

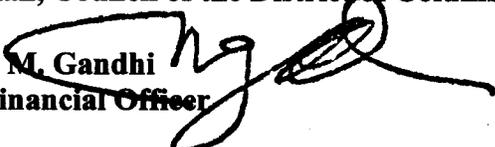
Government of the District of Columbia  
Office of the Chief Financial Officer



Natwar M. Gandhi  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

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

**DATE:** APR 19 2007

**SUBJECT:** Fiscal Impact Statement: "Fiscal Year 2008 Budget Support Act of 2007"

**REFERENCE:** Bill 17-148 As Introduced

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**Conclusion**

The proposed legislation implements the FY 2008 through FY 2011 budget and financial plan as introduced by the Mayor to the Council of the District of Columbia. Overall, this bill, together with anticipated Mayoral rulemaking and agency operational plans, will result in an estimated \$5.7 billion in FY 2008 local source budget. The combined initiatives provide sufficient funds to balance the estimated \$9.7 billion FY 2008 proposed all sources budget and financial plan.

*The proposed legislation, the "Fiscal Year 2008 Budget Support Act of 2007," is the legislative vehicle for adopting statutory changes needed to implement the District's proposed FY 2008 through FY 2011 budget and financial plan. The purpose and the impact of each subtitle are summarized in the following pages. A summary of the new funds authorized by the proposed legislation is included as Attachment A.*

**TITLE I – GOVERNMENT DIRECTION and SUPPORT**

**Subtitle (I)(A) – Technology Services Support Act of 2007:**

**Background**

The proposed subtitle establishes two funds segregated within the local General Fund for the purposes of collecting then expending revenue as fees for District Government

charges for Information Technology support, goods and services delivery to third party entities. One stream of revenue will go towards supporting the DC Net program of Network Communication Services, and the other will support four other programs under the Technology and Infrastructure division of the Office of the Chief Technology Officer. All funds collected will remain available for the purposes of these programs, subject to authorization by Congress in an appropriations act.

### **Financial Plan Impact**

The proposed subtitle will result in no net impact on the District's local General Funds. The proposed subtitle involves the transfer of funds between District agencies in the form of fees for services. Revenue generated as these fees will support the Office of the Chief Technology Officer and DC-NET operations.

### **Subtitle (I)(B) – The Commercial Transactions Cost Recovery Amendment Act of 2007:**

#### **Background**

The proposed subtitle would amend Title 47 of the D.C. Official Code to establish a Transactional Legal Support Fund ("Fund") and authorize the Mayor to charge fees to private for-profit or not-for-profit entities for services provided by the Office of the Attorney General (OAG). The fees would serve to defray costs that are "reasonably related" to the OAG's provision of legal services relating to loans, grants, credit supports, revenue bonds, notes, or other obligations pursuant to Federal law or Council actions. Fees collected by OAG would be deposited into the proposed Fund. The legislation indicates that the intent of the Fund is to supplement, not supplant, OAG's operating budget.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. The proposed legislation authorizes the establishment of the Fund and authorizes the Mayor to establish a fee schedule. The authorization itself does not have a fiscal impact. When a fee schedule is established, funds will need to be certified annually for the Fund to operate.

**Subtitle (D)(C) – Office of Contracting and Procurement Operating Fund  
Amendment Act of 2007:**

**Background**

The proposed subtitle authorizes the Chief Procurement Officer (CPO) to charge agencies a fee for procurements conducted by CPO and establishes an O-type fund into which the collected fees are deposited. The fees will be used for CPO operations.

**Financial Plan Impact**

The proposed subtitle will result in no net impact on the District's local General Funds. The proposed subtitle involves the transfer of funds between District agencies in the form of fees for services. District agencies will be required to absorb the costs of their contracts and procurements from available resources.

**Subtitle (D)(D) – Employee Parking Fee Fund Establishment Amendment Act of  
2007:**

**Background**

The proposed subtitle establishes a new fund within the General Fund for the purpose of depositing monies received by the District government from the operation of its employee parking program. The Fund is to be administered by the Chief Property Management Officer. The purpose of the Fund is to finance the establishment and operation of commuter benefit programs for District government employees.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. No additional staff or resources would be required to implement the proposed legislation.

**Subtitle (D)(E) – Dedication and Allocation of Additional Revenue Act of 2007**

**Background**

The proposed subtitle requires that if the Chief Financial Officer of the District of Columbia certifies, through a revised quarterly revenue estimate for fiscal year 2008, that local funds exceed the annual revenue estimates incorporated in the approved fiscal year 2008 budget and financial plan, those resources shall be dedicated to the following uses:

- An amount of \$10 million to fund PAYGO capital in the Department of Transportation for streetscapes on 12<sup>th</sup> Street NE, Wisconsin and Connecticut Avenues and other commercial corridors;
- An amount of \$10 million to fund parks and recreation facilities including Stead Park and to expedite existing projects in the Department of Parks and Recreation;
- An amount up to \$4 million to fund rate increases for residential treatment facilities as determined by a rate analysis conducted by the Department of Health;
- An amount of \$2 million to fund the Youth Challenge program of the District of Columbia National Guard;
- An amount of \$7 million to fund additional storm water control activities in the Department of Environment;
- An amount of \$5 million to fund arts-based economic development activities through the Office of the Deputy Mayor for Economic Development;
- An amount of \$15 million to fund additional street, alley and sidewalk repair and construction in the Department of Transportation; and
- An amount of \$3 million to fund a pilot green roof incentive program through the Office of Planning.

The proposed subtitle requires that the allocations shall be made pro rata on no less than a quarterly basis after proper certification by the Chief Financial Officer of the District of Columbia. The proposed subtitle clarifies that the allocations in this subtitle are non-recurring and represent one-time expenditures.

The proposed subtitle requires that any revenue certified by the Chief Financial Officer of the District of Columbia in excess of the sums allocated above shall revert to the General Fund.

### **Financial Plan Impact**

The proposed subtitle is revenue/expenditure neutral. By the conditions set in the provisions of the proposed subtitle, no expenditure may be made from the previously listed programs unless sufficient resources are certified and allocated to those programs. Although appropriations are currently insufficient to expend for the programs listed in the proposed subtitle, the certification of additional revenue will trigger allocations in the dollar amounts described by the proposed subtitle.

## **Subtitle (I)(F) - Specified Funding Allocations Act of 2007:**

### **Background**

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget of the Office of the Deputy Mayor for Planning and Economic Development, \$9,000,000 in one-time, nonrecurring grants are authorized to be distributed as follows:

- An amount of \$100,000 to Bread for the City;
- An amount of \$100,000 to the D.C. Central Kitchen;
- An amount of \$250,000 to the Tudor Place Historic House and Garden;
- An amount of \$200,000 to the Caribbean Festival;
- An amount of \$250,000 to the Capital Fringe Festival;
- An amount of \$1,000,000 to the Duke Ellington Jazz Festival;
- An amount of \$150,000 to the Friends of Kennedy Playground;
- An amount of \$100,000 to ROOT (Reaching Out to Others Together);
- An amount of \$100,000 to Cease Fire (Don't Smoke the Brothers and Sisters, Inc.);
- An amount of \$500,000 to the Greater Washington Sports Alliance;
- An amount of \$700,000 to Cultural Tourism D.C.;
- An amount of \$300,000 to the Historical Society of Washington;
- An amount of \$5,000,000 to support arts-based economic development activities;
- An amount of \$150,000 to Capital Area Asset Builders to support Earned Income Tax Credit outreach; and
- An amount of \$100,000 to Dress for Success.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget of the Children and Youth Investment Fund, \$2,540,000 in one-time, nonrecurring grants shall be distributed as follows:

- An amount of \$200,000 to the National Building Museum to support a vocational education and development program partnership providing opportunities for District students to learn architectural design and building trade skills through ongoing coursework and programs;
- An amount of \$40,000 to the National Maritime Heritage Foundation to support a youth sailing program partnership for District youth on the Potomac and Anacostia Rivers;
- An amount of \$300,000 to CityDance to support general operations, outreach education programs, and the maintenance and expansion of the CityDance Center at Mount Vernon Square;

- An amount of \$500,000 to Peaceholics to support positive mentoring for youth;
- An amount of \$100,000 to Positive Choices;
- An amount of \$100,000 to DC Scores;
- An amount of \$400,000 to KidSave;
- An amount of \$500,000 to the Hoop Dreams Scholarship Fund; and
- An amount of \$400,000 to support youth baseball programs in the District of Columbia.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget of the D.C. Commission on Arts and Humanities, \$2,250,000 in one-time, nonrecurring grants shall be distributed as follows:

- An amount of \$1,000,000 to the Washington Performing Arts Society;
- An amount of \$500,000 to the Woolly Mammoth Theater;
- An amount of \$250,000 to the Lincoln Theater; and
- An amount of \$500,000 to the Source Theater.

The proposed subtitle requires the Office of Partnerships and Grants Development to establish uniform guidelines for the application for and reporting on any grants received from any entity of the Government of the District of Columbia. The proposed subtitle clarifies that the required guidelines shall include, but not be limited to, a description of the project scope, budget, program activities, timelines, performance, and any appropriate financial information.

### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. No additional staff or resources will be required. By the conditions set in the provisions of the proposed subtitle, no expenditure may be made from the previously listed programs unless sufficient resources are granted and allocated to those programs.

## **TITLE II – ECONOMIC DEVELOPMENT and REGULATION**

### **Subtitle (II)(A) – Rental Housing Operations Transfer Act of 2007:**

#### **Background**

The proposed subtitle would amend multiple sections of the D.C. Official Code for the primary purpose of transferring certain personnel, funding, and responsibilities related to

rental housing currently located in the Department of Consumer and Regulatory Affairs (DCRA) to the Department of Housing and Community Development (DHCD).

Specifically, the proposed legislation would:

- Change expenditure allocations for the Housing Assistance Fund (Fund), which is managed by the Office of Tenant Advocate (OTA), so that not more than 33 percent of the Fund is used for emergency housing and tenant relocation, not more than 33 percent of the Fund is used for the D.C. Home Purchase Assistance Program (HPAP) and for relocation assistance for displaced tenants, and not more than 33 percent of the Fund is used by the OTA for administrative and operational purposes (D.C. Official Code § 42-3403.07);
- Transfer responsibility from the Department of Consumer and Regulatory Affairs (DCRA) to the DHCD for employing the staff necessary to assist the Rental Housing Commission in carrying out its functions (D.C. Official Code § 42-3502);
- Create a Housing Regulation Administration (HRA), a Rental Accommodations Division (RAD), and a Rental Conversion and Sale Division (RCSD) within the DHCD (D.C. Official Code § 42-3502.03); and
- Transfer the positions, property, records, and funding of the Rental Accommodations and Conversion Division of the DCRA to the DHCD (D.C. Official Code § 42-3502.03).

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. The proposed legislation would transfer 33 full-time equivalent (FTE) employees and \$2.3 million in associated funding to the DHCD in FY 2008 to fund the cost of this legislation.

### **Subtitle (II)(B) – Weights and Measures Device Amendment Act of 2007:**

#### **Background**

The proposed subtitle amends existing law authorizing the Department of Consumer and Regulatory Affairs (DCRA) to register and inspect weighing and measuring devices in the District of Columbia. Currently there is no provision in the law allowing the Mayor to remove the device from service until registered.

Merchants often forgo the payment of the \$2,000 fine for failure to register because they may continue to use the unregistered device. The proposed subtitle is designed to

eliminate this practice by adding a new section of the Code condemning and taking out of service any weighing and measuring device not properly registered.

### **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)(C) – Municipal Aggregation Fund Amendment Act of 2007:**

#### **Background**

D.C. Act 16-476 (FY 2007 Budget Support Act of 2006) established a Municipal Aggregation Fund for the purpose of paying for the costs of administering and monitoring District electricity supply aggregation contracts. The 2006 Act limited contract administrative fees to \$85,000. The proposed subtitle removes the \$85,000 cap. The current cap is insufficient to operate the Mayor's program over a three-year period including staff, advertising the program, signing residential and non-residential electric customers and providing or obtaining other non-personnel services.

The proposed subtitle would also authorize the Mayor to collect and use the Municipal Aggregation Program (MAP) administrative fees to implement cost-saving contracts.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The FY 2008 budget includes the necessary resources to administer the MAP program. Expenditure savings could be achieved by executing agreements making bulk or wholesale energy purchases.

### **Subtitle (II)(D) – Youth Employment Amendment Act of 2007:**

#### **Background**

The proposed subtitle amends the Youth Employment Act of 1979 to lower the age of eligibility for participation in work training and work experience programs from 16 to 14.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The FY 2008 budget includes the necessary resources to administer the Youth Employment program. The District Department of Employment

Services will be required<sup>1</sup> to remain within appropriated resources when implementing the provisions of the proposed subtitle.

**Subtitle (II)(E) – Unemployment Compensation Administration Improvement Act of 2007:**

**Background**

The proposed subtitle contains several amendments to the District of Columbia Unemployment Compensation Act. The proposed subtitle continues the current administrative assessment through 2009 and imposes penalties and interest for nonpayment of the assessment. In addition, the proposed subtitle permits the sharing of information with public law enforcement officials.

The proposed subtitle clarifies existing law implemented prior to Home Rule to reflect that the Special Administrative Expense Fund is now in the District of Columbia Treasury. In addition, the proposed subtitle establishes new provisions for the payment of interest on both the Special Administrative Expense Fund and the Administrative Assessment Account.

**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)(F) – Unemployment Compensation Fund Appropriation Authorization Act of 2007:**

**Background**

The proposed subtitle appropriates \$10,461,401 from the funds distributed to the District Department of Employment Services pursuant to section 903 of the Social Security Act (Reed Act). The funds will be used to install an imaging system, develop and implement a disaster recovery and continuity of operations plan and for the migration of the automated tax and benefit programs from a mainframe platform to a client sever platform.

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<sup>1</sup> Federal and District anti-deficiency laws<sup>1</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. Should the District determine that funding is available to absorb any additional costs in FY 2008, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures.

### **Financial Plan Impact**

The table in Figure 1 presents the appropriation associated with implementing<sup>2</sup> the proposed subtitle for FY 2008 through FY 2011.

*Figure 1.*

| <b>Estimated Impact to the Financial Plan</b><br>(in Millions) |                |                |                |                     |
|--|----------------|----------------|----------------|---------------------|
| <b>FY 2008</b>   | <b>FY 2009</b> | <b>FY 2010</b> | <b>FY 2011</b> | <b>4-Year Total</b> |
| \$10.46  | \$0.0          | \$0.0          | \$0.0          | \$10.46             |

### **Subtitle (II)(G) – District of Columbia Department of Small and Local Business Development Act of 2007:**

#### **Background**

The proposed subtitle amends the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act of 2005 to clarify the responsibilities of the Department of Small and Local Business Development, particularly with respect to the Department's role in certifying small business enterprises, and in monitoring agency contracting and procurement activities related to the achievement of the Department's goals associated with contracting and procuring from small business enterprises.

The subtitle also amends the 2005 Act to clarify that the District of Columbia Small and Local Business Opportunity Commission shall (1) hear all appeals by business enterprises upon the denial of an application for certification, reinstatement or renewal by the Department, and (2) to perform audits of the Department's certification process.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plan to implement the provisions of the subtitle.

### **Subtitle (II)(H) – Residential Real Property Tax Reduction Act of 2007:**

#### **Background**

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<sup>2</sup> IBID.

The proposed subtitle would amend Title § 47-812(b-8) of the D.C. Official Code to establish a new residential property (Class I) rate beginning in Tax Year 2008, and each subsequent tax year, of \$0.86 per \$100 of assessed value. The proposed subtitle also would repeal two sections of the existing code (Title § 47-812(b-8)(1)(A)(iii) and Title § 47-812(b-8)(1)(A)(iv)) that would have calculated residential real property tax rates for TY 2009, TY 2010, and each year thereafter. However, this subtitle will take effect only if the Office of the Chief Financial Officer (OCFO) certifies that the estimated revenues from Class I property under this subtitle will yield an equal or greater amount of revenue than that estimated in the December 15, 2006 revised revenue estimate (Section 2028 of the proposed subtitle).

### **Financial Plan Impact**

Because of the provisions of Section 2028, there will be no negative fiscal impact in FY 2008 relative to current law.

## **TITLE III – PUBLIC SAFETY and JUSTICE**

### **Subtitle (III)(A) – Child Support Services Fee Authorization Amendment Act of 2007:**

#### **Background**

The proposed subtitle would add a new section to D.C. Official Code § 46-201 *et seq.* to permit the District of Columbia Child Support Services Division (CSSD) of the Office of the Attorney General (OAG), or its successor entity, to collect an annual service fee from the custodial parent (person receiving support) pursuant to a support order. The proposed legislation would bring the District into compliance with Federal law, which requires D.C. and the states to impose an annual fee of \$25 on certain families receiving child support.<sup>3</sup> The District would be required to pay the Federal government 66 percent, or \$16.50, of each \$25 fee collected.

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<sup>3</sup> Section 7310 of the Federal Deficit Reduction Act of 2005 requires states to impose an annual fee of \$25 on each family that has not received Temporary Assistance to Needy Families (TANF) benefits at any time and for which the state child support program collects at least \$500 annually. Source: Congressional Budget Office Cost Estimate, "S. 32 Deficit Reduction Act of 2005," January 27, 2006. The Act does not require states to adopt a particular method of collection, but does require states to split the proceeds from the fee with the Federal government depending based on the state share of administrative costs.

The CSSD may collect this fee from the custodial parent – either directly or by withholding the fee from the support payment of the obligor – or may pay the fee with appropriated funds.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. Because the legislation does not require CSSD to fund the cost of the Federal requirement in a particular way, CSSD may implement this program through collecting the fee from the custodial parent. Alternatively, funds could be appropriated at a later time to allow CSSD to cover the costs of the requirement.

### **Subtitle (III)(B) – Metropolitan Police Department Grant-Making Authority Clarification Amendment Act of 2007:**

#### **Background**

The proposed subtitle would amend Title § 5-133.14 of the D.C. Official Code to permit the Chief of the Metropolitan Police Department (MPD) to issue grants to individuals or organizations to support the detection and prevention of crime. The current statute authorizes the Chief to “make expenditures for the prevention and detection of crime.” The proposed subtitle would clarify the Chief’s authority to issue grants from local funds.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. Grants issued under the authority of this proposed subtitle would come from local funds.

### **Subtitle (III)(C) – Crime Victims Assistance Fund Amendment and Shelter and Transitional Housing for Victims of Domestic Violence Fund Act of 2007:**

#### **Background**

The proposed subtitle amends Section 16a of the Crime Compensation Act to make the Crime Victims Fund “interest-bearing” and requiring that on or before October 1, 2008 the Office of the Chief Financial Officer (OCFO) increase the fund by the amount of interest that the fund earned from fiscal years 2003 to 2007. This interest amount is estimated to be approximately \$2 million.

In addition, the proposed subtitle establishes a special purpose fund to be known as the Shelter and Transitional Housing for Victims of Domestic Violence Fund. The Fund will

be used for awarding grants to organizations providing services to victims of domestic violence and their children in emergency shelters and transitional housing. The Shelter and Transitional Housing Fund would reimburse the selected providers for operating expenses that would include costs incurred in providing counseling and case management services; and rent, utilities and building maintenance for the residential facilities in which these families are placed. The proposed subtitle provides that the sum of \$3,700,000 will be transferred from the Crime Victims Fund as an initial deposit to the Shelter and Transitional Housing Fund. Finally, the proposed subtitle contains a conforming amendment to Section 16a(d) of the Crime Compensation Act which clarifies the purposes for which the Crime Assistance Fund may be used so as to permit the transfer of monies to the new Fund.

### **Financial Plan Impact**

The proposed subtitle will have no net impact on the District's budget and financial plan. This provision will require the transfer of approximately \$2 million from the unrestricted portion of the General Fund balance to the restricted portion of the General Fund balance. All resources deposited into the Fund will remain available until fully expended.

### **Subtitle (III)(D) – Critical Emergency Communications Amendment Act of 2007:**

#### **Background**

Under current District law, there is imposed upon all carriers, including wireline and wireless carriers, a tax calculated on the basis of each individual telephone line sold or leased in the District of Columbia, as follows: (A) for a wireline local exchange service: (1) \$0.76 per exchange access line; (2) \$0.62 per Centrex line; and (3) \$0.62 per private branch exchange (PBX) station; and (B) for wireless telephone exchange service, \$0.76 for each telephone number that has a District of Columbia billing address. The purpose of the telephone fee is to fund the costs of the Emergency 911 communications operations. The proposed subtitle would amend Title § 34-1803(a)(1) of the D.C. Official Code to increase the fee charged to local exchange carriers in the District to \$1.55 for all lines.

#### **Financial Plan Impact**

The proposed FY 2008 through FY 2011 budget and financial plan has sufficient resources to implement the provisions of the proposed subtitle. The proposed legislation is estimated to generate \$16.9 million in FY 2008, which will be added to the existing special revenue funded dedicated to 911 and 311 assessments. The table below presents the revenue increase to the financial plan.

*Figure 2.*

| Estimated Revenue Impact to the Financial Plan<br>(\$ in thousands) |          |          |          |               |
|---|----------|----------|----------|---------------|
| FY 2008   | FY 2009  | FY 2010  | FY 2011  | 4 -Year Total |
| \$16,879  | \$16,879 | \$16,879 | \$16,879 | \$67,516      |

**Subtitle (III)(E) – Civil Legal Services Act of 2007:**

**Background**

The proposed subtitle would authorize and require the Office of the Attorney General (OAG) to award grants in FY 2008 and each subsequent fiscal year to the District of Columbia Bar Foundation (Bar Foundation) for the purpose of supporting nonprofit organizations delivering civil legal services to low-income and underserved District residents. The legislation stipulates that the Bar Foundation may use up to 5 percent of the funds granted for administrative expenses. In addition, the proposed subtitle specifies that the OAG shall continue to administer the D.C. Poverty Lawyer Loan Assistance Repayment Program.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. Grants issued under the authority of this proposed subtitle would come from local funds and would be dependent on the availability of annual appropriations.

**TITLE IV – PUBLIC EDUCATION SYSTEM**

**Subtitle (IV)(A) – Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2007:**

**Background**

This subtitle proposes to amend Section 102 of D.C. Law 12-207; D.C. Official Code § 38-2901 to add the following definitions:

1. Intensive Program of Special Education Services” means at least 30 hours of specialized special education services per student per week for students with one or more disabling conditions in a self contained setting during the regular day.

2. "Non-Residential Special Education Specialty School" means a day school that exclusively serves students whose disabilities are such that they are best served in a segregated, high intensity program.
3. "Self-Contained (Dedicated) Special Education School" means a school that has the capacity to provide all the facilities and services needed to meet the educational and therapeutic needs of its students. A dedicated special education school could, with clear benefits share a campus or even a building with a general education school.
4. "Rate Setting" means the annual process of determining approved rates for special education services in accordance with an eligible student's Individual Education Plan (IEP) provided in private school settings."

This subsection also proposes to increase the foundation level funding for the Uniform Per Student Funding Formula from 8,002.06 per student to \$8,322.00 per student for FY 2008. Figures 4 to 6 summarize the new funding levels for different grade levels and the associated add-ons.

**Figure 3 – Weighing and Per Pupil Allocation, Grade levels**

| Grade Level         | Weighting | Per Pupil Allocation in 2008 |
|---------------------|-----------|------------------------------|
| Pre-School          | 1.16      | \$9,654                      |
| Pre-Kindergarten    | 1.16      | \$9,654                      |
| Kindergarten        | 1.16      | \$9,654                      |
| Grades 1-3          | 1.03      | \$8,572                      |
| Grades 4-5          | 1.00      | \$8,322                      |
| Ungraded ES         | 1.03      | \$8,572                      |
| Grades 6-8          | 1.00      | \$8,322                      |
| Ungraded MS/JHS     | 1.00      | \$8,322                      |
| Grades 9-12         | 1.17      | \$9,737                      |
| Ungraded SHS        | 1.17      | \$9,737                      |
| Alternative Program | 1.23      | \$10,236                     |
| Special ed schools  | 1.17      | \$9,737                      |
| Adult               | 0.75      | \$6,242                      |

**Figure 4 – Special Education Add-ons**

| Level/Program              | Definition   | Weighting | Per Pupil Supplemental FY 2008 |
|----------------------------|--|-----------|--------------------------------|
| Level 1: Special Education | Eight (8) hours or less per week of specialized services | 0.54      | \$4,494                        |
| Level 2:                   | More than 8 hours and less than or equal to 16 hours     | 0.82      | \$6,824                        |

|                            |   |      |          |
|----------------------------|---|------|----------|
| Special Education          | per school week of specialized services   |      |          |
| Level 3: Special Education | More than 16 hours and less than or equal to 24 hours per school week of specialized services   | 1.41 | \$11,734 |
| Level 4: Special Education | More than 24 hours per week which may include instruction in a self-contained separate school other than residential placement  | 2.47 | \$20,555 |
| LEP/NEP                    | Limited and non-English proficient students   | 0.4  | \$3,329  |
| Summer                     | An accelerated instructional program in the summer for students who do not meet literacy standards pursuant to promotion policies of the District of Columbia Public Schools and public charter schools | 0.17 | \$1,415  |
| Residential                | D.C. Public School or public charter school that provides students with room and board in a residential setting, in addition to their instructional program   | 1.7  | \$14,147 |

**Figure 5– Residential Add-ons**

| Level/Program                            | Definition   | Weighting | Per Pupil Supplemental FY 2008 |
|--|--|-----------|--------------------------------|
| Level 1: Special Education - Residential | Additional funding to support the after-hours level 1 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting  | 0.374     | \$3,112                        |
| Level 2: Special Education - Residential | Additional funding to support the after-hours level 2 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting  | 1.36      | \$11,318                       |
| Level 3: Special Education - Residential | Additional funding to support the after-hours level 3 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting  | 2.941     | \$24,475                       |
| Level 4: Special Education - Residential | Additional funding to support the after-hours level 4 special instructional needs of limited and non-English proficient students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting | 2.924     | \$24,334                       |
| Level 5: Special Education - Residential | Residential placement  | 9.4       | \$78,227                       |
| LEP/NEP - Residential                    | Additional funding to support the after-hours Limited and non-English proficiency needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting                              | 0.68      | \$5,659                        |

Finally, this subsection ties formula funding allocations to the projected number of student enrollments for the same fiscal year for which the appropriation is made, calculated by adjusting the previous fiscal year's enrollment numbers by the average annual change in enrollment for the preceding 3 years.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY2008 to FY 2011 budget and financial plan to implement this subtitle. The total funding transfer in the baseline FY2008 budget plan for DCPS and the public charter schools is estimated at \$1,114,139,000. The proposed subtitle will result in a transfer of \$787,401,481 from District resources to the DCPS and \$303,315,000 to the Public Charter Schools

### **Subtitle (IV)(B) – Educational Data Warehouse Act of 2007:**

#### **Background**

This subtitle authorizes the District of Columbia State Education Office, in coordination with the Office of the Chief Technology Officer to develop and implement a longitudinal educational data warehouse system to be used by the District's public education agencies, publicly funded educational programs, policy makers, institutions of higher education and researchers for the purposes of compiling, analyzing, researching and organizing student, teacher and school level data, to facilitate compliance with District of Columbia and federal reporting requirements, inform local and state-level policy-making and programming, improve information exchanges, and maintain the confidentiality of individual student and staff data.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY2008 to FY 2011 budget and financial plan to implement this subtitle. The District's capital budget authorizes \$3 million in FY 2008 and \$14 million for the FY 2008 to FY 2011 period for this project.

### **Subtitle (IV)(C) –Special Education Supplemental Funding Act of 2007:**

#### **Background**

This subtitle authorizes the District of Columbia State Education Office to develop a plan to address deficiencies in the current Uniform Per Student Formula assumptions for funding of the students who requiring an intensive program of special education services. The State Education Office is also required to support improved services and the expanded availability of appropriate programs for these students within the District of Columbia Public Schools and District of Columbia public charter schools, including self-contained and non-self-contained settings.

The subtitle proposes that the State Education Office would study and recommend prior to the beginning of School Year 2007-2008, alternative approaches for funding such students that support the actual costs of services required by their Individual Education

Plan. The State Education Office (SEO) would be authorized to provide supplemental funding—in accordance to this plan—in addition to the Uniform Per Pupil Funding Formula for a special education school serving students in need of an intensive program of special education services with a diagnosis of one or more disabling conditions for which the student's Individualized Education plan requires services in a self-contained setting during the regular day. Under the proposed legislation the supplemental funding would not exceed the negotiated rate for education and related services approved for such students by the Maryland Department of Education.

### **Financial Plan Impact**

Neither the FY 2008 baseline budget nor the technical adjustments submitted by the agency identify funding sources for implementation of recommendations resulting from the proposed subtitle. Under this subtitle, for FY 2008 the State Education Office would make recommendations on supplemental funding in addition to the formula funds special education schools would receive according to the needs of the students they serve. Without specific recommendations from the State Education Office, it is not possible to assess the financial impact of this subtitle. Once the recommendations are made, the State Education Office would need to request supplemental funds or reprogramming of the budget to fulfill these recommendations.

### **Subtitle (IV)(D) – Allocation of DCPS Funds for Strategic Partnerships Act of 2007:**

#### **Background**

The proposed subtitle authorizes the District of Columbia Public schools to transfer up to \$57 million in DCPS capital funds as an advance escrow payment held by the Chief Financial Officer of the District of Columbia for the purposes of modernizing schools including, but not limited to, MacFarland Middle School, Rudolph Elementary School, and Backus Middle School in accordance with the DCPS Master Facilities Plan and Capital Improvement Plan.

#### **Financial Plan Impact**

The proposed subtitle is an authorization of the transfer DCPS's existing capital funds, and does not have an impact on the District's budget and financial plan

### **Subtitle (IV)(E) – Funding for State Education Agency Functions Act of 2007:**

#### **Background**

The proposed subtitle establishes the State Education Activities Fund, and authorizes the transfer of \$30,577,000 from the amount budgeted in the Non-Departmental Account for FY 2008 for funding the costs of any reorganization of State Education functions or

public education initiatives within the District of Columbia.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 to FY 2011 budget and financial plan to implement the proposed subtitle. The proposed subtitle would transfer \$30,577,000 from the Non-Departmental Account, which is budgeted at \$32,469,000 in the Mayor's proposed FY 2008 budget and financial plan.

**Subtitle (IV) (F) – The Student Enrollment Fund Establishment Act of 2007**

**Background**

The proposed subtitle re-establishes the "Charter School Fund" as the "Student Enrollment Fund." The Student Enrollment Fund would be replenished by unexpended and unobligated amounts appropriated from local funds for public charter schools for each fiscal year and any other local funds that the Chief Financial Officer of the District of Columbia certifies are necessary to carry out the purposes of the Fund during the fiscal year (up to \$8 million), and any interest on these amounts. The fund will be used to pay for any differences in funding requirements both for public charter schools and for public schools, should the audited enrollment levels, including enrollment in special needs categories, exceed the student enrollment estimates on which the annual appropriation is based in that fiscal year.

**Financial Plan Impact**

The proposed subtitle does not impact the District's proposed budget and financial plan. The proposed subtitle authorizes the transfer of up to \$8 million in unused funds in the public charter school budgets at the end of the fiscal year. Under the new name, the fund will continue to support all public schools that experience budgetary shortfalls because of an underestimation of enrollment levels.

**TITLE V – HUMAN SUPPORT SERVICES**

**Subtitle (V)(A) – Rehabilitation Services Program Amendment Act of 2007:**

**Background**

The proposed subtitle would amend the Rehabilitative Services Program Establishment Act of 2004 to authorize the Program to receive and administer grants and to enter into contracts to provide services that assist individuals with disabilities in finding and maintaining employment.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. No additional staff or resources would be required to implement the proposed legislation.

### **Subtitle (V)(B) – Emergency Medical Services Health Care Peer Review Amendment Act of 2007:**

#### **Background**

The proposed subtitle would amend Title § 44-801 of the D.C. Official Code to include the D.C. Fire and Emergency Medical Services Department (FEMS), to the extent that FEMS operates as an emergency pre-hospital care provider, under the definition of "health-care facility or agency." In addition, the proposed subtitle would add employees of FEMS who provide emergency medical services to the definition of "health professional." These changes would add FEMS and its employees to the health care peer review processes established in D.C. Official Code.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. No additional staff or resources would be required to implement the proposed legislation.

### **Subtitle (V)(C) – Randolph-Sheppard Vending Facilities Program Act of 2007:**

#### **Background**

The proposed subtitle would establish a Randolph-Sheppard Vending Facilities Program (Program) in the District of Columbia for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and assisting in helping the blind to become self-supportive. The Program would be in accordance with the requirements of the Randolph-Sheppard Vending Stand Act (Act), which is a Federal law established in 1936 to encourage employment of blind persons in vending operations of government facilities.

The proposed legislation would authorize the Program to conduct activities necessary to administer the Act, including but not limited to receiving and administering grants, entering into agreements with the D.C. Office of Property Management (OPM) to handle commission payments and to operate vending machines on District property, handling

commissions and set-aside funds for program participants, operating vacant vending facilities on a temporary basis, and managing retirement and annuity accounts in accordance with the Act.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation.

## **TITLE VI – PUBLIC WORKS**

### **Subtitle (VI)(A) – District Department of Transportation Unified Fund Amendment Act of 2007:**

#### **Background**

The proposed subtitle would establish the District Department of Transportation Unified Fund (Unified Fund). This Unified Fund would consolidate five revenue streams that are currently allocated to the Local Roads Construction and Maintenance Fund (which is outside the General Fund) and the District Department of Transportation Operating Fund into one single fund:

- Rights-of-way fee revenue – estimated \$37.0 million in FY 2008;
- Parking tax revenue – up to \$30 million;
- Bus shelter advertising revenue – estimated \$1.278 million in FY 2008;
- Parking meter revenue – estimated \$17.428 million in FY 2008; and
- Public space rental fee revenue – estimated \$20.96 million in FY 2008.

The total estimated FY 2008 revenue for the proposed Unified Fund is \$106.666 million.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. While this proposal does not result in any new revenue to the District of Columbia, there is a net increase of \$68.278 million in revenue to the General Fund due to: a) the transfer of right-of-way (\$37.0 million) and bus shelter advertising revenue (\$1.278 million) into the General Fund; and b) the retention of up to \$30 million of parking tax revenue within the General Fund (i.e., these funds are no longer transferred out of the General Fund).

**Subtitle (VI)(B) – Solid Waste Disposal Fee Amendment Act of 2007:**

**Background**

The proposed subtitle establishes the Solid Waste Disposal Fee Special Account for the purpose of collecting solid waste disposal and solid waste transfer fees. Monies collected by the account will be used to defray the expenses for operating, maintaining and improving the District's solid waste transfer facilities. In addition, monies collected will be used to dispose of the solid waste delivered to the facility. Funds will remain available until fully expended.

The proposed subtitle also authorizes that changes in fees due to fuel costs, or other reasons, under contracts that have been approved by the Council may be made without additional review by the Council and upon publication in the D.C. Register.

**Financial Plan Impact**

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation will have no negative impact on the District's budget and financial plan.

Actual revenue collected in FY 2004 was approximately \$1.36 million and in FY 2005 it was approximately \$1.40 million. However, because of closed or displaced privately-owned transfer stations, District haulers are now bringing their matter to government operated facilities. Current collections have exceeded \$3.9 million and may achieve \$5.4 million before the end of the fiscal year. This is the first full year reflecting the increase in both collections and operational burdens.

The FY 2008 budget and financial plan was developed reflecting \$7.1 million. The table in Figure 6 indicates \$7.1 million in collections each year with the understanding that government operated waste transfer business has not stabilized at the time of the execution of this document and the figures are the agency's best estimates.

*Figure 6.*

| <b>Estimated Revenue Impact to the Financial Plan</b><br>(in Millions) |                |                |                |                     |
|--|----------------|----------------|----------------|---------------------|
| <b>FY 2008</b>   | <b>FY 2009</b> | <b>FY 2010</b> | <b>FY 2011</b> | <b>4-Year Total</b> |
| \$7.1  | \$7.1          | \$7.1          | \$7.1          | \$28.4              |

**Subtitle (VI)(C) – Department of Motor Vehicles License and New Vehicle Inspection Extension Amendment Act of 2007:**

**Background**

The proposed subtitle amends the District of Columbia Traffic Act of 1925 to allow the Director of the Department of Motor Vehicles (DMV) to extend the license duration to 8 years plus any time period prior to the expiration date of a previous license not to exceed two months, to any individual 17 years of age or older.

**Financial Plan Impact**

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

**Subtitle (VI)(D) - Civilian School Crossing Guard Function Transfer Amendment Act of 2007:**

**Background**

The proposed subtitle provides the authority to employ civilian crossing guards to perform the function of providing safe conduct of children traveling to and from school granted to the Chief of Police<sup>4</sup> is transferred to the District Department of Transportation.

The provisions of the proposed subtitle require the Chief of Police to transfer to the District Department of Transportation all employees, personal property, full-time equivalent position authority, assets, records, and all unexpended balances of appropriations, allocations, and other funds available or to be made available relating to civilian crossing guards performing the function of providing safe conduct of children traveling to and from school.

The proposed subtitle requires that crossing guards shall be placed at elementary schools, middle or junior high schools, and high schools where deemed necessary by the District Department of Transportation..

**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. The District Department of Transportation

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<sup>4</sup> Pursuant to Commissioners' Order L.S. 5495-B, issued September 17, 1953, as amended by Order No. 54-2748, issued December 30, 1954.

will be required to remain within available appropriations when implementing the provisions of the proposed subtitle.

**Subtitle (VI)(E) - District Department of Transportation Parking and Moving Offense Enforcement Authority Amendment Act of 2007:**

**Background**

The proposed subtitle requires that concurrent with any other agency's authority to do so, the District Department of Transportation is to enforce all violations of statutes, regulations, executive orders or rules relating to motor vehicle parking offenses and enforce violations of statutes, regulations and rules relating to the operation of a motor vehicle.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed subtitle. No additional staff or resources will be required.

| Title/Subtitle        | Name of Fund   | Funding Source  | Type of Fund  | Agency                       |
|-----------------------|--|---|---|------------------------------|
| Title III, Subtitle C | Shelter and Transitional Housing for Victims of Domestic Violence Fund | \$3.7 million from the Crime Victims Assistance Fund as an initial deposit. Once initial deposit is depleted, monies shall be deposited into the Fund from sources identified pursuant to District law.   | "revolving, non-lapsing, interest-bearing fund"<br>"shall not revert to the General Fund at the end of the fiscal year or at any other time"  | Office of Victim Services    |
| Title IV, Subtitle E  | State Education Activities Fund  | Appropriates \$30,577 million for the purpose of funding costs associated with the re-organization of state education functions or public education initiatives.<br><br>Unexpended and unobligated amounts appropriated from local funds for public charter schools for each fiscal year that reverted to the General Fund of the District of Columbia, together with any other local funds that the Chief Financial Officer of the District of Columbia certifies are necessary to carry out the purposes of the Fund during the fiscal year. Amount of funds deposited shall not exceed \$8 million in fiscal year 2008 and each succeeding fiscal year. Any interest earned on such amounts. | "non-departmental account"<br><br>"The fund previously established in the general fund of the District of Columbia known as the 'Charter School Fund' shall now be known as the 'Student Enrollment Fund.' The Fund shall be used to carry out activities and assist the public schools in the District of Columbia in providing funding in cases where the total audited enrollment, including enrollment in special needs categories, exceeds that of the student enrollment on which the annual appropriation is based in that fiscal year". | Deputy Mayor for Education   |
| Title IV, Subtitle F  | Student Enrollment Fund  |   |   | Chief Financial Officer      |
| Title VI, Subtitle A  | District Department of Transportation Unified Fund                     | Right of way fees, parking taxes, public space rental fees, bus shelter advertising revenue, parking meter revenue  | "There is hereby established the District Department of Transportation Unified Fund ('Unified Fund') which shall be segregated within the General Fund of the District of Columbia and shall not lapse to the General Fund balance at the end of any fiscal year or at any other time but shall continually be available."  | Department of Transportation |
| Title VI, Subtitle B  | Solid Waste Disposal Cost Recovery Special Account                     | Solid waste disposal transfer fee and disposal fee revenues, less any recycling surcharge   | "within the General Fund of the District of Columbia a special account" "shall be nonlapsing, and revenues deposited into shall not lapse to the General Fund balance at the end of any fiscal year"  | Department of Public Works   |

**ATTACHMENT A**

FY 2008 Budget Support Act of 2007

| Title/Subtitle      | Name of Fund  | Funding Source  | Type of Fund   | Agency                                 |
|---------------------|---|---|--|--|
| Title I, Subtitle A | DC-NET Services Support Fund                          | Payments from independent DC government agencies and entities outside the DC Government for telecommunications services furnished by the DC-NET program of OCTO   | "Segregated within the General Fund... " All monies...shall not lapse to the General Fund balance"   | Office of the Chief Technology Officer |
| Title I, Subtitle A | Technology Infrastructure Services Support Fund       | Payments from independent DC government agencies and entities outside the DC Government for telecommunications services furnished by the Citywide Messaging, Citywide Security, ITServUs, and Server Operations programs of OCTO  | "Segregated within the General Fund... " All monies...shall not lapse to the General Fund balance"   | Office of the Chief Technology Officer |
| Title I, Subtitle B | District of Columbia Transactional Legal Support Fund | Fund shall consist of such sums as appropriated to the Fund, gifts or grants made to support legal assistance for financing and real estate transaction activities, monies that may be contributed from any lawful source, and such sums received by the District from fees authorized under 47-340.34. | "operated as a proprietary fund" "Monies remaining in the Fund at the end of any fiscal year shall not revert to the General Fund"   | Office of the Attorney General         |
| Title I, Subtitle C | Office of Contracting and Procurement Operating Fund  | Fees collected from DC agencies for the award or administration of contracts  | "revolving fund... which shall be segregated within the General Fund of the District of Columbia.." "fund shall be continuing and shall not lapse to the fund balance of the General Fund of the District"   | Office of Contracting and Procurement  |
| Title I, Subtitle D | Employee Parking Fee Fund                             | All funds received by the District government from the operating of employee parking program.   | "There is established within the General Fund of the District of Columbia a nonlapsing working fund... " Monies remaining in the Fund at the end of any fiscal year shall not revert to the General Fund, but shall remain in the Fund available for purpose specified without fiscal year limitation. | Office of Property Management          |