

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

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

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** June 4, 2002

**SUBJECT:** Fiscal Impact Statement: "Fiscal Year 2003 Budget Support Act of 2002"

**REFERENCE:** Bill Number 14-609 from the Amended Engrossed

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**Conclusion**

Bill number 14-609, the Fiscal Year 2003 Budget Support Act of 2002, is the legislative vehicle for adopting statutory changes needed to implement the District's proposed FY 2003 through FY 2006 budget and financial plan. The estimated overall increase in local General Fund and proprietary "O" type funding is \$24.5 million in FY 2003 and \$87.1 million in FY 2003 through FY 2006. The increase in the local General Fund is \$8.5 million in FY 2003 and \$34.0 million in FY 2003 through FY 2006.

The proposed legislation will increase "O" type revenue to the District by \$16.0 million in FY 2003 and \$53.1 million in FY 2003 through FY 2006. However, \$11.5 million in FY 2003 and \$48.6 million in FY 2003 through FY 2004 are funds that are converted from the local General Fund to "O" type funds.

Implementation of the proposed legislation will require the establishment of "O" type dedicated funds and revenue sources. These funds are controlled by the agencies. When all or a portion of a revenue stream is dedicated by statute to a particular agency operation or program, the Mayor and the Council of the District of Columbia (Council) lose flexibility to direct revenue to new or emerging priorities or to determine the proper level of agency expenditures.

Anti-deficiency laws, 31USCA § 1341 (2000), prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

## Title I – Reprogramming Policy Act of 2002:

### **Background**

The proposed legislation will change the budgetary reprogramming process to accommodate reprogrammings for performance-based budgets. This title allows agencies to move funds to meet performance criteria. In addition, the proposed legislation requires approval from the Council when reprogramming requests exceed \$840,000 in any fiscal year.

### **Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia (District) and has no effect on local General Fund revenue. This provision has no fiscal impact.

## Title II – Performance and Financial Accountability Amendment Act of 2002:

### **Background**

The Mayor is required to submit a performance-based budget for the following agencies:

1. Metropolitan Police Department;
2. Department of Transportation;
3. Department of Human Services;
4. Fire and Emergency Medical Services Department;
5. Department of Motor Vehicles;
6. Office of the Chief Financial Officer; and
7. Department of Public Works.

Provisions of the proposed legislation require that by July 10<sup>th</sup> of each year the Mayor identify an additional 12 agencies from those that are funded from the local General Fund. All budgets must meet review and approval requirements set by the Office of Budget and Planning (OBP).

### **Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation. Appropriated funds and staff are provided to OBP.

[Title III – Construction Codes Amendment Act of 2002:](#)

**Background**

The proposed legislation provides clarifying language stating that the Director of the District of Columbia Department of Consumer and Regulatory Affairs (DCRA) has the enforcement authority for the Fire Prevention Code of the District of Columbia. Technical changes and amendments also modify governing language for the District appeals process for Fire Prevention Code related matters.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the components of the proposed legislation because no additional staff or resources will be required. This function is already being carried out by DCRA.

[Title IV – Motor Vehicle Sales Finance Company Reorganization and Amendment Act of 2002:](#)

**Background**

The proposed title transfers the Office of Motor Vehicle Sales Finance Company from DCRA to the Department of Banking and Financial Institutions (DBFI). Technical changes to the code transfer all positions, personnel, property, records and financial assets from DCRA to DBFI.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. There are modest costs for the physical transfer of records and personnel, but they will be absorbed in the proposed FY 2003 budget.

[Title V – Long-Term Care Insurance Conformity Amendment Act of 2002:](#)

**Background**

The proposed title makes local law conform to Title XVIII of the Social Security Act.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. This provision has no fiscal impact.

[Title VI – Insurer and Health Maintenance Organization Self-Certification Amendment Act of 2002:](#)

**Background**

The purpose of the proposed legislation is to amend the Life Insurance Act of 1934, the Fire and Casualty Act of 1940, and the Health Organization Act of 1996 to allow insurers and health maintenance organizations to self-certify to conduct business in the District. The proposed title permits insurers and health maintenance organizations that are authorized to conduct business in another jurisdiction that is already certified by the Commissioner of the Department of Insurance and Securities Regulation (DISR) to attest that it meets all the requirements of insurance and health maintenance laws and regulations of the District and qualifies to conduct business in the District. DISR would have the authority to investigate the applicant and to suspend permission to conduct business in the District.

**Financial Plan Impact**

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan because no additional staff or resources will be required to implement the provisions of the proposed legislation.

[Title VII – Tobacco Settlement Savings Fund Amendment Act of 2002:](#)

**Background**

The proposed title requires that 100 percent of the proceeds received through the Tobacco Settlement, consisting of the residual interest and savings debt defeasement or prepayment, shall be expended under conditions set by local policy. Provisions of the proposed legislation are effective October 1, 2002 through September 30, 2004.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. Provisions of the proposed legislation require that the Board of Trustees of the Tobacco Settlement Trust Fund reinvest \$16.6 million of the Fund balance.

[Title VIII Subtitle A – Tax Rate Revision Act of 2002:](#)

**Background**

The proposed title is the trigger mechanism for tax reductions contained in the D.C. Official Code §§ 47-1806.03, 47-1807.02, and 14-1808.03. Under the proposed title, the

District's Chief Financial Officer (CFO) must certify the sufficiency of revenue and financial resources for the continuation of intended reductions in the District's various income tax rates. For the tax reductions to continue, the CFO must also certify that nominal GDP growth is greater than 3.5 percent and the real GDP growth is greater than 1.7 percent according to the Congressional Budget Office. In addition, the Comprehensive Annual Financial Report must show a General Fund Balance from the preceding fiscal year less than 5 percent of the General Fund Operating Budget for the current fiscal year.

**Financial Plan Impact**

The results of the CFO certification authorized by this title would either support the continuation of reductions in rates of taxation as planned or require the District to suspend further rate reductions. The current financial plan assumes a continuation of the planned tax rate reductions and accounts for the subsequent decreases in local General Fund revenue. The following table presents the estimated increases in local General Fund revenue resulting from the discontinuance of the planned tax rate reductions.

<b>Estimated Increases Considered in the Financial Plan</b>					
(\$ in millions)					
<b>Item</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-Year Total</b>
Tax Parity Act of 2001	\$77.2	\$141.7	\$143.7	\$146.1	<b>\$508.7</b>
Title VIII §§ A	0.0	(24.0)	(77.0)	(141.0)	<b>(242.0)</b>
<b>Net Annual Impact</b>	<b>\$77.2</b>	<b>\$117.7</b>	<b>\$66.7</b>	<b>\$5.1</b>	<b>\$266.7</b>

The Tax Parity Act of 2001 required reductions in certain rates of taxation in the District. The act included a "safety trigger" to halt rate reductions because of negative economic indicators. In January 2002 the conditions of the "safety trigger" were satisfied and the District discontinued the implementation plan. As a result of the cessation of tax rate reductions the District will receive more revenue than had been originally anticipated. It is estimated that the District would receive \$77.2 million in FY 2003 and \$508.7 million in FY 2003 through FY 2006 as a result of the tax rate halt.

The proposed title would reinstate the plan of tax rate reductions beginning in FY 2003. The proposed rate reductions impact revenue collections beginning in FY 2004. It is estimated that the District will receive \$24 million less than the revenue increases currently projected in the District's financial plan. The continuation of tax rate reductions would reduce revenue collections by \$242 million from FY 2003 through FY 2006. Because tax rate reductions do not commence again until FY 2003 there are no impacts on revenue collections for this year.

[Title VIII Subtitle B – Owner-Occupant Residential Tax Credit Act of 2002:](#)

**Background**

The proposed title provides that any District resident that owns and occupies a home as their primary residence may receive a tax credit for real property tax increases. After reducing the Homestead deduction from the prior year's taxable assessment, the tax filer will multiply the prior years real property tax assessment by 125 percent. Then subtract this amount from the current year's real property tax assessment after removing the current year's Homestead deduction. The resulting amount can be applied as a credit on the homeowner's personal income tax return. The proposed title includes residential cooperatives among the eligible properties for the proposed real property tax limitations.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title. The following table presents the budgeted revenue reductions to local General Fund Revenue in the budget and financial plan.

<b>Estimated Reductions Considered in the Financial Plan</b>					
(\$ in millions)					
<b>Item</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-Year Total</b>
Class I	\$15.5	\$18.5	\$4.0	\$3.5	\$41.5
Cooperatives	1.2	1.7	0.4	0.3	3.6
<b>Net Annual Impact</b>	<b>\$16.7</b>	<b>\$20.2</b>	<b>\$4.4</b>	<b>\$3.8</b>	<b>\$45.1</b>

[Title VIII Subtitle C – Bonus Depreciation De-Coupling from the Internal Revenue Code Act of 2002:](#)

**Background**

The purpose of the proposed legislation is to prevent a new change in the Federal tax law from reducing the revenue of the District. The federal Economic Stimulus Act of 2002 increases first-year depreciation by an additional 30 percent for business assets acquired after September 10, 2001 and before September 11, 2004. The proposed legislation will amend D.C. Code Title 47 § 1803.03(a)(7) disallowing this increase in depreciation for District tax purposes.

**Financial Plan Impact**

The provisions of the proposed legislation will prevent a decrease of local General Fund revenue. The potential loss of local General Fund revenue would be \$74 million over the

life of the legislation if the proposed action is not implemented. The loss is estimated to be \$27 million in FY 2002, \$24 million in FY2003 and \$23 million in FY 2004.

[Title VIII Subtitle D – Parking Tax Clarification Act of 2002:](#)

**Background**

The purpose of the proposed title is to clarify that when a business performs valet parking service they will be exempt from the District's Parking Tax. The concept of a valet parking service for the purposes of the proposed tax exemption shall not include a garage, parking lot, or parking facility that provides parking service by a parking lot attendant. Currently, the District is not levying the tax on valet parking services. The proposed title will statutorily govern the current practice.

**Financial Plan Impact**

The proposed title would have a no impact on the budget and financial plan.

[Title IX – Conservation Easement Deed of Gift Clarification Amendment Act of 2002:](#)

**Background**

The purpose of the proposed legislation is to allow a tax credit on the District's individual income tax return for a homeowner's participation with organizations engaged in historical preservation through conservation easements. In exchange for an easement on a property's façade the homeowner is entitled to a tax credit of between 10 and 15 percent of the overall assessed value of the property.

**Financial Plan Impact**

The provisions of the proposed legislation will not result in an increase or decrease in planned local General Fund revenue. The proposed legislation will make law a current practice in the District's real property tax operations. If the proposed legislation is not implemented it is likely that there could be litigation at a cost to the District.

[Title X – Quick Acquisition of Abandoned and Nuisance Property Amendment Act of 2002:](#)

**Background**

The proposed legislation makes technical changes to the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000.

## **Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan because no additional staff or resources will be required to implement the provisions of the proposed legislation.

### [Title XI Subtitle A – Housing Production Trust Fund Amendment Act of 2002:](#)

## **Background**

Besides making technical changes to the Housing Act of 2001, provisions in the proposed title delay the full implementation of Title V of the Housing Act from the initial implementation date of October 1, 2002 to October 1, 2003.

The proposed title requires that funds from the following sources be deposited into the Housing Production Trust Fund (HPTF):

1. Fee option contributions made by commercial developers;
2. Community development program contributions<sup>1</sup>;
3. Local appropriations;
4. Grants, fees, donations, or gifts from private sources;
5. Repayment of principal and interest from HPTF loans<sup>2</sup>;
6. Liquidation of security interests provided from the HPTF;
7. Accrued interest from HPTF investments;
8. All revenue, receipts, fees of whatever source derived from HPTF operations;
9. Lease payments received under the Land Acquisitions for Housing Development Opportunities program;
10. All or any portion of fees that the Zoning Commission rules to be deposited into the HPTF for application for a proposal of or option into a Planned Unit Development (PUD);
11. Department of Housing and Community Development (DHCD) Community Development Block Grants (CDBG);
12. Proceeds from the sale of abandoned and deteriorated properties pursuant to Title VII of the Housing Act of 2001<sup>3</sup>;
13. \$11.5 million effective October 1, 2002 (FY 2003) as a one-time budgeted expenditure.

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<sup>1</sup> Must be reviewed by the Superintendent of Banking and Financial Institutions.

<sup>2</sup> Redundant provision as this is required by the Housing Act of 2002, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 47-857.09).

<sup>3</sup> Unless the authority to dispose of the property was invoked through the Homestead Housing Preservation Act of 1986 (D.C. Law 6-135; D.C. Official Code § 42-2101 *et seq.*)



Beginning in fiscal year 2004, the District will transfer 7.5 percent of the District's real property transfer tax and the deed recordation tax.

The Housing Act of 2002 allows the Mayor under certain conditions to award tax abatements for new residential development. Currently, the award amount is not to exceed \$2.5 million in annual tax abatements. The proposed title makes a technical change limiting the amount of annual tax abatements to \$500,000 in FY 2003 only. This change is for one year at which time the limitation will revert back to \$2.5 million. In addition, in FY 2003 the total in awarded abatements must be offset by a transfer of equal funds from the HPTF to the local General Fund.

### **Financial Plan Impact**

Funds are sufficient in the FY 2002 or the proposed FY 2003 through FY 2006 budget and financial plan to implement all the provisions of the proposed title. Costs associated with the implementation of the title VI of the Housing Act of 2001, specifically the provisions addressing the requirements for all tax abatements for new residential developments (D.C. Official Code § 47-857.03) and tax abatements for all new residential developments in the Mayor's Housing Priority Area A. (D.C. Official Code § 47-857.05), will be funded from the HPTF.

The following table presents the estimated revenue from all sources for the HPTF.

<b>Impact to Local General Fund Revenue</b>				
<b>(\$ in millions)</b>				
<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-Year Total</b>
\$11.5	\$11.6	\$12.3	\$13.2	<b>\$48.6</b>

In FY 2003 \$11.5 million is to be allocated to the HPTF and this has been planned as a budgeted expenditure. By doing this the District is converting local General Funds to a proprietary "O" type dedicated fund. In FY 2004 the District anticipates receiving \$155.2 million in Deed Recordation and Deed Transfer taxes. Beginning in FY 2004, 7.5 percent, or \$11.6 million, will now be converted to "O" type dedicated funds. In FY 2005 it is estimated that the District would receive \$163.9 million in Deed Recordation and Deed Transfer taxes of which \$12.3 million would become "O" type dedicated funds. In FY 2006 the District could receive \$176.7 million in taxes and \$13.2 million would be converted to "O" type dedicated funds. By partitioning "O" type funds from the General Fund the District is perpetuating a practice that continually reduces the flexibility that District decision makers have for future budget development.

[Title XI Subtitle B – Industrial Revenue Bond Special Account Amendment Act of 2002:](#)

**Background**

The proposed title amends D.C. Official Code § 47-340.22 so the authority for allocating proceeds from the Industrial Revenue Bond (IRB) Special Account is with the Council of the District of Columbia or by the Mayor and/or the Deputy Mayor for Planning and Economic Development with the approval of the Council. Currently funds are allocated to the Deputy Mayor for Economic Development and statutes are silent about any other required approvals for allocation or expenditure.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan because no additional staff or resources will be required to implement the provisions of the proposed legislation.

[Title XI Subtitle C – Chief Financial Officer for the Department of Housing and Community Development Amendment Act of 2002:](#)

**Background**

The proposed title authorizes the establishment of a Chief Financial Officer (CFO) for DHCD. This CFO would be an agency CFO whose purpose is to focus on DHCD financial operations.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan.

[Title XI Subtitle D – Housing and Community Development Reform Commission Act of 2002:](#)

**Background**

The purpose of the proposed title is to establish a commission to analyze and make recommendations for the reform of DHCD. Provisions of the proposed title outline the composition of the commission and suggests the credentials for such persons. The proposed title governs the nominations of the membership and outlines the authority of the commission.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan. Upon certification by the CFO, the commission will have \$200,000 available to offset the costs for commission operations. The members of the commission themselves will be uncompensated for their service to the commission. Funding for these purposes will be allocated from the Industrial Revenue Bond (IRB) special account. Unless the commission receives additional appropriations, the commission may not expend more than \$200,000.

### [Title XII – Customer Service Operations Establishment Act of 2002:](#)

#### **Background**

The proposed title effects a name change of the City-Wide Call Center to Customer Service Operations.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title. The proposed title will not require additional staff or resources. The proposed title will transfer 4 full-time equivalent (FTE) positions and operational funding of \$376,997 from the Executive Office of the Mayor (EOM) to the Mayor's Correspondence Unit and the EOM Tester Program budgets.

### [Title XIII – Victims of Violent Crime Compensation Amendment Act of 2002:](#)

#### **Background**

The Court currently operates a Crime Victims Compensation Fund. This fund is the repository for the collection of liens, fees and fines associated with certain judgements. Expenditures from the fund balance are required to help the victims in cases that are the subject of this title. Current law allows the District to appropriate funds in excess of \$250,000 of the Superior Court's holdings in each fiscal year. Currently these additional funds are deposited in the local General Fund.

The proposed title establishes a local non-lapsing, non-reverting "O" type fund to capture the federal monies from the Crime Victims Compensation Fund. The name of the new local fund is the Crime Victims Assistance Fund. The District Justice Grants Administration would administer the new fund. The funds are required to be used to assist victims of sexual assault, domestic violence and child abuse and other unfortunate circumstances recognized by the Courts.

### **Financial Plan Impact**

The proposed title would have no impact on the proposed FY 2003 through FY 2006 budget and financial plan.

#### [Title XIV – Children and Youth Investment Trust Fund Amendment Act of 2002:](#)

### **Background**

The proposed legislation requires the Mayor to fund the Children and Youth Investment Trust Fund.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan because the Mayor is required to remain within existing appropriations when allocating funds for the required activities. The Mayor is required to have a positive fund balance at all times as prescribed by anti-deficiency law.

#### [Title XV Subtitle A – Office of Medicaid Public Provider Operations Reform Establishment Act of 2002:](#)

### **Background**

The proposed title is intended to establish an Office of Medicaid Reform. The primary purpose of the Office is to redesign the District's Medicaid infrastructure to improve the operational management of Medicaid programs on an agency level. The Mayor shall appoint a Director of the office who shall be advised by the External Medicaid Task Force to be established by the Mayor.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed legislation.

#### [Title XV Subtitle B – Medicaid and Special Education Reform Fund Establishment Act of 2002:](#)

### **Background**

The proposed legislation authorizes the establishment of an Office of Medicaid and Special Education Reform Fund into which funds made available for the purpose of Medicaid reform may be deposited. The new fund is a non-reverting, non-lapsing "O" type fund. The proposed title makes funds deposited into the new fund available to offset

costs for Medicaid, Special Education, supporting Medicaid reform activities and optimizing Medicaid and other third party revenue. Funds may also be used to offset revenue shortfalls.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title.

#### [Title XVI – Parking Fines Increase Amendment Act of 2002:](#)

### **Background**

The proposed title will result in increases to fines and fees associated with illegal parking in the District. The title will raise the fine amounts for the following offenses:

- Expired Meter
- Residential Parking
- No Parking Anytime
- Parking in an Alley
- No Parking/Street Cleaning

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title because the increases to fines will result in additional local General Fund revenue. The following table presents the revenue impact to the financial plan.

<b>Impact to Local General Fund Revenue</b>				
<b>(\$ in millions)</b>				
<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-Year Total</b>
\$8.5	\$8.5	\$8.5	\$8.5	<b>\$34.0</b>

#### [Title XVII – Alcoholic Beverage Regulation Act of 2002:](#)

### **Background**

The proposed title amends Title 25 of the District's official code for alcoholic beverage regulation so that unincorporated associations other than limited liability corporations may only receive temporary licenses that do not exceed more than 4 days. It will require that alcoholic beverage manager's license biannual fees shall be paid at the time of application. Technical changes to the statute address definitions concerning 12-month

periods of time and provides governance to the Alcoholic Beverage Control (ABC) Board for the issuance of license moratoriums.

### **Financial Plan Impact**

The proposed title would have a no impact on the budget and financial plan.

### [Title XVIII – Fiscal Year 2002 Comprehensive Financial Management Policy Approval Act of 2002:](#)

#### **Background**

The proposed title approves the Comprehensive Financial Management Policy recently approved by the Mayor and proposed by the CFO.

### **Financial Plan Impact**

The proposed title would have a no impact on the budget and financial plan.

### [Title XIX – Interim Disability Assistance Fund Establishment Amendment Act of 2002:](#)

#### **Background**

The proposed legislation establishes the Interim Disability Assistance (IDA) Fund to be administered by DHS. The IDA Fund is an "O" type fund that is non-reverting and non-lapsing. Into this new fund is to be deposited the amount of an IDA recipient's past-due SSI benefit payment that is due to DHS. All funds expended from the IDA Fund are to be used to implement the IDA program.

### **Financial Plan Impact**

The proposed title does not affect the District's local budget and financial plan. Funds deposited into the IDA Fund are from federal government resources.

### [Title XX – Workforce Investment Board Accountability Establishment Act of 2002:](#)

#### **Background**

The proposed title amends the Workforce investment Act of 1998 so that employment status is no longer a condition to receive job training services. In addition, the Workforce Investment Council will be required to provide the Council an operating budget detailing the One-Stop delivery system partners material contributions and a determination of each partners fair share. Delivery of the budget is required by January 1, 2003.

The proposed title requires that the program engage each partner of the One-Stop delivery system by Memorandum of Understanding (MOU). Provisions of the title determine the components of the MOU, selected system operators plus reporting requirements on the program recipients.

### **Financial Plan Impact**

The proposed title would have a no impact on the budget and financial plan. The proposed title is revenue/expenditure neutral because the Department of Human Services (DHS) will assess the operational costs, via MOU, on the involved agencies. The assessed amounts will be fund via intra-District mechanisms from the assessed agencies budgets.

### [Title XXI – Department of Employment Services Administrative Reorganization Review Act of 2002:](#)

#### **Background**

The proposed title requires the Department of Employment Services (DOES) to undergo a comprehensive review of its administrative infrastructure and report the findings to the Council of the District of Columbia by January 1, 2003.

#### **Financial Plan Impact**

The proposed title would have a no impact on the propose FY 2003 through FY 2006 budget and financial plan.

### [Title XXII – Office of Vocational Education and Skills Training Establishment Act of 2002:](#)

#### **Background**

The purpose of the proposed title is to establish at the University of the District of Columbia (UDC) an Office of Vocational Education and Skills Training (VEST). The new office would be responsible for all government-sponsored vocational education, adult apprenticeship, and workforce skills training performed by UDC and DCPS. In addition, the proposed title establishes an advisory board to oversee the development and operations of VEST. The proposed title governs the composition of this new board.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title. The proposed FY 2003 operating budget provides \$2.9 million and \$1.5 million in the Capital Improvements Plan. The FY

2003 through FY 2006 budget and financial plan provides \$13.7 million. The following table presents the funding proposed to offset the costs of developing and operating VEST.

<b>Proposed Funding in the Budget and Financial Plan</b>					
(\$ in millions)					
<b>Budget</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-year Total</b>
<b>Operating Subtotal</b>	\$2.9	\$3.0	\$3.1	\$3.2	<b>\$12.2</b>
<b>Capital Subtotal</b>	1.5	0.0	0.0	0.0	<b>\$1.5</b>
<b>Net Annual Impact</b>	<b>\$4.4</b>	<b>\$3.0</b>	<b>\$3.1</b>	<b>\$3.2</b>	<b>\$13.7</b>

[Title XXIII Subtitle A – Unemployment Compensation Alternative Base Period Amendment Act of 2002:](#)

**Background**

The proposed title amends the D.C. Unemployment Compensation Act of 1935 (D.C. Official Code § 51-101(6)) to allow recipients of benefits to calculate their base period by one of the following methods:

1. The first 4 out of the last 5 completed calendar quarters immediately preceding the first day of the individuals benefit year; or
2. For benefit years effective on or after the implementation of the proposed title and for individuals who do not have sufficient wages in the base period as previously described, the last 4 completed calendar quarters immediately preceding the first day of the individual's benefit year.

If the latter calculation formula is used then the qualifying period and the individual receives benefits under this qualifying formula under § 51-107(c) then this period may not be reused as the base period for subsequent benefit applications.

**Financial Plan Impact**

The Job Creation and Worker Assistance Act of 2002, approved March 9, 2002 (Public Law 107-147), provided for Reed Act transfers from Federal Unemployment Trust Fund to the States. Public Law 107-147 further provides that these funds may be used to provide unemployment compensation to individuals who would be eligible for benefits under an unemployment compensation law that provides for an alternative base period and for the administration associated with its implementation. On March 13, 2002, the District received \$26 million pursuant to the Reed Act transfer.

Based on the experience of other states that have adopted the alternative base period, it is estimated there would be an additional 1,100 beneficiaries and that the additional benefits



would be between \$3.2 million and \$4.0 million annually. Workers who would become eligible generally have lower earnings and therefore would receive lower benefit amounts. The Reed Act transfer monies are more than sufficient to provide funding for the cash benefits authorized under the proposed title.

The Reed Act transfer funds will also be used for the administrative costs associated with implementing the alternative base period legislation. The Reed Act authorizes the use of \$0.4 million to offset the costs associated with implementing the alternative base period legislation.

### [Title XXIII Subtitle B – Unemployment Compensation Modernization Amendment Act of 2002:](#)

#### **Background**

The Unemployment Compensation Trust Fund (UCTF) became insolvent over the period of FY 1992 and FY 1993 requiring the District to borrow \$47.6 million from the U.S. Treasury. Because the District was prohibited from using Trust Fund revenue to pay the interest on these loans, legislation was enacted January 1, 1992 to impose an interest surcharge of 0.1 percent on District employers for this purpose. This surcharge was in addition to the employers' regular Unemployment Compensation tax rate. While the surcharge was in effect, a total of \$6.5 million was collected and deposited in the Unemployment Insurance Surcharge account in the local General Fund. The total interest paid on federal loans was \$1 million leaving a balance of \$5.5 million in this account. This balance has continued to earn interest and as of January 31, 2002 totals \$8,085,399.

The proposed legislation would permit \$4.5 million of the current surcharge balance to be used to implement the long planned automation initiatives for administering the Unemployment Compensation Program.

The proposed automation initiatives include the upgrade of technology infrastructure including an interactive voice response (IVR) system for common user inquiries and transactions; and the implementation of Internet based systems for filing claims, filing employer tax reports, fraud detection, and systems for direct deposit or electronic transfer of benefit payments.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation authorizes a draw down of \$4.5 million from the Unemployment Insurance Surcharge Account and puts the funds in a dedicated "O" type account to implement the DOES Information Technology initiatives.

[Title XXIV – Office of Zoning Additional Space Needs and Stipends Act of 2002:](#)

**Background**

The purpose of the proposed title is to require the Office of Property management (OPM) to secure space at the District’s One Judiciary Square facility (located at 441 4<sup>th</sup> Street, NW) for the Office of Zoning (OZ). The proposed title requires that OPM consider one of the two suggested alternatives:

1. Suite 200 South and other space on the second floor and other offices vacated by OLRCB; or
2. A portion of the former space occupied by the Council which is to be under the exclusive control of OZ for three days and evenings a week.

Provisions of the proposed title increases the ceiling for stipends from \$6,000 to \$12,000. The purpose of the increase is attributed to increases in the workload for the Zoning Commission and the Board of Zoning. In addition, the chairman of the Zoning Commission and the Board of Zoning may receive an additional stipend allowance of up to 20 percent of the ceiling.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title. The proposed FY 2003 operating budget provides \$65,000 and \$350,000 in the Capital Improvements Plan. The FY 2003 through FY 2006 budget and financial plan provides \$640,000. The following table presents the funding proposed to offset the costs of expending the available facilities for OZ.

<b>Proposed Funding in the FY 2003 Budget and Financial Plan</b>					
(\$ in millions)					
<b>Budget</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-year Total</b>
<b>Operating Subtotal</b>	\$0.07	\$0.07	\$0.07	\$0.08	<b>\$0.29</b>
<b>Capital Subtotal</b>	\$0.35	\$0.00	\$0.00	\$0.00	<b>\$0.35</b>
<b>Net Annual Impact</b>	<b>\$0.42</b>	<b>\$0.07</b>	<b>\$0.07</b>	<b>\$0.08</b>	<b>\$0.64</b>

The aggregate of maximum available stipend allowances as amended by the proposed title is \$38,400 in any fiscal year. Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to offset the costs associated with the subject stipend allowances.

[Title XXV – Boards and Commissions Compensation Study Act of 2002:](#)

**Background**

The proposed title requires the mayor to perform a comprehensive study of the compensation and stipend levels of District boards and commissions. The report is required to analyze the attributes of each entity and examine best practices of comparable bodies in the surrounding jurisdictions. The report is to provide recommendations pertaining to funding levels for compensation and stipend levels and submit the document on or before December 31, 2002.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the provisions of the proposed title. The proposed title does not impact staff and funding resources required to perform these operations.

[Title XXVI – Taxicab Commission Compensation Amendment Act of 2002:](#)

**Background**

The purpose of the proposed title is to provide a \$25 allowance per meeting of work session for public and industry members of the District of Columbia Taxicab Commission. Provisions of the proposed title require the following limitations:

1. The allowance is not to exceed a total of \$1,350 per person in any year; and
2. The total expended allowances are not to exceed \$10,800 overall in any year.

Recipients of the allowance must meet time and attendance requirements.

In addition, the proposed title allows the District of Columbia Taxicab Commission to establish a fund not to exceed \$1,200 for the purpose of providing supplies and refreshments for meetings and work sessions. The proposed title does not address accounting governance, treasury requirements, Commission accountability or fund balance reporting for the deposit and expenditure of these funds.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue. Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan.

[Title XXVII Subtitle A – Metropolitan Police Department Video Surveillance Regulations Act of 2002:](#)

**Background**

The purpose of the proposed title is to require the Chief of the Metropolitan Police Department (MPD) to develop and submit to the Council regulations pertaining to the Department's use of video surveillance in operations associated with the Joint Operations Command Center and/or the Synchronized Operations Command Center. The Chief of MPD may promulgate the required regulations under the authority of the D.C. Administrative Procedures Act (D.C. Official Code § 2-501 *et seq.*).

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation. Appropriated funds and staff are provided to MPD. It should be noted that the activities required by the proposed title are already in progress with existing resources at MPD.

[Title XXVII Subtitle B – Off-Duty Service Pistol Authorization Amendment Act of 2002:](#)

**Background**

The proposed title amends the Police Manual for the District of Columbia to contain the following language:

“A member of the force, when off-duty any place in the District of Columbia, shall carry his or her badge, identification card, and service pistol except in his or her residence and as the Chief of Police may designate by general order.”

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

[Title XXVII Subtitle C – Classification and Compensation Studies for Police and Fire Department Amendment Act of 2002:](#)

**Background**

The proposed title requires that the Director of the District of Columbia Office of Personnel (DCOP) conduct classification and compensation studies of all sworn and

civilian pay classes for F/EMS and MPD. Based upon the studies DCOP is to recommend reforms, competitive pay and performance management requirements. The study is to include, but not be limited to:

- Recruitment;
- Retention;
- Longevity;
- Hazardous Duty;
- Technical Pay; and
- Compensation incentives for Superior Performance<sup>4</sup>.

### **Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation. The proposed budget indicates that \$475,000 be earmarked from the proposed FY 2003 budget of DCOP for the purpose of conducting the activities required by the provisions of the proposed legislation.

### [Title XXVII Subtitle D – Public Safety Performance Measures Amendment Act of 2002:](#)

#### **Background**

The proposed title defines the performance measures for MPD for FY 2003 and FY 2004.

#### **Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

### [Title XXVIII – Executive Compensation and Fiscal Responsibility Act of 2002:](#)

#### **Background**

The proposed title amends the D.C. Government Comprehensive Merit Personnel Act of 1978 (D.C. Official Code § 1-610.57) so that the Mayor may authorize performance incentives for exceptional service by subordinate agency heads. The incentive awards are not to exceed 10 percent of the rate of basic pay in any year. The proposed title requires that the awards be conditioned on the following activities:

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<sup>4</sup> Standards for Superior Performance are to be promulgated by the Director of DCOP.

1. The agency head is bound by a performance contract that is to be made publicly available, and that it contain clearly identifiable and measurable goals and outcomes;
2. The agency head has exceeded contractual expectations in the year for which the incentive is paid; and
3. The agency has not exceeded its fiscal year budget appropriated by the U.S. Congress before any reprogramming of budget authority or supplemental budgetary requests.

### **Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

### [Title XXIX – Child Support Guidelines Commission Repeal Act of 2002:](#)

#### **Background**

The proposed title amends Chapter 9 of Title 16 of the D.C. Official Code to repeal the Child Support Guideline Commission.

#### **Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

### [Title XXX – Limitation on Department’s Use of Facilities on D.C. General Hospital Campus Amendment Act of 2002:](#)

#### **Background**

The purpose of the proposed title is to limit the use of the D.C. General Hospital campus by the Department of Corrections (DOC). Although DOC may not incarcerate any prisoners or detainees on the D.C. General Hospital physical plant facilities, DOC may relocate its headquarters to the subject property.

#### **Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

[Title XXXI – District of Columbia Jail Inmate Cap Act of 2002:](#)

**Background**

The proposed title requires that unless the Mayor requests and receives an exemption from the Council, the number of detainees under the jurisdiction of DOC shall not exceed 2,050.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

[Title XXXII – Chief Financial Officer Fiscal Year 2003 Duties Act of 2002:](#)

**Background**

The purpose of the proposed title is to require the CFO to perform an analysis of health care costs at DOC and develop a plan to create a Public Safety Overtime Bank. The purpose of the Public Safety Overtime Bank is to offset the costs of overtime expenditures for MPD, F/EMS and DOC.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

[Title XXXIII – Office of the Corporation Counsel Spending Restriction Act of 2002:](#)

**Background**

The purpose of the proposed title is to limit the overall expenditures for the operations of the Office of the Corporation counsel (OCC). The proposed title expires on October 1, 2003.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation. The proposed title reduces the Mayor's proposed budget for OCC by \$606,000 to \$4,995,468 in FY 2003. Reductions target management and non-divisional OCC operations.

[Title XXXIV – Criteria for Spending Pay-as-You Go Funding Amendment Act of 2002:](#)

**Background**

The proposed title governs the Pay-as-You Go funding made available for 4 agencies in FY 2003. Agencies impacted by the title are MPD, F/EMS, DOC and CFSA. Provisions of the proposed title dictate the purpose and agency activities the funds are to be used for. Funds will only be made available if the District CFO certifies the necessity of the infusion of funds. Agency specific provisions of the proposed title make additional requirements for agency use of funds. Provisions of the proposed title dictate the maximum amounts to be made available.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXV Subtitle A – Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 2002:](#)

**Background**

The proposed legislation amends the Uniform Per Pupil Funding Formula for the Public Schools and Public Charter Schools Act of 1998 and the Special Education Act of 2000. The proposed title will revise the weighting formulas used to calculate funding for students who are diagnosed by a physician and identified by DCPS as funding level 4<sup>5</sup> or level 5<sup>5</sup>. The proposed legislation caps the funding for an individual pupil at \$6,555, increased from \$5,500.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2003 through FY 2006 budget and financial plan. The proposed budget for the District of Columbia Public Schools (DCPS) includes \$576.1 million, and the proposed budget for the D.C. Public Charter Schools (PCS) includes \$132.8 million to implement the components of the proposed legislation.

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<sup>5</sup> Level 4 pupils are those that require DCPS or a Public Charter School to separate the individual from the general school population because of the severity of the handicap. This is managed by the pupil attending a separate and specialized facility throughout the school day. While in the charge of the school these pupils require full-time supervision and low teacher/pupil ratios. Level 5 pupils are those that require level 4 management and schooling but have a residential care component that is 24 hours a day, 7 days a week.



[Title XXXV Subtitle B – Public School and Public Charter School Facility Sharing Act of 2002:](#)

**Background**

The purpose of the proposed title is to allow DCPS and PCS operations to cohabitate in single physical plant facilities. Qualifying PCS operations will be those chartered in the District before September 30, 2002. PCS operations may be conducted in DCPS space that is deemed to be under-utilized because of decreased or stagnate pupil enrollment.

The PCS shall pay from their existing capital and maintenance costs funding an amount agreeable to the charter school and the DCPS. The fee that is charged will be allocated to the budget of the DCPS facility that housing that is engaged to house the PCS operations.

In addition, the Superintendent of DCPS is required to provide the Council a plan for PCS and DCPS facilities co-habitation for PCS chartered after October 1, 2002 by March 1, 2003.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation. Fees charged for PCS/DCPS facilities co-habitation agreements will be allocated to the host school/facility through intra-District funding management. Any additional costs for subsequent planning and facilities management will need to be considered in future District budgetary development.

[Title XXXV Subtitle C – Special Education Multi-Year Budget Plan Act of 2002:](#)

**Background**

The proposed title requires that by September 30, 2002, the Director of the State Education Office (SEO) shall submit to the CFO a multi-year budget and financial plan that details the projected costs for services for the Special Education Program for FY 2003 through FY 2006. A concurrent performance plan will be required. The CFO will determine the sufficiency of the budget and financial plan. In addition, the proposed budget and financial plan is to be submitted to the Council by November 30, 2002.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXV Subtitle D – TANF Fund Sharing Act of 2002:](#)

**Background**

The proposed title requires DCPS to distribute TANF (Temporary Assistance for Needy Families) funds on an equitable basis to District schools and public charter schools for after-school programs. Eligibility is based on if the school is funded through District Uniform Per Pupil Funding Formula.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXVI – Klingle Road Council Review Act of 2002:](#)

**Background**

The proposed title requires that no capital program of federal highway aid projects, federal-aid highway contract, or funds from any source may be expended for Klingle Road, N.W. for any purpose except to facilitate the movement of motor vehicle traffic until an approval resolution addressing changes in proposed use has been transmitted to the Council.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXVII – Highway Trust Fund Amendment Act of 2002:](#)

**Background**

Currently, the Mayor is required to submit to the Council a plan for the use of all funds in the Highway Trust Fund and Local Roads Construction and Maintenance Fund. The plan is due to the Council on February 1<sup>st</sup> of each calendar year. The proposed title permanently moves the deadline to the Council from February 1<sup>st</sup> to November 1<sup>st</sup> of each calendar year.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXVIII Subtitle A – Teachers Retirement Consolidation Act of 2002:](#)

**Background**

The proposed title allows distributions from retired employees of the DCPS to rollover their annuities to other eligible retirement plans without incurring penalties from the Internal Revenue Code (IRC) of the United States of 1986 as amended. The benefits recipient must present to the Mayor, or a delegated representative, sufficient documentation to satisfy penalty provisions of the IRC of 1986 as amended governing the substantiation of proposed transfers for the purchase of service credit.

In addition, the proposed title addresses all proper governance and requirements for the subject transfers including compliance with the federal Economic Growth and Tax Relief Reconciliation Act of 2001. The proposed title requires that eligible employees are those that are benefit recipients as of October 1, 2002. The proposed title itself will become applicable as of January 1, 2002 for other statutory purposes.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXVIII Subtitle B – Police and Firefighters Retirement Consolidation Act of 2002:](#)

**Background**

The proposed title allows distributions from retired employees of the MPD and F/EMS to rollover their annuities to other eligible retirement plans without incurring penalties from the IRC. The benefits recipient must present to the Mayor, or a delegated representative, sufficient documentation to satisfy penalty provisions of the IRC governing the substantiation of proposed transfers for the purchase of service credit.

In addition, the proposed title addresses all proper governance and requirements for the subject transfers. The proposed title requires that eligible employees are those that are benefit recipients as of October 1, 2002. The proposed title itself will become applicable as of January 1, 2002 for other statutory purposes.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXVIII Subtitle C – District of Columbia Retirement Reform Consolidated Actuarial Engagement Amendment Act of 2002:](#)

**Background**

The proposed title requires that before any change is made to the retirement plans of the MPD or F/EMS the Mayor is required to engage an enrolled actuary to perform the same study contemporaneously to the other employee group previously listed here. The proposed title makes a technical change to D.C. Code § 1-722(d)(1) which currently applies generally. The new language will specifically mention MPD and F/EMS.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXVIII Subtitle D – District of Columbia Retirement Reform Replacement Actuarial Engagement Amendment Act of 2002:](#)

**Background**

The proposed title requires that before any change is made to the retirement plans of the MPD or F/EMS the Mayor is required to engage an enrolled actuary to perform the same study contemporaneously to the other employee group previously listed here. The proposed title makes a technical change to D.C. Code § 1-907.03(c)(2) which currently applies generally. The new language will specifically mention MPD and F/EMS.

**Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

[Title XXXIX Subtitle A – Office of Labor Relations and Collective Bargaining Act of 2002:](#)

**Background**

The proposed title gives the Office of Labor Relations and Collective Bargaining (OLRCB) the authority to collect appropriated funding through intra-District funding management. Beginning in FY 2003, OLRCB will assess each agency for which they actively engage in third party collective bargaining a fee for performing these services.

### **Financial Plan Impact**

The proposed title would have a no impact on the budget and financial plan. The proposed title is revenue/expenditure neutral because the fees that OLRCB assesses on the agencies will be collected from existing agency appropriations.

#### [Title XXXIX Subtitle B – District of Columbia Labor Relations Amendment Act of 2002:](#)

### **Background**

The proposed title is intended to time the activities required of OLRCB to develop a consensus collective bargaining agreement to such a period of the fiscal year as to allow the finalized agreements to be considered in the development of the District's budget and financial plan.

### **Financial Plan Impact**

The proposed FY 2003 through FY 2006 budget and financial plan has sufficient resources to implement the components of the proposed legislation.

#### [Title XL – Water and Sewer Operations Amendment Act of 2002:](#)

### **Background**

The proposed title disconnects improved property from unimproved property in the current statutes. With the implementation of the proposed title the District will no longer be statutorily required to pump groundwater seepage from District property. Currently, the Office of Property Management (OPM) does not have the resources to be in compliance with existing requirements. The remaining statutes will address unimproved property in the District and enforcement will be the responsibility of the District of Columbia Water and Sewer Authority.

### **Financial Plan Impact**

The proposed title will not have an impact on the District's budget and financial plan because OPM is not currently investing additional resources into compliance with current statute.

Title XLI – Office of the Inspector General Domiciliary Amendment Act of 2002:

**Background**

The purpose of the proposed title is to provide the Director of the District Office of Personnel the authority to grant waivers of District residency requirements. This authority would be invoked if it is determined that the waiver is necessary to recruit staff for "hard to fill" positions in the Office of the Inspector General.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

Title XLII – Fiscal Year 2004 Budget Submission Amendment Act of 2002:

**Background**

The purpose of the proposed title is to cap the overall increase in FY 2004 planned spending at 4 percent.

**Financial Plan Impact**

This title has no material impact on the cost of services provided by the District of Columbia and has no effect on local General Fund revenue.

**SUMMARY**

The following tables present a summary of the net impact of the proposed legislation to the proposed FY 2003 through FY 2006 budget and financial plan. The following table presents new local General Fund revenue and new "O" type revenue.

<b>Net Impact to Local General Fund Revenue</b>					
(\$ in millions)					
<b>Item</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>4-Year Total</b>
Title XI §§ A <sup>6</sup>	\$11.5	\$11.6	\$12.3	\$13.2	<b>\$48.6</b>
Title XXIII §§ B	4.5	0.0	0.0	0.0	<b>4.5</b>
<b>"O" Fund Subtotal</b>	<b>16.0</b>	<b>11.6</b>	<b>12.3</b>	<b>13.2</b>	<b>53.1</b>
Title XVI	8.5	8.5	8.5	8.5	<b>34.0</b>
<b>General Fund Subtotal</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>8.5</b>	<b>34.0</b>
<b>Net Annual Impact</b>	<b>\$24.5</b>	<b>\$20.1</b>	<b>\$20.8</b>	<b>\$21.7</b>	<b>87.1</b>

<sup>6</sup> Provisions of this title convert local General Fund revenue into dedicated "O" type revenue.