

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: July 1, 2002

SUBJECT: Fiscal Impact Statement: "Red Light Camera and Speed Mitigation Fund Emergency Amendment Act of 2002"

REFERENCE: Draft Resolution as Introduced– No Number Available

Conclusion

Funds are sufficient in the FY 2002 budget and the proposed FY 2003 through FY 2006 budget and financial plan as currently agreed to by the Mayor and the Council of the District of Columbia (Council). The proposed legislation could result in a net balance of revenue and expenditure of \$4.11 million upon completion of FY 2002. Beginning in the first full fiscal year the proposed legislation could result in a net impact of \$56.03 million in FY 2002 through FY 2006. Factors pertaining to motorist behavior and future contractual negotiations could greatly impact the estimates in FY 2005 and FY 2006.

Background

The proposed legislation will establish a revolving fund for the purpose of depositing the proceeds from collections of fines and fees. Funds to be deposited in the new fund are collections of fines and fees from the Metropolitan Police Department's (MPD) Red Light Camera and Photo Radar Speed Mitigation programs. In addition, the purpose of the fund is to offset the costs of contractual services for activities associated with Red Light Camera and Photo Radar Speed Mitigation programs. Once obligations for contractual services have been met, the fund balance will revert to the local General Fund at the completion of each fiscal year.

Financial Plan Impact

Funds are sufficient in the FY 2002 budget and the proposed FY 2003 through FY 2006 budget and financial plan. The following table presents the net annual impact to the local General Fund.

Estimated Net Impact to the Financial Plan						
(\$ in millions)						
Item	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	4-Year Total
Revenue Subtotal	\$8.94	\$18.00	\$10.80	\$6.48	\$3.89	\$48.11
MPD Budget Authority	6.10	9.10	9.10	9.10	9.10	\$42.50
Contractual Services Subtotal	(10.93)	(11.61)	(11.10)	(11.16)	(11.23)	(\$56.03)
Estimated Net Annual Impact	\$4.11	\$15.49	\$8.80	\$4.42	\$1.76	\$34.58

Positive net remaining fund balances occur in each year through FY 2006. Once current year contractual obligations have been met and the required MPD administrative and program expenditures are made, the net remaining fund balance is to be transferred to the local General Fund at the completion of each fiscal year.