

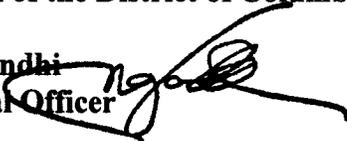
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

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

DATE: July 15, 2008

**SUBJECT: Fiscal Impact Statement: "District of Columbia Public School
Property Emergency Amendment Act of 2008"**

REFERENCE: Bill Number - Draft

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation.

The proposed legislation would require that eleven properties vacated as a result of school closures be made available for "educational purposes, administrative [use], and development of workforce housing units for District of Columbia residents with incomes between 60% - 80% of the area median income."

Plans announced by the Executive Office of the Mayor ("EOM") on June 20, 2008 allocate two of the eleven schools specified in the proposed legislation for educational use. No plans exist for the remaining nine properties; therefore, mandating the use of these properties for educational or administrative purposes, or for workforce housing does not have any direct revenue implications.

It is important to note that the proposed legislation does not provide a specific plan for the use of these eleven properties. Any plan that requires further commitment by the District of Columbia Government (such as workforce housing development, or subsidizing the lease of property for specific uses) could only be implemented after identifying the necessary public funds in the budget and financial plan.

Background

The proposed legislation amends on an emergency basis D.C. Code § 38-1802.09(2)(B) to make properties no longer used for operating a District of Columbia public school available for educational or administrative purposes, or for the development of workforce housing units for District of Columbia residents with incomes between 60% - 80% of the area median income.

The legislation identifies eleven public school buildings vacated by school closures (namely, properties for Gage-Eckington Elementary School, Bunker Hill Elementary School, Slowe Elementary School, Gibbs Elementary School, Hine Junior High, Green Elementary School, Stevens Elementary School, Wilkinson Elementary School, Benning Elementary School, Garnet-Patterson Middle School and Parkview Elementary School) for these uses. Furthermore, the legislation requires the Mayor to develop a plan for marketing these properties for public charter schools, including accommodations for schools that are planning to obtain ownership or lease of these properties in 2009 or in partnership with other public charter schools or educational entities.

Finally, the Mayor would be required to submit a plan to the Council identifying the use of these properties as recommended by this legislation within ninety days of the effective day of the proposed legislation.

Financial Plan Impact

Funds are sufficient in the FY 2008 budget and the FY 2009- FY 2012 budget and financial plan to implement the proposed legislation.

Current law already requires that the public charter schools have the first right to offer for vacated public school properties. Should they refuse, the Mayor has the authority to use the buildings in ways that are in the best interest of the District of Columbia. The proposed legislation limits the use of the eleven vacated properties for public charter school use, administrative use, or for workforce housing only, and prevents the Mayor from considering alternative uses for the properties or liquidating them.

Of the eleven schools named in the proposed legislation, two are already slated to be used for charter schools (Slowe Elementary would be shared by three charters and Benning would be used as the Charter School Incubator, a federally funded program that provides temporary space to newly established charter schools). Six of the properties (Bunker Hill, Gibbs, Green, Wilkinson, Garnet-Patterson and Parkview) are not transferring to the Mayor's inventory right until at least 2011. No plans exist for the use of the remaining three properties (Gage, Hine and Stevens), so there is no direct revenue implication for limiting the use of these schools to educational or administrative purposes, or for the development of workforce housing.

Given the specific list of these eleven schools, the implementation of the proposed legislation does not require additional funds or result in a loss in revenue already identified in the budget and financial plan. This is because the proposed legislation does not prescribe a certain type of use for these properties. Any use of these properties that requires additional funding commitment by the District Government (for example, workforce housing or subsidized leases) would be implemented only after necessary funds are identified in the budget and financial plan.