

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: JUL -5 2007

SUBJECT: Fiscal Impact Statement (Revised): "Digital Inclusion Act of 2007"

REFERENCE: Draft Legislation to be Introduced – No Number Available

Conclusion

The proposed legislation will have no impact on the FY 2007 budget and the proposed FY 2008 through FY 2011 budget and financial plan. No additional staff or resources will be required.

Background

The Digital Inclusion Act of 2006¹ authorized the Mayor to solicit Requests for Information (RFI) that would result in franchise agreements (Agreement). The RFI solicitations were released in February 2007. The franchises are information technology (IT) based businesses. The Act authorized the use of certain District infrastructure by non-governmental entities for the purpose of expanding IT communication infrastructure in the City.

The Act outlined the services that were to be provided and secured by the terms of the Agreement with the District. Analysis of the District's disadvantaged areas was to be the responsibility of the franchisee. The franchisee was to be responsible for all costs and expenses for establishing infrastructure, connectivity, licensing, materials, personnel, computers and peripherals, bonds, insurance and liabilities, and damages. IT equipment provided would be deemed owned by the entities who engage the franchisee for their services at the expiration of the Agreement.

¹ Bill 16-710, Law 16-210 Enacted October 25, 2006; Effective March 2, 2007.

The proposed legislation amends the 2006 Act by extending the terms of potential Agreements to as long as eight years. In addition, the proposed legislation establishes a non-tax revenue proprietary fund to capture revenue share from the franchise for the purposes of purchasing IT hardware and software. The new fund will be a non-lapsing, non-reverting proprietary fund without fiscal year limitation.

Financial Plan Impact

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