have a fiscal impact. It allows Kids Ride Free subsidies to be used for an additional set of circumstances, but it does not require that the number or amount of subsidies increase.

Subtitle (VI)(F) – District of Columbia Water and Sewer Authority Rate Increases Mitigation Amendment Act of 2018

Background

The subtitle requires the Mayor to establish a financial assistance program for District residents whose income does not exceed 100 percent of the area median income to help pay the impervious area charges.¹⁰⁴ The Mayor’s financial assistance program should be in addition to any programs offered to low-income residents by DC Water. The subtitle authorizes the Mayor to enter into an agreement with DC Water for DC Water to establish this program. If DC Water establishes the program, DC Water can request that the Mayor make eligibility determinations for the program.

¹⁰³ By amending the School Transit Subsidy Act of 1978, effective March 6, 1979 (D.C. Law 2-152; D.C. Official Code § 35-233(h)).

¹⁰⁴ Stormwater Permit Compliance Amendment Act of 2000, effective June 13, 2001 (D.C. Law 13-311; D.C. Official Code § 34-2202.16).

The subtitle also requires the Mayor to establish a financial assistance program for District non-profits to help pay for impervious area charges. A non-profit must show that it experiences a significant hardship in paying its charge, allow the Department of Energy and Environment (DOEE) or an affiliated non-profit to inspect the property and recommend stormwater mitigation improvements, and obtain DOEE's approval for a new stormwater mitigation project on-site or an approved alternate site.¹⁰⁵ A non-profit's financial assistance cannot exceed the impervious area charge.

The subtitle requires the Mayor to spend at least \$4 million of the fiscal year 2019 financial assistance for impervious area charges funding on the non-profit program with the remainder on the residential program. The Mayor should transfer the necessary funding for these programs to DC Water, which will provide the assistance directly on the program participants' bills. The Mayor must track the number of non-profits and residents who receive assistance and the amount of assistance they receive.

Financial Plan Impact

The subtitle requires the Mayor to establish two financial assistance programs – one for residents and one for non-profit organizations – to help burdened water utility customers off-set the impervious area charges on their water bills. The fiscal year 2019 budget includes \$7 million for these financial assistance programs that DOEE will transfer to DC Water. At least \$4 million of the \$7 million must support the non-profit financial assistance program.

Subtitle (VI)(G) – Renewable Energy Planning and Support Amendment Act of 2018

Background

The subtitle expands the definition of a community renewable energy facility (CREF),¹⁰⁶ for only fiscal year 2019, to include facilities that have less than one megawatt of capacity, are located outside the District but service a District distribution feeder, were funded in part by the District's Solar for All program,¹⁰⁷ and benefit low-income District residents.

Through the District's renewable energy portfolio standard,¹⁰⁸ the District requires electricity providers who don't have sufficient renewable sources in their energy production to pay a compliance fee into the Renewable Energy Development Fund (REDF)¹⁰⁹ each Spring. The subtitle delays this required compliance fee payment until October of each year.

The subtitle also prohibits the District from selling any renewable energy credits from facilities owned by the District that are funded with REDF resources.

¹⁰⁵ If the non-profit has an acceptable stormwater mitigation installation that was previously installed, it can get DOEE's approval in lieu of a new installation.

¹⁰⁶ Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D.C. Law 13-107; D.C. Official Code § 34-1501(9B)).

¹⁰⁷ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.16).

¹⁰⁸ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431.01 et seq.).

¹⁰⁹ D.C. Official Code § 34-1436.

The Solar for All Program expands solar access for seniors, small businesses, non-profits, and low-income households, including providing long-term financial benefits to low-income households. The subtitle expands the definition of long-term financial benefits to include the financial benefits of roof replacements and other capital improvements associated with solar installations.

The subtitle also requires the District to produce a long-range plan to reduce greenhouse gas emissions by 100 percent by 2050.

Financial Plan Impact

The subtitle’s provision to collect the compliance fees in October, rather than the Spring, will delay collections of \$20 million from fiscal year 2019 to fiscal year 2020, reducing fiscal year 2019 REDF revenues by \$20 million. The REDF budget will remain at approximately \$20.6 million because budget reductions in fiscal year 2018 provide sufficient fund balance to maintain the fiscal year 2019 budget.

The subtitle’s remaining provisions impose no additional costs on the District.

Subtitle (VI)(H) – School and Park Facilities and Grounds 311 Expansion Act of 2018

Background

The subtitle requires the Mayor to accept facilities service requests through the District’s 311 for City Services system for Department of Parks and Recreation (DPR) and District of Columbia Public Schools (DCPS) facilities issues. Facilities requests through the system apply only to those that the Department of General Services (DGS) manages.

Financial Plan Impact

The costs of the subtitle have been incorporated into the budget and financial plan. The 311 system will accept facilities maintenance requests for DPR and DCPS facilities for issues that are managed by DGS as opposed to those that might be handled by DPR or DCPS personnel. The Office of Unified Communications (OUC), which manages the 311 system, must add DGS-related facilities service requests into its system at a cost of \$113,000 and then DGS must update its request management system to receive the 311 system requests at a cost of \$5,000. OUC must also add one additional call-taker to assist with the increased volume of calls. The additional call-taker will cost \$51,000 in fiscal year 2019 and \$211,000 over the four-year financial plan period. These costs are included in the fiscal year 2019 through fiscal year 2022 budget and financial plan.

School and Park Facilities and Grounds 311 Expansion Act of 2018					
Implementation Costs					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Personnel	\$51	\$52	\$53	\$55	\$211
OUC Updates	\$113	\$0	\$0	\$0	\$113
DGS Updates	\$5	\$0	\$0	\$0	\$5
TOTAL	\$169	\$52	\$53	\$55	\$329

Subtitle (VI)(I) – Anacostia River Toxics Remediation Amendment Act of 2018

Background

The District Department of Energy and Environment (DOEE) is leading the effort to clean up the Anacostia River by removing hazardous substances from sediment in the river. DOEE has completed or is in the process of completing remedial investigation; field-sampling; quality assurance; health and safety; community involvement plans; field investigations; remedial investigation reporting; and the issuance of feasibility studies. Once completed, DOEE must issue its record of decision announcing the chosen actions that need to take place to remediate the contaminated river sediment. The record of decision is due by June 30, 2018.

The subtitle extends the amount of time the DOEE has to issue a record of decision announcing the chosen remedy for remediating contaminated sediment in the Anacostia River to December 31, 2019.

Financial Plan Impact

DOEE has completed or is in the process of completing many of its remediation investigations and has discovered needs for additional investigation. DOEE also partnered with the National Park Service (NPS), which owns the riverbed, to be part of the remediation project. DOEE and NPS agreed to undertake additional public engagement activities and NPS' partnership requires additional federal reviews and approvals that necessitate a longer timeframe to deliver the record of decision. DOEE believes it can deliver the record of decision within the extended deadline.

Subtitle (VI)(J) – Competitive Grants Act of 2018

Background

The subtitle authorizes an annual grant of up to \$200,000 for wildlife rehabilitation services to be issued by the Department of Energy and Environment (DOEE).

The subtitle also authorizes a one-time grant of up to \$250,000 in fiscal year 2019 to study an optimal location for a new intercity bus terminal in the District to be issued by the District Department of Transportation (DDOT).

Financial Plan Impact

The fiscal year 2019 through fiscal year 2022 budget and financial plan includes the annual \$200,000 grant amount for DOEE to issue grants for wildlife protection. The fiscal year 2019 budget also includes one-time funding of \$250,000 to support DDOT's intercity bus terminal study. DOEE and DDOT will be able to complete their studies with the funding provided.

Subtitle (VI)(K) – Fort Dupont Ice Arena Programming Amendment Act of 2018

Background

The subtitle authorizes the Department of Parks and Recreation (DPR) to issue an annual grant of \$235,000 to an organization that provides programming for low-income children at the Fort Dupont Ice Arena. DPR's authority to issue this grant is effective retroactive to fiscal year 2017.

Financial Plan Impact

The fiscal year 2019 through fiscal year 2022 budget and financial plan includes the \$235,000 DPR needs annually to issue this grant. DPR has been began issuing the grant in fiscal year 2017 but has

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done so through emergency and temporary legislative actions.¹¹⁰ This subtitle makes DPR's authority permanent.

Subtitle (VI)(L) – Autonomous Vehicles Study Amendment Act of 2018

Background

The subtitle requires the District Department of Transportation (DDOT) to conduct a study that evaluates the effects of autonomous vehicles on the District and makes recommendations to address those effects. The study should evaluate impacts on the District's economy, revenues, infrastructure, environment, public safety, and the disability community. DDOT must complete the study by July 1, 2019.

Financial Plan Impact

The fiscal year 2019 budget includes \$250,000 to complete the study and DDOT believes that it can complete a study with that funding.

Subtitle (VI)(M) – Online Permitting for School Facilities Act of 2018

Background

The subtitle requires the Mayor to develop an online permitting system for school facilities, including fields, playgrounds, gymnasiums, and multipurpose rooms. The subtitle requires the system to be developed by March 2019.

Financial Plan Impact

The Department of Parks and Recreation is developing an online permitting system that can be modified to include the Department of General Services permitting of school facilities. The budget and financial plan includes the cost of \$126,000 in fiscal year 2019 and approximately \$81,000 annually thereafter to develop, start-up, and maintain the online permitting portal.

Subtitle (VI)(N) – Pilot Passenger Loading Zone Program Act of 2018

Background

The subtitle creates a seven-month passenger loading zone pilot program run by the District Department of Transportation (DDOT). The program will establish a curbside area in the Golden Triangle Business Improvement District that prohibits parking but allows vehicles to stop and load or unload passengers. (The program is intended to address the increase in such drop-off/pick-ups by carsharing vehicles in busy neighborhoods.) The subtitle authorizes additional loading zones throughout the District at DDOT's discretion. DDOT is responsible for posting no parking signs in the loading zone, removing parking meters from the curbside, setting the operating hours of the zones, and coordinating with the Department of Public Works to enforce the no parking zone. The subtitle authorizes DDOT to accept funding from business improvement districts to support the establishment of the zones.

¹¹⁰ Fort Dupont Ice Arena Programming Emergency Amendment Act of 2016, effective September 19, 2016 (D.C. Act 21-496; 63 DCR 12607) and Fort Dupont Ice Arena Programming Emergency Amendment Act of 2017, effective July 10, 2017 (D.C. Act 22-107; 64 DCR 7390). Both Emergency Acts have corresponding Temporary Acts (D.C. Law 21-179 and D.C. Law 22-29, respectively).

Financial Plan Impact

The fiscal year 2019 budget provides \$80,000 to DDOT for the seven-month pilot project. Based on initial projections by DDOT this should be sufficient funding to operate the pilot in the Golden Triangle BID for seven months. The \$80,000 will cover \$11,822 in estimated forgone parking meter revenue losses, \$11,889 in estimated administrative costs, and \$59,259 in towing enforcement costs.

Subtitle (VI)(O) – Private Vehicle-For-Hire Data Sharing Amendment Act of 2018

Background

The subtitle requires all vehicles for hire with rides originating or ending in the District to submit to the Department of For-Hire Vehicles and the District Department of Transportation a log of ride data (with personal rider information removed). The data must include the location of the start and end of all rides, the date and time of the ride, and whether a private or shared ride was requested. Additionally, for-hire vehicle providers must also report on the total number of miles driven while in route to a pick-up as well as the average fare and average distance for shared and private service trips. The data must be provided quarterly, with the first quarterly report due February 15, 2019 regarding ride data for July through December 2018. The subtitle also authorizes the Mayor to request any additional information about a trip at issue in a police report.

The subtitle requires the data to be exempt from disclosure and to be safely and securely stored by the District. However, the District may enter into data sharing agreements with the Washington Metropolitan Area Transit Authority and the Council of Governments to provide aggregated data on rides, for the purpose of analysis.

Financial Plan Impact

The subtitle does not have a fiscal impact. The Department of For-Hire Vehicles already collects most of the data required by the subtitle and has the capability to collect and store the data in its current databases.

Subtitle (VI)(P) – Danbury Station Water Meter Installation Amendment Act of 2018

Background

The subtitle authorizes DC Water to install individual water meters and appurtenances at the Danbury Station housing development.¹¹¹ The subtitle requires the Department of Energy and Environment (DOEE) or other entities to provide DC Water with all the necessary funding for the projection prior to DC Water beginning the project.

Financial Plan Impact

DC Water estimates that the project could cost approximately \$500,000. The fiscal year 2019 budget includes \$500,000 for DOEE to transfer to DC Water for the project.

¹¹¹ The project includes the homes located on the north side of Danbury Street, S.W. from house numbers 1 to 177 and homes on the east side of Martin Luther King, Jr. Avenue, S.W. from house numbers 4250 to 4258.

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – Senior Residents Real Property Tax Cap Amendment Act of 2018

Background

Current law¹¹² caps the growth of taxable assessments to 10 percent annually for class 1 (residential) property¹¹³ with the homestead exemption. The subtitle lowers the cap to five percent annually for homestead-qualified residents who are over the age of 65 and have a household adjusted gross income of less than \$125,000¹¹⁴ or homestead-qualified residents with a permanent disability having a household adjusted gross income of less than \$125,000.

Financial Plan Impact

The subtitle reduces property tax revenue in the proposed budget by \$796,000 in fiscal year 2019 and \$4.7 million over the four-year budget and financial plan. It increases one-time expenditures in fiscal year 2018 by \$118,000.

Fiscal Impact of Subtitle (VII)(A) Senior Residents Real Property Tax Cap Act of 2018 Fiscal Year 2018 – Fiscal Year 2022 (\$000s)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduction in property tax revenue	\$0	\$796	\$995	\$1,244	\$1,555	\$4,590
Administrative costs for the Office of Tax and Revenue ^a	\$118	\$0	\$0	\$0	\$0	\$118
TOTAL	\$118	\$796	\$995	\$1,244	\$1,555	\$4,708

Table Notes

^a Administrative cost are funded in the fiscal year 2018 supplemental budget.

Subtitle (VII)(B) – Subject to Appropriations Repeals Amendment Act of 2018

Background

The subtitle authorizes expenditures for 25 laws which were passed subject to appropriations in a budget and financial plan. The following ten laws passed subject to appropriations have revenue impacts that are now incorporated into the budget and financial plan:

- Naval Lodge Building, Inc. Real Property Tax Relief Act of 2015¹¹⁵
- Elderly Tenant and Tenants with Disabilities Protection Amendment Act of 2016¹¹⁶
- National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018¹¹⁷

¹¹² D.C. Official Code §47-864.

¹¹³ D.C. Official Code § 47-813.

¹¹⁴ Per D.C. Official Code § 47-863. The maximum adjusted gross income increase by a senior/disabled cost of living each year.

¹¹⁵ D.C. Law 21-30, effective October 21, 2015.

¹¹⁶ D.C. Law 21-239, effective April 7, 2017.

¹¹⁷ D.C. Law 22-76, effective March 29, 2018.

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- Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016¹¹⁸
- East End Grocery and Retail Incentive Tax Exemption Act of 2018¹¹⁹
- Africare Real Property Tax Relief Act of 2018¹²⁰
- University of the District of Columbia Leased Property Tax Abatement Amendment Act of 2018¹²¹
- Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016¹²² (The part of the law that exempted diapers from sales tax will remain subject to appropriations in an approved budget and financial plan.)
- Deferred Compensation Program Enrollment Amendment Act of 2018¹²³
- Prohibition Against Selling Tobacco Products to Individuals Under 21 Amendment Act of 2016¹²⁴

The following 15 laws that were passed subject to appropriations require expenditures that have now been included in the budget and financial plan.

- Placement of Students with Disabilities in Nonpublic Schools Amendment Act of 2006¹²⁵
- Fire and Police Medical Leave and Limited Duty Amendment Act of 2004¹²⁶
- State Education Office Establishment Act of 2000¹²⁷
- Comprehensive Youth Justice Amendment Act of 2016¹²⁸
- Childhood Lead Exposure Prevention Amendment Act of 2017¹²⁹
- Union Market Tax Increment Financing Act of 2017¹³⁰
- Health Literacy Council Establishment Act of 2017¹³¹
- Defending Access to Women's Health Care Services Amendment Act of 2018¹³²
- Electric Vehicle Public Infrastructure Expansion Amendment Act of 2018¹³³
- Office-to-Affordable-Housing Task Force Establishment Act of 2018¹³⁴
- Maternal Mortality Review Committee Establishment Act of 2018¹³⁵

¹¹⁸ D.C. Law 21-270, effective April 15, 2017.

¹¹⁹ D.C. Law 22-83, effective March 29, 2018.

¹²⁰ D.C. Law 22-79 22-250, effective March 29, 2018.

¹²¹ D.C. Act 22-319, enacted May 3, 2018.

¹²² D.C. Law 21-201, effective February 18, 2017. The part of the law that exempted diapers from sales tax will remain subject to appropriations in an approved budget and financial plan.

¹²³ D.C. Act 22-303, enacted April 4, 2018.

¹²⁴ D.C. Law 21-191, effective February 18, 2017.

¹²⁵ D.C. Law 16-269, effective March 14, 2007. The cost is being absorbed within the FY19-FY22 financial plan.

¹²⁶ D.C. Law 19-311, effective May 1, 2013.

¹²⁷ D.C. Law 20-195, effective May 1, 2013. The cost is being absorbed within the FY19-FY22 financial plan.

¹²⁸ D.C. Law 21-238, effective April 4, 2017. The cost is being absorbed within the FY19-FY22 financial plan.

¹²⁹ D.C. Law 22-21, effective September 23, 2017.

¹³⁰ D.C. Law 22-58, effective February 15, 2018. The Mayor is including the cost of this in the Fiscal Year 2018 Supplemental Budget request.

¹³¹ D.C. Law 22-66, effective March 8, 2018.

¹³² D.C. Law 22-75, effective March 28, 2018.

¹³³ D.C. Law 22-78, effective March 29, 2018

¹³⁴ D.C. Act 22-304, effective April 4, 2018.

¹³⁵ Bill 22-524, passed on final reading March 6, 2018.

- Office of Employee Appeals Hearing Examiner Amendment Act of 2018¹³⁶
- Home Composting Incentives Amendment Act of 2018¹³⁷
- Workforce Development System Transparency Amendment Act of 2018¹³⁸
- Address Confidentiality Act of 2018¹³⁹

Financial Plan Impact

Repealing the subject to appropriations provisions of the above-mentioned laws authorizes additional expenditures of approximately \$3 million in fiscal year 2018, \$3.8 million in fiscal year 2019 and a total of \$17.8 million from fiscal year 2018 through 2022. As part of these expenditures an enhancement of 3 total FTEs are authorized across three separate agencies. The repeals also reduce revenues by \$4.7 million in fiscal year 2018, \$5.9 million in fiscal year 2019 and \$32.6 million from fiscal year 2018 through 2022.

Fiscal Impact of Subtitle (VII)(B)						
Subject to Appropriations Repeals Amendment Act of 2018, Revenue Impact						
Fiscal Year 2019 – Fiscal Year 2022						
(\$000s)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
DECREASED PROPERTY TAX REVENUE						
Naval Lodge Building Inc. Real Property Tax Relief Act of 2015		\$123	\$126	\$130	\$133	\$512
Elderly and Tenants with Disabilities Protection Amendment Act of 2015		\$1,281	\$1,313	\$1,346	\$1,379	\$5,319
National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018 ^(a)	\$2,781	\$1,303	\$1,382	\$1,467	\$1,511	\$8,444
Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016		\$18	\$20	\$22	\$24	\$84
Africare Real Property Tax Relief Act of 2018	\$503	\$110	\$112	\$114	\$116	\$955
UDC Leased Property Tax Abatement Act of 2018		\$859	\$889	\$917	\$940	\$3,604
SUBTOTAL PROPERTY TAX REVENUE DECREASE	\$3,284	\$3,694	\$3,842	\$3,996	\$4,103	\$18,918
DECREASED DEED RECORDATION AND TRANSFER TAX REVENUE						
National Community Reinvestment Coalition Real	\$1,430	\$0	\$0	\$0	\$0	\$1,430

¹³⁶ D.C. Law 22-87, effective April 25, 2018.

¹³⁷ Bill 22-501, passed on second reading on May 1, 2018, not yet transmitted to Congress.

¹³⁸ D.C. Law 22-95, effective May 5, 2018.

¹³⁹ D.C. Act 22-337, enacted May 7, 2018.

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Property Tax Exemption Amendment Act of 2018 ^(a)						
MULTIPLE TAX REVENUE TYPES - DECREASE						
East End Grocery and Retail Incentive Tax Exemption Act of 2018		\$847	\$996	\$1,266	\$1,298	\$4,407
DECREASED SALES AND USE TAX REVENUE						
Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016	\$0	\$403	\$419	\$436	\$453	\$1,711
Prohibition Against Selling Tobacco Products to Individuals Under 21 Amendment Act of 2016		\$800	\$770	\$741	\$711	\$3,022
SUBTOTAL SALES AND USE TAX REVENUE DECREASE	\$0	\$1,203	\$1,189	\$1,177	\$1,164	\$4,733
DECREASED INCOME TAX REVENUE						
Deferred Compensation Program Enrollment Amendment Act of	\$0	\$176	\$548	\$950	\$1,381	\$3,055
Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016	\$0	\$12	\$13	\$14	\$16	\$55
SUBTOTAL INCOME TAX REVENUE DECREASE	\$0	\$188	\$561	\$964	\$1,397	\$3,110
GRAND TOTAL REVENUE DECREASE	\$4,714	\$5,932	\$6,588	\$7,403	\$7,962	\$32,598

^(a) The fiscal year 2018 total cost includes refunds for fiscal years 2016, 2017 and 2018.

Fiscal Impact of Subtitle (VI)(B) Subject to Appropriations Repeals Amendment Act of 2018, Increased Expenditures Fiscal Year 2019 – Fiscal Year 2022 (\$000s)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Fire and Police Medical Leave and Limited Duty Amendment Act of 2004 (1 FTE in FEMS)		\$99	\$103	\$106	\$110	\$418
Fire and Police Medical Leave and Limited Duty Amendment Act of 2004 FEMS Treatment Cost		\$1,065	\$1,102	\$1,138	\$1,175	\$4,480
Fire and Police Medical Leave and Limited Duty Amendment Act of 2004 DC Retirement Board		\$1,038	\$1,063	\$1,089	\$1,115	\$4,305
Childhood Lead Exposure Prevention Amendment Act of 2017		\$613	\$70	\$72	\$73	\$828
Union Market Tax Increment Financing Act of 2017 ^(a)	\$2,990	\$0	\$0	\$0	\$0	\$2,990
Health Literacy Council Establishment Act of 2017 (1 FTE)		\$88	\$90	\$92	\$93	\$363
Defending Access to Women’s Health Care Services Amendment Act of 2018		\$107	\$120	\$123	\$127	\$477
Electric Vehicle Public Infrastructure Expansion Amendment Act of 2018		\$114	\$142	\$133	\$137	\$526
Office to Affordable Housing Task Force Establishment Act of 2018		\$43	\$0	\$0	\$0	\$43
Maternal Mortality Review Committee Establishment Act of 2018 (1 FTE in OCME)		\$107	\$109	\$112	\$115	\$443
Office of Employee Appeals Hearing Examiner Amendment Act of 2018		\$238	\$246	\$246	\$246	\$976

Home Composting Incentives Amendment Act of 2018		\$78	\$78	\$78	\$78	\$312
Workforce Development System Transparency Amendment Act of 2018		\$202	\$375	\$369	\$372	\$1,318
Address Confidentiality Act of 2018		\$72	\$73	\$75	\$76	\$297
TOTAL INCREASED EXPENDITURES	\$2,990	\$3,864	\$3,571	\$3,633	\$3,718	\$17,776

Table Notes

The cost of the Union Market Tax Increment Financing Act of 2017 is included in the Mayor's FY18 Supplemental Budget.

Subtitle (VII)(C) – Qualified Business Income Tax Deduction Clarification Amendment Act of 2018

Background

The federal Tax Cuts and Jobs Act, Public Law 115-97,¹⁴⁰ provides for a new deduction from federal income taxes for individual taxpayers in the amount of 20 percent of a taxpayer's qualified business income from a partnership, S corporation, or sole proprietorship.

Current law provides that taxpayers are permitted District deductions for any deduction allowed under federal law except for federal deductions that are specifically enumerated under District law as not allowed. The subtitle amends current law¹⁴¹ to clarify that a qualified business income deduction is not allowed by specifically enumerating it as an additional deduction that is not allowed for purposes of calculating District taxable income.

Financial Plan Impact

There is no fiscal impact to the subtitle. The subtitle clarifies the assumed treatment of qualified business income deductions included in the February revenue estimates.

Subtitle (VII)(D) – University of the District of Columbia Fundraising Match Act of 2018

Background

The subtitle authorizes up to \$1.5 million in matching funding to the University of the District of Columbia (UDC). For every two dollars UDC raises from private donations by April 1, 2019, one dollar will be transferred from Non-Departmental budget to the University, up to a maximum of \$1.5 million. The subtitle requires one-third of the funds transferred to be deposited into UDC's endowment fund.

Financial Plan Impact

The subtitle reserves \$1.5 million of Non-Departmental (Agency D00) budget in fiscal year 2019 to allow for the possibility of this matching grant.

¹⁴⁰ By creating a new Section 199A of the Internal Revenue Code.

¹⁴¹ D.C. Official Code § 47-1803.03(b).

Subtitle (VII)(E) – Private Security Camera System Incentive Clarification Amendment Act of 2018

Background

The subtitle clarifies that rebates received via the District's private security camera system incentive program are non-taxable. The underlying law already declared the rebates non-taxable, and this clarifies the status under the appropriate section of tax code.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(F) – Commission on the Arts and Humanities Clarification

Background

The subtitle clarifies that Commissioner appointments to the Commission on the Arts and Humanities (CAH) are for three-year terms, beginning on July 1st in the year of appointment and expiring on June 30th of the 3rd year. This will allow for staggered appointments, with six of the 18 Commissioner appointments expiring every year. The subtitle also expands the source of funds for CAH to include up to \$2.5 million annually from the District's Delinquent Debt Fund.

Financial Plan Impact

There is no fiscal impact of the subtitle.

Subtitle (VII)(G) – Real Property Tax Abatement Reporting Clarification Act of 2018

Background

The subtitle removes the requirement that the Office of the Chief Financial Officer must deliver printed information to Congress on the real property tax abatements granted by the Mayor.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(H) – Real Property Tax Clarification Amendment Act of 2018

Background

The subtitle provides several clarifications to the District's real property tax laws. Among the technical changes, the subtitle: clarifies that the Recorder of Deeds can tax security interest instruments for non-residential properties, requires the Office of Tax and Revenue to tax nominal consideration leases at 100 percent of fair market value; sets the statute of limitations on the collection of taxes from properties belonging to government and international organizations at ten years, clarifies that Low-Income Housing Tax Credit properties are exempt from the recordation tax on deeds of trust, and clarifies that a tax sale of improvements on government owned ground leased land only lasts for the remainder of the lease period and is subject to the other terms and conditions of the lease.

Financial Plan Impact

The subtitle does not have a fiscal impact. All the clarifications conform statutory language to current understandings and practices.

Subtitle (VII)(I) – Office of the Chief Financial Officer Fingerprinting Authorization Act of 2018

Background

The subtitle authorizes the Office of the Chief Financial Officer to obtain fingerprints for the purpose of background investigations of personnel who handle sensitive tax data. The OCFO may also fingerprint contractors for the Office of Lottery and Charitable Games. The OCFO is in process of determining which positions will be subject to fingerprinting. The Department of Human Resources Office of Policy and Compliance is working with OCFO to perform the fingerprinting at a cost of \$57 per person. A larger cohort of people will be fingerprinted at the start of the program, and then fingerprinting will only occur for new personnel or as needed.

Financial Plan Impact

The subtitle does not have a fiscal impact. The exact cost is unknown, because the OCFO is determining which positions will require fingerprinting, but the \$57 per fingerprinting cost will be absorbed within the Office of the Chief Financial Officer.

Subtitle (VII)(J) – Motor Fuel Importer’s License Fee Amendment Act of 2018

Background

The subtitle eliminates the five-dollar annual license fee to import motor fuel into the District. There are currently 83 license holders, generating annual fee revenue of \$415. Including this fee in the District’s Modernized Integrated Tax System is projected to require more resources than the annual revenues.

Financial Plan Impact

The subtitle has a de minimus impact on District fee revenue.

Subtitle (VII)(K) – Television, Video or Radio Service Amendment Act of 2018

Background

The subtitle clarifies that certain television service companies that report monthly and quarterly to the Office of Tax and Revenue are only required to report monthly.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(L) Delinquent Debt Recovery Amendment Act of 2018

Background

Currently ten percent of collections into the Delinquent Debt Recovery Fund must be reserved annually as an operating reserve. However, the debt recovery unit does not require a reserve to operate. The subtitle eliminates the 10 percent reserve requirement. The subtitle also authorizes the transfer of the lesser of \$2.5 million or the remaining cash balance in the fund to the Arts and Humanities Enterprise Fund, provided all operating and administrative expenses and budgeted local fund transfers have been paid from the Fund.

Financial Plan Impact

By eliminating the ten percent reserve requirement, an additional \$2.5 million of Delinquent Debt Recovery Fund revenue can be recognized annually as Local Fund revenue.

Fiscal Impact of Subtitle (VII)(L) Debt Recovery Amendment Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Additional Local Fund revenue	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000

The budget of the Arts and Humanities Enterprise Fund does not rely on the additional transfer of up to \$2.5 million authorized by the subtitle.

Subtitle (VII)(M) – Commission on the Arts and Humanities Grants Act of 2018

Background

The subtitle requires the Commission on the Arts, Humanities, and the Creative Economy to award up to \$9.175 million for the following competitive grants:

1. Up to \$300,000 to create a statue to honor Charles Hamilton Houston;
2. Up to \$50,000 to support an organization preserving the history of the District for a program to engage students to research the history of their schools;
3. Up to \$200,000 to support an organization dedicated to preserving African-American cemeteries and burial grounds;
4. Up to \$250,000 to support an organization dedicated to improving the National Mall;
5. Up to \$1,500,000 to assist with capital improvements at a theater in the Central Business District that offers Broadway-style musicals;
6. Up to \$250,000 to provide a literary-enrichment program for District of Columbia Public Schools and Charter Schools;
7. Up to \$750,000 to support an existing museum dedicated to architecture;
8. Up to \$500,000 to support an international film festival at Landmark’s E Street Cinema and AMC Mazza Gallerie movie theaters in April 2019;
9. Up to \$2,000,000 to assist with capital improvements for a nonprofit theater located in Ward 5 along Florida Avenue N.E.;
10. Up to \$200,000 to assist with painting the Chinatown Arch;
11. Up to \$1,000,000 to support a theater that opened in 2005 in the Penn Quarter neighborhood to upgrade and renovate its existing facilities;
12. Up to \$75,000 to support an initiative to present the east coast premiere of a newly commissioned work, with a week of related free community engagement events in an amount not to exceed \$75,000;
13. Up to \$1,000,000 to support a dance organization that has served the District for more than 70 years; and,
14. Up to \$100,000 to assist a historical society that collects materials to document everyday life in the District.
15. Up to \$1 million to assist an existing non-profit performing arts center, located in a building on the National Register of Historic Places within the H Street, N.E. Strategic Development Plan area, with capital improvements and related facility maintenance

The subtitle also requires the Commission to provide a \$1 million grant to a non-profit, tax exempt museum in the Fort Totten neighborhood in fiscal year 2023.

Financial Plan Impact

The Commission on Arts, Humanities, and the Creative Economy has approximately \$25 million in available grant funding in fiscal year 2019 that can accommodate the subtitle's requirements. The requirement to fund a grant in fiscal year 2023 is beyond the current budget and financial plan.

Subtitle (VII)(N) – Alabama Avenue International House of Pancakes Real Property Tax Exemption Act of 2018

Background

The subtitle extends to September 30, 2027 a property tax abatement on Square 5912, Lot 819 which is occupied by the Alabama Avenue International House of Pancakes restaurant. The subtitle also forgives real property taxes, interest, penalties, and fees that may occur after October 1, 2018. The restaurant is required to continue operations on the property,

Financial Plan Impact

The subtitle reduces real property tax revenue by \$49,000 in fiscal year 2019 and \$203,000 over the four-year budget and financial plan.

Fiscal Impact of Subtitle (VII)(N) Alabama Avenue IHOP Property Tax Exemption Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduced real property taxes	\$49	\$50	\$51	\$53	\$203

Subtitle (VII)(O) – Nonprofit Stormwater Infrastructure Incentive Amendment Act of 2018

Background

The subtitle allows a tax-exempt entity that uses its property to generate stormwater retention credits to maintain its exemption from District property taxation.

Financial Plan Impact

The subtitle will reduce real property tax revenue by \$21,000 in fiscal year 2019 and \$86,000 over the four-year budget and financial plan. Without the subtitle, tax-exempt organizations that generate revenue from stormwater retention credits would be subject to real property taxation on the portion of land leased for the management of stormwater.

Fiscal Impact of Subtitle (VII)(O) Nonprofit Stormwater Infrastructure Incentive Amendment Act of 2018 Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduced real property taxes	\$21	\$21	\$22	\$22	\$86

**Subtitle (VII)(P) – Parkside Parcel E and J Mixed-Income Apartments Tax Abatement
Amendment Act of 2018**

Background

Parkside mixed-income apartments¹⁴² receive a 10-year real property tax abatement beginning fiscal year 2015 with an annual cap of \$600,000. The subtitle extends the abatement an additional 20 years, extending it to fiscal year 2044.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. Extending the abatement has no cost in the budget and financial plan period but will reduce revenues beyond the current 10-year authorization.

(The bill does not have a Subtitle (VII)(Q).)

Subtitle (VII)(R) – National Cherry Blossom Festival Fundraising Match Act of 2018

Background

The subtitle establishes a matching grant program of up to \$300,000 to support the 2019 National Cherry Blossom Festival, which is administered by the Washington Convention and Sports Authority.

Financial Plan Impact

The subtitle reserves \$300,000 Non-Departmental (Agency D00) budget in fiscal year 2019 to allow for the possibility of this matching grant. If unforeseen needs arise, use of Non-Departmental funding will be limited by \$300,000 as well as an additional \$1.5 million set aside by Subtitle (VII)(D).

Subtitle (VII)(S) – Certification of Accumulated General Fund Balance

Background

The subtitle removes the requirement¹⁴³ that the Chief Financial Officer certify that there is a minimum five percent of accumulated general fund balance. The requirement is duplicative of other reporting and certifications that occurs, including the Comprehensive Annual Financial Report.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan.

Subtitle (VII)(T) – Council Period 22 Rule 736 Repeals

Background

Council Rule 736¹⁴⁴ states that laws passed subject to appropriation that remain unfunded two years after passage are subject to repeal. The subtitle repeals three laws that were passed subject to appropriation in an approved budget and financial plan: the Washington Metropolitan Area Transit

¹⁴² Located on Lot 808 in Square 5041 and Lot 811 in Square 5056

¹⁴³ D.C. Official Code § 47-387.01.

¹⁴⁴ Rules of Organization and Procedure for the Council of the District of Columbia, Council Period 22, page 75. (http://dccouncil.us/files/user_uploads/event_testimony/PR22-0001a.pdf).

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Authority Fund Act of 2006¹⁴⁵, the Stroke System of Care Act of 2014¹⁴⁶, and the Unemployment
 Profile Act of 2015¹⁴⁷. These laws have not been funded since becoming law.

The subtitle also repeals Sections 7 and 14(b) of the Pesticide Education and Control Amendment Act
 of 2012¹⁴⁸ which required the University of the District of Columbia to report annually on the
 effectiveness of the District's pesticide program. The remaining sections of the law were previously
 funded.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan.

Subtitle (VII)(U) – Old Naval Hospital Tax Exemption Clarification Amendment Act of 2018

Background

The subtitle clarifies that a property tax exemption granted to the Hill Center expired on July 1, 2017.

Financial Plan Impact

The subtitle costs \$83,000 to forgive unpaid possessory interest taxes from tax years 2016 and 2017.

**Subtitle (VII)(V) – Lot 0807 in Square 1066 Equitable Tax Recalculation and Tax Sale
 Remediation Act of 2018**

Background

The subtitle nullifies a tax sale in March 2016 on Lot 0807 in Square 1066, sets the assessment values
 on the property from 2005 through 2010, revised the property to Class one beginning with tax year
 2004, and requires the District to refund the current property owner for overpayment of taxes,
 interest and reasonable legal expenses to defend against the tax sale on the property. The subtitle
 authorizes reimbursement for all expenses incurred by the tax sale purchaser.

Financial Plan Impact

The subtitle will cost \$35,000 in fiscal year 2019 for the reimbursement.

Fiscal Impact of Subtitle (VII)(V) Lot 0807 in Square 1066 Equitable Tax Recalculation and Tax Remediation Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Cost of reimbursement	\$35	\$0	\$0	\$0	\$35

¹⁴⁵ D.C. Law 16-132, effective June 16, 2006.

¹⁴⁶ D.C. Law 20-185, effective March 10, 2015.

¹⁴⁷ D.C. Law 21-38, effective December 15, 2015.

¹⁴⁸ D.C. Law 19-191, effective October 23, 2012.

Subtitle (VII)(W) – Estate Tax Clarification Amendment Act of 2018

Background

The subtitle decouples the District’s estate tax exclusion threshold from that of the federal government and sets the District’s threshold to \$5.6 million in 2018. It increases the threshold annually thereafter according to inflation. Without the subtitle, the District’s threshold would increase to match the new federal level of \$11.18 million¹⁴⁹ in fiscal year 2018, and District tax collections would decrease.

Financial Plan Impact

The subtitle increases estate tax revenue from the Mayor’s proposed budget by \$6.4 million in fiscal year 2018, and \$27 million over the four-year financial plan.

Fiscal Impact of Subtitle (VII)(W) Estate Tax Clarification Amendment Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Increased estate tax revenue	\$6,460	\$6,600	\$6,877	\$7,154	\$27,091

Subtitle (VII)(X) – Columbian Quarter Local Jobs and Tax Reduction Incentive Act of 2018

Background

The subtitle authorizes a real property tax abatement for ten years, beginning no sooner than October 1, 2022, on the Columbian Quarter¹⁵⁰ development in Ward 8, subject to the inclusion of a federal tenant on the property renting at least 175,000 gross square feet. During the ten-year abatement, the real property tax rate on taxable Class 2 properties will be \$0.993 per \$100 of assessed value. Once the ten-year abatement expires, the rate will increase \$0.04 annually until the tax rate is equal to the citywide Class 2 property tax rate.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan, as the abatement cannot begin until fiscal year 2023, which is outside the four-year financial plan.

Subtitle (VII)(Y) – Small Retailer Property Tax Relief Amendment Act of 2018

Background

The subtitle creates a refundable tax credit on corporate or unincorporated franchise taxes for small retail businesses who collect sales taxes, have active operations in the District, and earn less than \$2,500,000 in federal gross receipts or sales. For retailers that own the property they occupy, the credit is the amount of property taxes paid, up to \$5,000 annually. For a retail business that leases space, the credit is ten percent of annual lease costs, up to \$5,000 annually.

¹⁴⁹ Public Law 115-97, Tax Cuts and Jobs Act of 2017.

¹⁵⁰ Defined as the 600, 700 and 800 block of Howard Road, S.E.

Financial Plan Impact

The subtitle will cost \$14.5 million in fiscal year 2018, and \$61.5 million over the four-year financial plan to cover reduced revenues and increased administrative costs in the Office of the Chief Financial Officer.

Fiscal Impact of Subtitle (VII)(W) Estate Tax Clarification Amendment Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduced corporate and unincorporated franchise revenue	\$14,475	\$14,996	\$15,535	\$16,095	\$61,101
Office of Tax and Revenue 1 FTE and administrative costs	\$96	\$98	\$100	\$103	\$399
TOTAL	\$14,571	\$15,094	\$15,635	\$16,198	\$61,498

Subtitle (VII)(Z) Early Learning Tax Credit Amendment Act of 2018

Background

The subtitle creates a refundable income tax credit up to \$1,000 per eligible child age 3 and under¹⁵¹ for taxpayers who have enrolled their child, and incurred spending, at a licensed child development facility in the District. To be eligible, a taxpayer must have taxable income of less than \$750,000 and must not currently be receiving child care subsidies under the Office of the State Superintendent of Education Subsidy Program. The credit will only apply for tax year 2018.

Financial Plan Impact

The subtitle will reduce expected income tax revenue by \$2.5 million in fiscal year 2019. An estimated 2,500 taxpayers will be eligible for the credit, and it is assumed the entire \$1,000 credit will be claimed. The credit is in addition to an existing credit available for child care expenses. The Office of Tax and Revenue will require \$38,000 in one-time administrative costs to update forms to implement the credit.

Fiscal Impact of Subtitle (VII)(Z) District Child Care Tax Credit Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019(a)	FY 2020	FY 2021	FY 2022	Total
Decrease in income tax revenue	\$2,500	\$0	\$0	\$0	\$2,500
Administrative costs for OTR	\$38	\$0	\$0	\$0	\$38
TOTAL	\$2,538	\$0	\$0	\$0	\$2,538

Credit applies only to Tax Year 2018, but reduced revenue will be realized in fiscal year 2019.

¹⁵¹ Children must not turn 4 years old prior to September 30th of the taxable year.

Subtitle (VII)(AA) – Women’s National Democratic Club and Campaign for Tibet Equitable Tax Relief Act of 2018

Background

The subtitle forgives all real property taxes, interest, penalties and fees for individual properties owned by the International Campaign for Tibet¹⁵², prior to tax year 2014 when the property was granted an administrative exemption. The subtitle also forgives all real property taxes, interest, penalties and fees for the Women’s National Democratic Club¹⁵³, prior to tax year 2018 when the property was granted administrative exemption.

Financial Plan Impact

The subtitle costs \$314,000 in fiscal year 2019 to pay for the tax forgiveness on these two properties.

Fiscal Impact of Subtitle (VII)(Z) Women’s National Democratic Club and Campaign for Tibet Equitable Tax Relief Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019(a)	FY 2020	FY 2021	FY 2022	Total
Real Property Taxes forgiven for the International Campaign for Tibet (From tax years 2003 to 2013)	\$273	\$0	\$0	\$0	\$273
Real Property Taxes forgiven for the Women’s National Democratic Club (From tax years 2015 to 2017)	\$41	\$0	\$0	\$0	\$41
TOTAL	\$314	\$0	\$0	\$0	\$314

Subtitle (VII)(BB) – Taxpayer Support for Afterschool Programs for At-Risk Students Amendment Act of 2018

Background

The District allows residents to contribute to the Public Fund for Drug Prevention and Children at Risk¹⁵⁴ (“Fund”) when filing their income tax returns. Funds received are designated to be granted to the Children and Youth Investment Trust Corporation (CYITC) to support programs for children impacted by drug use or programs that promote drug and alcohol avoidance.

The subtitle ends the grant to CYITC, which dissolved in 2016,¹⁵⁵ and instead creates a tax checkoff option so District residents may donate a portion of their tax refund to support the Office of Out of

¹⁵² The tax forgiveness applies to property owned by the International Campaign for Tibet at 1825 Jefferson Pl N.W., also known as Lot 30 in Square 139.

¹⁵³ The tax forgiveness applies to property owned by the Women’s National Democratic Club at 1529 New Hampshire Ave., N.W, also known as Lot 5 in Square 135.

¹⁵⁴ The revenues are held in a separate account of the District’s Local Fund.

¹⁵⁵ https://www.washingtonpost.com/local/dc-politics/mismanagement-has-bankrupted-a-dc-nonprofit-endangering-programs-for-at-risk-youth-board-members-say/2016/04/26/51f4a51c-0bb4-11e6-bfa1-4efa856caf2a_story.html?utm_term=.48ec1daf785c

School Time Grants and Youth Outcomes¹⁵⁶ (“Office”) afterschool programs for at-risk children. The subtitle also directs the executive to promote the tax check-off, and directs funds previously collected under the Public Fund for Drug Prevention and Children at Risk to be transferred to the Office.

Financial Plan Impact

The tax contribution previously generated approximately \$56,000¹⁵⁷ annually, and the Fund currently has a balance of approximately \$102,000. The subtitle directs all funding from the checkoff to the Office of Out of School Time Grants and Youth Outcomes under the private donation fund, which does not require budget authority.

Subtitle (VII)(CC) – Smoking Cessation Amendment Act of 2018

Background

The subtitle increases the cigarette tax by \$0.10 per cigarette.

Financial Plan Impact

The subtitle will increase sales tax revenue \$5.2 million in fiscal year 2019 and \$14.9 million over the four-year financial plan.

Fiscal Impact of Subtitle (VII)(CC) Smoking Cessation Amendment Act of 2018					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019(a)	FY 2020	FY 2021	FY 2022	Total
Increase sales tax	\$5,220	\$4,246	\$3,247	\$2,218	\$14,931

Subtitle (VII)(DD) – Union Market TIF Amendment Act of 2018

Background

The subtitle amends the Union Market Tax Increment Financing Act of 2017 to eliminate the requirement that the annual base amount of sales and real property tax collections escalate by 3.6 percent and 3 percent respectively after fiscal year 2022.

Financial Plan Impact

The subtitle has no impact during the financial plan. Through 2022, the District’s general fund will first receive an increasing amount of sales and real property tax collections from the Union Market TIF Area prior to TIF area taxes being used to repay the debt issued for the TIF area project. After fiscal year 2022, sales and real property tax collections above the base amounts¹⁵⁸ will first be used to pay scheduled debt service on the TIF bonds. Fifty percent of any excess will be used to pre-pay TIF debt and the other 50 percent will be available for the District’s general fund.

¹⁵⁶ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-1251 D.C. Official Code § 7-2411 et seq.).

¹⁵⁷ The Office of Tax and Revenue retains approximately 10 percent of the gross collections to cover processing costs as authorized in D.C. Official Code § 47-1812.11b.

¹⁵⁸ Beginning in fiscal year 2022, the base amount of sales taxes will be \$6,764,675 and the base amount of real property taxes will be \$7,712,678.

TITLE VIII – CAPITAL BUDGET

Subtitle (VIII)(A) – Fiscal Year 2019 Capital Project Financing Reallocation Approval Act of 2018

Background

The subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately \$11.4 million in bond balances from capital projects with slow activity to public school modernization projects with insufficient bond balances to cover expenditures. The reallocation does not change project costs or authorized budget amounts; rather, it directs capital funds to projects that are most likely to spend them. In this way, the District can make better use of the bonds proceeds in escrow (at a low interest rate), improve cash flow, and reduce future borrowing. The two tables below show the sources and uses of these funds.

Financial Plan Impact

The reallocations do not change the budget authority for any capital project. The intent is to improve resource use by reallocating available bond balances to where they are needed.

Subtitle (VIII)(A) – Projects that will Serve as Source of Financing		
Table A		
Owner Agency Name	Project Title	Amount
District of Columbia Public Schools	Janney ES Renovation/Modernization	\$4,370
	Johnson Middle School Renovation/Modernization	\$680,583
Department of Corrections	General Renovations—DC Jail	\$251,678
District Department of Transportation	Rhode Island Ave NE Small Area Plan Infrastructure	\$426,109
	Power Line Undergrounding	\$396,361
District Department of Parks and Recreation	Therapeutic Recreation Center	\$36,445
Deputy Mayor for Planning and Economic Development	Neighborhood Revitalization	\$92,152
Office of the Secretary	Archives	\$507,910
Metropolitan Police Department	Specialized Vehicles - MPD	\$99,658
Fire and Emergency Medical Services	Engine Company 27 Renovation	\$1,171,500
Department of Corrections	Inmate Processing Center	\$29,113
Department of Parks and Recreation	Fort Davis Recreation Center	\$167,404
	Edgewood Recreation Center	\$2,346,561
	Hearst Park Pool - Ward 3 Outdoor Pool	\$370,796
	Therapeutic Recreation Center	\$755,975
District Department of Transportation	Greenspace Management	\$1,207,829
	Materials Testing Lab	\$133,215
	Trails	\$877,349
	Bridge and Alley Maintenance	\$1,327,211
Department of Energy and Environment	Inspections, Compliance and Enforcement IT System	\$280,168

Office of the Chief Technology Officer	Data Management and Publication Platform	\$43,150
	Enterprise Computing Device Management	\$63,701
	D.C. Gov Web Transformation	\$91,798
TOTAL		\$11,361,035

Subtitle (VIII)(A) - Projects that will Use Financing Table B		
Owner Agency Name	Project Title	Amount
District of Columbia Public Schools	DC Public Schools Modernization/Renovations	\$11,361,035

Subtitle (VIII)(B) – Master Local Transportation Capital Projects Amendment Act of 2018

Background

Since fiscal year 2012, capital projects funded through the District of Columbia Highway Trust Fund have been regarded as “Master” projects associated with several “Related Projects”. For such capital projects, the District Department of Transportation may not spend directly from the capital projects, but must submit requests to the Office of Budget and Planning to allocate funds for Related Projects before obligating and spending funds. The subtitle extends¹⁵⁹ allowed use of the procedure from January 31, 2018 to January 31, 2019.

Financial Plan Impact

This subtitle extends the use of budgeting procedures for certain transportation capital projects and has no impact on the budget or financial plan.

Subtitle (VIII)(C) – Transportation Infrastructure Project Review Fund Capital Reprogrammings Amendment Act of 2018

Background

The subtitle exempts reprogrammings from the Transportation Infrastructure Project Review Fund¹⁶⁰ (“Fund”) to a capital project from Council approval requirements, provided the use of the reprogrammed funds does not change. The Fund is a non-lapsing fund that funds:

- 1) District Department of Transportation (DDOT) reviews of a project that may affect the transportation infrastructure or public space in the District;
- 2) Transportation infrastructure or public space improvements or mitigation measures;
- 3) Improvements ordered by the Zoning Commission or Board of Zoning Adjustment; and
- 4) Local transportation improvement projects and studies, so long as funds are not required for the first three activities.

The Fund receives revenue from payments made by an individual or entity such as a developer to cover the cost of DDOT’s review of these projects.

¹⁵⁹ By changing D.C. Official Code § 50-921.02(e)(4)(C).

¹⁶⁰ D.C. Official Code § 50-921.17.

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Financial Plan Impact

This subtitle does not change the total amount of authorized funding for capital projects, so does not have an impact on the District's budget and financial plan.

Subtitle (VIII)(D) – Master Capital Projects Funding Reallocation Amendment Act of 2018

Background

The subtitle authorizes reallocations within master capital projects that an agency fully manages. An agency that is the owner agency and implementer agency for a master project and all of its subprojects will be able to request the Office of Budget and Planning (OBP) to reallocate funding from a master project to a sub-project, a sub-project to the master project, or from one sub-project to another. The reallocation will be exempt from current reprogramming rules¹⁶¹ and OBP will be authorized to approve the transfer.

Additionally, an agency may request reallocation of a master capital project to a "related" capital project. A "related" capital project is defined as one that was created prior to the master capital project, is associated with the master project based on the description, and has current fund balances for which there are no future year appropriations.

Financial Plan Impact

This subtitle does not change the amount of authorized funding, so does not have an impact on the District's budget and financial plan.

¹⁶¹ Reprogramming policies codified at D.C. Official Code § 47-361 et seq.