

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

Natwar M. Gandhi  
Chief Financial Officer



2006 JUN 19 PM 4: 52

CHAIRMAN CROPP

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

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

**DATE:** JUN 19 2006

**SUBJECT:** Fiscal Impact Statement: "Fiscal Year 2007 Budget Support Act of 2006"

**REFERENCE:** Bill Number 16-679, Engrossed Original

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**Conclusion**

The proposed legislation implements the FY 2007 through FY 2010 budget and financial plan. Overall, this bill, together with anticipated Mayoral rulemaking, tax initiatives and agency operational plans, will result in an estimated \$5.3 billion in FY 2007 local source budget. The combined initiatives provide sufficient funds to implement the estimated \$9.1 billion FY 2007 proposed all sources budget and financial plan.

*The proposed legislation is the legislative vehicle for adopting statutory changes needed to implement the District's proposed FY 2007 through FY 2010 budget and financial plan. The purpose and the impact of each subtitle are summarized in the following pages.*

**TITLE I – GOVERNMENT DIRECTION and SUPPORT**

**Subtitle (D)(A) – Reprogramming Policy Act of 2006:**

**Background**

The proposed subtitle amends D.C. Official Code Title 47 § 363(c) (a) so that the threshold amount for which a reprogramming request that requires Council review is increased from \$860,000 to \$1,000,000 per year. The threshold amount is applied to reprogramming requests which individually, or considered on a cumulative basis, would result in the movement of funds from one capital project to another in any fiscal year.

**Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient resources to implement the provisions of the proposed subtitle. Sufficient staff and resources are provided to the District agencies and the District Office of the Chief Financial Officer (District CFO) to implement, monitor and report on reprogramming requests.

**Subtitle (D)(B) – Clean Hands Licensing Revision Act of 2006:**

**Background**

The proposed subtitle makes technical changes to existing law to provide clarity when defining certain entities and further providing the date of June 1, 2007 for the retirement of the self-certification requirements. In addition, the proposed legislation requires District agencies to participate in the inter-agency IT systems that provide data for implementing the Clean Hands laws and that the Mayor is required to promulgate regulations to carry out the provisions of the Clean Hands chapters of the law.

**Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient resources to implement the provisions of the proposed legislation. No additional staff or resources will be required. The Clean Hands laws make the collection of revenue more efficient by withholding privilege or permission until an entity's government liabilities are settled. The table in Figure 1 presents the net annual impact of the proposed subtitle.

*Figure 1.*

<b>Estimated Impact to the Financial Plan</b>					
<b>(S in Millions)</b>					
<b>Item</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 – Year Total</b>
Revenue	\$15.0	\$15.0	\$15.0	\$15.0	\$60.0
OTR <sup>1</sup> Costs	(3.0)	(0.7)	(0.7)	(0.7)	(5.1)
<b>Net Revenue</b>	<b>\$12.0</b>	<b>\$14.3</b>	<b>\$14.3</b>	<b>\$14.3</b>	<b>\$54.9</b>

**Subtitle (D)(C) – Recorder of Deeds Automation and Infrastructure Improvement Fund Use Clarification Act of 2006:**

<sup>1</sup> The District Office of Tax and Revenue.

## **Background**

The proposed subtitle makes technical changes to existing law that requires revenue accruing to the Fund be used solely and exclusively to cover the costs of updating the automated system of the Recorder of Deeds (ROD) and the repair and improvement of the infrastructure located at 515 D Street, and any incidental costs associated with the repair and improvement. The proposed subtitle further clarifies that these costs shall include, but not be limited to, the purchasing of computer hardware and software, maintenance of the new computer system, training staff to implement and operate the new system, and the repair of the infrastructure components necessary to meet the overall mission of ROD.

## **Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient funds for ROD to implement the provisions of the proposed legislation. No additional staff or resources will be required.

## **Subtitle (D)(D) - Appropriation of Additional Revenue Act of 2006:**

### **Background**

The proposed subtitle approves the stipulation that if the District CFO certifies through a revised quarterly revenue estimate for fiscal year 2007, that local funds exceed the annual revenue estimates incorporated in the approved Fiscal Year 2007 through 2010 budget and financial plan, a minimum of approximately \$89.3<sup>2</sup> million of those additional revenues shall be allocated, but in no particular order of priority, as follows:

1. An amount of \$5 million to the Office of the City Administrator for the Mayor's Youth Strategy fund;
2. An amount of \$100,000 to the Office of the City Administrator to provide funding for the Safe Shores program;
3. An amount of \$1,610,000 to the Department of Parks and Recreation to support implementation of the Department of Recreation Youth Sports Development Act;
4. An amount of \$10,300,000 to the District of Columbia Public Schools to fund the special education transportation costs; provided, that the Chief Financial Officer certifies that the funds are necessary to cover expected costs;
5. An amount of \$4,965,000 to the District of Columbia Public Schools to compensate for funding lost due to a reduction in student enrollment;
6. An amount of \$121,000 to the District of Columbia Public Charter School Board to fund increased service demands;

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<sup>2</sup> \$89,344,525.24

7. An amount of \$2,500,000 to the State Education Office for the Lifelong Learning Initiative Expansion program;
8. An amount of \$2,800,000 to the State Education Office for an expansion of the District of Columbia Leveraging Educational Assistance Partnership Program;
9. An amount of \$824,000 to the University of the District of Columbia to increase the nursing major program;
10. An amount of \$2 million to the University of the District of Columbia to establish adult education centers in Wards 5,7, and 8;
11. An amount of \$5 million to the University of the District of Columbia to fund pay increases for deans and faculty;
12. An amount of \$750,000 to the District of Columbia Public Library to fund public computers and technology;
13. An amount of \$250,000 to the District of Columbia Public Library to fund library collections;
14. [BLANK]
15. An amount of \$1,800,000 to the Office of Contracts and Procurement to provide additional funds for contract administration;
16. An amount of \$99,000 to the District of Columbia Taxicab Commission to fund the position of Chief of Staff and administrative assistant position;
17. An amount of \$4 million to the Office of the Chief Technology Officer to provide additional funds for the operating costs of capital projects;
18. An amount of \$200,000 to the District Department of the Environment for additional program start-up costs;
19. An amount of \$200,000 to the Department of Local and Small Business Development for additional program start-up costs;
20. An amount of \$150,000 to the Office on African Affairs for additional program start-up costs;
21. An amount of \$150,000 to the District of Columbia Office of Lesbian, Gay, Bisexual and Transgender Affairs for additional program start-up costs;
22. An amount of \$3,300,000 to the Department of Corrections to fund contractual bed space expansion;
23. An amount of \$535,000 to the Emergency Management Agency to provide funding for community preparedness, critical infrastructure, and public warning;
24. An amount of \$789,000 to the Metropolitan Police Department to fund additional crossing guards;
25. An amount of \$1.5 million to the Office of the City Administrator from which grants and or contracts may be awarded to provide civil legal services for the poor;
26. An amount of \$2 million to the Department of Employment Services to fund an increase in summer jobs from 10,000 to 11,400;
27. An amount of \$2,500,000 to mitigate the fiscal impact of providing a tax incentive for local, small or disadvantaged business enterprises with less than 10 employees to provide health benefits;

28. An amount of \$200,000 to the Department of Insurance, Securities, and Banking to provide funds for Opportunity Accounts;
29. An amount of \$2,100,000 to the Department of Health to increase Medicaid and D.C. Alliance provider rates;
30. An amount of \$550,000 to the Department of Youth Rehabilitation Services to provide additional funds for substance abuse prevention;
31. An amount of \$140,000 to the Office on Aging to fund in-home and continuing care programs;
32. An amount of \$200,000 to the Office on Aging to fund community-based programs;
33. An amount of \$2,760,055.24 and an additional 42 full-time equivalent employees to fully fund the Department of Correction's correctional security staffing enhancement;
34. An amount of \$2,800,000 to fully fund an additional 15 full-time equivalent employees associated with the Fire Prevention Division of the Fire and Emergency Medical Services;
35. An amount of \$880,000 in information technology enhancements for the Fire and Emergency Medical Services Department;
36. An amount of \$211,470 for the Office of Police Complaints to fully fund an additional 3 full-time equivalent employees associated with investigations.;
37. An amount of \$1,500,000 for the Department of Transportation to purchase snow fleet vehicles;
38. An amount of \$2 million for the Department of Parks and Recreation for summer operations and staff;
39. An amount of \$500,000 for the Department of Parks and Recreation for Boys and Girls Club Youth Programs;
40. An amount of \$890,000 for the Department of Parks and Recreation for operational costs of four new recreation centers;
41. An amount of \$250,000 for the District of Columbia Public Library for furniture, fixtures, and equipment;
42. An amount of \$3,670,000 for funding the fiscal effect of the Residential Energy Conservation Tax Credit Act of 2006, signed by the Mayor on February 27, 2006 (D.C. Act 16-292; D.C. Official Code § 47-1806.11);
43. An amount of \$10 million for Income Maintenance Administration of the Department of Human Services to fund a \$52 increase in the monthly Temporary Assistance to Needy Families grant, pursuant to the TANF Benefit Parity subtitle;
44. An amount of \$2 million for the Child and Family Services Agency's Community-Based Services program to provide additional funds to the Family Support Collaboratives program;
45. An amount of \$250,000 for the Children and Youth Investment Collaborative to support increased funding to advocacy programs for parents and families of youth involved with the juvenile justice system;
46. An amount of \$2,500,000 for the Department of Parks and Recreation for extended Saturday and Sunday operating hours at recreation centers;

47. An amount of \$2,000,000 for the Department of Parks and Recreation for extended hours until midnight at recreation centers; and
48. An amount of \$500,000 for the Department of Parks and Recreation for the equipment purchases to refurbish recreation centers.

### **Financial Plan Impact**

The proposed title specifies that the additional allocations will be made only if funds become available as the result of increased revenue. Funds to be allocated to the previously mentioned agencies and operations will need to be certified by the District CFO at a later time.

### **Subtitle (D)(E) – Special Purpose Revenue Funds Surplus Balance Transfer Amendment Act of 2006:**

#### **Background**

The proposed subtitle requires that notwithstanding any other provision of law, including the dedication of funds to a particular use, the amounts identified below as surplus funds in the balance of each Other-Type Fund shall be transferred by the Office of the Chief Financial Officer to the local General Fund:

1. \$646,000 from the Department of Property Management's Other-Type Funds for Utility Payments for Non-DC Agencies;
2. \$1,000,000 from Office of Cable Television and Telecommunications' Other-Type Fund for cable franchise fees;
3. \$39,000 from the Deputy Mayor for Economic Development's Other-Type Fund for fees charged for professional occupational licenses;
4. \$223,000 from the Office of the Chief Technology Officer's Other-Type Fund for Tech City;
5. \$1,410,000 from the Department of Health, of which:
  - a. \$33,000 shall be from the Other-Type fund for Medical Examiners Fees;
  - b. \$19,200 shall be from the Other-Type fund for an Oil Spill Fee Court Ordered Settlement;
  - c. \$1,000,000 shall be from the Other-Type fund for the Vital Records Revenue;
  - d. \$81,000 shall be from the Other-Type fund for the University of the District of Columbia Health Clinic Reimbursement;
  - e. \$4,000 shall be from the Other-Type fund for the General Counsel Freedom of Information fees;
  - f. \$239,000 shall be from the Other-Type fund for the Radiation Protection fees;
  - g. \$22,000 shall be from the Other-Type fund for fund for the collection of other Medical Licenses and Fees; and

- h. \$12,000 shall be from the Other-Type fund for the Addiction Prevention and Recovery Administration Medicaid Reimbursement;
6. \$1,000,000 from the Department of Consumer and Regulatory Affairs' Real Estate license fee collection Other-Type Fund;
7. \$10,500,000 from the Department of Housing and Community Development's Home Purchase Assistance Program Other-Type Fund;
8. \$913,000 from the Wilson Building Notes Payable Other-Type Fund;
9. \$638,000 from the District of Columbia Department of Transportation's Abandoned Vehicle program Other-Type fund;
10. \$80,000 from the Office of the Chief Financial Officer's Recorder of Deeds Other-Type fund; and
11. \$486,000 from the District Department of Transportation's operating costs Other Type fund.

#### **Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient funds for the District CFO to implement the provisions of the proposed legislation. No additional staff or resources will be required. The proposed subtitle allocates existing funds that have been determined to be surplus revenues and allocates them to the District's local General Fund.

#### **Subtitle (D)(F) – Clarification of Authority to Examine Books and Records Act of 2006:**

#### **Background**

The proposed subtitle amends regulatory tax law to make technical changes that provide specific infractions and requirements necessary for the official review and examination of a taxpayer's original books, records, and source documents pertinent to any required examination. The provisions of the proposed subtitle discuss these operations when conducted both in District space, and in the offices and place of work of the taxpayer. The provisions were inadvertently deleted a few years ago.

#### **Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient funds for the District CFO to implement the provisions of the proposed legislation. No additional staff or resources will be required.

**Subtitle (I)(G) – Far Southeast Community Organization Tax Exemption and Forgiveness for Accrued Taxes Act of 2006:**

**Background**

The proposed subtitle amends Chapter 10 of Title 47 of the District of Columbia Official Code by adding Title § 47-1074 to exempt from taxation real property owned by the Far Southeast Community Organization, located on Lots 73, 74, and 75, Square 5753 in Ward 8. The property is to be used for inclusive housing, which means a housing development in which units are rented to households with not more than 80 percent of area median income for a rent not exceeding 30 percent of household income. If the real property located on lots 73, 74, and 75, square 5753 is sold or is not used for the purpose of inclusive housing, the exemption shall terminate.

In addition to the exemption from real property taxes, the proposed subtitle provides for forgiveness of all unpaid real property taxes, interest, penalties, fees, and other related charges assessed against the real property located at Lots 73, 74, and 75, Square 5753.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. The FY 2007 impact will be approximately \$83,025, which includes the waiver of previously unpaid taxes, and \$103,500 for the FY 2007 through FY 2010 period. The table in Figure 2 presents the approximate revenue decrease impacting the District's financial plan.

*Figure 2.*

<b>Revenue Decrease Impacting the Financial Plan</b>				
<i>(\$ in 000s)</i>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
<b>(\$83.0)</b>	<b>(\$6.6)</b>	<b>(\$6.8)</b>	<b>(\$7.1)</b>	<b>(\$103.5)</b>

**Subtitle (I)(H) – Unfoldment, Incorporated Equitable Real Property Tax Relief Act of 2006:**

**Background**

The proposed subtitle would waive real property taxes, interest and penalties on Unfoldment, Inc. and refund taxes paid by Unfoldment, Inc. for property located on lot 804, square 5984 in Ward 8 and on lot 826, square 6129 in Ward 8. Unfoldment, Inc. is a community-based non-profit organization that provides residential group home services for older teenage boys in the District foster care system. The waiver and refunds are for the period of time from FY 2002 through the first half of FY 2006 when the District stored property and client records on the site, making it unusable to Unfoldment. At

present, Unfoldment, Inc. is renovating the properties and has reapplied for tax exempt status.

### **Financial Plan Impact**

This subtitle is funded in Subtitle (II)(D) of this bill. The FY 2007 impact will be approximately \$88,118, which includes refunds for FY 2002 through FY 2005 and a waiver of unpaid taxes in FY 2006, and \$125,400 for the FY 2007 through FY 2010 period.

*Figure 3.*

<b>Approximate Revenue Impact to the Financial Plan</b>				
(\$ in 000s)				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
<b>(\$88.1)</b>	<b>(\$12.0)</b>	<b>(\$12.4)</b>	<b>(\$12.8)</b>	<b>(\$125.4)</b>

### **Subtitle (I)(D) – Lower Income Home Ownership Cooperative Housing Association Clarification Act of 2006:**

#### **Background**

The proposed subtitle amends Chapter 35 of Title 47 of the District of Columbia Official Code by adding a new paragraph to Title § 47- 3503 (c). Chapter 35 of Title 47 provides a real property tax exemption for five years to property owned by a cooperative housing association if at least 50 percent of the dwelling units in the cooperative are occupied by households meeting income limitations and conditions of transfer defined in Title § 47- 3502.

The original legislation in Title § 47- 3503 (c) did not specify if the Office of Tax and Revenue (OTR) should establish a capped taxable assessment for property qualifying under this section, even though the homeowner was not paying property tax. Without the cap in place, the exemption program could cost low-income persons who entered the program. The additional paragraph makes clear that the Office of Tax and Revenue (OTR) should establish a capped taxable assessment for homeowners receiving a low-income exemption, even though the homeowners are not paying property tax.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. Establishing the cap clarifies the intent of the legislation but would not create a cost because OTR has thus far implemented the law consistent with this legislation.

**Subtitle (I)(J) – Real Property Tax Sale Notice Act of 2006:**

**Background**

The proposed subtitle makes a technical change to the notices issued by OTR to the owners with a delinquent tax liability. The proposed subtitle changes the word “shall” in current law to “may” henceforth the law will contain the phrase “The notice of delinquency may also include the following...”

**Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the following provisions. OTR has sufficient staff and resources to implement the provisions of the proposed subtitle.

**Subtitle (I)(K) – Non-Departmental Funding Act of 2006:**

**Background**

The proposed legislation requires that the District’s approved budget and financial plan include non-departmental funding to be allocated for the following initiatives:

1. The Metropolitan Police Department may spend up to \$7 million to increase staff in the manner of an additional 100 police officers;
2. The Department of Corrections may spend \$2.8 million to offset rental costs associated with the Correction Treatment Facility;<sup>3</sup>
3. The Office of Administrative Hearings may spend up to \$540,000 to offset the costs of rent and administrative functions; and

The MOU between DCPS and DYRS is required to specify educational services and programs for detainees with DYRS and is required to address operating funding, allocations, and other funds that support the provision of services.

**Financial Plan Impact**

The proposed legislation will have no impact on the District’s budget and financial plan. No additional staff or resources will be required.

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<sup>3</sup> This provision is conditioned on the Mayor demonstrating that the funding requirement is justified and the District CFO certifies that the funding is needed.

**Subtitle (D)(L) – School Modernization Financing Amendment Act of 2006:**

**Background**

The proposed subtitle would require that additional revenue certified in the revised quarterly revenue estimates from September 2005 to May 2006 be used to offset reductions to the General Fund caused by deposits to the School Modernization fund. The proposed subtitle also would repeal the provision of the School Modernization Act requiring an increase in the commercial deed recordation and transfer taxes if revenue from revised revenue estimates and fund balance are insufficient to fully offset the fiscal effects of the Act.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed legislation. It should be noted that the proposed subtitle deletes express language in the School Modernization Act regarding the use of fund balance in future years beyond FY 2007. However, funding the School Modernization Act would require the use of General Fund balances of \$284.3 million in FY 2007, \$65.4 million in FY 2008 and \$8.4 million in FY 2009, as reflected in the FY 2007 through FY 2010 budget and financial plan.

**Subtitle (D)(M) – Commercial Linkage Nexus Study Act of 2006:**

**Background**

The proposed subtitle would require the D.C. Office of Planning to commission one or more nexus studies in order to quantify the relationship between commercial development and the need for housing for low- and moderate-income workers. Each commissioned study would be required to provide the appropriate level of a one-time commercial linkage fee that would generate revenues from new commercial development sufficient to support low- and moderate-income housing needs created by the commercial development.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed subtitle. The proposed subtitle specifies that the nexus study shall be funded at a level of \$80,000 from the Mayor's Comprehensive Task Force Fund, which is funded by the proposed increase in the deed transfer and recordation tax increase.<sup>4</sup> The table in Figure 4 presents the additional resources in the financial plan for the purposes previously described.

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<sup>4</sup> Bill 16-679, Title II, Subtitle D, the "Fiscal Year 2007 Budget Support Act of 2006."

Figure 4.

Budget Allocation in the Financial Plan				
(\$ in 000s)				
FY 2007	FY 2008	FY 2009	FY 2010	4 - Year Total
(\$80.0)	\$0.0	\$0.0	\$0.0	(\$80.0)

## TITLE II – ECONOMIC DEVELOPMENT and REGULATION

### Subtitle (II)(A) – Retail Incentive Act of 2006:

#### **Background**

The proposed subtitle increases the cap on Tax Increment Financing (TIF) from the current \$300 million to \$500 million, provided that the aggregate amount of TIF bonds for projects in the D.C. Central Business District shall not exceed \$300 million. The bill extends the time period for issuance of TIF bonds to January 1, 2008.

#### **Financial Plan Impact**

The proposed subtitle will have no impact on the District's budget and financial plan because this is an authorization. No additional staff will be required to implement the provisions of the proposed subtitle.

In developing the revenue projections for the District, the District CFO makes assumptions about revenue growth District-wide. It is not on a project-by-project level. To the extent that growth in the General Fund tax base is curtailed through additional TIFs, there will be an eroding effect on the general fund in the future.

Additional TIF authorization throughout the District will have a long-term impact on revenues generated for the General Fund. As the District increases the amount of tax increment dedicated to specific projects or neighborhoods, it reduces the amount of additional funds available to the General Fund. The direct impact of this increase in TIF authorization is difficult to calculate even after those TIF transactions are structured.

### Subtitle (II)(B) – Government Employer-Assisted Housing Program Amendment Act of 2006:

#### **Background**

The proposed subtitle amends Title 42-2505(d) to allow the District's deferred payment loan program to be used in conjunction with the Home Purchase Assistance Program (HPAP).

In addition to the assistance provided in Titles 42-2504 and 42-2505, the proposed legislation makes the five-year property and income tax credits, currently available to Metropolitan police officers who are first time homebuyers, also available to District government employees, employees of District of Columbia public charter schools, and to persons who have accepted an offer to be a District of Columbia police officer, firefighter, emergency medical technician, public school teacher, or a teacher at a District of Columbia public charter school who would be first-time homebuyers in the District.

**Financial Plan Impact**

Implementation of the proposed legislation is subject to appropriations. The extent to which the property tax credit may be used would result in a reduction of real property and income tax revenue as indicated in the table below. In addition to the revenue cost, the proposed subtitle would increase the District’s income and real property compliance costs by approximately \$175,000 annually. The table in Figure 5 presents the revenue cost associated with implementing the provisions of the proposed subtitle.

*Figure 5.*

<b>Approximate Revenue Decrease Impacting the Financial Plan</b>				
(\$ in millions)				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
(\$0.4)	(\$0.7)	(\$1.0)	(\$1.2)	(\$3.3)

**Subtitle (ID)(C) – District of Columbia Taxicab Commission Fingerprinting Fund Establishment Amendment Act of 2006:**

**Background**

The proposed subtitle establishes a revolving fund for the purpose of depositing funds collected during the processing of licenses for hacker, taxicab, and limousine operators. The legislation specifies that the proposed District of Columbia Taxicab Commission Fingerprinting Fund shall be used to make payment to the Metropolitan Police Department for the cost of obtaining fingerprint records. The Fund would be continuing and monies deposited in the Fund would not revert to the District’s General Fund.

**Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient resources to implement the provisions of the proposed legislation. Currently approximately \$40,000 per annum is collected by the Taxicab Commission during the processing of hacker and cab operator licenses and is deposited in the local General Fund. These monies would be deposited in the Proprietary Fund to be used for the specific purpose of paying for fingerprint records.

**Subtitle (II)(D) – Deed Transfer and Recordation Amendment Act of 2006:**

**Background**

The proposed subtitle increases the District's 1.1 percent residential and commercial property Deed Recordation and residential and commercial property Deed Transfer taxes by 0.35 percent to 1.45 percent each. Residential properties sold for \$400,000 or less are exempt from the tax increase. The proposed subtitle requires the District CFO to transfer 15 percent of the funds resulting from this increase to the Housing Production Trust Fund (HPTF), 39.93 percent to the Mayor's Comprehensive Housing Task Force Fund (CHTFF), and the remaining 45.07 percent to the local fund. The CHTFF will be a non-lapsing, non-reverting proprietary fund.

The proposed subtitle authorizes the following expenditures in FY 2007 from the funds generated for the Mayor's Comprehensive Housing Task Force by the tax increase:

1. An amount of \$5 million for workforce housing;
2. An amount of \$10 million for the Homeless No More program, which shall be transferred to the budget of the Department of Human Services' Family Services Administration Program through intra-District funds;
3. An amount of \$4 million for mental health housing, which shall be transferred to the budget of the Department of Mental Health through intra-District funds;
4. An amount of \$1.8 million for New Communities planning and economic development;
5. An amount of \$4 million for New Communities human capital;
6. An amount of \$250,000 for a housing coordinator;
7. An amount of \$80,000 for a nexus study on commercial linkage, which shall be transferred to the budget of the Office of Planning through intra-District funds;
8. An amount of \$7.5 million for emergency assistance to prevent eviction;
9. An amount of \$6 million for energy assistance, which shall be transferred to the budget of the District of Columbia Energy Office for the Low-Income Home Energy Assistance Program through intra-District funds; and
10. An amount of \$1.7 million for homeless initiatives, including 90 beds for youth, educational assistance for homeless youth, and emergency family shelter case management, to include specialized housing, housing-related education, and wrap around services through providers for lesbian, gay, bisexual, or transgender youth or youth questioning their sexuality or gender identity, which shall be transferred to the budget of the Department of Human Services' Family Services Administration Program through intra-District funds.

The proposed subtitle requires the following programs to be funded by the General Fund in FY 2007:

1. An amount of \$15,089,443 to the Office of Unified Communications, which shall be allocated for personnel and nonpersonal costs of the E-911 system;
2. An amount of \$508,200 to fund the fiscal effect and implementation of the Health Care Benefits Expansion Act of 2006, effective April 4, 2006 (D.C. Law 16-82; D.C. Official Code § 32-706 et seq.);
3. An amount of \$379,400 to the Office of the Deputy Mayor for Planning and Economic Development to be granted to the Tudor Place Historic House and Garden for capital restoration funding;
4. An amount of \$200,000 to the Commission on Arts and Humanities to be granted to the Washington D.C. Jewish Community Center's Center for the Arts;
5. An amount of \$250,000 to the Department of Health to be granted to the Capital Breast Care Center;
6. An amount of \$50,000 to the Department of Health to be granted to the D.C. Assembly on School-Based Health Care to fund school-based health programs;
7. An amount of \$400,000 to the Department of Youth Rehabilitation Services to be granted to Peaceholics to assist in providing comprehensive, wrap-around services for at-risk youth and their families in the District of Columbia;
8. An amount of \$100,000 to the Department of Youth Rehabilitation Services to be granted to Positive Choices to provide educational, athletic, emotional, and a socially enriched environment for economically disadvantaged inner-city youth;
9. An amount of \$50,000 to the Office on Aging to be granted to Saint Mary's Court Senior Living Facility to assist its Quality of Life Program, which provides support services, classes, community, and social activities for its residents;
10. An amount of \$50,000 to the Department of Human Services to be granted to Bread for the City to assist in funding programs offered including meals, housing, legal assistance, and job placement;
11. An amount of \$50,000 to the Department of Human Services to be granted to D.C. Central Kitchen to assist in supplemental food purchases used to provide daily meals to residents at all District of Columbia shelters;
12. An amount of \$50,000 to the Department of Parks and Recreation to be used as one-time capital funding for the Spanish Steps project.
13. An amount of \$14 million to the District of Columbia Housing Authority for operations, rent supplements, and emergency assistance;
14. An amount of \$7 million to the Metropolitan Police Department to hire new police officers;
15. An amount of \$257,000 to fund the fiscal effect and implementation of Subtitle B of Title IV;

16. An amount of \$89,500 to fund the fiscal effect and implementation of Subtitle I of Title I;
17. An amount of \$143,882 to the Department of Parks and Recreation for Boys and Girls Club programs; and
18. An amount of \$8,780,300 to fund the fiscal effect of Subtitle O.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan for the District CFO to implement the provisions of the proposed legislation. No additional staff or resources will be required.

The proposed subtitle is estimated to generate gross revenues of \$101.0 million in FY 2007, of which \$15.2 million (15 percent of the gross) would be transferred to the HPTF, \$40.3 million (39.9 percent of the gross) would be transferred to the CHTFF, and the remainder of \$45.5 million (45.07 percent) would go to the local fund. The table in Figure 6 presents the estimated revenue increase.

*Figure 6.*

<b>Approximate Revenue Increase Impacting the Financial Plan</b>				
<i>(\$ in millions)</i>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
\$101.0	\$106.7	\$116.9	\$129.5	\$454.1

**Subtitle (II)(E) – Housing Production Trust Fund and New Communities Financing Clarification Act of 2006:**

**Background**

The subtitle establishes the Housing Production Trust Fund (HPTF) as a permanent revolving special revenue fund outside the General Fund of the District. It also provides that an amount not to exceed \$12 million in the HPTF may be used to secure bonds issued for the benefit of the New Communities Initiative or other purposes consistent with HPTF uses. Council authorization by act shall be required for any amount above \$12 million in the Fund to secure financing for the New Communities Initiative or other Fund purposes.

**Financial Plan Impact**

The proposed subtitle has no impact on the District’s budget and financial plan because the proposed subtitle is an earmark within an existing Fund.

**Subtitle (II)(F) – Natural Gas Trust Fund Financing Clarification Act of 2006:**

**Background**

The proposed subtitle amends Title § 34-1651(b)(2)(B) to increase the statutory maximum funding rate for the Natural Gas Trust Fund from \$.016434 per therm to \$.034238 per therm. The Council may impose this maximum rate but is not required to by this legislation. The Natural Gas Trust Fund was established in the Omnibus Utility Amendment Act of 2004 as a non-tax revenue special purpose fund to assist low-income natural gas customers in the District. The Natural Gas Trust Fund receives deposits from charges to all residential customers other than those participating in the residential essential service program.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. At the current maximum rate of \$.016434 per therm, \$1.6 million is generated for the Natural Gas Trust Fund. The legislation raises the allowable maximum rate charge, but does not require the Council to set rates at the maximum level. The maximum rate of \$.034238 per therm would raise approximately \$10.7 million.

**Subtitle (II)(G) – Municipal Aggregation Fund Amendment Act of 2006:**

**Background**

The proposed subtitle amends Title § 34-1515(a)(1) to establish a Municipal Aggregation Fund (MAF) for the purpose of paying for the costs of the formation, administration, and monitoring of aggregation contracts in the District. Fees collected under this proposed subtitle would be placed in a non-lapsing Special Use Fund in the D.C. Office of Energy. The Retail Electric Competition and Consumer Protection Act of 1999 (D.C. Code Title § 34-15) authorized the Mayor to develop and administer a Municipal Aggregation Program (MAP) for the purchase of electricity supply and electricity supply services by D.C. consumers.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. The proposed legislation would authorize the Mayor to charge a fee to utility suppliers for the costs of forming, administering, and monitoring aggregation programs. The administrative fee would be deposited into the MAF, which would remain separate from the General Fund and would be used only for costs related to aggregation programs. The amount of fees collected under this provision would depend on the number of aggregation contracts secured by the District. The proposed subtitle would provide authority to the Mayor to charge an administrative fee, up to a maximum of \$85,000, under any aggregation contract secured by the District.

**Subtitle (II)(H) – Great Streets Capital Expenditures Act of 2006:**

**Background**

This proposed subtitle allocates the \$16.6 million in FY 2006 funds which were originally allocated to the Great Streets plan to specific projects under the jurisdiction of the Deputy Mayor for Planning and Economic Development, the Anacostia Waterfront Initiative, and the Department of Parks and Recreation. The proposed subtitle specifies the following allocations:

1. An amount of \$15,089,443 to the Office of Unified Communications for personnel and non-personal costs of the E-911 system;
2. An amount of \$508,200 to fund the fiscal effect of implementing the Health Care Benefits Expansion Act of 2006;<sup>5</sup>
3. An amount of \$379,400 to the Office of the Deputy Mayor for Planning and Economic Development to be granted to the Tudor Place Historic House and Garden for capital restoration funding;
4. An amount of \$200,00 to the Commission on Arts and Humanities to be granted to the Washington D.C. Jewish Community Center's Center for the Arts;
5. An amount of \$250,000 to the Department of Health to be granted to the Capital Breast Care Center;
6. An amount of \$50,000 to the Department of Health to be granted to the D.C. Assembly on School-Based Health Care to fund school-based health programs;
7. An amount of \$400,000 to the Department of Youth Rehabilitation Services to be granted to Peaceholics to assist in providing comprehensive, wrap-around services for at-risk youth and their families in the District of Columbia;
8. An amount of \$100,000 to the Department of Youth Rehabilitation Services to be granted to Positive Choices to provide educational, athletic, emotional, and a socially enriched environment for economically disadvantaged inner-city youth;
9. An amount of \$50,000 to the Office on Aging to be granted to Saint Mary's Court Senior Living Facility to assist in its Quality of Life Program which provides support services. Classes, community, and social activities for its residents;
10. An amount of \$50,000 to the Department of Human Services to be granted to Bread for the City to assist in funding programs offered including meals, housing, legal assistance, and job placement;
11. An amount of \$50,000 to the Department of Human Services to be granted to the D.C. Central Kitchen to assist in supplemental food

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<sup>5</sup> Effective April 4, 2006; D.C. Law 16-082; D.C. Official Code Title 32 § 706 *et sequitor*.

- purchases used to provide daily meals to residents at all District of Columbia shelters;
12. An amount of \$50,000 to the Department of Parks and Recreation to be used as one-time capital funding for the Spanish steps project;
  13. An amount of \$14 million to the District of Columbia Housing Authority for operations, rent supplements, and emergency assistance;
  14. An amount of \$7 million to the Metropolitan Police Department to hire new police officers;
  15. An amount of \$257,000 to fund the fiscal effect of implementing Subtitle B of Title IV of this Act;
  16. An amount of \$89,500 to fund the fiscal effect and implementation of Title I Subtitle H of this Act;
  17. An amount of \$143,882 to the Department of Parks and Recreation for Boys and Girls Club programs; and
  18. An amount of \$8,780,300 to fund the fiscal effect of Subtitle O of Title II of this Act.

#### **Financial Plan Impact**

The proposed subtitle has no impact on the District's budget and financial plan financial plan. No additional staff or resources will be required to implement the provisions of the proposed subtitle.

#### **Subtitle (II)(I) – Homestead Housing Amendment Act of 2006:**

##### **Background**

This subtitle authorizes the Director of the Department of Housing and Community Development to transfer real property in the Program inventory to other programs administered by the District Government when it serves the District's interest in producing affordable housing.

##### **Financial Plan Impact**

The proposed subtitle has no impact on the District's budget and financial plan because it results in moving existing inventory from one District program to another.

#### **Subtitle (II)(J) – Comprehensive Workforce Development Strategic Plan Revenue Act of 2006:**

##### **Background**

The proposed subtitle requires that an amount of \$100,000 be appropriated and allocated to the District's Department of Employment Services (DOES). The proposed subtitle

requires DOES to use the money solely for the purposes of developing a Comprehensive Workforce Development Strategic Plan for the District of Columbia, in conjunction with the Superintendent of DCPS, the President of the University of the District of Columbia (UDC), the District's State Education Office (SEO), the Workforce Investment Council, the Office of the Deputy Mayor for Planning and Economic Development, and all other District agencies providing services or resources for workforce development.

The proposed subtitle requires that the Comprehensive Workforce Development Strategic Plan for the District of Columbia shall include an assessment of all workforce development programs, a comprehensive design of a workforce development system, and a strategic plan for implementation of workforce development.

### **Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the provisions of the proposed subtitle. DOES has been provided with \$100,000 for the purposes of implementing the proposed subtitle.

### **Subtitle (II)(K) – Local, Small and Disadvantaged Business Enhancement Amendment Act of 2006:**

#### **Background**

The proposed subtitle amends current law to enhance existing provisions in the 2005 Act.<sup>6</sup> Act 16-166 established the Department of Small and Local Business Development to foster greater opportunities for local, small, and disadvantaged businesses to participate in the District's contracting and procurement process.

The proposed subtitle would make three main changes to Act 16-166. First, the proposed subtitle would remove "qualified metropolitan area business enterprises" from inclusion in programs for certified business enterprises. In the original Act, businesses in the Washington Metropolitan Area that met certain standards could receive consideration for program participation. Second, the proposed subtitle would add a provision on requirements on non-construction subcontracting that is the same as construction subcontracting. Third, the proposed subtitle would establish procedures to require that local, small, and disadvantaged business enterprises receive 20 percent in equity and development participation in all development projects supported by District funds and all development projects taking place on District owned property.

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<sup>6</sup> Bill 16-200, Act 16-166, Law 16-033, the Fiscal Year 2006 Budget Support Act of 2005; enacted July 26, 2005; effective October 20, 2005.

### **Financial Plan Impact**

The proposed subtitle will have no impact on the District's budget and financial plan. No additional staff or resources will be required to implement the provisions of the proposed legislation.

### **Subtitle (II)(L) – District of Columbia Housing Authority Rent Supplement Act of 2006:**

#### **Background**

The proposed subtitle establishes a local Rent Supplement program within the D.C. Housing Authority (DCHA). The program would provide rental assistance to extremely low-income District residents, including those who are homeless and those in need of supportive services, such as elderly individuals or those with disabilities. This assistance will be provided through housing development owners or directly to tenants as a housing voucher. Of any amount received by DCHA for rent supplements, up to 8 percent will pay for administrative costs. This mirrors the percentage DCHA receives for administering similar federal housing assistance programs.

#### **Financial Plan Impact**

The program is subject to appropriations for FY 2007 and is funded under Subtitle D of Title II §§ 2052 of this Act.

### **Subtitle (II)(M) – Vacancy Conversion Fee Clarification Amendment Act of 2006:**

#### **Background**

The proposed subtitle amends The Rental Housing Conversion and Sale Act of 1980, Title § 42-3401.01 *et sequitor*, by clarifying the procedures for defining and collecting the condominium conversion fee. The condominium conversion fee was established in the 1980 Rental Housing Conversion and Sale Act to impose a fee of 5 percent of the sales price on properties converted from rental housing to condominiums or cooperatives. The conversions were to be deposited into a Housing Assistance Fund that would be used to assist low-income tenants displaced by the conversion of buildings. Despite the large number of conversions in recent years, the Housing Assistance Fund collected only \$403,000 from 2002 through 2006. Part of the reason for this relatively low level of conversion fee collections is the exclusion of vacant buildings from the conversion fee.

The proposed subtitle would clarify the existing conversion fee statutes in order to increase the amount collected for the Housing Assistance Fund. First, the proposed subtitle would explicitly include vacant buildings in the category of properties subject to the conversion fee. Second, the proposed subtitle would simplify the formula for determining reductions in the conversion fee so that the more low-income tenants buying

or leasing units in the converted building, the greater the reduction in the conversion fee. Third, the proposed subtitle changes the time at which a conversion fee is recorded as a lien against the property. Currently, conversion fees are due no later than at the time of settlement on individual units. The proposed subtitle would require the District to place a lien on the property equal to the conversion fee at the time the property is registered as a condominium or cooperative.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. The proposed subtitle is designed to clarify the conversion fee procedures and increase the amounts collected. It is expected that \$20,000 will be collected in FY 2007. Collections in future years depend on the number of conversions and on the implementation of the provisions in the proposed subtitle.

### **Subtitle (II)(N) – Office of the Chief Tenant Advocate Funding Act of 2006:**

#### **Background**

The proposed subtitle amends Title § 42-3504.01 to increase the rental unit fee from \$16 to \$17. The proposed legislation would remove the requirement that a portion of the rental unit fees be used to fund a tenant ombudsman, but specifies that a portion of the fees collected shall be deposited into a special account for use by the Office of the Chief Tenant Advocate. A portion of the fees collected would continue to be placed in a special account to fund a Housing Ombudsman and an Advisory Neighborhood Commission Liaison.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. The increase in rental unit fees from \$16 to \$17 would result in approximately \$224,000 in FY 2007 through FY 2010. The table in Figure 7 presents the revenue reallocated for the purposes of the proposed subtitle and included in the District's FY 2007 budget.

*Figure 7.*

<b>Approximate Revenue Impact on the Financial Plan</b>				
<b>(\$ in thousands)</b>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
\$17	\$95	\$17	\$95	\$224

**Subtitle (II)(O) – Free Clinic Assistance Program Coverage Amendment Act of 2006:**

**Background**

The proposed subtitle would amend Title § 1-307.21 *et sequitor* by changing the definition of a “free clinic” to expand the universe of eligible clinics and community health centers covered by the Free Clinic Assistance Program Act of 1986. The Free Clinic Assistance Program Act of 1986 established a medical liability insurance coverage program for free clinics that were unable to obtain medical liability insurance. The proposed legislation would expand the number of free clinics eligible to participate in the provisions of the 1986 Act, in part by broadening the scope to include clinics whose payment for medical liability insurance would reduce services to low-income people. The proposed legislation authorizes an expansion of participating clinics only upon the formation of a District-owned captive insurance company that would insure the liability of the District for these clinics.

**Financial Plan Impact**

The proposed subtitle authorizes the expansion of participating free clinics only after the formation of a District-owned captive insurance company to fund the expansion. Subtitle II (D) would provide \$8.8 million to fund the fiscal effect of this subtitle.

**TITLE III – PUBLIC SAFETY and JUSTICE**

**Subtitle (III)(A) – Inmate Welfare Fund Establishment Act of 2006:**

**Background**

The proposed subtitle establishes a non-tax revenue proprietary revolving fund, to be known as the Inmate Welfare Fund, for the purpose of operating the inmate commissary system among District correctional and detention facilities.

Resources contained in the new Fund will be used to stock the commissaries of District correctional facilities, including those operated by the District and those contractually administered by the Department of Corrections. The proposed legislation allows for profits of the Welfare Fund to be used as repayment of the initial appropriation used to finance the Fund, with remaining profits to be used for goods and services that benefit the general inmate population. Finally, the proposed legislation creates an Inmate Welfare Fund Committee composed of five members and charged with the administration and supervision of the operations and expenditures from the Welfare Fund.

### **Financial Plan Impact**

The implementation of the proposed subtitle will be subject to the resources appropriated by Congress in FY 2007 for the District's Department of Corrections (DOC) for this program.

### **Subtitle (III)(B) – Victims of Domestic Violence Grant-Making Act of 2006:**

#### **Background**

The proposed subtitle grants the Mayor the authority to issue grants from local funds received for the Office of Victim Services to assist victims of domestic violence.

#### **Financial Plan Impact**

The proposed subtitle will have no impact on the proposed FY 2007 through FY 2010 budget and financial plan because the subtitle clarifies policy. Grants provided by the District are required to remain within available resources.

### **Subtitle (III)(C) – National Guard Operations Coordination Act of 2006:**

#### **Background**

The proposed subtitle requires the Mayor to consult with the Commanding General of the National Guard of the District of Columbia. The proposed subtitle requires the Mayor and the General to develop a plan whereby the National Guard Reaction Force supplements the Special Operations Division of the Metropolitan Police Department.

#### **Financial Plan Impact**

The proposed FY 2007 through FY 2010 budget and financial plan has sufficient resources to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (III)(D) – Civil Legal Services Act of 2006:**

#### **Background**

The proposed subtitle would require the D.C. Office of the Attorney General to award an amount of no less than \$3.2 million to a nonprofit organization in the District with a proven history of expertise and experience in making grants to organizations that deliver civil legal services to low-income people.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. The grant is funded with appropriations through the FY 2007 budget.

**TITLE IV – PUBLIC EDUCATION SYSTEM**

**Subtitle (IV)(A) –Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2006:**

**Background**

The proposed subtitle increases the weighting and per pupil allocations used to fund operations in the District of Columbia Public Schools (DCPS) and the District of Columbia Public Charter Schools (PCS) from \$7,307.47 to \$8,002.06. The table in Figure 8 presents the weighting for school year 2007 through 2008.

*Figure 8.*

Grade Level	Weighting	Per Pupil Allocation in FY 2007
Pre-School	1.16	\$9,282.39
Pre-Kindergarten	1.16	\$9,282.39
Kindergarten	1.16	\$9,282.39
Grades 1-3	1.03	\$8,242.12
Grades 4-5	1.00	\$8,002.60
Ungraded ES	1.03	\$8,242.12
Grades 6-8	1.00	\$8,002.60
Ungraded MS/JHS	1.00	\$8,002.60
Grades 9-12	1.17	\$9,362.41
Ungraded SHS	1.17	\$9,362.41
Alternative	1.23	\$9,842.53
Special Education Schools	1.17	\$9,362.41
Adult	0.75	\$6,001.55

In addition, the proposed subtitle makes many amendments and technical changes that provide instructions and clarity when regulating the District public schools and public charter schools funding allocations. Determinations of pupil participation regulate the allocation of funding. The proposed subtitle makes many clarifying points with regard to this. The proposed subtitle also determines the timing of the District's transfer of funding to public chartering entities.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through FY 2010 budget and financial plan to implement the proposed title. The total funding transfer for education purposes in the budget is estimated \$1,297,404,345. The proposed subtitle will result in a transfer of \$1,031,338,773 from District resources to DCPS, and \$266,065,572 to the Public Charter Schools.

### **Subtitle (IV)(B) – Quality Teacher Incentive Act of 2006:**

#### **Background**

The proposed subtitle amends Title § 47-1803.03 (b) of the District of Columbia Official Code to allow District teachers to deduct from gross income expenses paid for class room materials and supplies as well as tuition paid for post-graduate education and professional development. The first part of the proposed legislation would create an income tax deduction of up to \$500 per teacher for out-of-pocket expenses on classroom materials and supplies. The second part of the proposed legislation would create a tax deduction of up to \$1,500 per teacher for out-of-pocket expenses on professional development, professional certification, and post-graduate education related to improving teacher credentials or maintaining professional certification.

#### **Financial Plan Impact**

Funding for the fiscal effect and implementation of this subtitle is provided in Subtitle II (D) of this bill. Figure 9 indicates that the proposed legislation would result in revenue reductions of approximately \$257,000 in FY 2007 and \$1.1 million for FY 2007 through FY 2010. This projection may change based on the number of teachers electing to participate in the tax deduction programs.

It is estimated that the deductions allowed under the proposed legislation would result in \$257,000 of lost income tax revenue to the District in FY 2007 and \$1.1 million over the financial plan period. These revenue losses are based on the assumption that all District resident public school teachers take the full \$500 deduction for classroom materials and supplies and that 75 percent of the District resident teachers take an average deduction of \$1,000 for post-graduate education and professional development expenses.

*Figure 9.*

<b>Estimated Revenue Impact to the Financial Plan</b>				
<b>(S in millions)</b>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
\$0.26	\$0.27	\$0.28	\$0.30	\$1.11

**Subtitle (IV)(C) – Higher Education Financial Aid Assistance Act of 2006:**

**Background**

The proposed subtitle would add to the existing D.C. Leveraging Educational Assistance Partnership (LEAP) program by establishing a grant of not more than \$5,000 per year, up to a maximum of \$25,000 over 5 years, for District resident students who attend an institution of higher education with its principal campus in the District of Columbia. The current D.C. LEAP program provides grants of up to \$1,500 per eligible District resident student. The grants may be used for qualified higher education expenses at any eligible Title VI post-secondary educational institution in the country.

Under the proposed subtitle, the D.C. LEAP program would provide, from local funds, grant awards to no fewer than 800 eligible students to assist in paying the costs of attending a qualified higher education institution with its principal campus in D.C. A student may receive a maximum grant of \$5,000 per year and not more than \$25,000 over five years. The proposed subtitle would also require the Mayor's office to report on annual basis the number of eligible students attending each eligible institution, the amount of the grant awards paid to the eligible institutions, the extent to which a reduction was made in the amount of assistance payments, and the progress made by eligible students each year in obtaining academic credentials. Finally, the proposed subtitle would require the State Education Office to provide on an annual basis the enrollment status and graduation rates of students on whose behalf funding from the D.C. LEAP program has been paid and the enrollment status and graduation rates of students on whose behalf funding has been paid from the D.C. Tuition Assistance Grant Program.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the proposed subtitle. The proposed legislation specifies that the State Education Office shall make available grant awards to no fewer than 800 eligible students. The Committee on Education, Libraries, and Recreation redirected \$715,000 to expand the D.C. LEAP program, which would allow 204 additional District residents to receive up to \$5,000 in D.C. LEAP funds to attend an institute of higher education in the District of Columbia. While the proposal sets the maximum grant at \$5,000 per student, there is not a minimum grant established. With existing resources, the District could provide a maximum grant of \$894 to a minimum of 800 students. To fund a minimum of 800 students at the maximum grant of \$5,000 would require an additional \$2.8 million, which is contingent upon Title I, Subtitle D of the FY 2007 Budget Support Act.

**Subtitle (IV)(D) – Educational Services for Detained and Committed Youth Under the Supervision of the Department of Youth Rehabilitation Services Act of 2006:**

**Background**

The proposed subtitle would require the District of Columbia Public Schools to enter into a Memorandum of Understanding (MOU) with the Mayor that would specify in detail how an appropriate educational program would be delivered to and how funds would be utilized on programs for committed and detained youth who are under the supervision of the Department of Youth Rehabilitation Services (DYRS) and who are residing in the Oak Hill Youth Center, the Youth Services Center, and any other replacement or new secure facilities operated by or on behalf of DYRS for youth in the custody of DYRS.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. No additional staff or resources will be required.

**TITLE V – HUMAN SUPPORT SERVICES**

**Subtitle (V)(A) – Medical Homes Grant Making Act of 2006:**

**Background**

The proposed subtitle authorizes the Mayor to award a grant not to exceed \$8.2 million in FY 2007 and \$2.8 million in FY 2009 to the DC Primary Care Association to support the Medical Homes DC initiative and develop electronic health record and reporting systems for community health centers. Of the FY 2007 amount, the legislation directs \$6 million to the Northwest One Community Health Center, with the project to be managed according to the general rules of the Medical Homes Grant Agreement between the District and the D.C. Primary Care Association.

Of the remainder of the grant, \$2.2 million in FY 2007 and \$2.8 million in FY 2009 would be used to develop an electronic health record system for community health centers. An amount of \$200,000 of these funds would be directed exclusively to support information technology needs for the District of Columbia public and charter school nurse suites.

The proposed subtitle also appropriates up to \$1.9 million in FY 2007 operating funds available to the Department of Health towards the support and stimulation of Medical Homes DC.

### **Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the subtitle. No additional staff or resources will be required to implement the provisions of the proposed subtitle.

### **Subtitle (V)(B) – Health Insurance Open Enrollment Program Amendment and Affordability Health Coverage Funds Establishment Act of 2006:**

#### **Background**

Under current law, the insurance premiums tax rate charged to CareFirst is 1.0 percent, instead of the full 1.7 percent rate. The proposed change in law would increase the insurance premiums tax rate on CareFirst to the full 1.7 percent and deposit the entire amount into an Affordable Health Coverage Fund (Fund), which would be used by the Department of Health to fund health coverage programs for District residents.

The legislation specifies that the monies in the Fund shall be used to:

1. The expand health coverage to District residents between 200 and 400 percent of the federal poverty level;
2. Add new benefits to the District's Medicaid or D.C. HealthCare Alliance programs; or
3. Expand the number of individuals covered by the D.C. HealthCare Alliance program.

These funds may not be used for any other purposes.

#### **Financial Plan Impact**

The estimated revenue in FY 2007 from imposing the full 1.7 percent rate on CareFirst is \$5.5 million. However, the certified revenue estimate assumed that CareFirst would continue to return a minimum of \$2.0 million to the General Fund in FY 2007 and beyond. As such, the net revenue increase from the proposed change is \$3.5 million. The table below presents the increased net revenue to the Affordable Health Coverage Fund anticipated from this proposal.

*Figure 10.*

<b>Approximate Revenue Increase Impacting the Financial Plan</b>				
<b>(\$ in millions)</b>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
\$3.5	\$3.5	\$3.5	\$3.5	\$14.0

**Subtitle (V)(C) – Department of Mental Health Establishment Amendment Act of 2006:**

**Background**

The proposed subtitle authorizes the transfer of all authority, funding, and full-time equivalent staffing relating to the operation of the Oak Hill Youth Center and Youth Services Center from the Department of Mental Health (DMH) to the Department of Youth Rehabilitation Services (DYRS).

**Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to make the proposed transfer of all authority, funding, and full-time equivalent staffing relating to the operation of the Oak Hill Youth Center. The transfer will be a transfer of existing positions, funding and authority from one District agency to another agency. No additional staff or resources will be required.

**Subtitle (V)(D) – Healthy District of Columbia Act of 2006:**

**Background**

The proposed subtitle would expand the District's Medicaid Managed Care Program to finance health care and medical services for qualifying low-income individuals in the District of Columbia who have been uninsured for the prior 12 months to enrollment, and who are ineligible for Medicare, Medicaid, or the D.C. HealthCare Alliance. The subtitle would establish a segregated nonlapsing fund designated as the Healthy DC Fund into which shall be deposited all tax revenue generated by Subtitle (V)(B) of this bill (except tax on real estate and fees and charges required by insurance laws).

**Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the subtitle.

**Subtitle (V)(E) – Health Professional Recruitment Program Amendment Act of 2006:**

**Background**

The subtitle establishes the Health Professional Recruitment Fund as a segregated, non-lapsing fund within the General Fund of the District of Columbia for the purpose of paying for the cost of education for health professionals who enter into agreements with the District to serve from 2 to 4 years in designated medically underserved areas in the

District. The proposed subtitle directs the Department of Health to administer the fund from its appropriated operating budget. The subtitle also directs that all fees and penalties generated by a program participant's breach of contract be placed within the fund.

#### **Financial Plan Impact**

The subtitle has no impact on the proposed FY 2007 through FY 2010 budget and operating plan because any expenditures must be absorbed by the Department's operating budget.

#### **Subtitle (V)(F) – Health Care Privatization Benefit Amendment Act of 2006:**

##### **Background**

The proposed subtitle amends Section 7 of the Health Care Privatization and Benefit Reimbursement Exemption Emergency Amendment Act of 2001 (D.C Code §7-1405). The proposed subtitle would specify that health maintenance organizations under contract with the District to provide services to Alliance enrollee are not required to reimburse non-participating hospitals for services provided to Alliance enrollees.

##### **Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the proposed legislation, as no costs are expected to result from the proposed subtitle.

#### **Subtitle (V)(G) – AccessRx Clarification Amendment Act of 2006:**

##### **Background**

The proposed subtitle amends §48-834.01 of the AccessRx Act of 2004, which authorizes the Department of Health (DOH) to contract with the Archdiocesan Health Care Network (AHCN) to administer a program providing prescription and non-prescription medications and medical supplies to eligible individuals in the District. The proposed subtitle clarifies the parameters of the contract between AHCN and DOH by removing a required contract amount of \$1,956,000, and allowing for any amount up to \$1,956,000.

##### **Financial Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to fund the proposed subtitle as no additional spending is required. Furthermore, the proposed legislation may result in cost savings for the District. Any savings cannot be currently quantified by the District CFO at this time.

**Subtitle (V)(H) – Timely Disbursement of Grants Act of 2006:**

**Background**

The proposed subtitle would create a deadline by which the District shall issue a Notice of Grant Award to each entity designated in the Budget Support Act of 2007 to be awarded a grant by the District. The proposed subtitle would further stipulate that by February 1, 2007, the Mayor disburse at least 25 percent of each agency's total grant award, or 50 percent by February 15, 2007 if no payments have been made by February 1, 2007. By March 1, 2007, the proposed subtitle would require the Mayor to disburse all outstanding grant funds to the designated agencies.

**Financial Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to fund the proposed subtitle. No additional staff or resources will be required to implement the provisions of the proposed subtitle.

**Subtitle (V)(I) – Nursing Facility Quality of Care Fund Act of 2006:**

**Background**

The proposed subtitle amends § 47-1262(b) of the District of Columbia Official Code to stipulate that at least ninety percent of funds in the Nursing Facility Quality Care Fund are to be used solely to fund quality of care initiatives.

**Financial Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to fund the proposed subtitle as no additional spending is required.

**Subtitle (V)(J) – Medicaid Enrollment and Expansion Act of 2006:**

**Background**

The proposed subtitle authorizes the Mayor to submit a Medicaid State Plan Amendment to the Council to enable the District of Columbia to receive Federal financial assistance under Title XIX of the Social Security Act. The State Plan Amendment would increase the maximum eligibility standards of the State Children's Health Insurance Program from 200 percent to 300 percent of the Federal Poverty Guidelines, increase the maximum eligibility standards for Qualified Medicare Beneficiaries and Special Low-Income Medicare Beneficiaries, and establish a comprehensive adult dental program.

### **Financial Impact**

Funds are sufficient in the proposed FY 2007 through FY 2010 budget and financial plan to implement the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (V)(K) – Medical Assistance Administration Reporting Requirements Act of 2006:**

#### **Background**

The proposed subtitle requires the Medical Assistance Administration (MAA) to provide a report to Council detailing its efforts to reform the Medicaid Non-Emergency Transportation Program by October 1, 2006. The legislation also requires the MAA to submit a report to Council detailing efforts to decrease payments to health care providers located outside the District, and describes penalties for agency personnel for failure to submit required reports.

#### **Financial Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to fund this legislation as no additional expenditures are required

### **Subtitle (V)(L) – Designated Appropriation Allocation Act of 2006:**

#### **Background**

The proposed subtitle allocates \$40,282,000 to many health related District agencies and programs described by the proposed subtitle.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

### **Subtitle (V)(M) – Day Care Improvement Amendment Act of 2006:**

#### **Background**

The proposed subtitle would amend the District of Columbia Day Care Policy Act of 1979 to provide the Mayor with the authority to issue rules to implement provisions of this act. The legislation also amends the Child Care Services Assistance Fund Act of 1988 to increase the amount of loans and grants the Mayor is authorized disburse from the Child Care Services Fund to \$500,000. The Mayor is currently authorized to issue

loans and grants of up to \$10,000 to create, expand, or improve existing child care facilities in the District.

### **Financial Impact**

Funds are sufficient in the proposed FY 2007 through FY 2010 budget and financial plan to implement the subtitle. No additional staff or resources will be required.

### **Subtitle (V)(N) – Assessment of District Programs to Prevent Child Abuse and Neglect Act of 2006:**

#### **Background**

The proposed subtitle requires the Mayor to convene a working group to assess child abuse and neglect prevention programs in the District by:

1. Taking an inventory of current programs operating in the District;
2. Evaluating the sources of funding for these programs; and
3. Completing an inventory and gap in services analysis.

### **Financial Impact**

Funds are sufficient in the proposed FY 2007 through FY 2010 budget and financial plan to implement the subtitle.

### **Subtitle (V)(O) – Integrated Funding and Services for At-Risk Children, Youth and Families Act of 2006:**

#### **Background**

The proposed subtitle would establish a non-lapsing fund separate from the General Fund to be used for implementation of initiatives, programs, and services to meet the needs of at-risk children, youth, and their families in a holistic, interdisciplinary manner. The legislation authorizes the Mayor to transfer up to one percent of the local funding appropriated to each of the following agencies:

- The Child and Family Services Agency;
- The Department of Employment Services;
- The Department of Health;
- The Department of Human Services;
- The Department of Mental Health; and
- The Department of Youth Rehabilitation Services.

### **Financial Impact**

Funds are sufficient in the proposed FY 2007 through FY 2010 budget and financial plan to implement the subtitle.

## **TITLE VI – PUBLIC WORKS**

### **Subtitle (VI)(A) – Bryant Street Facility Renovation Funding Act of 2006:**

#### **Background**

The proposed subtitle approves the allocation of \$6.5 million in Pay-as-You-Go capital funds. The funding will be allocated to the District's Department of Public Works for the purpose of repairing the Bryant Street facility.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan. No additional staff or resources will be required.

### **Subtitle (VI)(B) – Public Space Rental Fees Amendment Act of 2006:**

#### **Background**

The proposed subtitle would amend Title § 10-1103.04 of the District Official Code to increase the District's public space rental fees by 20 percent and to transfer 80 percent of any money from the prior fiscal year remaining in the District Department of Transportation Operating Fund to the District of Columbia Highway Trust Fund. Currently, the District determines vault rental fees in public spaces by calculating the product of the assessed value per square foot of the abutting land, the area of the vault level, and a utilization factor. The proposed subtitle changes the utilization factor from 1.5 percent to 1.8 percent for first level vaults and from 0.375 percent to .45 percent for each level thereafter.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed legislation. Revenue from the public vault rental fees is deposited into the District Highway Trust Fund.

The proposed subtitle is estimated to generate revenues of \$3.0 million in FY 2007 and \$11.8 million over the FY 2007 through FY 2010 period. The table in Figure 11 presents the estimated revenue increase impacting the District's financial plan.

*Figure 11.*

<b>Approximate Revenue Increase Impacting the Financial Plan</b>				
<i>(\$ in millions)</i>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
\$3.0	\$3.0	\$3.0	\$3.0	\$11.8

**Subtitle (VD)(C) – Public Rights-of-Way Occupancy Fees Amendment Act of 2006:**

**Background**

The proposed subtitle would amend Chapter 33 of Title 24 of the D.C. Municipal Regulations and Title § 9-111.01 of the District Official Code to increase the District’s public rights-of-way occupancy fees charged to utilities by 20 percent, to charge cable companies 20 percent of the utility right-of-way occupancy fees, and to transfer the incremental revenue resulting from these increases to the District of Columbia Highway Trust Fund. Currently, the District charges utility companies \$0.88 per linear foot for underground occupancy fees and \$1.32 per linear foot for aerial occupancy fees. The proposed subtitle would change these rates to \$1.06 and \$1.59, respectively.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the provisions of the proposed legislation. Revenue from the public rights-of-way occupancy fee increases are to be deposited into the District Highway Trust Fund.

The proposed subtitle is estimated to generate revenues of \$10.7 million in FY 2007 and \$42.6 million over the FY 2007 through FY 2010 period. The table in Figure 12 presents the approximate net annual impact on the District’s financial plan.

*Figure 12.*

<b>Approximate Revenue Increase Impacting the Financial Plan</b>				
<i>(\$ in millions)</i>				
<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>4 - Year Total</b>
\$10.7	\$10.7	\$10.7	\$10.7	\$42.6

**Subtitle (VI)(D) – Local Roads Construction and Maintenance Fund Expenditure Plan Approval Act of 2006:**

**Background**

The proposed subtitle would provide Council approval for the Mayor’s plan, submitted on May 8, 2006, for the use of all monies in the Local Roads Construction and Maintenance Fund (LRCM) for FY 2007. The LRCM Fund was created in 2001 to retain revenue collected from utility companies that bury their facilities (e.g. fiber optics, pipes,

cables) under District roadways. The LRCM Fund is intended to provide dedicated funding for the supplemental maintenance and enhancement of the city's local roadways.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2007 through 2010 budget and financial plan to implement the legislation. The LCRM is funded by rights-of-way revenue from utility companies.