

**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: July 31, 2009

SUBJECT: Fiscal Impact Statement: "Fiscal Year 2010 Budget Support
Emergency Act of 2009"

REFERENCE: DRAFT – No Number Assigned, shared with OCFO on July 31, 12
AM

Conclusion

The proposed FY 2010 budget and financial plan accounts for the expenditure plan described in the subtitles included in the Fiscal Year 2010 Budget Support Act of 2009 Amendment in the Nature of a Substitute.

The combined initiatives in the Fiscal Year 2010 Budget Support Emergency Act of 2009, together with anticipated Mayoral rulemaking and agency operational plans, provide sufficient funds to balance the estimated expenditures in the proposed General Fund FY 2010.

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TITLE I – GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Reprogramming Policy Act of 2009

Background

The proposed subtitle would amend the D.C. Official Code to expand the definition of “Budget Category” to include control centers and responsibility centers, as well as capital projects, capital sub-projects, and, in a performance-based agency, programs, activities, and object classes.

The proposed subtitle would increase the dollar threshold for reprogrammings that require Council approval from \$400,000 to \$500,000, would make responsibility centers and, in a performance-based agency, programs, and activities subject to these reprogramming thresholds.

Finally the proposed subtitle would repeal the requirement that the minimum dollar threshold amounts for reprogramming that require Council approval be indexed for inflation.

Financial Impact

Expanding these subject-to-reprogramming-approval requirements and increasing the dollar amount threshold for reprogramming approvals would have no impact on the budget and financial plan.

Subtitle (I)(B) – Capital Project Clarification Act of 2009

Background

The proposed subtitle would amend the District of Columbia Code¹ to require the Mayor to submit to the Council specified information pertaining to capital projects of \$1 million or more for Council approval; information required would include:

- A description of the scope of the project;
- Purpose;
- Estimated full funded cost;
- Estimated impact on the operating budget;
- Description of its geographic location, including the address and Ward; except in certain cases²;
- A facility name or identifier, if applicable; and

¹ D.C. Official Code §§ 1-204.43 and 1-204.44.

² This provision would not apply to planning studies and other studies set forth § 103(8)(A) of the District of Columbia Home Rule Act, or to projects established solely to procure capital equipment under the Master Lease program.

- A statement showing that it is included in the Capital Improvement Plan of the annual Budget and Financial Plan ("CIP"), or provided for in another District law.

Additionally, the proposed subtitle would require the Office of the Chief Financial Officer (OCFO) to submit to the Council an unaudited report before December 15 of each year on the expenditure of all pooled funds with a value of less than \$1 million, and a final report by February 1 of the following year, on the expenditure of all pooled funds in the prior fiscal year.

Financial Plan Impact

The proposed reporting requirements for the Mayor to provide to the Council certain information about capital projects expected to exceed \$1 million in costs can be done with minimal resources and does not impact the budget and financial plan.

The OCFO can prepare the required report with its existing resources. However, since the report seeks information that is not collected by the District's financial information systems, the OCFO would depend on agency fiscal officers to provide the requested information.

Subtitle (D)(C) - Reallocation of Capital Budget Funding Act of 2009

Background

The proposed subtitle would reallocate approximately \$84 million in capital funds for the following capital projects:

- \$19.106 million for Project PL105C, Archives Recorder of Deeds Pool, would be reallocated as follows:

Agency	Project #	Project Name	Amount (\$000s)
Fire and Emergency Medical Services Department	CTV10C	Tactical Village	\$1,000
Office of Property Management	CR006C	Renovation of DC Jail Sallyport	\$850
	MA218C	Inmate Showers	\$500
	MA223C	Staff and Visitors Entrance	\$800
	CR007C	Inmate Processing Center	\$4,000
Office of the Deputy Mayor for Planning and Economic Development	EB407C	Baseball Academy	\$8,300
Department of Parks and Recreation	QA501C	Stoddert Recreation Center	\$2,156
	QJ901C	Purchase and Maintain Boys & Girls Clubs	\$1,000
Department of Transportation	EDL15C	Connecticut Avenue, NW Streetscape (K Street to N Street)	\$500
		Total	\$19,106

- \$60.384 million for Project PL106C, Government Centers, could be reallocated to the following projects.

Agency	Project #	Name	Amount (in thousands)
Department of Parks and Recreation (HAO)	QJ901C	Purchase & Maintain Boys & Girls Club	\$4,000
Office of Public Education Facilities Modernization (GM0)	YY132C	Elementary Middle Schools Modern.	\$3,600
Office of Public Education Facilities Modernization (GM0)	YY230C	School Stabilization	\$13,500
District of Columbia Public Library (CE0)	CWM01C	Reserve for African American Civil War Records	\$4,000
Office of Property Management (AM0)	new	DPW Parking Enforcement branch headquarters (former Meyer ES)	\$5,000
Department of Mental Health	HX501C	Improvement to Mental Health Hospital Complex	\$2,100
Office of Public Education Facilities Modernization (GM0)	YY630C	Planning	\$2,200
Office of Public Education Facilities Modernization (GM0)	SG303C	ADA Compliance	\$3,500
Office of Public Education Facilities Modernization (GM0)	SK120C	Athletic Fields and Playgrounds	\$2,484
Office of Public Education Facilities Modernization (GM0)	YY133C	Selected Additions	\$20,000
		Total	\$60,384

- \$3,744,000 from Project AW01C, District Subsidy to Anacostia Waterfront Corporation would be reallocated to the Stoddert Recreation Center, Project QA501C at the Department of Parks and Recreation.
- \$2.0 million from Project CRV00C, entitled "Master Equipment Lease – Department of Consumer and Regulatory Affairs" would be reallocated to Playground Renovation (Shepherd Park ES), project RG003C at the Department of Parks and Recreation and the Upshur Hamilton Community Parks.
- \$145,000 from Project ISMO8C entitled "Records Management" in DCRA would be reallocated to Ft. Stevens Rehabilitation, project QN301C in Parks and Recreation.
- \$1.5 million from Project EB403C, entitled "Howard Theatre" would be reallocated to O Street Market (Grant), project EB410C in Office of Deputy Mayor for Planning and Economic Development.
- \$1.5 million from Project Z0600C, entitled "Firefighting Apparatus Replacement" in the Fire Department would be reallocated to Tenley Library, project TEN37C in DC Public Library.
- \$900 project from SA301C Metrorail Rehab to the Cleveland Park Streetscape project (KA0 ED310C) (\$400) and Lot 59 Improvements (KA0 EDL14C) (\$500)

An amount of \$50 million from the accounts listed below for the purposes of the WMATA Fund Act of 2009:

Agency	Project #	Name	Amount (in thousands)
Department of Motor Vehicles	RID01C	Real ID	\$12,525
Department of Transportation	GFL02C	Salt Dome	\$2,800
Master Equipment Lease	D0551-555C	Master Equipment Lease – PBC	\$2,728
Office of Property Management	PL-106	Government Centers	\$2,475
DC Public Schools	NM937C	Rudolph School (former)	\$1,880
DC Public Schools	NK527C	Moore	\$370
DC Public Schools	SG138C	General Improvements	\$1,323
DC Public Schools	NF937C	Hardy MS	\$121
Department of Transportation	EDL08C	4 th Street Improvements	\$778
WMATA	SA301C	MetroRail Rehab	\$24,500
WMATA	SA302C	MetroRail Name Change	\$500
		Total	\$50,000

Finally, the proposed subtitle states that project funding provided under this subsection and included in the “Fiscal Year 2009 Office of Public Education Facilities Modernization Funding Emergency Amendment Act of 2009” (“Act”) must be allocated as directed by that Act and any funds not designated for specific school locations can not be used for demolitions, repairs, or improvements to facilities no longer in use as schools or not scheduled to be put back in use as active schools within the next three years.

Financial Plan Impact

The financial impact of the proposed subtitle is already incorporated into the proposed FY 2010 through FY 2013 budget and financial plan.

Subtitle (D)(D) – Transportation Procurement Practices Amendment Act of 2009

Background

The proposed subtitle amends District of Columbia Procurement Practices Act of 1985³ to provide that for FY 2010, the annual capital program of Federal Highway Aid Projects would not be approved if the Capital Improvement Plan and budget for the Highway Trust Fund has not been submitted to the Council for review and approval in the same format and same detail as required in the FY 2010 Proposed Capital Improvement Plan and Budget.

³ Effective March 8, 1991 (D.C. Law 8-257; D.C. Official Code § 2-301.05a(h)).

Financial Plan Impact

The proposed legislation makes technical changes to ensure that the detailed descriptions of Capital Improvement Plan and budget for the federally supported transportation projects would be submitted to the Council at the same detail level as the local transportation projects, and at the same time with the Mayor's budget. These requirements do not have an impact on the District's proposed FY 2010 through FY 2013 budget and financial plan.

Subtitle (I)(E) – Capital Project Support Fund Establishment Act of 2009

Background

The proposed subtitle would establish the Capital Project Support Fund ("Fund") to be used to provide funding for qualified capital projects; within the Fund, two separate accounts would also be established: the Bond Account and the Non-Bond Account.

The proposed subtitle would authorize the Office of the Chief Financial Officer (OCFO) to deposit all surplus bond funds identified by the OCFO into the Bond Account and all surplus non-bond funds into the Non-Bond Account, including Local Street Maintenance Fund, Master Equipment Lease/Purchase financing, Sale of Assets and Pay-as-You-Go capital funding, except for federal grants and Federal Highway Trust Fund.

Funding for an approved capital project may be provided through redirection in an approved budget and financial plan or through reprogramming⁴, with certification from the OCFO that the funds are available and the expenditures to support the project is in compliance with the proposed subtitle.

Additionally, the OCFO would be required to submit a written report to the Mayor and the Council on a quarterly basis regarding the status of the Fund.

The proposed subtitle would also authorize the budget authority for an approved capital project to be reprogrammed to the Washington Metropolitan Area Transit Authority project, pursuant to the Washington Metropolitan Area Transit Authority Fund Act of 2006⁵, so long as:

- The project has been completed or no longer considered necessary and budget authority remain available;
- For a project with a balance of more than \$250,000, no funds have been expended or encumbered for 3 consecutive years, and the agency has not notified the Chief Financial

⁴ Pursuant to Chapter 3 of Title 47 of the D.C. Official Code.

⁵ Effective July 16, 2009 (D.C. Law 16-132; 53 DCR 4727)

Officer within 30 days of the end of the 3 year period, that the agency intends to use the funds to implement the project within 18 months (extension); or

- For a project with a remaining budget authority of \$250,000 or less, the project has not been funded for 3 consecutive years.

Financial Impact

Authorizing the reprogramming of available capital funds for other capital projects, specifically the Washington Metropolitan Area Transit Authority project would not negatively impact the budget and financial plan. Moreover, under the proposed subtitle, the OCFO would certify the availability of the funds prior to any reprogramming.

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Advanced Metering Infrastructure Implementation and Cost Recovery Authorization Act of 2009

Background

The proposed subtitle authorizes the implementation of Advanced Metering Infrastructure (AMI) systems, commonly known as "Smart Grids" that would allow electric utilities to gather at least hourly energy consumption data from all customers. Because transmission of electricity is regulated, under the proposed subtitle, the District of Columbia Public Services Commission (PSC) would be responsible for ensuring that the electric utility implementing a Smart Grid system would secure sufficient funding and achieve a return on investment that is consistent with the PSC's regulated rate of return. Under the proposed legislation the PSC would have the authority to review the prudence of costs associated with implementation of the AMI. The PSC would be able to keep any cost savings achieved through the implementation the AMI.

Financial Plan Impact

The proposed subtitle would provide the authority to, but not require, PSC to implement the AMI systems. As such, the proposed subtitle does not have a direct impact on the District's budget and financial plan. Providing PSC with this authority would allow PSC to seek federal funds for AMI implementation under the American Recovery and Reinvestment Act of 2009.

Subtitle (II)(B) – Economic Development Capital Fund Implementation Plan Act of 2009

Background

In accordance with the proposed FY 2010 through FY 2013 budget and financial plan, the proposed subtitle would reallocate \$1.5 million from the Office of the Deputy Mayor for Planning and Economic Development's (DMPED) capital budget for the Howard Theater project⁶ to the O Street Market project⁷ to be used for pre-development costs related to the O Street Market Project.

This subtitle specifies that for FY 2010 up to \$2,235,000 in funds for the Pennsylvania Avenue S.E. Properties project will be utilized to support the Pennsylvania Avenue S.E. Great Streets projects.

This subtitle also enumerates several reporting requirements for Great Streets projects including a spending plan, loan or grant agreement, statement of financial need, and a proposed resolution

⁶ Project Number EB403C.

⁷ Project Number EB410C.

submitted to Council. These reporting requirements must be met prior to funds being encumbered, obligated, or expended.

Financial Plan Impact

The fiscal impact of the proposed subtitle is incorporated into the FY 2010 through FY 2013 budget and financial plan. The Howard Theater project has a balance-budget authority of approximately \$8 million; therefore adequate funds are available to reprogram \$1.5 million to the O Street Market project. The Pennsylvania Avenue S.E. Properties has sufficient funds for the purposes specified in the subtitle. The additional reporting requirements will be met with existing resources.

TITLE III– PUBLIC SAFETY AND JUSTICE

Subtitle (III)(E) – FEMS and DOC Headquarters Act of 2009

Background

The proposed subtitle would prohibit the headquarters of the Fire and Emergency Medical Services (FEMS) and the headquarters of the Department of Corrections (DOC) from being relocated to or housed in the Patricia R. Harris School ("P.R. Harris") and any funds to be expended for this purpose. It also requires the Mayor to provide a plan for the permanent relocation of the headquarters of FEMS and DOC, which is to include the proposed location, timeline, estimated costs, and funding source, in his FY 2011 budget and financial plan.

The current location of the headquarters of both FEMS and DOC is the Grimke Building.

Financial Plan Impact

The proposed subtitle and the consequent Council action of a \$2.1 million reduction to FEMS's proposed FY 2010 operating budget could result in a spending pressure for FEMS.

The Mayor's proposed FY 2010 budget for FEMS allocated \$2,108,779 for the fixed costs (natural gas, electricity, water/sewer, and occupancy) of P.R. Harris⁸ under the assumption that FEMS would be moving its headquarters and a number of its offices⁹ to this building in FY 2010. This amount also included the costs of temporary classrooms for EMS training and the operating costs for Candidate Physical Agility Test (CPAT) Training and the Command Training Center (CTC) program.¹⁰ The need to budget for these three costs is new. The classrooms would be a temporary addition to alleviate overcrowding at the Fire and EMS Training Academy due to renovations. Through FY 2009, the Fire Department was able to borrow the CPAT facilities at Fairfax County Fire Department at no cost. For FY 2010, this is no longer an option. The CTC program is a new initiative. Thus in order for these programs to continue or be implemented, whether at P.R. Harris or elsewhere,¹¹ at least some operating funds must be budgeted to pay for the fixed costs.¹² It is not possible to estimate the required funding (that is, the potential spending

⁸ The DOC budget included \$99,500 in FY 2010 for the fixed costs of P.R. Harris.

⁹ These include the Fire and EMS Department Administrative Offices, including the Chief of Staff; the Planning and Standards Division for Fire and EMS; the Office of the Fire Marshal, Fire Prevention and Fire Investigation Offices; the Public Information Office for Fire and EMS; the Human Resources Office for Fire and EMS; the Information Technology Office for Fire and EMS; and the Chief Financial Officer's Office for Fire and EMS.

¹⁰ Construction costs to build these two projects were going to come from capital funding from OPM, capital funding from FEMS, and a federal grant.

¹¹ This subtitle only refers to the headquarters and thus, these programs could still be moved to P.R. Harris.

¹² OPM calculated that FEMS would pay \$7.30 per square foot at P.R. Harris. This was based upon 288,700 square feet of occupancy and would have covered the cost of utilities, cleaning, and occupancy. No security charges were included. If these three programs were to still go to P.R. Harris, the total fixed costs would likely be considerably less because they would not require as much square footage.

pressure) without alternative plans for the EMS training classrooms, the CPAT Training and the CTC program.¹³

The FEMS FY 2010 proposed budget also includes \$230,589 for the fixed costs of the Grimke Building. Thus, no additional funding would be necessary for the headquarters of FEMS and DOC to remain at the Grimke Building.

Subtitle (III)(B) – Office of Administrative Hearings Mailing Certification Amendment Act of 2009

Background

The proposed subtitle would amend Section 216 of the Rental Housing Act of 1985¹⁴ to provide that petitions filed by a housing provider or tenant regarding adjustments, notices of hearings regarding these petitions, and decisions made by the Rent Administrator or the Rental Housing Commission in these cases would now all be sent to the relevant parties via first-class mail instead of certified mail, as is currently required under the law. It also specifies that these documents are to include at a minimum the person served, the data served and by whom, and the manner of service.

Financial Plan Impact

By changing the form of mail to be used in correspondence between the Rent Administrator and a non-petitioning party, housing provider, or tenant regarding rent adjustment issues, the Office of Administrative Hearings could realize a minimum savings of \$30,905 per year¹⁵ and \$123,622 over the FY 2010 through FY 2013 period.

Fiscal Impact of Subtitle (III)(B) Office of Administrative Hearings Mailing Certification Amendment Act of 2009 Cost Savings From Mailing Changes					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Net Postage Savings	\$30,905	\$30,905	\$30,905	\$30,905	\$123,622

Assumptions:

- 419 cases per year, which was the amount of cases in FY 2008.

¹³ If FEMS, DOC or any related program including CPAT and CTC do not move into P.R. Harris, there still would be costs associated with maintaining this building. The amount of these costs would depend on what the building was used for. For instance, currently the University of the District of Columbia uses the building for workforce programs pursuant to a lease agreement and the fixed costs in FY 2009 of \$644,410 were budgeted to D.C. Public Schools. If the building remains vacant, other costs might be incurred, for example, for maintaining security in and around the area. These costs would have to be absorbed by the related agency and could result in further spending pressures. Without alternative plans for occupancy at P.R. Harris, it is not possible to estimate these costs.

¹⁴ Effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 et seq.).

¹⁵ Greater savings could be realized depending on the weight of the mailings, which varies from case to case. If all mailings were to each weigh 1 oz. or less, then the total savings per year would be \$37,274.

- Each case requires 4 initial orders, 4 motion mailings, 4 second motion mailings and 4 final order mailings.
- The current cost per mailing is \$6.
- Mailings would each weigh 4 oz.
- USPS does not change its prices.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) – Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2009

Background

The proposed legislation maintains the base funding per student in a District of Columbia Public School (DCPS) or District of Columbia Public Charter School ("Charter School") at \$8,770 and revises the weights for Special Education Levels 3 and 4, and limited English proficient/non-English proficient. Tables 1 through 3 summarize the funding levels for different grade levels and the associated add-ons. Additionally, the proposed subtitle amends D.C. Code § 38-2909 to cap the increase in the foundation level at two percent (the current law is four percent) or the average percentage increase in the Consumer Price Index for the preceding calendar year, whichever is less.

This subtitle also amends D.C. Code § 38-2906 to make changes necessary in accordance with the District of Columbia Education Reform Amendment Act of 2007¹⁶. The subtitle repeals D.C. Code § 38-2906.01, which governs formula payments to Charter Schools.¹⁷

Lastly, the proposed subtitle amends D.C. Code § 38-2907 on education costs excluded from the formula payments to reflect that the Office of the State Superintendent of Education (OSSE), as the state level education agency responsible for state level functions for DCPS and the Charter Schools, should receive the funding for all state level functions not funded by the Uniform Per Student Funding Formula, including transportation for students with disabilities and tuition payments for private placements for students with disabilities.

Weighting and Per Pupil Allocation, Grade Levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2010
Pre-School	1.34	\$11,752
Pre-Kindergarten	1.30	\$11,401
Kindergarten	1.30	\$11,401
Grades 1-3	1.00	\$8,770
Grades 4-5	1.00	\$8,770
Ungraded ES	1.00	\$8,770
Grades 6-8	1.03	\$9,033
Ungraded MS/JHS	1.03	\$9,033
Grades 9-12	1.16	\$10,173

¹⁶ Effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 1-603.01 passim).

¹⁷ The new payment rules for formula funds allocated to public charter schools are outlined in the Charter Schools Allotment Reform Act of 2009, which is the next subtitle.

Weighting and Per Pupil Allocation, Grade Levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2010
Ungraded SHS	1.16	\$10,173
Alternative Program	1.17	\$10,261
Special Education	1.17	\$10,261
Adult	0.75	\$6,578

Special Education Add-ons			
Level/Program	Definition	Weighting	Per Pupil Supplemental FY 2010
Level 1: Special Education	Eight hours or less per week of specialized Services	0.52	\$4,560
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services	0.79	\$6,928
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services	1.56	\$13,681
Level 4: Special Education	More than 24 hours per week which may include instruction in a self contained (dedicated) special education school other than residential placement	2.83	\$24,819
LEP/NEP	Limited and non-English proficient students	0.45	\$3,947
Summer	An accelerated instructional program in the summer for students who do not meet literacy standards pursuant to promotion policies of DCPS and the Charter Schools	0.17	\$1,491
Residential	DCPS or Charter School that provides students with room and board in a residential setting, in addition to their instructional program.	1.70	\$14,909

Residential Add-ons			
Level/Program	Definition	Weighting	Per Pupil Supplemental FY 2010
Level 1: Special Education – Residential	Additional funding to support the after-hours Level 1 special education needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	0.374	\$3,280
Level 2: Special	Additional funding to support the after-hours Level 2 special education needs of students	1.360	\$11,927

Residential Add-ons			
Level/Program	Definition	Weighting	Per Pupil Supplemental FY 2010
Education – Residential	living in a DCPS or Charter School that provides students with room and board in a residential setting		
Level 3: Special Education – Residential	Additional funding to support the after-hours Level 3 special education needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	2.941	\$25,793
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 DCPS or Charter School that provides students with room and board in a residential setting	2.924	\$25,644
Level 5: Special Education – Residential	Residential placement	9.400	\$82,438
LEP/NEP – Residential	Additional funding to support the after-hours Limited and non-English proficiency needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	0.680	\$5,964

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in their Individualized Education Programs (IEP)			
Level/Program	Definition	Weight	Per Pupil Supplemental FY 2010
Special Education Level 1 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.064	\$561
Special Education Level 2 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.231	\$2,026
Special Education Level 3 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.500	\$4,385
Special Education	Additional funding to support the summer school/program need for	0.497	\$4,359

Level 4 ESY	students who require ESY services in their IEPs		
Special Education Level 5 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	1.598	\$14,015

Financial Plan Impact

The proposed FY 2010 through FY 2013 budget and financial plan includes the effect of the changes in the foundation funding formula and the weight changes. The changes are reflected in the operating budgets for DCPS and the Charter Schools.

Subtitle (IV)(B) – Master Facilities Plan and School Facility Capital Improvement Plan Reconciliation Amendment Act of 2009

Background

The proposed subtitle requires that the multiyear Facilities Master Plan, currently submitted to the Council by the D.C. Public Schools, would be renamed as "Master Facilities Plan," developed by the Office of Public Education Facilities Modernization, and submitted by the Mayor to the Council along with the Mayor's annual submission of a budget recommendation for public schools.¹⁸ The Master Facilities plan will include facilities information for the District of Columbia Public Schools, Charter Schools, and the University of the District of Columbia. The legislation also repeals D.C. Official Code § 38-2973.03, which requires annual adoption of Capital Improvement Plan and Budget to implement the approved Facilities Master Plan for the D.C. Public Schools. Furthermore, the proposed legislation also clarifies and details the kind of data and analysis regarding facilities' needs and requirements, and other communications and coordination plans to be incorporated into the Master Facilities Plan,¹⁹ and includes key stakeholders throughout the community among the parties with whom the Mayor would consult in developing the Master Facilities Plan.

Additionally, the proposed legislation requires that a Public School Facility Capital Improvement Plan (School Facility CIP) be updated each fiscal year as part of the Mayor's Capital Improvement Plan for all public facilities; details the content of the School Facility CIP; and requires that the Mayor, prior to submitting a School Facility CIP to the Council, conduct a public hearing to solicit the views of the public.

Financial Plan Impact

¹⁸ D.C. Official Code § 38-2803

¹⁹ D.C. Official Code § 38-2803(b)

The proposed legislation makes technical changes concerning the Facilities Master Plan, and does not have an impact on the District's budget and financial plan for FY 2010 through FY 2013.

Subtitle (IV)(C) – Reserve for African-American Civil War Records Act of 2009

Background

The proposed subtitle would reserve \$2 million from FY 2010 pooled capital funds at the Office of Property Management and \$1 million in FY 2011 capital funds at the Department of Parks and Recreation to be transferred to the District of Columbia Public Library for the purposes of the renovation of Grimke School for the African-American Civil War Museum. Under the proposed subtitle, the actual transfer of funds would be contingent upon the Council's approval of a proposed plan and the consequent costs for the construction of the Museum. The legislation also specifies that the D.C. Public Library would have authority to negotiate for additional floor space within Grimke School for the African-American Civil War Museum.

Financial Plan Impact

The proposed FY 2010 through FY 2013 budget and financial plan includes the effects of the rule changes proposed by this subtitle.

Subtitle (IV)(D) – Office of Public Education Facilities Modernization Funding

Background

The proposed subtitle authorizes allocations for capital projects from funds previously authorized, but not allocated, in the Fiscal Year 2009 Proposed Financial Plan and Budget. The Fiscal Year 2009 Balanced Budget Support Temporary Amendment Act of 2008²⁰ authorized OPEFM to spend only \$30 million, leaving \$87.45 million in funding unspent from a general obligation bond that has already been issued. Making the \$87.45 million available would fund the FY 2009 capital projects listed below:

- Up to \$38.4 million to fund ongoing modernization projects at Wheatley Middle School, Alice Deal Middle School, HD Cooke Elementary School, Savoy Elementary School, and School Without Walls;
- \$9.5 million for the completion of design and to begin construction of HD Woodson Senior High School in accordance with the Science Technology Engineering and Mathematics academic model;
- \$7.5 million to begin modernization of Eastern High School;

²⁰ Effective March 21, 2009 (D.C. Law 17-326).

- \$1.5 million to continue the development of the designs for Anacostia High School and Wilson High School;
- \$6.341 million for Phase I modernizations, identified in the proposed Master Facilities Plan for Brent, Tubman and Burroughs Elementary Schools;
- \$12.537 million for facility additions and new construction at Stoddert Elementary School and Janney Elementary School;
- \$8.740 million for athletic field and playground work;
- \$0.265 million for auditing of the repair, improvement, and modernization programs; and
- \$2.666 million for planning and program management services.

Additionally the proposed subtitle authorizes the following allocations to OPEFM, pursuant to the Fiscal Year 2010 Proposed Financial Plan and Budget, which shall be funded through the reprogramming of \$45.280 million from project PL106C, entitled "Government Centers."

- \$3.6 million for the Phase I Elementary, Middle Schools Modernization program, including critical system repairs to Hart Middle School, Ferebee Hope Elementary School, Brent Elementary School, Burroughs Elementary School, and Tubman Elementary School;
- \$13.5 million for projects in the Stabilization program city-wide, including the air conditioning of the Coolidge High School gymnasium and the Banneker High School auditorium (\$2.1 million); window replacements at Kimball Elementary School, Maury Elementary School, and Ketcham Elementary School (\$4.35 million), security doors at Hart Middle School (\$.55 million), roof replacement at Brent Elementary School (\$.800 million), and installation of a computer lab at Anacostia High School (\$.275 million);
- \$2.48 million for a new program, Elementary Athletic Facilities and Playgrounds, to include improvements at Orr, Terrell McGogney, River Terrace, and Kenilworth Elementary Schools;
- \$20 million for the Selected Additions and New Construction program, including \$9 million for advancing the start of construction of a new Dunbar High School to fiscal year 2010; and \$11 million for Stoddert Elementary;
- \$2.2 million for planning to support development of individual projects and completion of a comprehensive master facilities plan; and
- \$3.5 million for improvements required by the Americans with Disabilities Act, including at Banneker High School and Beers Elementary School.

Finally, the proposed subsection requires the Mayor to provide to the Council information and estimates for all of these projects prior to submission of contracts.

Financial Plan Impact

OPEFM's FY 2009 capital budget includes \$117.45 million in general obligation bond funding. The Fiscal Year 2009 Balanced Budget Support Temporary Amendment Act of 2008²¹ authorized OPEFM to spend only \$30 million, leaving \$87.45 million in funding unavailable to

²¹ Effective March 21, 2009 (D.C. Law 17-326).

be spent. The proposed legislation would provide OPEFM with the authority to spend the available \$87.45 million, which would fund all of FY 2009 capital projects shown in the above list.

The proposed subtitle would also require an additional \$45.28 million in FY 2010 allocations to OPEFM to support the FY 2010 capital projects shown in the above list. The subtitle identifies \$45.28 million in funding that will be reprogrammed from project PL106C, "Government Centers" in order to fund these OPEFM capital projects.

Subtitle (IV)(ORAL AMENDMENT) – Charter School Facilities Allotment

Background

The proposed subtitle amends D.C. Code § 38-2908, which regulates the calculation and disbursement of facilities allowance for District of Columbia Public Charter Schools ("Charter Schools"). Specifically, the proposed legislation reduces the per pupil facilities allowance from \$3,109 to \$2,800. This fiscal impact analysis is included based on the understanding that this subtitle would be introduced as an oral amendment.

Financial Plan Impact

The proposed FY 2010 through FY 2013 budget and financial plan includes the effects of the proposed changes in the calculation of facilities allowance payments. The proposed FY 2010 budget plan allocates \$80.75 million for facilities allowance for the Charter Schools. Facilities allowance funds would constitute \$67.3 million of these funds, including an internal reallocation of \$3.7 million of existing funds.²² Additionally, the proposed FY 2010 budget would allocate an additional \$16.7 million for Charter School facilities from the following sources:

- \$10 million in one-time one-time local funding from the Committee on Housing and Workforce Development;
- \$1.4 million in one-time funding from the Committee on Public Works and Transportation from increase revenue from parking control officers;
- \$200,000 in local funds from Public Charter School Board; and
- \$1.4 million in one-time local funding from Debt Service.

²² These funds include \$1.4 million existing reallocation within Charter Schools from funding for Phillips Academy, which will not open in 2010, and a \$2.3 million from the planned funding for MEI Futures Public Charter School because the school will close.

TITLE V – HUMAN SUPPORT SERVICES

Subtitle (V)(A) – Medical Assistance Program Amendment Act of 2009

Background

Under current law²³, prior to submitting or implementing a Medicaid plan, amendment, or waiver, the Mayor must submit the proposal to Council for approval.²⁴ The proposed subtitle would provide that review and approval by the Council of the Fiscal Year 2010 Budget and Financial Plan would constitute such approval for any modifications or waivers required to implement during FY 2010 nine specified initiatives.²⁵

Financial Plan Impact

Implementation of the proposed subtitle would not impact the budget and financial plan.

Subtitle (V)(B) – Department of Mental Health Funding Allocation Act of 2009

Background

²³ Title XIX of the Social Security Act for a medical assistance program and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code §1.307.02(a).

²⁴ If the Council does not approve or disapprove the submission within 30 days of receipt from the Mayor, the plan is deemed approved.

²⁵ These include the following:

- A. Utilize Disproportionate Share Hospital funding to support the transition of individuals into health insurance programs through the modification of the Disproportionate Share Hospital qualification and distribution methodology;
- B. Change service limit methodology for personal care aide services;
- C. Enhance prescription drug utilization and review activities;
- D. Reduce reimbursement rates for prescription drugs to align pharmaceutical spending with national payment trends;
- E. Change methodologies for recovering improper payments;
- F. Obtain available State Children's Health Insurance Program funding for immigrant children and pregnant women;
- G. Shift coverage for unborn children of undocumented immigrants from the D.C. HealthCare Alliance to Medicaid;
- H. Implement a new methodology for fee-for-service inpatient hospital reimbursement; and
- I. Reduce disallowances for public provider agencies.

The proposed subtitle would require the Department of Mental Health (DMH) to issue a statement of anticipated annual funding, with the *caveat* that this anticipated funding level is subject to change based on actual budget availability and at the discretion of DMH, to each certified mental health rehabilitation services provider.

Financial Plan Impact

The administration costs of implementing this subtitle would be minimal and could be absorbed within the proposed FY 2010 budget for DMH.

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – Sales Tax Applicability Amendment Act of 2009

Background

The proposed subtitle repeals paragraph 32A of Title 47 Chapter 20 of the D.C. Official Code to eliminate time-sensitive exemptions to the applicability of the gross sales tax, commonly known as the “Sales Tax Holiday.”

Financial Plan Impact

The proposed subtitle would increase the sales tax revenue collections by \$1.28 million in FY 2010 and \$5.59 million in the FY 2010 through FY 2013 budget and financial plan period.

Fiscal Impact of Subtitle VII(A) - Sales Tax Applicability Amendment Act of 2009					
Estimated Increase in Sales Tax Collections					
(In millions of \$)					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Increase in Sales Tax Collections	\$1.28	\$1.36	\$1.44	\$1.51	\$5.59

Subtitle (VII)(B) – School Modernization Financing Amendment Act of 2009

Background

By repealing subsections (a)(4) through (a)(6) and (b) of D.C. Official Code § 47-305.02, the proposed subtitle would eliminate the requirement that the Mayor’s proposed budget provide a minimum level of funding for the Office of Public Education Facilities Modernization (OPEFM).

The intent of the proposed legislation is to end the dedication of sales tax revenues for capital expenditures of public schools. To achieve this goal, the proposed subtitle must be amended to also repeal D.C. Official Code § 47-2033, which requires the OCFO to transfer funds from sales taxes to the Public School Capital Improvement Fund.

Financial Plan Impact

By eliminating the requirement to fund the OPEFM budget, the proposed subtitle would free sales tax revenues that are currently dedicated to school modernization spending. Thus the proposed budget and financial plan could use sales tax revenues of \$112.36 million in FY 2010,

and \$500.04 million in the FY 2010 through FY 2013 financial plan period for other expenditure items.

The proposed FY 2010 through FY 2013 budget and financial plan reflects the intent to fund school modernization through bond financing rather than Pay Go capital. The OCFO estimates that including school modernization needs in the bond financing could be done within the existing debt service cap of 12 percent.

Subtitle (VII)(C) – Owner-Occupant Residential Tax Credit Amendment Act of 2009

Background

The proposed subtitle repeals D.C. Official Code § 47-864.01 and amends § 47-864 to require that the taxable assessment of each homestead be no less than 40 percent of the assessed market value.

Financial Plan Impact

Due to the interplay of the property tax cap on assessments and the homestead exemption, the taxable assessments of 21,898 Class 1 homesteads (23 percent of all such homesteads) are less than 40 percent of the assessed market values of these properties. By requiring that the taxable assessment for each homestead equal at least 40 percent of its assessed market value, the proposed subtitle would increase real property tax collections by \$5.2 million in FY 2010 and by \$20.3 million in the FY 2010 through FY 2013 budget and financial plan period.

Fiscal Impact of Subtitle VII(C) – Owner-Occupant Residential Tax Credit Amendment Act of 2009					
Estimated Increase in Revenue Collections					
(In millions of \$)					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Estimated Increase in Real Property Tax Collections	\$5.2	\$5.0	\$4.9	\$5.2	\$20.3

Subtitle (VII)(D) – Interest Expense and Intangible Expense Paid To Related Parties Disallowance Act of 2009

Background

The proposed subtitle amends Chapter 18 of Title 47 of the D.C. Official Code to disallow, for District of Columbia income tax purposes, the deduction of interest expenses and intangible expenses related to certain transactions between a business taxable by the District of Columbia and a related non-District company.

Specifically, the proposed subtitle amends D.C. Official Code § 47-1803.03 which regulates deductions from gross income by excluding royalty payments from such deductions²⁶ and disallowing deductions and deductible interest expense or intangible expense with respect to certain transactions between a District business and a closely related non -District company, barring certain exceptions.²⁷ The subtitle also provides detailed rules and definitions to clarify what such exceptions might be.

Financial Plan Impact

By closing what is commonly known as the “Delaware Holding Company” loophole (corporations using related non-District companies to shelter income from taxation by the District of Columbia Government)²⁸, the proposed subtitle would increase corporate income tax collections by \$10 million in FY 2010 and \$46.4 million in the FY 2010 through FY 2013 financial plan period.

Fiscal Impact of Subtitle VII(D) - Interest Expense and Intangible Expense Paid To Related Parties Disallowance Act of 2009					
Estimated Increase in Revenue Collections					
(In millions of \$)					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Increased Corporate Income Tax Collections	\$10.0	\$11.2	\$12.3	\$12.9	\$46.4

Subtitle (VII)(E) – Economic Interests in Real Property Clarification Amendment Act of 2009

Background

The proposed subtitle amends the Real Estate Deed Recordation Tax Act of 1962²⁹ to clarify that transfers of shares in a cooperative housing association (“co-op”) are subject to taxes levied on the transfer of economic interests.

At present the sale of a co-op unit is treated as a “transfer of economic interest” rather than a real property transaction since no deed is recorded or transferred. The proposed subtitle would

²⁶ This is done through repealing paragraph (a)(19) of D.C. Official Code § 47-1803.03.

²⁷ Paragraph (d) of D.C. Official Code § 47-1803.03

²⁸ For example, the DC firm may be required to pay license or royalty fees to the Passive Income Company, which may serve as the holder of trademarks or other intangible assets. The fees paid by the D.C. firm are deductible, while the income from intangible assets is generally not taxable in Delaware and certain other jurisdictions. This proposal closes this loophole.

²⁹ Approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1102.02).

require co-op sales to be taxed under an equivalent economic interest tax, which is set at 2.9 percent.

Financial Plan Impact

By expanding the economic interest tax base to include the sale of co-op units, implementation of the proposed subtitle is estimated to generate approximately \$5.1 million in FY 2010 and \$22.9 million over the FY 2010 through FY 2013 budget and financial plan period.

Fiscal Impact of Subtitle VII(E) – Economic Interests in Real Property Clarification Amendment Act of 2009					
Estimated Increase in Revenue Collections (In millions of \$)					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Increase in Economic Interest Tax Revenues	\$5.1	\$5.2	\$6.0	\$6.6	\$22.9

Subtitle (VII)(F) – Tax Compliance Act of 2009

Background

The proposed subtitle adds a new chapter, Chapter 47, to Title 47 of the D.C. Code to allow a tax amnesty that suspends penalties for a designated period in FY 2010.

Financial Plan Impact

An amnesty program in FY 2010 covering taxes, except for real property taxes, owed by individuals and corporations for any tax period ending on or before December 31, 2008 would result in a one-time revenue increase of \$20 million.

Subtitle (VII)(G) – Recovery Act Tax Deduction Decoupling Act of 2009

Background

The American Recovery and Reinvestment Act of 2009 provides for the deduction from personal income of the sales and excise taxes on the sales of new motor vehicles through December 31, 2009, and the deferral of income generated when firms cancel debt or repurchase debt for an amount less than the issue price. The proposed subtitle would amend D.C. Official Code § 47-1803³⁰ to decouple the District of Columbia from federal tax laws for the purposes of calculating the generally allowed deductions for individuals and deductions excluded in the computation of District gross income for corporations.

³⁰ Specifically § 47-1803.032(b) and § 47-1803.02(a)(2).

With these amendments, the District could continue to impose an excise tax on motor vehicles (at rates of 6 to 8 percent of the value depending on the weight of the car), and tax income generated through debt cancellation or debt repurchase.

Financial Plan Impact

By allowing the District to decouple from federal tax laws, the proposed subtitle would allow the District of Columbia to keep its tax base intact. Should the District not decouple from federal laws, it could lose up to \$870,000 in excise tax revenues and up to \$19.6 million in corporate income taxes during the FY 2010 through FY 2013 financial plan period.

Subtitle (VII)(H) – Non-Individual Income Tax Electronic Filing Amendment Act of 2009

Background

The proposed subtitle amends D.C. Official Code §47-4402(c) to reduce the threshold for electronic payment of non-individual income taxes from \$25,000 to \$10,000.

Financial Plan Impact

The proposed subtitle is a technical amendment that reduces the threshold for electronic payment of non-individual income taxes and does not have a direct impact on the budget and financial plan.

Subtitle (VII)(I) – Limitation on Borrowing Technical Amendments Act of 2009

Background

The proposed legislation would amend prior amendments to Chapter 3 of Title 47 of the D.C. Official Code to clarify certain provisions of the Limitation on Borrowing and Establishment of the Operating Cash Reserve Act of 2008, effective March 26, 2009 (DC Law 17-360; 56 DCR 1200).

Specifically, the proposed subtitle makes certain technical corrections to clarify the calculation of the debt cap, and the treatment of debt service payments rebated to the District pursuant to the American Recovery and Reinvestment Act of 2009.

Financial Plan Impact

The proposed subtitle only includes technical amendments and does not have an impact on the District's budget and financial plan.

Subtitle (VII)(J) – God of a Second Chance Ministry Real Property Tax Relief Act of 2009

Background

The proposed subtitle would amend would forgive all unpaid real property taxes, interest, penalties, fees, and other related charges assessed against real property located at Lot 0153, Square 5365 beginning June 23, 2008, through May 31, 2009, and require that any payment already made for this period be refunded.

The property located at Lot 0153, Square 5365 is currently classified as tax exempt.

Financial Plan Impact

The proposed subtitle will reduce the total tax collections by \$19,038 in FY 2010.

The total of taxes, interest, penalties, fees, and other related charges owed on this property is \$11,935.27, all related to tax obligations for assessments since June 23, 2008. The property owner has made a total payment of \$7,095.94 on September 15, 2009. The effect of the proposed subtitle is already incorporated into the proposed FY 2010 budget.

Subtitle (VII)(K) – Combined Reporting Reform Authorization Act of 2009

Background

The proposed subtitle commits the District of Columbia to implementation of tax code changes that would require that for tax years beginning after December 31, 2010 all corporations taxable in the District of Columbia shall determine the income apportionable or allocable to the District of Columbia by reference to the income and apportionment factors of all commonly controlled corporations organized within the United States with which they are engaged in a unitary business.

Financial Plan Impact

The proposed subtitle will increase corporate income tax collections by \$22.6 million in FY 2012, by \$19.4 million in FY 2013, and by \$42 million during the FY 2010 through FY 2013 budget and financial plan period. The impact of the proposed subtitle is already incorporated into the proposed FY 2010 through FY 2013 budget and financial plan.

Fiscal Impact of Subtitle VII(H) – Combined Reporting Reform Authorization Act of 2009					
Estimated Increase in Revenue Collections (In millions of \$)					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Increase in Corporate Income Tax Collections	-	-	\$22.6	\$19.4	\$42.0

Subtitle (VII)(L) – Revenue Enhancement Act of 2009

Background

The proposed subtitle amend D.C. Official Code Title 47 to authorize the delay of the indexing of homestead deduction, starting October 1, 2012, the delay of the implementation of Cost of Living Adjustments for personal exemptions through January 1, 2012, increase of general sales tax rate from 5.75 percent to 6 percent, increase of gas tax to \$0.235 per gallon, and increase of cigarette tax to \$0.125 per cigarette, or \$2.5 per pack.

Financial Plan Impact

The proposed subtitle will increase tax revenues by \$16.1 m in FY 2010 and by \$86.1 million in the FY 2010 through FY 2013 budget and financial plan period. The impact of the proposed subtitle is already incorporated into the proposed FY 2010 through FY 2013 budget and financial plan.

Fiscal Impact of Subtitle VII(I) – Revenue Enhancement Act of 2009					
Estimated Increase in Revenue Collections (In millions of \$)					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Delay implementation of personal exemption indexing.	\$2.9	\$4.6	\$6.4	\$8.3	\$22.2
Delay implementation of homestead exemption indexing through FY13	-	\$4.0	\$4.0	\$4.0	\$12.0
Increase the cigarette excise tax from \$2/pack to \$2.50/pack.	\$9.7	\$9.5	\$9.2	\$9.1	\$37.4
Increase gasoline excise tax to \$0.235	\$3.5	\$3.6	\$3.7	\$3.7	\$14.5
Total	\$16.1	\$21.7	\$23.3	\$25.1	\$86.1

Subtitle (VII)(M) – Cigarette Tax Amendment Act of 2009

Background

The proposed subtitle would amend Chapter 24 of Title 47 of the District of Columbia Official Code to specify that the sale or possession of little cigars would be taxed at the same rate per little cigar as is levied per cigarette. Currently little cigars are taxed at 12 percent and this would make the tax at par with the taxes levied on cigarettes (under current law, \$2 per pack).

On April 1, 2009, the federal tax on little cigars was increased from \$.04 per pack¹ to \$1.00 per pack so that they would be taxed the same as cigarettes. This is important to note because it will reduce consumption at least through FY 2009.

Financial Plan Impact

The proposed subtitle would increase revenues by approximately \$0.4 million in FY 2010 and \$ 1.6 million during the FY 2010 through FY 2013 budget and financial plan period.

Fiscal Impact of Subtitle (VII)(K) - Cigarette Tax Amendment Act of 2009					
Estimated Revenue Increase from Taxing Little Cigars the Same as Cigarettes					
	FY 2010	FY 2011	FY 2012	FY 2013	Four Year Total
Net Increase in Little Cigar Revenue	\$419,717	\$389,559	\$400,481	\$411,305	\$1,621,061

Assumptions

- Share of little cigars in tobacco market in DC is same as national.
- Average price of little cigars (with no taxes) is \$2.50.
- Price elasticity of demand for little cigars is -.4. This is the most widely cited elasticity for cigarettes.
- Average Annual Growth Rate for little cigars is 10%.
- Average Annual Growth Rate after federal increase is unchanged because price is still lower than cigarettes.
- Average Annual Growth Rate after DC tax increase is smaller. It is the average of the original little cigar growth rate of 10% and the growth rate of cigarettes of -1.5%: 4.25%. This recognizes the fact that they are now taxed as cigarettes, but are not perfect substitutes.

TITLE VIII – O-TYPE TRANSFERS AND CAPITAL PROJECT REVISIONS

Subtitle (VIII)(A) – Fiscal Year 2009 Additional Transfer of Special Purpose Revenues Act of 2009

Background

The proposed subtitle allows the Chief Financial Officer to transfer to local funds and recognize as FY 2009 revenue \$93.385 million from the Special Purpose Revenue funds, capital accounts, and dedicated tax accounts. The table below outlines the funds affected by the proposed subtitle.

Fiscal Impact of Subtitle (VIII)(A) Fiscal Year 2009 Additional Transfer of Special Purpose Revenues Act of 2009 Transfer of Special Purpose Fund Balances to FY 2009 Local Fund			
	Agency	Description	Amount
a	Office of Property Management	Eastern Market Enterprise Fund	\$94,294
b	Office of the Chief Financial Officer	Compliance and Real Property Tax Administration Fund	\$3,337,702
c	Office of Contracting and Procurement	Surplus Property Sales Fund	\$297,963
		Supply Schedule Sales Discount And Operation Fund	\$147,165
D	Department of Employment Services	Special Purpose Revenue Fund	\$1,400,000
		UI Administrative Assessment Tax	\$6,600,000
e	Office of the Tenant Advocate	Condominium Conversion Fund	\$600,000
f	Department of Consumer and Regulatory Affairs	Occupations and Professions Licensing Fund	\$794,126
f	Department of Consumer and Regulatory Affairs	Board of Engineers' Fund	\$365,838
g	Department of Housing and Community Development	Home Purchase Assistance Fund ¹	\$3,567,116
h	Dep. May for Planning & Economic Development	Industrial Revenue Bond Program Account	\$2,000,000
i	Department of Fire and Emergency Medical Services	Special Events Fund	\$138,595
j	Office of the Chief Medical Examiner	Medical Examiner Fees Fund	\$24,450
k	District of Columbia Public Schools	Income-Security Deposits Fund	\$10,000
		Utility Reimbursement (Pepco/Washington Gas) Fund	\$482,301
		Custodial Reimbursement Fund	\$573,614
		Security Deposits Account	\$1,137,077
		Nonresident Tuition Account	\$1,709,611
l	Office of Public Education Facilities Management	Lease Income Fund	\$380,226
m	Department of Health	Food Handlers Certification Fund	\$446,254
		Adjudication Hearings and Fines Fund	\$295,733
		Professional Licensing Fund	\$52,150
		Health Facility Fee Fund	\$216,290
		Emergency Medical Services Fees Fund	\$75,902

Fiscal Impact of Subtitle (VIII)(A)			
Fiscal Year 2009 Additional Transfer of Special Purpose Revenues Act of 2009			
Transfer of Special Purpose Fund Balances to FY 2009 Local Fund			
	Agency	Description	Amount
		Drug Interdiction Fund	\$15,190
		Animal Control License Fees Fund	\$82,857
		vital records fee fund	\$55,574
		Health Care Safety Net Fund	\$1,286,791
n	Department of Health Care Finance	Bill of Rights-Grievances And Appeals Fund	\$799,665
o	Department of Human Services	Special Purpose Revenue Fund	\$40,000
p	District Department of Transportation	Tree Fund	\$171,741
q	District Department of Environment	Renewable Energy Development Fund	\$207,590
		Air Quality Adjudication Hearings Fund	\$28,159
		Water Quality Adjudication Hearings Fund	\$106,154
		Municipal Aggregation Account	\$244,114
		Sustainable Energy Trust Fund	\$2,545,891
r	Department of Motor Vehicles	Out-Of-State Vehicle Registration Fund	\$235,736
s	D.C. Taxicab Commission	Taxicab Assessment Fund	\$81,949
t	Board of Trustees of the Tobacco Settlement Trust Fund	Tobacco Settlement Trust Fund ¹	\$18,300,000
u	Pay-Go Capital Accounts	Temporary space (TPL01C) ²	1,867,101
		Oyster Adams playground (QS6426) ³	300,000
v		Community Benefit Fund ¹	\$13,271,000
w		Healthy DC Fund ¹	\$13,000,000
x		Nursing Facility Quality of Care Fund	\$16,000,000
	TOTAL		\$93,403,620

¹ With restrictions on the use of funds.

² The funds are controlled by the D.C. Public Library.

³ Controlled by the Department of Parks and Recreation.

Additionally, the proposed subtitle authorizes the Chief Financial Officer to transfer to Pay-Go capital funds and recognize as FY 2009 revenue \$16,625,414 from the certified fund balances of various special purpose funds administered by the Department of Employment Services:

- \$33,379 from the Special Purpose Revenue Fund;
- \$7,571,549 from the Workers Compensation Special Fund;
- \$8,192,338 from the Workers Compensation Administration Fund;
- \$172,607 from the Unemployment Insurance Interest/Penalties Fund;
- \$580,939 from the DOES Relocation Fund; and
- \$74,602 from the Unemployment Insurance Administrative Assessment Fund.

Financial Impact

The proposed subtitle will reduce the fund balances of various special purpose accounts, capital accounts or dedicated tax accounts in the above table by a total of \$110.011 million and increase the local general revenue for FY 2009 by the same amount, which, then can be used for gap

closing purposes. The financial impact of the proposed subtitle is already incorporated into the FY 2009 Budget and the FY 2010 through FY 2013 budget and financial plan.

Subtitle (VIII)(B) – Capital Projects Modification Act of 2009

Background

The proposed subtitle rescinds the capital budget authority of a number of projects, allowing the use of these funds for other capital projects that are currently funded by Pay-Go capital. The below table outlines the projects and the associated capital budget authority balances.

Fiscal impact of Subtitle (VIII.A)(B) Capital Projects Modification Act of 2009 Projects subject to capital budget authority rescissions			
Agency	Project #	Name	Amount (\$)
Office of Property Management	MA702C	Underground Storage Tank	\$300,000
	RG037C	General Improvements	\$300,000
	U0813C	Improvements Van Ness Campus	\$1,100,000
Anacostia Waterfront Corporation (Now dissolved)	AWC01C	District Subsidy to AWC	\$7,239,057
D.C. Office of Personnel	BE501C	Information Technology	\$279,986
Dept. of Consumer & Regulatory Affairs	RPD002	Real Property Database	\$208,176
Dept. of Housing & Community Development	EB201C	Neighborhood Revitalization-Columbia Heights	\$177,537
Deputy Mayor for Planning & Economic Development	EB310C	Anacostia Waterfront Corporation	\$775,158
	JA102C	Old Convention Center Study	\$536,001
Equipment Lease - Capital	EQ301C	DMV Destiny	\$291,860
	HC701C	Medicaid Management Information System	\$809,113
	N2401C	Telco Safety And Security	\$185,000
Department of Parks & Recreation	QH238C	Wilson High School Pool	\$200,000
	QK538C	New Fort Greble Recreation Center	\$100,000
	RN015C	Takoma Pool (Aquatic Center)	\$274,490
Department of Health	HC501C	Community Clinic Construction	\$1,994,830
Department of Transportation	EQ902C	Master Equipment Lease - DPW	\$121,600
	FM103C	Heavy Equipment Staging Area and Storage	\$175,014
Department of Public Works	FM603C	Fleet Customer Intake	\$440,000
	FM604C	Snow Equipment Staging Area	\$560,000
Total Budget Authority Rescinded			\$16,067,822

Additionally, the proposed subtitle rescinds the capital authority of two other projects— Temporary Space (TPL01C) under D.C. Public Libraries, and Oyster Adams playground (QS6426) under DPR, which are already funded by Pay-Go capital, and makes the \$2.3 million budget authority available for FY 2009.

Financial Plan Impact

By rescinding the capital authority of various projects and redirecting these funds to other capital projects that are currently funded by pay-go capital, the proposed legislation releases local general funds of about \$16.1 million. The funds would be available in the fiscal year for which the pay-go capital expenditure was planned. Additionally, the proposed subtitle would increase local general revenue for FY 2009 by \$2.3 million. The fiscal impact of the proposed subtitle is already incorporated into the FY 2009 budget and FY 2010 through FY 2013 budget and financial plan.

Subtitle (VIII)(C) – Fiscal Year 2010 Transfer of Special Purpose Revenues Act of 2009

Background

The proposed subtitle allows the Chief Financial Officer to transfer to local funds and recognize as fiscal year 2010 revenue \$51.924 million from the Special Purpose Revenue funds, capital accounts, and dedicated tax accounts. The table below outlines the funds affected by the proposed subtitle.

Fiscal Impact of Subtitle (VIII.A)(C) Fiscal Year 2010 Transfer of Special Purpose Revenues Act of 2009 Transfer of Fund Balances to FY 2010 Local Fund			
	Agency	Description	Amount
a	Office of Property Management	Eastern Market Enterprise Fund	\$199,990
b	Office of the Chief Financial Officer	Compliance and Real Property Tax Administration Fund	\$552,903
		Payroll Service Fees Fund	\$78,803
		Service Contracts Fund	\$84,238
c	Office of the Secretary	Distribution Fees Fund	\$22,000
d	Office of Attorney General	Child Support Title IVD Incentives Fee Funds	\$1,563,000
		Driving Under the Influence Fund	\$8,413
e	Office of Contracting and Procurement	Surplus Property Sales Fund	\$15,320
		Supply Schedule Sales Discount And Operation Fund	\$108,189
f	Office of Chief Technology Officer	ServUS Program Fund	\$10,000
g	Public Service Commission	Operating-utility Assessment Fund	\$176,540
h	Office of People's Counsel	Advocate for Consumers	\$56,352
i	Dep. May for Planning & Economic Development	Economic Development Special Account	\$54,001
j	Metropolitan Police Department	Automated Traffic Enforcement Fund	\$493,638

Fiscal Impact of Subtitle (VIII.A)(C) Fiscal Year 2010 Transfer of Special Purpose Revenues Act of 2009 Transfer of Fund Balances to FY 2010 Local Fund			
	Agency	Description	Amount
k	Department of Corrections	Corrections Trustee Reimbursement Account	\$669,640
l	Office of Administrative Hearings	Adjudication Fines Fund	\$145
m	District of Columbia Public Library	Copies and Printing Account	\$5,000
n	Office of State Superintendent of Education	State Superintendent of Education fees account	\$5,651
		OPLA special account	\$7,000
o	Department of Parks and Recreation	Enterprise Fund Account	\$86,093
p	Department of Health Care Finance	Bill of Rights-Grievances And Appeals Fund	\$153,798
q	District Department of Environment	Oil Spill Fee Fund	\$20,238
		Soil Erosion and Sediment Control Fund	\$386,745
		Storm Water Permit Review Fund	\$65,465
		Renewable Energy Development Fund	\$4,818
		Air Quality Adjudication Hearings Fund	\$2,209
		Water Quality Adjudication Hearings Fund	\$23,962
		Wells Fund	\$971
		Residential Aid Discount Fund	\$19,560
		Residential Essential Services Fund	\$7,607
		WASA Utility Discount Program	\$3,391
		Municipal Aggregation Account	\$42,903
		Sustainable Energy Trust Fund	\$786,393
r	District Department of Transportation	Restoration Of Public Space Projects Fund	\$15,000
s	Department of Public Works	Solid Waste Disposal Fee Fund	\$523,109
t	Department of Motor Vehicles	Out-Of-State Vehicle Registration Fund	\$21,200
		Commercial Drivers License Fund	\$147,438
u	Office of Cable Television	Cable Franchise Fees Fund	\$942,000
v	Dep. May for Planning & Economic Development	The Neighborhood Investment Fund ¹	\$7,412,000
w		Community Benefit Fund ¹	\$13,271,000
x		Ballpark Revenue Fund	\$11,000,000
y		Healthy DC Fund ¹	\$3,000,000
z	Office of Property Management	Parking Fees Fund	\$1,195,000
aa	District Department of Transportation	Unified Fund	\$3,842,000
bb	Board of Trustees of the Tobacco Settlement Trust Fund	Tobacco Settlement Trust Fund ¹	\$4,840,000
	TOTAL		\$51,923,724

¹ With potential restrictions on the use of funds.

Financial Impact

The proposed subtitle will reduce the fund balances of various special purpose accounts and dedicated tax accounts by \$51.924 million and increase the local general revenue for FY 2010 by

the same amount. The financial impact of the proposed subtitle is already incorporated into the FY 2010 through FY 2013 budget and financial plan.

Subtitle (VIII)(D) – Financial Plan Transfer of Special Purpose Revenues Act of 2009

Background

The proposed subtitle allows the Chief Financial Officer to transfer to local funds and recognize as FY 2011 revenue \$35.278 million, as FY 2012 revenue \$27.396 million, and as FY 2013 revenue, \$33.49 million from the special purpose funds from the following sources:

Fiscal Impact of Subtitle (VIII.A)(D) Financial Plan Transfer of Special Purpose Revenues Act of 2009 Transfer of Fund Balances to FY 2011 through FY 2013					
Agency	Description	FY 2011	FY 2012	FY 2013	TOTAL
	Ballpark Revenue Fund	\$14,000,000	\$10,000,000	\$15,000,000	\$39,000,000
	Community Benefit Fund ¹	\$12,883,000	\$13,001,000	\$14,095,000	\$39,979,000
OPM	Parking Fees Fund	\$1,195,000	\$1,195,000	\$1,195,000	\$3,585,000
DMPED	The Neighborhood Investment Fund ¹	\$3,200,000	\$3,200,000	\$3,200,000	\$9,600,000
	Tobacco Settlement Trust Fund	\$4,000,000			\$4,000,000
	Total	\$35,278,000	\$27,396,000	\$33,490,000	\$96,164,000

¹ With restrictions on the use of funds.

Financial Impact

The proposed subtitle will reduce the fund balances of various special purpose accounts and dedicated tax accounts in the above table by a total of \$96.164 million and increase the local general revenue for the corresponding fiscal years by the same amount. The financial impact of the proposed subtitle is already incorporated into the FY 2010 through FY 2013 budget and financial plan.

¹ Assuming 20 per pack.