

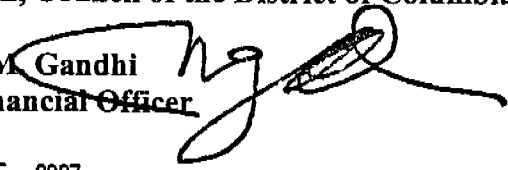
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** JUN -5 2007

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

**REFERENCE:** Bill Number 17-148 – Engrossed Original

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**Conclusion**

The proposed legislation implements the FY 2008 through FY 2011 budget and financial plan. Overall, this bill supports an estimated \$6.1 billion in the FY 2008 local source budget and an estimated \$9.8 billion in the FY 2008 proposed all sources budget and financial plan.

- Title I, Subtitle C, the New Markets Tax Credit Clarification Act of 2007, would result in a revenue loss of approximately \$140,000 for the period of FY 2008 through FY 2011.
- Funds are not sufficient for Title I, Subtitle G, Small Business Commercial Property Tax Relief Act of 2007, without an amendment reducing the \$11,073,000 set-aside by more than \$2 million.
- Funds may not be sufficient after FY 2008 to implement Title II, Subtitle P, District of Columbia Economic Development Authority Act of 2007, if operating costs are not cut or additional revenue sources developed.

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, the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures. In

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<sup>1</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).

some cases where a proprietary fund is used as the funding resource for District government operations, District agencies may only expend these funds as long as the proprietary fund has a positive balance.

*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 here and in the following pages.*

## **TITLE I – GOVERNMENT DIRECTION and SUPPORT**

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

#### **Background**

The proposed subtitle would establish two funds outside of the District General Fund for the purpose of defraying operational costs of five programs conducted by the Office of the Chief Technology Officer:

1. The DC-Net Services Support Fund ("DC-Net Fund") would be funded by payments from two sets of entities – independent District government agencies and entities outside of the District government using the DC-Net program to provide services to D.C. Public Schools – for telecommunications services furnished by the DC-Net program. The DC-Net Fund would be used solely to defray operational costs of the DC-Net program.
2. The Technology Infrastructure Services Support Fund ("Technology Fund") would be funded by payments from independent District government agencies for services provided by the Citywide Messaging program, the Citywide Security program, the IT ServUs program, and the Server Operations program. The Technology Fund would be used solely to defray operational costs in these four programs.

The DC-Net Fund and the Technology Fund would be non-lapsing, non-reverting funds operating separately from the District's General Fund.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The proposed subtitle will not result in an impact on the District's General Fund. 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 programs operated by the Office of the Chief Technology Officer.

**Subtitle (D)(B) – Specified Funding Allocations Act of 2007:**

**Background**

The proposed subtitle would require specified grant allocations of Local funds included in the FY 2008 Budget for the Deputy Mayor for Planning and Economic Development (\$12,103,000), Children and Youth Investment Fund (\$4,430,000), and D.C. Commission on the Arts and Humanities (\$2,400,000) to be distributed as one-time, nonrecurring grants as described below. In addition, the proposed subtitle would require the distribution of an additional \$525,000 in one-time, nonrecurring grants to various programs described below. The grant allocations specified in this subtitle total \$19,458,000. In addition, the proposed subtitle would require additional FY 2008 allocations (detailed below) of \$4,235,000.

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, \$12,103,000 in one-time, nonrecurring grants is authorized to be distributed as follows:

1. \$100,000 to Bread for the City;
2. \$100,000 to the D.C. Central Kitchen;
3. \$250,000 to the Tudor Place Historic House and Garden;
4. \$200,000 to the Caribbean Festival;
5. \$1,000,000 to the Duke Ellington Jazz Festival;
6. \$150,000 to the Friends of Kennedy Playground;
7. \$100,000 to ROOT (Reaching Out to Others Together);
8. \$300,000 to Cease Fire ... Don't Smoke the Brothers and Sisters, Inc.;
9. \$500,000 to the Greater Washington Sports Alliance;
10. \$700,000 to Cultural Tourism D.C.;
11. \$50,000 to Historical Society of Washington;
12. \$200,000 to the Office of Latino Affairs;
13. \$150,000 to Capital Area Asset Builders to support Earned Income Tax Credit outreach;
14. \$100,000 to Dress for Success;
15. \$50,000 to the Lower Georgia Avenue Job Training program at 633 Park Road, NW;
16. \$100,000 to Progressive Sports and Entertainment;
17. \$100,000 to Byte Back for computer training for low-income District adults;
18. \$100,000 to DC Television and Youth;
19. \$150,000 to the Ward 7 Business and Professional Association;
20. \$150,000 to the Ward 8 Business Council;
21. \$100,000 to the Washington Jazz Arts Institute;
22. \$75,000 to Training Grounds;

23. \$100,000 to Food for Fuel;
24. \$250,000 to the African American Civil War Memorial Foundation for cultural tourism pilot program in Anacostia and U Street;
25. \$300,000 to the Humanities Council of Washington, DC;
26. \$125,000 to the Chinatown Cultural Center;
27. \$100,000 to the Capitol Hill Community Foundation: Eastern Market: Keep it Going Fund to aid small business owners displaced by the fire at Eastern Market;
28. \$250,000 to the Capital Breast Care Center;
29. \$90,000 to Choice, Inc. to aid single mothers in Barry Farm;
30. \$225,000 to the Museum Studies program at Duke Ellington School of the Arts in Ward 2;
31. \$5,000,000 to the Washington Ballet;
32. \$38,000 to Ultra Teen Choice;
33. \$400,000 to the See Forever Foundation for the purpose of writing and implementing development plans for the production of permanently affordable workforce housing units; and
34. \$500,000 to the National Council of Negro Women for capital improvements.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget of the Children and Youth Investment Trust Fund, \$4,430,000 in a one-time, nonrecurring grant to the Children and Youth Investment Trust Corporation is to be distributed as follows:

1. \$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;
2. \$40,000 to the National Maritime Heritage Foundation to support a youth sailing program partnership for District youth on the Potomac and Anacostia Rivers;
3. \$300,000 to CityDance to support general operations, outreach education programs, and the maintenance and expansion of the CityDance Center at Mount Vernon Square;
4. \$500,000 to Peaceoholics to support positive mentoring for youth;
5. \$100,000 to Positive Choices;
6. \$100,000 to DC Scores;
7. \$400,000 to KidSave;
8. \$500,000 to the Hoop Dreams Scholarship Fund;
9. \$400,000 to support youth baseball programs;
10. \$450,000 to the Children and Youth Investment Trust for the Time Dollar Youth Court Diversion Program; the receipt of which shall be contingent upon Time Dollar Youth Court Diversion Program having:

- a. Entered into a Contract with an independent consultant to aid in internal management development and capacity building; and
  - b. Submitted a bi-monthly report on the progress of the program.
11. \$350,000 to Everybody Wins;
  12. \$140,000 to the Fort Dupont Ice Arena;
  13. \$200,000 to the DC Campaign to Prevent Teen Pregnancy;
  14. \$150,000 to the Ward 7 Non-Profit Capacity Building Collaborative;
  15. \$150,000 to Special Olympics DC;
  16. \$100,000 to the Earth Conservation Corps; and
  17. \$350,000 to the Boys and Girls Clubs of Greater Washington, Eastern Branch.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget of the D.C. Commission on the Arts and Humanities, \$2,400,000 in one-time, nonrecurring grants shall be distributed as follows:

1. \$1,000,000 to the Washington Performing Arts Society;
2. \$500,000 to the Woolly Mammoth Theater;
3. \$500,000 to the Lincoln Theater;
4. \$250,000 to the Source Theater; and
5. \$150,000 to the Ward 7 Arts Collaborative.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget \$525,000 in one-time, nonrecurring grants shall be distributed as follows:

1. \$25,000 to the Department of Education for the Street Law Program;
2. \$100,000 to the State Education Office for a state affiliation grant for STEM education;
3. \$150,000 to the Department of Health for the Ward 7 HIV/AIDS Collaborative;
4. \$100,000 to the Department of Human Services to be granted to the Community Council for the Homeless at Friendship Place; and
5. \$150,000 to the Office of the Chief Financial Officer to be granted to the Capital Area Asset Builders to support Earned Income Tax Credit outreach and free tax preparation services.

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, \$3,550,000 shall be allocated on a one-time basis as follows:

1. \$50,000 for the writing of the New Market Tax Credits Application;
2. \$600,000 to the reStore D.C. Main Streets program;

3. \$400,000 to the D.C. Main Streets program to create a Main Street program in Wards 4, 7, and 8;
4. \$225,000 intra-District transfer to the Department of Public Works for the Small-Budget Business Improvement District Litter Cleanup Assistance Fund;
5. \$150,000 intra-District transfer to the Department of Small and Local Business Development for reStore D.C.: Commercial Development – Technical Assistance Program;
6. \$325,000 wire transfer to the D.C. Sports and Entertainment Commission for youth sports programs and operational costs;
7. \$1,000,000 intra-District transfer to the Department of Employment Services for its ex-offender program;
8. \$500,000 intra-District transfer to the Department of Human Services to restore services for Early Care and Education to be distributed as follows:
  - a. \$66,000 to Children Development Associate Scholarships;
  - b. \$234,640 to the Home Visitor Program;
  - c. \$101,000 to Infant and Toddler Expansion; and
  - d. \$98,360 to Accreditation Technical Assistance.
9. \$100,000 intra-District transfer to the Department of Parks and Recreation for baseball field improvements at Guy Mason Recreation Center in Ward 3;
10. \$100,000 intra-District transfer to the Department of Parks and Recreation; and
11. \$100,000 intra-District transfer to the Office of Latino Affairs.

The proposed subtitle requires that of the additional \$5,000,000 in recurring Local funds for the Department of Employment Services for job training programs, \$1,500,000 shall be allocated as follows:

1. \$500,000 for the expansion of in-school and out-of-school, year-round work employment programs for youth
2. \$500,000 for the development of an allied health workforce development program at Georgetown University Hospital; and
3. \$500,000 for a one-time, intra-District transfer to the Department of Public Works and the Environment for the Small-Budget Business Improvement District Litter Cleanup Assistance Fund.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget for the Fire and Emergency Services Department, \$25,000 shall be used for the Asia Sutton Smoke Detector Installation Fund.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget for the District of Columbia Auditor, \$150,000 shall be used for expert and specialized services.

The proposed subtitle requires that of the Local funds included in the fiscal year 2008 budget for the Department of Parks and Recreation, \$360,000 shall be used for the planning and design of the Marvin Gaye Recreation Center.

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.

### **Subtitle (D)(C) – New Markets Tax Credit Clarification Act of 2007:**

#### **Background**

The proposed subtitle would amend D.C. Official Code § 47-1808.02(1) to change the definition of "taxable income" for certain unincorporated businesses in the District. Specifically, the proposed subtitle would exclude from "taxable income" for unincorporated businesses the gross income of a "qualified community development entity (CDE)" that has received an allocation (or suballocation) of the Federal New Markets Tax Credits (NMTC), but only to the extent that the gross income is derived from one or more qualified low-income community investments. The NMTC is a Federal program that provides tax credit allocation authority to qualifying CDEs for the purpose of investing in low-income communities. The CDEs then grant these tax credits to investors who use them against Federal tax liability. Under current District law, interest income that is derived from CDE investments is considered taxable under the District's unincorporated business tax.

#### **Financial Plan Impact**

The proposed subtitle would result in a loss of unincorporated business franchise tax revenue in FY 2008 of approximately \$35,000. This subtitle would create a new District subsidy similar to the current Federal New Markets Tax Credit. While the first-year revenue loss is not large, this legislation would likely lead to increased future revenue losses, depending on the level of participation by District-based CDEs in the NMTC program. The estimate of revenue loss in the table in Figure 1 is the *minimum* that can be expected in the FY 2008 through FY 2011 period.

Figure 1.

Impact on Local General Fund Revenue (S in 000s)				
FY 2008	FY 2009	FY 2010	FY 2011	4 -Year Total
(\$35.0)	(\$35.0)	(\$35.0)	(\$35.0)	(\$140.0)

**Subtitle (D)(D) – Homestead Deduction Increase Act of 2007:**

**Background**

Current District of Columbia real property tax law provides that the annual tax on certain residential real property owned by individuals who reside in the property is calculated after first reducing the assessment by \$60,000 (the "homestead deduction"). The proposed subtitle would amend D.C. Official Code § 47-802, 47-850(a), and 47-850.01 to increase the homestead deduction to \$64,000 for the property tax year beginning October 1, 2007; for subsequent years, the deduction would be increased by each year's change (compared to October 1, 2006-October 1, 2007) in the average Consumer Price Index (CPI). The calculated increase would be rounded down to the nearest \$50.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The proposed increase in the homestead deduction would result in a reduction of real property tax revenue of \$2.9 million in FY 2008 and a total of \$18.0 million the FY 2008 through FY 2011 budget and financial plan period. This reduction is being offset by increased revenue estimates as reflected in the May 8<sup>th</sup>, 2007 revised revenue estimates for FY 2007 through FY 2011.

Figure 2.

Impact on Local General Fund Revenue (S in millions)				
FY 2008	FY 2009	FY 2010	FY 2011	4 -Year Total
(\$2.9)	(\$4.0)	(\$5.0)	(\$6.1)	(\$18.0)

**Subtitle (D)(E) – Standard Deduction Increase Act of 2007:**

**Background**

Current District of Columbia income tax law allows taxpayers who do not itemize deductions to reduce their taxable incomes by a standard deduction of \$2,500 (\$1,250 for married taxpayers



filing separately). The proposed subtitle would amend D.C. Official Code § 47-1801.04 to increase the standard deduction amounts to \$4,000 and \$2,000, respectively, for Tax Year 2008. For subsequent tax years, the amount of the standard deduction would be increased by each year's change (compared to calendar year 2007) in the average Consumer Price Index (CPI). The calculated increase would be rounded down to the nearest \$50.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The proposed increase in the standard deduction would result in a loss of personal income tax revenue of \$10.9 million in FY 2008 and a total of \$47.9 million the FY 2008 through FY 2011 budget and financial plan period. This reduction is being offset by increased revenue estimates as reflected in the May 8<sup>th</sup>, 2007 revised revenue estimates for FY 2007 through FY 2011.

*Figure 3.*

<b>Impact on Local General Fund Revenue</b>				
<b>(S in millions)</b>				
<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>4 -Year Total</b>
<b>(\$10.9)</b>	<b>(\$11.6)</b>	<b>(\$12.3)</b>	<b>(\$13.1)</b>	<b>(\$47.9)</b>

**Subtitle (D)(F) – Personal Exemption Increase Act of 2007:**

**Background**

Current District of Columbia income tax law allows all taxpayers to reduce their taxable incomes by an exemption amount of \$1,500 for each taxpayer and each dependent. The proposed subtitle would amend D.C. Official Code § 47-1801.04 to increase the exemption amount to \$1,675 for Tax Year 2008. For subsequent tax years, the amount of the personal exemption would be increased by each year's change (compared to calendar year 2007) in the average Consumer Price Index (CPI). The calculated increase would be rounded down to the nearest \$50.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The proposed increase in the standard deduction would result in a loss of personal income tax revenue of \$5.2 million in FY 2008 and a total of \$22.8 million the FY 2008 through FY 2011 budget and financial plan period. This reduction is being offset by increased revenue estimates as reflected in the May 8<sup>th</sup>, 2007 revised revenue estimates for FY 2007 through FY 2011.

*Figure 4.*

<b>Impact on Local General Fund Revenue</b> (S in millions)				
<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>4 -Year Total</b>
(\$5.2)	(\$5.5)	(\$5.8)	(\$6.3)	(\$22.8)

**Subtitle (I)(G) – Small Business Commercial Property Tax Relief Act of 2007:**

**Background**

The proposed subtitle would reserve an amount of \$11,073,000 in unallocated local funds for commercial property tax relief for small businesses. The mechanism for small business tax relief has not been finalized. It is anticipated that a plan will be developed for FY 2008.

**Financial Plan Impact**

Funds are not sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle without an amendment reducing the proposed \$11,073,000 by more than \$2 million.

**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:

1. Change expenditure allocations for the Housing Assistance 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);

2. 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);
3. 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
4. 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 negative 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**

The proposed subtitle amends existing law by deleting the phrase in the code to say "not to exceed \$85,000." The current cap of \$85,000 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. It would also authorize the Mayor to collect and use the Municipal Aggregation Program (MAP) administrative fees to implement cost-saving contracts and administer the MAP program.

## **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 for 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 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.

The proposed subtitle clarifies existing law implemented prior 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.

#### **Financial Plan Impact**

The table in Figure 5 presents the appropriation associated with implementing<sup>2</sup> the proposed subtitle for FY 2008 through FY 2011.

*Figure 5.*

<b>Estimated Impact to the Financial Plan</b>				
<b>(\$ in Millions)</b>				
<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

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<sup>2</sup> IBID.

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.

In addition, the proposed subtitle would create within the Department of Small and Local Business Development (Department) a non-lapsing Small Business Micro Loan Fund (Fund), which would be used to provide financial assistance to small and disadvantaged business enterprises. All funds deposited into the Fund would not revert to the General Fund at the end of any fiscal year. In FY 2008 \$1.047 million is budgeted for the Fund. In addition, any penalties collected pursuant to section 2348 and 2363(c) would be deposited into the Fund. The subtitle requires the Mayor to submit rules to implement the Fund.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. Budget authority will be required in future years in order for the Department to spend any penalties, interest, repayment, or other additional deposits into the Fund. Funds received by the Department through appropriations or intra-District transfers for other Department activities that are not expended in the fiscal year in which the funds are received cannot revert to the Fund without Council appropriation.

#### **Subtitle (II)(H) – Reliable Energy Trust Fund Amendment Act of 2007:**

##### **Background**

The proposed subtitle amends current law to permit Reliable Energy Trust Fund revenue to be used for research, reports, and studies related to programs mandated by the District's Retail Electric Competition and Consumer Protection Act (D.C. Law 13-107). The subtitle also requires the Public Service Commission to prepare a report on market opportunities for the implementation of energy efficiency and renewable energy programs.

##### **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 subtitle.

**Subtitle (II)(I) – Natural Gas Trust Fund Amendment Act of 2007:**

**Background**

The proposed subtitle amends current law to permit Natural Gas Trust Fund revenues to be used for research, reports, and studies related to programs mandated by the Omnibus Utility Amendment Act of 2004 (D.C. Law 15-432). The subtitle also authorizes the Public Service Commission to conduct research and to publish and disseminate studies and reports on renewable energy and energy efficiency.

**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 subtitle.

**Subtitle (II)(J) – Affordable Housing Amendment Act of 2007:**

**Background**

The proposed subtitle would amend section (b)(1)(B) of the "Deed Transfer and Recordation Amendment Act of 2006" (D.C. Law 16-192; 53 DCR 6899) to expand and clarify the definition of "affordable" housing. The current Law defines "affordable" as "housing for which the occupying household will pay no more than 30% of its income for gross housing costs." The proposed subtitle would amend current law by specifying that the 30% threshold applies to non-owner-occupied units and would add a threshold of 35% for owner-occupied units. In addition, the proposed subtitle defines "gross housing costs" for owner-occupied units to include mortgage payments, property taxes, and homeowners' insurance costs. These proposed changes would make the District's affordability definitions consistent with Fannie Mae's underwriting criteria.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. It is not anticipated that the clarification of definitions will have a fiscal impact.

**Subtitle (II)(K) – Fiscal Year 2008 Comprehensive Housing Task Force Fund Authorized Expenditures Act of 2007:**

**Background**

The proposed subtitle would authorize the following expenditures of \$27,900,000 for FY 2008 from the Comprehensive Housing Task Force Fund (CHTFF):

1. \$17,950,000 to the Department of Human Services for homeless housing and emergency rental assistance;
2. \$250,000 for FTE costs within the Deputy Mayor for Planning and Economic Development (DMPED) to administer the Community Land Trust;
3. \$5,500,000 to the Department of Mental Health for mental health housing; and
4. \$4,200,000 to the District Department of the Environment for the Low-Income Housing Energy Assistance Program (LIHEAP).

### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The CHTFF is funded by a transfer from the District's Class 1 residential property Deed Recordation and Class 1 residential property Deed Transfer taxes. In FY 2008, the amount estimated to be allocated to the CHTFF is \$28.2 million.

### **Subtitle (II)(L) – Centralized Affordable Workforce Housing Unit Act of 2007:**

#### **Background**

The proposed subtitle would require the Office of the Deputy Mayor for Planning and Economic Development (DMPED), as part its responsibility for aggressively marketing workforce housing programs for District employees, to:

1. Maintain a waiting list of prospective District employee buyers of workforce housing units developed with District funds;
2. Provide to the Council quarterly reports that detail the number of people on the waitlist by household income, District department or agency affiliation, and the number, location, price, and expected delivery date of workforce housing units in development; and
3. Notify persons on the wait list on the availability of available units.

In addition, the proposed subtitle would require the DMPED to conduct a survey of District government and District instrumentality employees in order to assess the demand for rental and ownership housing in the District. DMPED must submit the findings of the survey to the Council by December 31, 2007.



### **Financial Plan Impact**

No funds are specifically budgeted for this subtitle. However, Title II, Subtitle K of this Act allocates \$250,000 for two FTEs within the DMPED to administer the Community Land Trust. The Committee on Economic Development recommends that the wait list be created and maintained by this additional staffing and that the demand study should be completed through "donated professional services." If professional services are not donated for the demand study and the wait list cannot be created and maintained by the Community Land Trust FTEs, implementation of this subtitle may require reordering of priorities within existing DMPED resources, or additional appropriations may be required.

### **Subtitle (II)(M) – Neighborhood Investment Amendment Act of 2007:**

#### **Background**

The proposed subtitle would amend D.C. Official Code § 6-1071 to clarify that the purpose of the Neighborhood Investment Fund (NIF) is to develop and implement neighborhood investment plans and to finance revitalization efforts that will benefit residents of Target Areas. Additionally, the proposed subtitle would grant authority to the Mayor to make loans or grants from the NIF to facilitate revitalization in Target Areas.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. There is no expected fiscal impact from clarifying the purpose of the NIF and authorizing the Mayor to spend from the NIF.

### **Subtitle (II)(N) – Workforce Development Plan Conceptual Submission Act of 2007:**

#### **Background**

The proposed subtitle would require the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to submit to Council by November 1, 2007 a conceptual development plan to redevelop two surplus District properties as affordable workforce housing for teachers in the District of Columbia Public Schools and District of Columbia Charter Schools.

#### **Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The Committee on Economic Development indicates that the See Forever Foundation is currently working in conjunction with the DMPED on the redevelopment plans. Subtitle (II) (B) of this Act allocates \$400,000 to the See Forever Foundation for the purpose of

writing and implementing development plans for the production of permanently affordable workforce housing units.

**Subtitle (II)(O) – Neighborhood Investment of Main Street Programs Act of 2007:**

**Background**

The proposed subtitle would require the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to make intra-District transfers of \$800,000 from the Neighborhood Investment Fund (NIF).

1. \$400,000 to the Main Streets program for the purpose of subsidizing executive director salaries; and
2. \$400,000 to the Small, Local, Development Business Enterprise for the purpose of creating a new Main Street in each of Wards 4, 7, and 8.

The NIF is funded with dedicated tax revenues from the personal property tax and is used to stimulate economic development and neighborhood revitalization projects.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. However, because one of the one-time transfers will be used to subsidize salaries, which is an ongoing cost, funds must be identified in future years to support this expenditure.

**Subtitle (II)(P) – District of Columbia Economic Development Authority Act of 2007:**

**Background**

This subtitle creates a new independent District of Columbia Economic Development Authority (DCEDA) which is managed by a CEO and 5-member board appointed by Mayor and confirmed by Council. Unlike some other independent agencies, the DCEDA board would not include the CFO or the Mayor. The subtitle makes the National Capital Revitalization Corporation (NCRC) a subsidiary of DCEDA; however only two economic development projects, McMillan Reservoir and Skyland Projects, are retained by this subsidiary. Six million dollars of NCRC's liquid assets are transferred to DCEDA; all other NCRC assets and liabilities are transferred to the District. Revenues from completed NCRC projects would be made available to DCEDA. The subtitle also abolishes the Anacostia Waterfront Corporation and transfers its assets and liabilities to DCEDA.

The subtitle specifically limits the project areas in which the new Authority can manage economic development projects to 11 Development Zones identified within the Act. New Development Zones can be established by Council action. The subtitle gives the DCEDA the authority to establish TIFs in the Development Zones with Council approval. It also authorizes the transfer of the responsibility for managing the TIF program from the CFO to DCEDA.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 budget to implement the proposed subtitle. However, additional appropriations may be required in years beyond FY 2008 to continue the implementation.

The annual operating expense of the new Authority is estimated to be between \$6 million and \$9 million. In addition, a one-time expense in FY 2008 to start the new Authority and close down operations at NCRC and AWC could exceed \$2 million. Net annual operating revenue from assets being transferred to the new agency is currently estimated to be approximately \$3.7 million. One time funds of approximately \$8.5 million would be available to cover the operating shortfall in FY 2008. For years beyond FY 2008, because estimated annual operating costs currently exceed expected annual revenue sources, there may be a need for additional appropriations, unless additional revenue sources are developed by the Authority.

<b>Estimated FY 2008 Revenue and Expenses DCEDA</b>	
<b>Funds Available</b>	<b>Amount</b>
Net Lease Income (annually)	\$700,000
Interest Income (annually)	\$3,000,000
AWC Operating Funds Available (one-time)	\$2,450,000
NCRC Operating Funds Available (one-time)	\$6,000,000
<b>Total Operating Funds FY2008</b>	<b>\$12,150,000</b>
<b>Expenses</b>	<b>Amount</b>
DCEDA Operations	\$6,000,000 to \$9,000,000
One-time Start Up Costs	\$650,000
One-time Cost of Closing NCRC/AWC Operations	\$1,600,000
<b>Total Operating Expenses FY 2008</b>	<b>\$8,250,000 to \$11,250,000</b>
<b>Item</b>	<b>Amount</b>
<b>FY2008 Funds Available for FY2009</b>	<b>\$3,900,000 to \$900,000</b>
<b>Total Revenues Available FY2009</b>	<b>\$7,600,000 to \$4,600,000</b>
<b>Potential Shortfall for FY2009</b>	<b>\$650,000 to \$4,400,000</b>

By transferring the balance of NCRC projects (other than the McMillan Reservoir and Skyland Projects) to the District, this subtitle gives additional responsibilities to the District without additional staff resources. While the Deputy Mayor for Planning and Economic received 11.5 new FTEs in the FY2008 budget, in order to manage the new responsibilities the Deputy Mayor will have to prioritize program needs.

**Subtitle (II)(Q) – Poplar Point Development Act of 2007:**

**Background**

The proposed subtitle requires that the Deputy Mayor for Economic Development will exercise sole authority over the development, redevelopment, and revitalization of Poplar Point. In addition, the Deputy Mayor for Economic Development will be subject to the same environmental, hiring, and employment standards provided for Development Zones in the District of Columbia Economic Development Authority Act of 2007.<sup>3</sup>

**Financial Plan Impact**

This subtitle gives additional responsibilities to the District without additional staff resources. While the Deputy Mayor for Planning and Economic receives 11.5 new FTEs in the FY2008 budget, in order to manage these new responsibilities the Deputy Mayor will have to prioritize program needs.

**Subtitle (II)(R) – Historic Preservation Design Guidelines Designated Appropriation Allocation Act of 2007:**

**Background**

The proposed subtitle would require the allocation of up to \$200,000 in local funds from the Targeted Homeowner Grant program FY 2008 appropriation to the Office of Planning (OP). The funds are to be used to promulgate and publish updated historic preservation design guidelines.

**Financial Plan Impact**

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

**Subtitle (II)(S) – Targeted Historic Tax Credit Repeal Act of 2007:**

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<sup>3</sup> Passed on first reading May 15, 2007 (Subtitle Q of Title II of Engrossed Bill 17-148).

### **Background**

The proposed subtitle would repeal D.C. Official Code § 47-1806.08 and § 47-1806.08a – 47-1806.08g. These sections of the D.C. Official Code provided the parameters and provisions of the District's targeted historic housing credit, which provides credits against income taxes for "certified rehabilitation" of "qualified structures" in the District. The targeted historic housing credit was replaced by the "Targeted Historic Preservation Assistance Amendment Act of 2006" (District Law 16-189), which is a grant program.

### **Financial Plan Impact**

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

### **Subtitle (II)(T) – New Communities Amendment Act of 2007:**

#### **Background**

The proposed subtitle increases the spending limitation to secure bonds issued for the benefit of the New Communities Initiative from the current level of \$12 million to the new limitation of \$30 million.

#### **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.

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

### **Subtitle (III)(A) – 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)(B) – Crime Victims Assistance Fund and Shelter and Transitional Housing for Victims of Domestic Violence Fund Amendment 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 non-lapsing, non-reverting, 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 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 new 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 Shelter and Transitional Housing Fund.

**Financial Plan Impact**

The proposed subtitle will have no net impact on the District's budget and financial plan. This subtitle 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)(C) – Critical Emergency Communications Amendment Act of 2007:**

**Background**

The proposed subtitle provides that all revenue in excess of the December 2006 revenue estimate of the District Chief Financial Officer from six specified funding sources be deposited in the District's Emergency and Non-Emergency Number Telephone Calling Systems Fund. The specified funding sources are:

1. Fire/EMS Special Events Fund;
2. Fire/EMS Ambulance Revenue;
3. Steam Correctional Treatment Facility;
4. D.C. Consumer Protection Fund;
5. Federal reimbursement for emergency planning and security costs; and
6. Photo enforcement (red light and speeding).

The subtitle also requires the Office of Unified Communications to establish a schedule for the replacement of equipment for the 911 system no later than October 1, 2007. There were no excess revenues from these funding sources between December 2006 and May 2007, but there could be in the future.

#### **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.

#### **Subtitle (III)(D) – Civil Legal Services Amendment Act of 2007:**

##### **Background**

The proposed subtitle would authorize and require the Office of the Attorney General (OAG) to award a grant 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. The amount of the annual grant to be awarded in each fiscal year is to be specified by an act of Council.

The proposed subtitle also continues the D.C. Poverty Lawyer Loan Assistance Program and, if the Administrator is a third party, authorizes the Attorney General to provide funding for the Program as a grant to the third party.

#### **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 be subject to the availability of annual appropriations. "It should be noted that B17-147, the FY 2008 Budget Request Act of 2007, appropriates not less than \$2,950,000 for the District of Columbia Bar Association grant and \$250,000 to fund the D.C. Poverty Lawyer Loan Assistance Program."

### **Subtitle (III)(E) – Communications Reports Act of 2007:**

#### **Background**

The proposed subtitle requires OAG, the Metropolitan Police Department (MPD), Fire/EMS, the Department of Corrections (DoC), the Homeland Security and Emergency Management Agency, the Office of Administrative Hearings, and the Office of Unified Communications to provide a report to the Council of the District of Columbia to identify efficiencies and reduce telephone and communications costs, including:

1. Identification of the number of active phone lines within the agency and used by the agency;
2. Identification of the service provider and the rate for each active phone line; and
3. Strategies to implement cost-savings.

#### **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 will be required.

### **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 specialized special education services of at least 30 hours per student per week for students with one or more disabling condition in a self-contained setting during regular school hours.



2. "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, which may share a campus or even a building with a general education school.

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 7 to 9 summarize the new funding levels for different grade levels and the associated add-ons.

Figure 7 – 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 8 – 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: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services	0.82	\$6,824
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	More than 24 hours per week which may include instruction in a self-contained separate school other	2.47	\$20,555

Education	than residential placement		
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 9- 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.

**Subtitle (IV)(B) – The Special Education Supplemental Funding and Educational Data Warehouse System Act of 2007:**

**Background**

The proposed subtitle authorizes the District of Columbia State Education Office to promulgate rules for the administration and implementation of the uniform per student funding formula. In addition, the 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 the Student Longitudinal Data System project.

**Subtitle (IV)(C) – State Education Activities Fund Act of 2007:**

**Background**

The proposed subtitle establishes the State Education Activities Fund, and authorizes the transfer of \$30,577,000 from the funds deposited 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 local funds deposited in the Non-Departmental Account, which holds \$32,154,000 in local funds in the proposed FY 2008 budget.

**Subtitle (IV) (D) – The Student Funding Formula Assessment and Enrollment Fund Act of 2007:**

## **Background**

First, the proposed 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 require 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. 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 self-contained setting during the regular day. This supplemental funding would not exceed the negotiated rate for education and related services approved by the Maryland Department of Education.

Second, the proposed subtitle reestablishes 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 have any impact on the District's budget and financial plan.

First, neither the FY 2008 baseline budget nor the technical adjustments submitted by the agency identify funding sources for implementation of alternatives to fund special education services. 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.

Second, 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.

**Subtitle (IV)(E) – Office of Public Education Facilities Modernization Conforming Amendment Act of 2007:**

**Background**

The proposed subtitle makes a series of amendments to provide funding to the newly created Office of Public Education Facilities Modernization which will assume responsibility for the management of school modernization. This subtitle also adjusts the schedule of sales tax revenue dedicated to the Public School Modernization Improvement Fund beginning in FY 2008.

**Financial Plan Impact**

The change in the schedule of sales tax revenue dedicated to the Public School Modernization Improvement Fund beginning in FY 2008 frees up the following resources in FY 2008 through FY 2012:

*Figure 10.*

<b>Estimated Revenue Impact to the Financial Plan</b>				
<b>(\$ in Millions)</b>				
<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>4 –Year Total</b>
\$6.0	\$6.4	\$6.7	\$7.1	\$26.2

These resources have been allocated to fund the operations of the Office of Public Education Facilities Modernization.

**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) – Transitional Housing, Rapid Housing for the Homeless, Youth Emergency Rental Assistance, and Supportive Services Expenditures Act of 2007:**

#### **Background**

The proposed subtitle clarifies the expenditure of DHS FY 2008 appropriations. DHS will be required to allocate funding for the following purposes:

1. An amount of \$83,000 to the Georgetown University Hospital for the on-site medical clinic at the D.C. Village family shelter;
2. An amount of \$60,000 for the training of homeless shelter staff throughout the District's Continuum of Care;<sup>4</sup>
3. An amount of \$334,576 to fund services provided by the Dinner Program for Homeless Women;
4. An amount of \$696,000 to fund the continuation of shelter and staffing services at the Adams Place shelter;
5. An amount of \$3.52 million to fund 200 transitional family housing units and related support services;
6. An amount of \$1,368,833 to fund maintenance and repair services in District-owned homeless services facilities;
7. An amount of \$640,000 to fund a family assessment center to assess the primary needs of families with children to determine the level of care and supportive services needed to help the families obtain appropriate permanent, or permanent supportive, housing; which assessments shall be coordinated by dedicated case managers, who will be responsible for working with the families to develop and implement service plans;
8. An amount of \$1 million to fund programs for homeless youth; which programs shall be established pursuant to The Community Partnership's Request for

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<sup>4</sup> As defined in the Homeless Services Reform Act of 2005, effective October 22, 2005; D.C. Law 16-35; D.C. Official Code ' 4-751.01 *et seq.*

- Applications process and its competitively bid award given to a provider with expertise in the delivery of services to homeless youth;
9. An amount of \$700,000 to fund a memorandum of agreement with the Child and Family Services Agency for housing support for homeless youth through the Rapid Housing Program;
  10. An amount of \$255,458 to fund additional security services at hypothermia sites and for the extension of low barrier shelter services;
  11. An amount of \$ 45,249 to support the infrastructure and operations of the new Homeless Services Unit;
  12. An amount of \$418,833 to support the maintenance and repair services from the Office of Facilities Management in the Department of Human Services;
  13. An amount of \$500,000 to fund shelter repairs from DHS's Office of Facilities Management and from the Office of Property Management (OPM);
  14. An amount of \$150,000 to a nationally recognized social services research institution to conduct an evaluation of the Community Partnership and the District's homeless services delivery structure; and
  15. An amount of \$7,248,500 in Emergency Rental Assistance grants, which to date has assisted over 1,000 families with rental assistance, security deposits, or first month's rent, shall be expended for that purpose until the total amount awarded has been exhausted.
  16. An amount of \$350,000 to fund operating costs for Access Housing, a veteran's center aimed at preventing homelessness among veterans.

The proposed subtitle requires that any that are not needed for the stated purposes are to be returned to DHS for support of other homelessness initiatives. In addition, no provision of the proposed subtitle requires the District to expend funds for individuals or families who are eligible for services within the Continuum of Care beyond the level of the District's appropriations for services within the Continuum of Care.

### **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) – Health Occupations Supervision of Students Regulation Repeal Act of 2007:**

#### **Background**

The proposed subtitle repeals Subsection 7013.1 of Title 17 of the District of Columbia Municipal Regulations is repealed which states "Only an independent social worker or independent clinical social worker licensed under the Act, in good standing, who is an appointed faculty member of the accredited school, college, or university, shall be authorized to supervise the practice of a student."

#### **Financial Plan Impact**

The proposed subtitle will have no impact on the District's budget or financial plan.

#### **Subtitle (V)(D) – Temporary Assistance for Needy Families Increase in Benefits Act of 2007:**

##### **Background**

The proposed subtitle requires that the \$3 million increase provided to DHS in the Mayor's proposed fiscal year 2008 budget for the Income Assistance Administration program to support additional cash assistance benefits to low-income families receiving Temporary Assistance for Needy Families (TANF) will not be distributed as a bonus payment to TANF recipients. DHS will distribute the \$3 million increase as net increase in TANF benefits.

##### **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)(E) – Timely Disbursement of Grants Act of 2007:**

##### **Background**

The proposed subtitle requires that by October 1, 2007, the District shall issue a Notice of Grant Award that contains a signed grant agreement and scope of work to each entity designated in the proposed legislation to be awarded a grant by the District.

The proposed subtitle requires that by February 1, 2008, the Mayor shall disburse to each entity designated in the proposed legislation to be awarded a grant by the District at least 25 percent of the total grant award, unless otherwise agreed upon in the signed grant agreement.



The proposed subtitle requires that if the District fails to make the 25 percent disbursement by February 1, 2008, the District shall disburse 50 percent of the total grant amount to the designated entity by February 15, 2008.

The proposed subtitle requires that by March 1, 2008, the Mayor shall disburse to each entity designated in the proposed legislation to be awarded a grant by the District all outstanding grant funding, unless otherwise agreed upon in the signed grant agreement.

The proposed subtitle requires that by December 1, 2008, the Mayor shall conduct an audit and reconciliation of all funding disbursed to entities designated in the proposed legislation to be awarded a grant by the District.

#### **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)(F) – The Department of Mental Health Funding Allocation Act of 2007:**

##### **Background**

The proposed subtitle requires that no later than 30 days before the first day of a fiscal year, the Department of Mental Health (DMH) will issue to each certified Mental Health Rehabilitation Services provider a statement of anticipated annual funding. The statement shall include language that the anticipated funding level is subject to change based upon actual budget availability and at the discretion of DMH.

##### **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)(G) – Reporting Requirements Act of 2007:**

##### **Background**

The proposed subtitle requires the Department of Health (DOH), the Medical Assistance Administration (MAA) and the Department of Mental Health to provide the following reports to the Council of the District of Columbia by October 1, 2007:

1. Nursing facilities placement report (MAA);
2. Health Professional Recruitment Program report (DOH);
3. Uncompensated Care report (DOH);
4. Medicaid Revenue Maximization reports (MAA);
5. Qualified Medicare Beneficiary Program report (MAA);
6. Substance Abuse Services Delivery report (DOH);
7. Communications report (DOH and DMH);
8. Comprehensive Diabetes and Hypertension Strategy report (DOH).

The proposed subtitle specifies the content of each report.

#### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through 2011 budget and financial plan to implement the legislation. Agencies will be required to absorb any additional costs from existing resources.

#### **Subtitle (V)(H) – Fixed Costs Allocation Act of 2007:**

##### **Background**

The proposed subtitle provides that neither the DOH or DMH shall enter into a memorandum of understanding (or other similar agreement) with another agency of the District of Columbia for the transfer of funds in an amount that exceeds the amount budgeted for services within a given fiscal year.

##### **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)(I) – Department of Mental Health Workforce Enhancement Act of 2007:**

##### **Background**

The proposed subtitle requires that for FY 2008 there will be 221.5 FTEs within the Mental Health Authority of DMH.

### **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)(J) – Department of Health Workforce Enhancement Act of 2007:**

#### **Background**

The proposed subtitle requires that for FY 2008, there will be 142 FTEs within MAA of which at least:

1. Seven shall be within the Office of Support Services to provide public provider liaison services, Medicaid billing and navigation assistance to sister agencies;
2. Six shall be within the Office of Program Integrity to provide comprehensive reviews of services billed and paid for by the District Medicaid program; and
3. Eight shall be within the Office of Support Services to perform data analysis, trending and cost measurement targeting MAA.

The proposed subtitle requires that for FY 2008, there will be 15.3 FTEs within the Health Care Safety Net Administration and requires 4 dedicated to the coordination and delivery of long-term care services in the District.

The proposed subtitle requires that for FY 2008 there will be 155.6 FTEs within the Health Care Regulation and Licensing Administration.

### **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)(K) – Designated Appropriation Allocation Act of 2007:**

#### **Background**

The proposed subtitle requires that of DoH FY 2008 appropriations no less than \$11,218,000 will be allocated for school health services in partnership with Children's National Medical Center.

The proposed subtitle requires that of DoH FY 2008 appropriations for the Primary Care and Prevention Administration (PCPA):

1. An amount of \$600,000 shall be granted to Howard University Hospital to provide community outreach activities for diabetes education and prevention for low-income and uninsured District residents;
2. An amount of \$600,000 shall be granted to Howard University Hospital to provide prostate cancer education and screening for low-income and uninsured District residents;
3. An amount of \$300,000 shall be granted to the Children's National Medical Center for pre-school immunization programs for District residents;
4. An amount up to \$1.9 million shall be granted to the D.C. Primary Care Association for operational expenses for the Medical Homes DC project;
5. An amount of \$500,000 shall be granted to the D.C. Area Health Education Center for health professional training programs and supplemental services;
6. An amount of \$700,000 shall be granted to Southeastern University to work in partnership with the SEIU for allied health training programs;
7. An amount of \$100,000 shall be granted to the Washington Regional Transplant Consortium for purposes of an organ and tissue donor awareness campaign for the District;
8. An amount of \$350,000 shall be granted to the National Kidney Foundation to provide kidney disease screening and follow up care for low-income and uninsured District residents;
9. An amount of \$250,000 shall be granted to the National Capital Poison Control Center to provide operational support for poison control activities;
10. An amount of \$125,000, which shall be a one-time, nonrecurring distribution, shall be granted So Others Might Eat for dental and oral health care for low-income and homeless District residents;
11. An amount no less than \$500,000 shall be allocated the Health Professional Recruitment Fund for the purposes of direct payments to Health Professional Recruitment Program participants;
12. An amount of \$170,000 shall be granted to Mary's Center and La Clinica del Pueblo for a joint program to enhance primary health, education, and outreach services for the Latino population;
13. An amount of \$150,000 shall be allocated for a public information campaign on the Human Papillomavirus (HPV), including multiple education forums in each ward, aimed at educating the public on the connection between HPV and cervical cancer, the importance of protecting oneself against HPV infection, the value of screening for cervical cancer through regular pap tests, and the effectiveness and risks of the HPV vaccine;

14. An amount of \$300,000 shall be granted to the America Lung Association of the District of Columbia for asthma management programs;
15. An amount of \$300,000, which shall be a one-time, nonrecurring distribution, shall be granted to Food & Friends for clinical nutritional support to adults and children with cancer and other life-threatening illnesses;
16. An amount of \$125,000 shall be granted to the Capital Breast Care Center to raise breast cancer awareness and to provide screening and follow-up services for women;
17. An amount of \$100,000 shall be allocated to the Family Support Workers Program. This shall be in addition to the \$375,000 allocated to the Family Support Workers Program as part of the Maternal and Family Health Administration; and
18. An amount of \$100,000, which shall be a one-time, nonrecurring distribution, shall be granted to the D.C. Assembly on School-Based Health Care to provide operational support for school health policies and programs for the District.

The proposed subtitle requires that of DOH FY 2008 appropriations for the Health Care Regulation and Licensing Administration (HCRLA):

1. An amount no less than \$1.45 million shall be allocated for rat abatement programs; and
2. An amount no less than \$250,000 shall be allocated to implement the assisted living program.

The proposed subtitle requires that of DOH FY 2008 appropriations for the HIV/AIDS Administration:

1. An amount of \$25,000 shall be granted to ISIS, Inc. to create SexINFO D.C.;
2. An amount of \$100,000 shall be allocated to support cultural competency training to clinicians that serve Latinos and other immigrant populations in the District;
3. An amount of \$200,000 shall be allocated for housing assistance, including long-term mortgage assistance, for District residents living with HIV/AIDS that do not qualify for housing assistance through the Housing Opportunities for Persons with HIV/AIDS program;
4. An amount of \$300,000 shall be granted to Food & Friends for clinical nutritional support for adults and children with HIV/AIDS;
5. An amount of \$1.5 million shall be allocated for comprehensive prevention programs that target high-risk populations, as defined by the HIV Prevention Community Planning Group and the Ryan White Planning Council, including outreach-related counseling and testing, linkage to care services, prevention

case management, and targeted education services. In addition, the comprehensive prevention programs shall be implemented in partnership with qualified community providers as determined through a competitive award process;

6. An amount of \$650,000 shall be allocated for the East of the River HIV/AIDS Capacity Building Initiative;
7. An amount of \$150,000, which shall be a one-time, nonrecurring distribution, shall be granted to Transgender Health Empowerment, Inc., for organizational capacity-building, client support services, and HIV/AIDS prevention education for transgendered individuals;
8. An amount of \$750,000, which shall be a one-time, nonrecurring distribution, shall be granted to the Whitman Walker Clinic to provide HIV/AIDS treatment, prevention, and education services to transgendered individuals, individuals dually diagnosed with substance abuse and HIV/AIDS, and individuals in other high-risk populations; and
9. An amount of \$110,000, which shall be a one-time, nonrecurring distribution, shall be granted to MetroTeen AIDS to provide HIV/AIDS education and training for school nurses.

The proposed subtitle requires that of DOH FY 2008 appropriations for the Administration for HIV/AIDS Policy and Planning, no less than \$250,000, shall be made available for burial assistance.

The proposed subtitle requires that of DOH FY 2008 appropriations for MAA:

1. An amount up to \$5 million shall be made available to contract with the School of Public Health at George Washington University;
2. An amount no less than \$1 million shall be allocated to fund the Health Care Ombudsman; and
3. An amount of \$1 million shall be allocated to fund a rate increase for residential treatment centers in the District.

The proposed subtitle requires that of DOH FY 2008 appropriations for the Office of Disabilities and Aging Activity, no less than \$1 million from the Nursing Home Quality of Care Fund shall be allocated for the establishment of an Aging and Disabilities Resource Center (ADRC) within MAA. The ADRC shall have no less than 10 full time equivalent positions and shall provide, at minimum, the following services:

1. Medical and social assessments;
2. Program eligibility determinations;
3. Long-term and chronic care counseling and linkage;
4. Short-term stabilization services; and
5. General information and assistance.

The proposed subtitle requires that of DOH FY 2008 appropriations for the Emergency Health and Medical Services Administration, \$150,000, which shall be a one-time, nonrecurring distribution, shall be provided to the District of Columbia Hospital Association for Terrorism Response Planning Coordination Services.

The proposed subtitle requires that of DOH FY 2008 appropriations for Agency Management in DOH, no less than \$200,000, which shall be a one-time, nonrecurring distribution, shall be made available to contract with KPMG, LLP.

The proposed subtitle requires that of DOH FY 2008 appropriations for the Addiction Prevention and Recovery Administration:

1. An amount of \$100,000 shall be granted to the Crystal Meth Working Group for expanded substance abuse prevention programs, subject to terms and conditions approved by DOH; and
2. An amount no less than \$12.54 million shall be directed to the Addiction Recovery Fund to support direct substance abuse treatment services for the Choice in Drug Treatment Program.

The proposed subtitle requires that of DMH FY 2008 appropriations for Core Community Providers:

1. An amount of \$100,000 shall be allocated for mental health services at the Addiction Prevention and Recovery Administration Detoxification facility; and
2. An amount of \$200,000, which shall be a one-time, nonrecurring distribution, shall be granted to the District of Columbia Birth Center, Inc., to support parental education and postpartum counselling.

The proposed subtitle requires that of DMH FY 2008 appropriations for the Mental Health Authority:

1. An amount no less than \$4.35 million shall be allocated to school-based mental health services. The proposed subtitle requires that these funds will in part support an additional 2 FTEs within the Mental Health Authority for the purposes of expanding the School Mental Health Program;
2. An amount no less than \$2 million will be allocated to expand jail diversion programs for persons with mental health illness, to provide mental health services at the D.C. Jail, and to provide services for persons with mental illness being released from jail;
3. An amount no less than \$5.5 million shall be allocated for rental housing subsidy programs; and
4. An amount no less than \$ 2 million shall be allocated to conduct strategic management projects, provider audits and for federal revenue maximization. The proposed subtitle requires that of these funds, no less than \$500,000, which

shall be a one-time, nonrecurring distribution, shall be made available to contract with KPMG, LLP.

The proposed subtitle requires that of DMH FY 2008 appropriations for Core Community Providers, no less than \$300,000 shall be allocated to develop a peer-operated wellness center to serve as a resource center, a home for a consumer-operated internship program, and drop-in center where consumers can reconnect to the community.

### **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)(L) – Report Authority Act of 2007:**

#### **Background**

The proposed subtitle requires that the allocations and recommendations in the Committee report are to be incorporated into the proposed legislation.

#### **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.

## **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). The Unified Fund would consolidate five revenue streams that are currently allocated to the Local Roads Construction and Maintenance Fund (which is separate from the General Fund), the District Department of Transportation Operating Fund, and two additional revenue streams into one single fund.

1. Rights-of-way fee revenue – estimated \$38.0 million in FY 2008;
2. Parking tax revenue – up to \$30 million;
3. Bus shelter advertising revenue – estimated \$2.5 million in FY 2008;
4. Parking meter revenue – estimated \$16.2 million in FY 2008;
5. Public space rental fee revenue – estimated \$25.1 million in FY 2008;



6. Parking tickets revenue collected by DDOT (*new revenue stream*); and
7. Moving violation tickets revenue collected by DDOT (*new revenue stream*) – estimated \$250,000 (total for both parking and moving violations) in FY 2008.

The total estimated FY 2008 revenue for proposed Unified Fund is \$ 112.05 million.

### Financial Plan Impact

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed subtitle. The proposed subtitle would result in a net increase of an estimated \$250,000 to the District of Columbia as a result of District Department of Transportation's (DDOT) new ticket-writing authority granted under the FY 2008 Budget Support Act of 2007, Title VI (D).

The other revenue streams in this proposed subtitle already exist and are simply being consolidated into the Unified Fund, so they do not result in any new revenue to the District of Columbia. However, there is a net increase of \$70.6 million in revenue to the General Fund due to: a) the transfer of right-of-way (\$38.0 million) and bus shelter advertising revenue (\$2.5 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).

The subtitle also designates the transfer of a percentage of fund balances out of the Unified Fund. For the fiscal year ending September 30, 2007, the DDOT Operating Fund balance, up to \$5.8 million, would be kept separate from the Unified Fund and would be used to fund the Traffic Control Officers program (Title VI (D), FY 2008 BSA). For all other fiscal years, a percentage of the Unified Fund balance would be transferred to the District of Columbia Highway Trust Fund.

Figure 11.

Estimated Revenue Impact to the Financial Plan				
(\$ in thousands)				
FY 2008	FY 2009	FY 2010	FY 2011	4 -Year Total
\$250	\$250	\$250	\$250	\$1,000

### Subtitle (VI)(B) – Solid Waste Cost Recovery Act of 2007:

#### Background

The proposed subtitle establishes the Solid Waste Disposal Recovery Account which will be a non-lapsing, non-reverting, non-tax revenue proprietary fund 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 12 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 12.*

<b>Estimated Revenue Impact to the Financial Plan</b>				
<b>(S in Millions)</b>				
<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) - 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>5</sup> is transferred to the District Department of Transportation (DDOT).

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

<sup>5</sup> Pursuant to Commissioners' Order L.S. 5495-B, issued September 17, 1953, as amended by Order No. 54-2748, issued December 30, 1954.

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**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed subtitle. The Chief of Police would transfer to DDOT all employees, personal property, full-time equivalent position authority, assets, records, and all unexpended balances of appropriations, allocations, and all 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 Mayor's proposed FY 2008 Budget and Financial Plan also includes a one-time infusion of \$1.16 million, a baseline increase of \$328,412, and an intra-district transfer from the Metropolitan Police Department (MPD) of \$234,943 to help fund the proposed subtitle.

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

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

#### **Background**

The proposed subtitle requires that the District Department of Transportation (DDOT), concurrent with any other agency's authority to do so, 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. The District Department of Transportation Unified Fund Amendment Act of 2007 (Fiscal Year 2008 Budget Support Act of 2007, Title VI(A)) requires that the DDOT Operating Fund balance remaining on September 20, 2007, up to \$5.8 million, to be used to fund this program.

More specifically, funding in the amount of \$1.69 million in recurring (annual) costs for this proposed subtitle would come from three sources: 1) \$525,720 from revenue generated by additional parking citations in the Department of Public Works (DPW), 2) \$910,115 from

annualizing \$3.64 million in one-time revenue from the DDOT Operating Fund FY07 carryover, and 3) \$250,000 from Traffic Control Officer (TCO) citation revenue. Also, \$621,040 in one-time TCO transfer costs from the DDOT Operating Fund FY06 and FY07 carryover would be used to fund this subtitle.<sup>6</sup>

#### **Subtitle (VI)(E) – Taxi And Limousine Industry Study Task Force Act of 2007:**

##### **Background**

The proposed subtitle would create the Taxi and Limousine Industry Study Task Force for the purpose of ensuring that the taxicab and limousine industry in the District of Columbia is properly organized, administered, and overseen. In particular, the task force would look into and make recommendations on the best organizational structure for the District agency charged with overseeing the taxi and limousine industry, the fee structure for limousines, and the proper implementation of wheelchair-accessible taxicab services. This task force would complete its study and submit its report to the Council no later than September 30, 2008. The proposed subtitle would expire on October 1, 2008.

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

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the provisions of the proposed subtitle. Intra-agency funds from the Washington Metropolitan Area Transit Authority (WMATA) would be used to fund the proposed task force.<sup>7</sup>

#### **Subtitle (VI)(F) – Wheelchair-Accessible Taxicab Promotion Fund Act of 2007**

##### **Background**

The proposed subtitle establishes a new non-tax revenue proprietary fund, the Wheelchair-Accessible Taxicab Promotion Fund, for the purpose of expending grants and the promotion of wheelchair access taxicabs to operate in the District. The Fund is non-lapsing and non-reverting retaining all revenue until fully expended without fiscal year limitations.

The Fund would underwrite a pilot program for wheelchair-accessible cabs in the District and would assist in the establishment of a permanent program. The District is the only member jurisdiction of the Metropolitan Washington Council of Governments (MWCOC) with no wheelchair-accessible cabs, and MWCOC considers this a "critical need" that must be addressed. MWCOC has access to grant money from the Federal Transit Administration's New Freedom Program to assist area jurisdictions in meeting critical transportation goals, but in order to

<sup>6</sup> Figures in this paragraph are per the Committee on Public Works and the Environment Committee Report, dated May 4, 2007.

<sup>7</sup> Per the Committee on Public Works and the Environment Committee Report, dated May 4, 2007, \$50,000 would be transferred from the Washington Metropolitan Area Transit Authority (WMATA) to the District of Columbia Taxicab Commission (DCTC) in FY 2008 to fund the Taxi and Limousine Industry Study Task Force.

receive a grant from the program, the District must first provide a local match. The proposed Fund would be used for this purpose, and it would be administered by the District of Columbia Taxicab Commission.

DCTC would be authorized to make loans from the Fund, including below-market rate or zero-interest loans, so long as such loans are for the purposes of encouraging the purchase, operation, and use of wheelchair-accessible taxicabs within the District of Columbia. DCTC is also authorized to seek grants from any source, including the Federal Transit Administration's New Freedom Program, for the purpose of encouraging the purchase, operation, and use of wheelchair-accessible taxicabs within the District of Columbia.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the provisions of the proposed subtitle. Intra-agency funds from the Washington Metropolitan Area Transit Authority (WMATA) would be appropriated into the Fund for the purposes set forth in this proposed subtitle.<sup>8</sup>

### **Subtitle (VI)(G) – Water and Sewer Authority Board of Directors Expansion and Clarification of Authorities Amendment Act of 2007:**

#### **Background**

The proposed legislation is intended to clarify the fiscal and budgetary powers of the District Water and Sewer Authority (WASA) and the District CFO. Specifically, the proposed legislation would do the following:

1. Increase the total number of members of the Board of Directors from 11 to 13;
2. Amend the current requirement of 7 votes for approval of the Authority's budget to 9, and the current requirement of 8 votes for removal of the General Manager to 10;
3. Clarify that WASA is not excluded from provisions in the Home Rule Act that provide for the District CFO's authority over the WASA CFO;
4. Amend the Home Rule Act to clarify the authority of the DC CFO's oversight of agency CFO's;
5. Clarify that the 5 non-District board members shall not participate in any way in the establishment of retail water and sewer rates;
6. Clarify that under the CFO provisions of the Home Rule Act, the exemption of any agency from the oversight of the District CFO must be express; and

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<sup>8</sup> Per the Committee on Public Works and the Environment Committee Report, dated May 4, 2007, \$200,000 would be transferred from the Washington Metropolitan Area Transit Authority (WMATA) to the District of Columbia Taxicab Commission (DCTC) in FY 2008 and appropriated into the Fund.

7. Require the WASA Board of Directors to obtain contractual services within sixty days to conduct a comprehensive review of the Authority's operating and capital budgets, plans, and programs. The contractual operations are also to review the merits of and the timetable for all planned capital expenditures, and within 8 months of the effective date of the proposed legislation, deliver a report to the Board with recommendations for maximizing potential savings to the District's rate-payers.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plans to implement the provisions of the proposed subtitle. WASA has sufficient staff and resources to absorb the costs of the proposed subtitle.

**Subtitle (VI)(H) – Neighborhood Protection from Commercial Vehicles Amendment Act of 2007**

**Background**

The proposed subtitle would increase the fine on commercial vehicles parked in front of a residence in violation of 18 DCMR. § 2405.3(e) to \$1,000. The current fine codified at 18 DCMR. § 2601.1 is \$500.

The proposed subtitle would also amend the Removal and Disposition of Abandoned and other Unlawfully Parked Vehicles Reform Act of 2003 (D.C. Official Code § 50-2421.09(a)(6)) to increase the towing fee on large vehicles parked in front of a residence in violation of 18 DCMR. § 2405.3(e) from \$275 to \$1,000.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the proposed subtitle. The proposed subtitle would generate an estimated \$400,000 per year in additional revenue to the District of Columbia due to the proposed increase in fines.

*Figure 13.*

<b>Estimated Revenue Impact to the Financial Plan</b>				
<b>(S in 000s)</b>				
<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>4 -Year Total</b>
\$400	\$400	\$400	\$400	\$1,600

**Subtitle (VI)(I) – Department of Public Works Anti-Graffiti Mural Assistance Program Fund Act of 2007:**

**Background**

The proposed subtitle would establish a special purpose revenue fund designated as the Anti-Graffiti Mural Assistance Program Fund. The new Fund is non-reverting and non-lapsing. Funds will remain available until fully expended and without fiscal year limitation.

The proposed subtitle would require the Director of the Department of Public Works (DPW) to direct monies from the Fund to non-profit corporations that train, supervise, and compensate mural artists to produce mural art at locations identified by DPW as ones that are targeted for graffiti and appropriate for mural art.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the proposed subtitle. Intra-agency funds from the Washington Metropolitan Area Transit Authority (WMATA) would be used to fund the proposed program.<sup>9</sup>

### **Subtitle (VI)(J) – Business Improvement District Litter Cleanup Assistance Fund Act of 2007:**

#### **Background**

The proposed subtitle would create a special purpose revenue fund designated as the Business Improvement District Litter Cleanup Assistance Fund. The new Fund is non-reverting and non-lapsing. Funds will remain available until fully expended and without fiscal year limitation. The proposed subtitle would provide spending authority to the Department of Public Works (DPW).

The proposed Fund would provide grants of up to \$125,000 per 12 month period to qualified corporations to support the corporations' litter removal efforts within their respective Business Improvement District (BID) area. For the purposes of this proposed subtitle, a "qualified corporation" is one that has an annual budget of under \$1 million.

### **Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the proposed subtitle. Funding for the proposed subtitle would come from District Department of Transportation (DDOT) and Washington Metropolitan Area Transit Authority (WMATA) excess funds as an intra-agency transfer to DPW.<sup>10</sup>

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<sup>9</sup> Per the Committee on Public Works and the Environment Committee Report, dated May 4, 2007, \$100,000 would be transferred from WMATA in FY 2008 to fund this program.

<sup>10</sup> As per the Committee on Public Works and the Environment Committee Report, dated May 4, 2007. Recommended funding in the report includes a \$100,000 intra-agency transfer from WMATA, and a \$500,000 intra-agency transfer from DDOT, for a total of \$600,000.

**Subtitle (VI)(K) – Hazardous Tree Removal Subsidies for Low-Income Homeowners  
Amendment Act of 2007:**

**Background**

The proposed subtitle would amend the Urban Forest Preservation Act of 2002 (D.C. Law 14-309; DC Official Code § 8-651.07) to compel the District Department of Transportation (DDOT) to establish a program that would provide income contingent subsidies from the District's Tree Fund to assist District residents with the removal costs of hazardous trees. The proposed subtitle would also compel DDOT to submit to Council regulations for such a program within 60 days of the effective date of the proposed subtitle.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the proposed subtitle. As of March 31 2007, Fund 6140 (established by DC Act 14-614), the "Tree Fund," had an available balance of \$183,315. The cost of administering the program can be absorbed by existing DDOT personnel and resources.

**Subtitle (VI)(L) – Vector Control SWEEP Inspectors Designation Amendment Act of 2007:**

**Background**

The proposed subtitle amends the Litter control Administrative Amendment Act of 1985 (D.C. Law 6-100; D.C. Official Code § 8-802) with the intention of enhancing vector control enforcement in the District.

Specifically, the proposed subtitle would designate 4 inspectors for the District Department of Public Works (DPW) Solid Waste Education and Enforcement Program (SWEEP). The primary responsibility of the inspectors would be to investigate (A) high-rodent infestation areas in the District, and (B) the compliance of housing providers with all solid waste regulations enforced by DPW relating to the proper storage of solid wastes and intended to prevent the provision of food, harborage, or breeding places for insects or rodents.

**Financial Plan Impact**

Funds are sufficient in the proposed FY 2008 through FY 2011 budget and financial plans to implement the proposed subtitle. For the purpose of funding the proposed subtitle, the Department of Public Works committee mark-up on May 2, 2007 provides \$103,100 as part of an intra-agency transfer from the DC Department of the Environment and authorizes the use of a fund balance in the Solid Waste Nuisance Abatement Fund (O- type fund number 6591). DPW has budgeted for the use of \$80,000 from the Fund for this proposed subtitle. The committee mark-up also provides DPW with 4 new FTE's.



**Subtitle (VI)(M) – Specified Street Funding Allocation Act of 2007:**

**Background**

The proposed subtitle would designate the allocation of local capital funds in the FY 2008 District Department of Transportation (DDOT) budget from the project FY 2003 Street Repair ("CE302"), up to \$3.6 million, for street repair and maintenance, including replacing deteriorated portions of pavement base, signage, pavement markings, new trees, as needed, and for intersection, alley, and spot resurfacing for the following streets:

1. An amount of \$800,000 for Mt. Olivet Road, N.E.;
2. An amount of \$1 million for New York Avenue, N.E.;
3. An amount of \$1 million for Bladensburg Road, N.E.; and
4. An amount of \$800,000 for West Virginia Avenue, N.E.

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plans to implement the provisions of the proposed subtitle. The proposed legislation will have no negative impact on the District's budget and financial plan.

**TITLE VII – CONFORMANCE WITH THE PROCUREMENT PRACTICES ACT**

**Subtitle (VII)(A) – Conformance with the District of Columbia Procurement Practices Act of 2007:**

**Background**

The proposed subtitle requires that unless otherwise provided in the proposed legislation or other law, the designated appropriation allocations of this Bill shall be consistent with the requirements of the District of Columbia Procurement Practices Act of 1985<sup>11</sup> or the terms and conditions to the federal funding source, whichever is applicable.

**Financial Plan Impact**

The proposed legislation will have no impact on the District's budget and financial plan.

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<sup>11</sup> Effective February 21, 1986 (D.C. Law 6-85, D.C. Official Code § 2-301.01 *et seq.*), 1 DCMR 5000 *et seq.*