


**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 1, 2010

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

**REFERENCE:** Bill 18-732, Enrolled Original

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*This Fiscal Impact Statement is a replacement for the one issued on June 21, 2010 and reflects final Council action.*

**Conclusion**

Funds are sufficient in the proposed FY 2010 budget to implement the proposed Fiscal Year 2010 Balanced Budget Support Emergency Act of 2010. The proposed legislation adopts the statutory changes needed to implement the proposed gap-closing plan for FY 2010. The legislative initiatives in the Fiscal Year 2010 Balanced Budget Support Emergency Act of 2010 provide sufficient funds to balance the estimated local expenditures of \$5.21 billion in the FY 2010 revised budget.<sup>1</sup>

The purpose and the impact of each title are summarized in the following pages.

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<sup>1</sup> Title XV of the proposed legislation, *University of the District of Columbia Expansion Emergency Act of 2010*, could have a negative impact on the proposed FY 2011 budget, but this cannot be determined with certainty at this time. The language in this Title, which assigns UDC exclusive use rights for the Patricia R. Harris Education Center site must be clarified before the OCFO can complete its analysis.

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## **Title I – Washington Center on Aging Lease Income Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would authorize the revenue from a lease agreement for the Washington Center for Aging Services located at 2635 18<sup>th</sup> Street, NE, to go directly to the local component of the General Fund. The Mayor intends to lease the property to Stoddard Baptist Home, Inc., (the "Tenant") for a period of 30 years with the option of two additional 10-year renewal terms for a long-term care nursing home facility. The tenant was chosen through a competitive bid process conducted by the Department of Real Estate Services (DRES). According to the draft Letter of Intent shared with the OCFO, the facility must provide nursing home facilities, adult day care, dialysis, and elderly and handicapped transportation services, and achieve a rating of at least 3 out of 5 at all times by a nursing home rating authority.<sup>2</sup>

The negotiated annual base rent is \$1,001,200 to be paid in monthly installments during Year 1 through Year 7 of the lease term. In Year 8 through Year 30 of the lease term, the annual rent will escalate 2 percent per year. Overall, total rent payments through the 30-year lease term will be approximately \$36.5 million.

### **Financial Plan Impact**

The proposed subtitle would direct the lease revenue from the Washington Center for Aging Services into the General Fund. The lease agreement is expected to be signed with the Tenant by August 1, 2010, and the District is expected to collect two months of rent in FY 2010 for a total of \$167,000.

## **Title II – Licensing, Permitting, and Corporate Filings Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would authorize the Mayor to establish fees and surcharges for the corporation filing documents,<sup>3</sup> and to establish the rate of certain fees and surcharges.

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<sup>2</sup> For example, see Nursing Home Compare, a federal government program, which rates nursing homes over a scale of 0 to 5. Information is available at <http://www.medicare.gov/NHCompare>

<sup>3</sup> Concerning license fees and fees for filing and issuing of certificates and documents: by amending D.C. Official Code § 29-101.121(a) and (b) for business corporations, D.C. Official Code § 29-301.92 for nonprofit corporations, D.C. Official Code § 29-944(a) for cooperative associations, and D.C. Official Code § 29-1063 for limited liability companies; concerning filing fees and charges and issuing of certificates and documents: by amending D.C. Official Code § 33-101.05(f) for uniform partnerships, D.C. Official Code § 33-110.04 Subsections (a) and (b) for limited liability partnerships, and D.C. Official Code § 33-211.02(b) for uniform limited partnerships; and concerning basic business license application and

Specifically, it would authorize the Director of the Department of Consumer and Regulatory Affairs (DCRA) to provide a new tiered fee structure based on the industry standards, instead of the current formula to determine tiered fees, both based on the number of shares, for filing articles of incorporation and amendment to articles of incorporation or restated articles of incorporation<sup>4</sup>; and charge an additional fee of 10 percent on the total cost of any filing or document that is submitted to, or requested from, the Corporations Division to cover the costs of enhanced technological capabilities of the Corporations Division of DCRA, starting on June 1, 2010 and to expire on October 1, 2013<sup>5</sup>.

### **Financial Plan Impact**

The 10 percent surcharge on corporate filing fees is expected to generate to the local general fund \$166,667 in FY 2010.

## **Title III – Housing Production Trust Fund Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would increase<sup>6</sup> the maximum percentage of funds allocated for the administration of the Housing Production Trust Fund<sup>7</sup> (HPTF) from 10 percent to 15

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renewal fees, by amending D.C. Official Code § 47-2851.04 (c)(1) and adding a new subsection (e) to D.C. Official Code § 47-2851.08

<sup>4</sup> Proposed fees for filing articles of incorporation:

- (1) For a corporation with authorized shares of capital up to 100,000 shares: \$185;
- (2) For a corporation with authorized shares of corporation capital more than 100,000 shares and up to 500,000 shares: \$500;
- (3) For a corporation with authorized shares of corporation capital more than 500,000 shares and up to 1,000,000 shares: \$1,000; and
- (4) For a corporation with authorized shares of corporation capital more than 1,000,000 shares: \$1,500.

Proposed fees for amendment to articles of incorporation or restated articles of incorporation: \$185; provided, that if the amendment will increase the number of shares, the fee shall be as follows:

- (1) For a corporation with authorized shares of capital up to 100,000 shares: \$185;
- (2) For a corporation with authorized shares of corporation capital more than 100,000 shares and up to 500,000 shares: \$500;
- (3) For a corporation with authorized shares of corporation capital more than 500,000 shares and up to 1,000,000 shares: \$1,000; and
- (4) For a corporation with authorized shares of corporation capital more than 1,000,000 shares: \$1,500.

<sup>5</sup> By adding a new Chapter 6 (DCRA Corporations Division Schedule of Fees) to Title 17 (Business, Occupations, and Professions) of the District of Columbia Municipal Regulations, and repealing Sections 3502 (Limited Partnership Fees), 3503 (Schedule of Fees for the Registered Limited Liability Partnership), 8911 (Trade Name Registration – Fees and Refunds) and 8912 (Trade Name Registration – Collection and Deposit of Fees)

<sup>6</sup> By amending Housing Production Trust Fund Act of 1988, D.C. Law 7-202; D.C. Official Code § 42-2802(b)(10); effective March 16, 1989

percent of the funds deposited into the HPTF for FY fiscal years 2010 and FY 2011. This maximum percentage allocated for the administrative expenses would go back to 10 percent of the HPTF starting FY 2012.

### **Financial Plan Impact**

The proposed subtitle would have no net impact on the Local General Fund, as it does not increase or reduce the overall funding level; instead, it increases the share of total HPTF funds used for the administration of the HPTF.<sup>8</sup> In FY 2010, HPTF funds available for administrative use would increase by approximately \$1.1 million.

## **Title IV – Planning Grantmaking Authority Emergency Act of 2010**

### **Background**

The proposed subtitle would authorize the Mayor to issue grants<sup>9</sup> to individuals and organizations from local revenue, dedicated tax revenue, special purpose revenue and capital funds in furtherance of the Mayor's planning mission under the District of Columbia Home Rule Act,<sup>10</sup> subject to available appropriations. It also would give the Mayor authority to issue rules to implement this provision.

### **Financial Plan Impact**

Implementation of the proposed subtitle would not impact the District's budget and financial plan. Any grants issued would be subject to available appropriations.

## **Title V - District Department of Transportation Unified Fund Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would amend<sup>11</sup> the Department of Transportation Establishment Act of 2002 to require that out of the first \$30 million in revenue derived from the sales

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<sup>7</sup> The Housing Production Trust Fund is a non-lapsing, non-reverting segregated account financed by dedicated taxes, 15 percent of the District's deed recordation and transfer taxes annually. The HPTF provides funds for the acquisition, construction, and rehabilitation of affordable multifamily housing projects.

<sup>8</sup> The increase in the administrative costs cap would shift resources within the Department of Housing and Community Development from direct to indirect project costs, and would not have an impact on securitization or debt service, since funds for securitization or debt service are allocated first.

<sup>9</sup> Includes grants made with funds the Mayor or an agency receive through an intra-District transfer, a memorandum of understanding, or a reprogramming from an agency that does not have grant making authority.

<sup>10</sup> Approved December 24, 1973 (87 Stat. 792; D.C. Official Code § 1-204.23).

<sup>11</sup> The Department of Transportation Establishment Act of 2002, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 50-921.11(c)(2))

and use taxes collected by the District for parking and storing, \$12.2 million in FY 2010 and \$10.2 million in FY 2011 and all subsequent years would be transferred to the General Fund. Any revenue in excess of \$30 million would continue to be deposited into the Highway Trust Fund.

### **Financial Plan Impact**

The proposed subtitle makes permanent Section 203 of the FY 2009 Balanced Budget Support Temporary Amendment Act of 2008. The impact of the proposed subtitle is incorporated in the revised FY 2010 budget.

### **Title VI– Fiscal Year 2010 Transfer of Special Purpose Funds Emergency Act of 2010**

#### **Background**

The proposed subtitle would require the Chief Financial Officer (CFO) to transfer to the unrestricted fund balance of the General Fund and recognize as FY 2011 revenue fund balances in the amount of \$5.5 million from the Special Purpose Funds detailed in the table below.

<b>Fiscal Impact of Title VI (1) Transfer of Special Purpose Fund Balances to FY 2011 Local Fund</b>		
<b>Agency</b>	<b>Description</b>	<b>Amount</b>
Department of Real Estate Services	Rent	\$4,537,055
Office of the Chief Financial Officer	Recorder of Deeds Surcharge	\$1,000,000
<b>Total</b>		<b>\$5,537,055</b>

It would also require the CFO to transfer \$10.3 million of the certified revenues from the Special Purpose Funds detailed below into the unrestricted fund balance of the General Fund, and recognize them as revenue in FY 2010.

<b>Fiscal Impact of Title VI (2) Transfer of Revenues to FY 2010 Local Fund</b>		
<b>Agency</b>	<b>Description</b>	<b>Amount</b>
Office of the Tenant Advocate	Condominium Conversion	\$793,000
Department of Consumer and Regulatory Affairs	Nuisance Abatement	\$1,206,775
	Real Estate Guaranty and Education Fund	\$53,655
	OPLA - Special Account	\$180,388
	Basic Business License Fund	\$559,196
	Construction/Zoning Compliance Management Fund	\$41,955
Office of Cable Television	Cable Franchise Fees	\$851,096
Office of the Deputy Mayor for Planning and Economic Development	Industrial Revenue Bond Program	\$442,803
	Economic Development Special Account	\$199,000
Motor Vehicle Theft Prevention	Insurance Violation Fines	\$775,000

<b>Fiscal Impact of Title VI (2) Transfer of Revenues to FY 2010 Local Fund</b>		
<b>Agency</b>	<b>Description</b>	<b>Amount</b>
Commission		
Department of Health	SHPDA Fees	\$43,165
	Vital Records Revenue	\$25,725
	Radiation Protection	\$31,006
	Animal Control Dog License Fees	\$12,558
	Board of Medicine	\$131,775
	Health Facility Fee	\$11,661
	SHPDA Admission Fee	\$21,000
Department of Disabilities Services	Vocation Rehabilitation Service Reimbursement	\$231,951
District Department of the Environment	General Enforcement Fines and Fees	\$ 20,000
	Soil Erosion/Sediment Control	\$937,957
	Pesticide Product Registration	\$323,000
	Renewable Energy Development Fund	\$19,280
	Brownfield Revitalization	\$131,849
	Adjudication Hearings (Water Quality)	\$64,578
	Wells Fund	\$4,181
	Hazardous Generator Fees	\$84,000
	Stripperwell	\$41,040
	Economy II	\$ 20,000
	Sustainable Energy Trust Fund	\$905,527
	Energy Assistance Trust Fund	\$311,949
	Residential Aid Discount	\$5,000
	Residential Essential Services	\$9,500
	WASA Utility Discount Program	\$21,000
	Underground Storage Tank Fines and Fees	73,630
	Storm Water Fees	56,181
Department of Public Works	General O-Type Revenue Sources	\$318,326
	Motor Vehicle Inspection Station	\$723,660
Department of Mental Health	DMH Medicare and Third Party Reimbursement	\$109,864
Department of Insurance, Securities, and Banking	HMO Assessment	\$22,695
	Insurance Assessment	\$222,922
	Securities Broker/Dealer Licenses	\$117,792
	Captive Insurance	\$67,062
	Banking Trust Fund	\$115,847
<b>Total</b>		<b>\$10,338,549</b>

Lastly, the proposed subtitle would require the CFO to transfer \$21.8 million from either the fund balances or the certified revenues of the specified funds in the table below to the unrestricted fund balance of the General Fund, and recognize them as revenue in FY 2010.

<b>Fiscal Impact of Title VI (3) Transfer of Fund Balances/ Revenues to FY 2010 Local Fund</b>	
<b>Fund</b>	<b>FY 2010</b>
Baseball Fund	\$11,689,000
Neighborhood Investment Fund	\$1,413,727
Office on Aging Client Reserve Account	\$8,710,856
<b>Total</b>	<b>\$21,813,583</b>

### **Financial Plan Impact**

The proposed subtitle would reduce fund balances and certified special purpose revenue in Special Purpose Funds by a total of \$37.6 million. Of this, \$5.5 million would be recognized as FY 2011 local general revenue and the remaining \$32.2 million would be recognized as FY 2010 local general revenue. The impact of the proposed subtitle is incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

### **Title VII – Capital Projects Modification Emergency Act of 2010**

#### **Background**

The proposed subtitle would make substantial changes to the FY 2010 and FY 2011 capital budget authority.

First, it would realign the capital budget authority for 13 projects by rescinding the specified FY 2010 funding and adding that same amount back to the project in FY 2011 (and more in the case of two projects).<sup>12</sup>

<b>Fiscal Impact of Title VII – Capital Projects Modification Act of 2010 Budget Authority Rescinded in FY 2010 and Added to FY 2011</b>				
<b>Agency</b>	<b>Project #</b>	<b>Project Title</b>	<b>FY 2010 Rescission Amount</b>	<b>FY 2011 Addition Amount</b>
Office of the Deputy Mayor for Planning and Economic Development	EB402C	Pennsylvania Avenue, SE, Properties	\$3,400,000	\$3,400,000
Fire and Emergency Medical Services	LB637C	Engine 15	\$2,508,459	\$2,508,459
	LC337C	Engine 21	\$479,097	\$479,097
	LC437C	Engine 22	\$3,000,000	\$5,100,000
	LC837C	Engine 26	\$2,051,000	\$2,051,000
	LE337C	Engine 5	\$479,097	\$479,097

<sup>12</sup> For the same project phases and from the same type of funding sources as the fiscal year 2010 rescinded amounts.



<b>Fiscal Impact of Title VII – Capital Projects Modification Act of 2010 Budget Authority Rescinded in FY 2010 and Added to FY 2011</b>				
<b>Agency</b>	<b>Project #</b>	<b>Project Title</b>	<b>FY 2010 Rescission Amount</b>	<b>FY 2011 Addition Amount</b>
	LE737C	Engine 27	\$1,533,743	\$1,533,743
	LE937C	Special Operations Facility	\$238,912	\$857,190
	LI237C	Integrated Management Information System	\$860,639	\$860,639
District of Columbia Public Library	MCL03C	Martin Luther King Jr. Memorial Library	\$901,352	\$901,352
Office of the Chief Technology Officer	EQ101C	Master Lease Wireless	\$1,865,215	\$1,865,215
	N2101C	Mainframe Relocation	\$723,372	\$723,372
<b>TOTAL</b>			<b>\$18,040,886</b>	<b>\$20,759,163</b>

Second, it would rescind \$21.3 million from FY 2010 capital projects as listed below.

<b>Fiscal Impact of Title VII – Capital Projects Modification Act of 2010 Budget Authority Rescinded in FY 2010</b>			
<b>Agency</b>	<b>Project #</b>	<b>Project Name</b>	<b>FY 2010 Rescission Amount</b>
DC Public Schools	NL937C	Complete Renovation and Modernization	\$1,417,422
	SG120C	General Improvements	\$855,953
	SG138C	General Improvements	\$1,008,000
	SG305C	Modernization	\$1,951,935
	NR638C	H.D. Woodson	\$4,139,000
Department of Parks and Recreation	RG005C	Roof Replacement	\$300,000
	RR007C	Facility Renovation	\$300,000
Master Equipment Lease/Purchase Program	FR102C	Move to Virginia Avenue	\$315,000
	N1901C	PC Refresh	\$13,730
	N1902C	OCTO Application Support Server Refresh	\$60,815
	EQ401C	Child Tracking System	\$28,070
Public Benefits Corporation	Various	Close-out of former PBC	\$991,000
Department of Transportation	EDS01C	Georgia Avenue/7th Street	\$4,825,286
	EDS00C	Great Streets: General Planning	\$1,600,000
	EDS02C	Great Streets: H Street NE/Benning Road	\$1,200,000

	EDS03C	Great Streets: Nannie Helen Burroughs Avenue SE	\$400,000
	EDS06C	Great Streets: M. L. King Jr. Avenue SE/S Capitol Street	\$800,000
Dept. of Real Estate Services	EA710B	Neighborhoods Revitalization	\$34,000
	N1401C	Government Centers Pool/Anacostia Gateway	\$1,600,000
	N1412C	Government Centers Pool/Anacostia Gateway	\$29,000
	N1415C	Public Safety Headquarters (authority only)	\$12,500,000
OCTO	N1601B	DC WAN	\$27,088
	N1704C	IT Infrastructure Implementation	\$182,000
	N1707C	Infrastructure Support Systems	\$457,000
	N1710C	Data Center Consolidation	\$657,912
	N1801C	Shared Facility Upgrade	\$646,039
	N2701C	Applications Maintenance Transition Project	\$100,000
	N3699C	SMP Pool (Pay-Go Budget 0301)	\$486,000
	N1702C	DC Cable Net	\$253,961
OPEFM	YY133C	Selective Additions and New Construction	\$2,000,000
Department of Health	HC501C	Community Clinics Construction	\$4,350,133
DMPED	EDS	Unallocated Great Streets	\$4,000,000
Department of Mental Health	HX501C	St. Elizabeth's Hospital (allotment)	\$12,500,000
<b>TOTAL</b>			<b>\$21,331,215</b>

Third, it would increase the FY 2010 capital budget authority for the following 18 projects by a total of \$64.2 million from the specified sources.

Fiscal Impact of Title VII – Capital Projects Modification Act of 2010 Budget Authority Increased for FY 2010				
Agency	Project #	Project Name	Funding Source	FY 2010 Addition
Department of Parks and Recreation	NEW	Georgetown Park	GO Bonds	\$600,000
	QS339C	Edgewood Recreation	GO Bonds	\$1,000,000
	QJ901C	Boys & Girls Clubs	GO Bonds	\$3,143,000
	QI237C	Marvin Gaye Park/Rec.	GO Bonds	\$1,200,000
	QI937C	Rosedale Recreation Center	GO Bonds	\$2,042,344
Department of Transportation	CA302C	Repair/Maintain Curbs/Sidewalks/Alleys	GO Bonds	\$700,000
	CE301C	Pavement Marking and Traffic Calming	GO Bonds	\$300,000
	SA306C	Streetcars	GO Bonds	\$963,101
	SA306C	Streetcars	GO Bonds	\$500,000
	SA306C	Streetcars	GO Bonds	\$12,500,000
WMATA	SA202C	Metro Bus (to support the Circulator in East Washington)	GO Bonds	\$399,345
Child and	RL201C	Performance-Based Contracts	Master Lease	\$124,000

Fiscal Impact of Title VII – Capital Projects Modification Act of 2010 Budget Authority Increased for FY 2010				
Agency	Project #	Project Name	Funding Source	FY 2010 Addition
Family Services Agency	RL202C	Performance Based Contracts (Faces.Net)	GO Bonds	\$65,000
	MPM01C	Administrative Service Organization (Medicaid billing system)	GO Bonds	\$2,200,000
Department of Mental Health	HX403C	Mental Health Housing Initiatives	GO Bonds	\$1,000,000
Fire & Emergency Services Dept.	NEW	Engine Company 28	GO Bonds	\$1,900,000
OPEFM	NR637C	Woodson Senior High School	GO Bonds	\$4,139,000
	NEW	Autism Suites	GO Bonds	\$337,088
	NEW	Ward 8 Playgrounds	GO Bonds	\$850,000
	YY230C	Stabilization	GO Bonds	\$650,262
	NEW	Murch Demountables	GO Bonds	\$400,000
	NEW	Middle School IT/Arts & Sciences Initiative	Master Lease	\$4,143,346
	NEW	Pre-K Classroom Conversions	GO Bonds	\$750,286
	NEW	Noyes & Hearst Demountables	GO Bonds	\$700,000
	NEW	DC Schools Kitchen (planning and Design)	GO Bonds	\$3,598,000
	NF937C	Complete Modernization	GO Bonds	\$400,000
	WT337C	Modernization – Whittier ES	GO Bonds	\$2,000,000
Department of Public Works	NEW	Pay-Go swap to Street Sweeping	GO Bonds	\$486,000
	QB338C	Roper-Deanwood	GO Bonds	\$4,600,000
MPD	CTV10C	MPD Tactical Village Training Facility	GO Bonds	\$3,200,000
	CTV10C	MPD Tactical Village Training Facility	GO Bonds	\$2,000,000
DMPED	EB404C	Lincoln Theater	GO Bonds	\$500,000
		Bruce Monroe ES Interim	Master Lease	\$1,500,000
Department of Health	HC301C	MMIS Completion	GO Bonds	\$1,985,000
DC Public Library	FGR37C	Francis Gregory Neighborhood Library	GO Bonds	\$3,400,000
<b>TOTAL</b>				<b>\$64,275,771.81</b>

Fourth, it would make the following changes to the Washington Metropolitan Area Transit Fund:

- Retain appropriated Fund 0300 (IT Bonds) budget allotment and associated budget authority of \$12.5 million as the required federal match.

- Exchange appropriated Fund 0300 budget (IT bonds) allotment and associated budget authority of \$13 million currently accounted for in the Fund with an equal amount of Pay-Go budget in various projects identified by the Chief Financial Officer, as shown in the Budget Request Act Report
- Redirect \$3 million of Fund 300 allocations to the following four Great Street projects: General planning (EDS00C), H Street NE/Benning Road (EDS02C), Nannie Helen Burroughs Avenue SE (EDS03C), and M. L. King Jr. Avenue SE/S Capitol Street (EDS06C).
- Allocate \$15.5 million to the Streetcars project from the following sources:
  - o \$1.48 million of Fund 0300 allocations from the Washington Metropolitan Area Transit Fund
  - o \$1.46 million from various projects identified above including \$963,101 in rescissions from various projects and \$500,000 from Great Streets Georgia Avenue (KA0 project EDS01C).
  - o \$25 million, half from allotment to Saint Elizabeth's Hospital (RM0 project HX501C) and half from the redirection of associated budget authority from the Public Safety Headquarters (Daly Building) project (AM0 project N1415C), as noted above.
- Exchange \$770,000 in appropriated Fund 0300 budget (IT bonds) allotment and associated budget authority accounted for in the Fund with an equal amount of Pay-Go budget from Stuart Hobson MS IT/Arts & Sciences Demonstration.
- Exchange \$3 million in appropriated Fund 0300 budget allotment and associated budget authority currently accounted for in the Fund with an equal amount of Appropriated Fund 0332 budget in the District Department of Transportation project KA0 CE310C, Street and Alley Maintenance and Repair. Additionally redirect budget allotment and associated budget authority of \$4,000,000 from Pay-Go funding from various other projects accounted elsewhere in this title. Transfer the resulting \$7 million to local funds in the Department of Transportation and recognized as O-Type revenue in a special non-lapsing fund to remain available until expended or rescinded, or the end of fiscal year 2011, whichever occurs first.
- Exchange \$20 million in IT Bonds currently accounted for in the Fund with an equal amount of Master Lease capital identified elsewhere in this subtitle. The resulting Pay-Go budget allotment and associated budget authority in the amount of \$20,000,000 shall be transferred to local funds and recognized as revenue for the fiscal year in which the Pay-Go funds are budgeted for in subsection (b) of this Title to the capital project which shall be increased by the dollar amounts set forth in the following chart from the funding sources and for the project phases designated in the chart, to redirect this Pay-Go budget allotment and associated budget authority in fiscal year 2010 to the capital project in the following chart.
- Rescind \$3.2 million from various projects as identified by the OCFO.

Fifth, it would amend Fiscal Year 2010 Budget Support Act of FY 2009 to

- Replace \$991,000 reallocated from FEMS for Tenley Library in FY 2010 Budget Support Act of FY 2009 with capital budget funding from three projects,

specifically: \$550,000 from project HC104C, entitled "Immunization Program" in the Department of Health, \$411,000 from project HC103C, entitled "STD Clinic" in the Department of Health, and \$30,000 from project AH707C, entitled "Public Art Fund" in the Commission on the Arts and Humanities."

- Allocate \$346,836.50 from project CE301C, entitled "Pavement Marking and Traffic Calming" in the District Department of Transportation, to project BF208C, entitled "Performance Based Budgeting" in the Office of the Chief Financial Officer, to support budgeting requirements of Title VI, Public Works, Subtitle I, Cost Driven Re-formulation of the District Department of Transportation Budget for fiscal year 2011

Sixth, it would

- Replace \$354,556, from project FB0 20600C, entitled "Fire Apparatus Replacement" with the following funds:
  - o \$40,00 from BX0 AH722C, entitled "Public Art Fund" in the Commission on the Arts and Humanities;
  - o \$59,000 from project HA0 NTE01C, entitled "Technology Acquisition" in the Department of Parks and Recreation;
  - o \$51,000 from HA0 RR010C, entitled "Facility Renovation" in the Department of Parks and Recreation;
  - o \$145,000 from RR011C, entitled "Facility Renovation" in the Department of Parks and Recreation;
  - o \$38,000 from HA0 RR021C, entitled "Mitchell Park" in the Department of Parks and Recreation;
  - o \$3,000 from RM0 XA627C, entitled "Information Technology" in the Department of Mental Health; and
  - o \$58,000 from RMO HX401C, entitled "Construct New Hospital" in the Department of Mental Health.
- Increase Pay-Go capital converted to local funds from "\$357,000" to "\$394,000" for project JM102C, entitled "Rewriting of Zoning Regulations."
- Convert an additional \$2,654,731.90 of Pay-Go capital into local from project AWC01C, entitled "Anacostia Waterfront Corporation Subsidy."

Seventh, it would create FY 2010 \$3.8 million capital budget authority backed by O-Type revenue received from student fees for use in design and construction of the new student center project, and of \$2.2 million backed by revenues received from the District Department of the Environment for design and construction of a "green" roof for Building 52.

Eighth, it would direct, subject to available funding, \$2 million of capital or Pay-Go funds to the District of Columbia Public Library to expand library services at the site of the closed Charles Young Elementary School in Ward 5.

Ninth, it would adjust FY 2010 Capital Improvement Plan and Capital Projects to include a new project for improvement of internet access and technology in grades 6, 7, and 8, specifically targeting public schools that have not yet received full or Phase I

modernizations, where these improvements have not been made, including (i) Stuart Hobson Middle School Intelligent Technology and Arts Demonstration at \$1.277 million; (ii) Middle School Intelligent Technology and Arts Improvements at \$3.8 million; and (iii) Other sub-projects and funds as provided for in this or subsequent acts.

### **Financial Plan Impact**

In multiple steps, the proposed subtitle would realign approximately \$105 million in Fund 300 (IT bonds), \$40.6 million in Pay-Go capital, and approximately \$4 million in master lease funds. It would also realign \$7.8 million in capital fund pool cash. The total capital realignments effectuated in FY 2010 by the proposed subtitle is approximately \$157.4 million.

## **Title VIII – Anacostia River Clean Up and Protection Clarification Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would<sup>13</sup> prevent the use of the Anacostia River Clean Up and Protection Fund ("Fund") to fund street sweeping activities.

### **Financial Plan Impact**

The Anacostia River Clean Up and Protection Fund is administered by the District Department of the Environment and used solely for the purposes of cleaning and protecting the Anacostia River and other waterways. The Mayor's proposed FY 2010 Balanced Budget Support Act included \$1 million from this fund and FY 2011 budget included \$2.6 million from this fund to support street sweeping activities. This subtitle clarifies that the Fund can not be used for street cleaning activities. Subtitle VII of this act transfers \$486,000 in Pay-Go capital to street sweeping activities.

## **Title IX – Stormwater Permit Compliance Fund Clarification Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would<sup>14</sup> clarify that funds from the Stormwater Permit Compliance Enterprise Fund ("Fund") cannot be used for street sweeping unless enhancement to

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<sup>13</sup> By amending the "Anacostia River Clean Up and Protection Act of 2009" (effective September 23, 2009: D.C. Law 18-55, D.C. Official Code § 8-102.05(c))

<sup>14</sup> By amending the "District Department of the Environment Establishment Act of 2005." effective March 25, 2009 (D.C. Law 17-371, D.C. Official Code § 8-152.02(e)(1))

existing street sweeping activities are necessary comply with the terms of the Stormwater Permit.

### **Financial Plan Impact**

The Stormwater Permit Compliance Enterprise Fund is a non-lapsing fund that must be used solely to fund the cost to the District Government of complying with the U.S. Environmental Protection Agency Municipal Separate Storm Sewer System (MS4)<sup>15</sup> permit that regulates the District's discharge of storm water and sewage from the sewer system. The Mayor's proposed FY 2010 Balanced Budget Support Act included \$2 million from this fund to support street sweeping activities. The effect of the proposed subtitle is incorporated into the revised FY 2010 budget.

## **Title X – Medicaid Benefits Protection Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would amend the Medicaid Benefits Protection Act of 1994<sup>16</sup> to provide new requirements insurers<sup>17</sup> must comply with in order to do business in the District regarding claims for reimbursement for payments made by the District's Medicaid Plan and the provision of coverage, eligibility and paid claims data to the District.

The purpose of these changes is to make it easier for the Department of Health Care Finance (DHCF) to know which individuals have private insurance and to recover from the insurers Medicaid payments made on these individuals' behalf.<sup>18</sup> These changes are also necessary in order to comply with the federal requirements enacted in the Deficit Reduction Act of 2005.<sup>19</sup>

### **Financial Plan Impact**

The proposed subtitle could lead to an increase in revenue if, as a result of its implementation, DHCF were able to recover more Medicaid payments from private health insurers. However, there is not enough information available to reliably estimate this potential increase.

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<sup>15</sup> A Municipal Separate Storm Sewer System (MS4) is a municipal owned sewer system that discharges untreated polluted stormwater runoff into local waterbodies.

<sup>16</sup> Effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code § 1-307.41).

<sup>17</sup> "Insurer" includes a self-insured plan, a group health plan, a service benefit plan, a managed care organization, a pharmacy benefit manager, or other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for all or part of a health care item or service.

<sup>18</sup> For those services that should have been billed to and covered by the private insurers.

<sup>19</sup> Effective February 8, 2006 (Public Law 109-171).

## **Title XI – Hospital Assessment Emergency Act of 2010**

### **Background**

The proposed subtitle would institute a new annual assessment on hospitals<sup>20</sup> as follows:

- \$500 per licensed bed for FY 2010, which would be due by September 1, 2010, and which would be deposited in Medical Liability Captive Trust Fund;<sup>21</sup> and
- \$1,500 per licensed bed for fiscal years 2011 through 2014, which would be deposited into the Hospital Fund.

It also would establish the Hospital Fund (Fund), a non-lapsing account within the General Fund, into which would be deposited: 1) the FY 2011- FY 2014 licensed bed assessments; 2) interest earned on the assessments; 3) interest and penalties collected under this Act; and 4) matching federal funds on assessments or other amounts collected under this Act. All monies in the Fund would be used to fund Medicaid services in the District. Additionally, the proposed subtitle would implement interest and penalties for hospitals that fail to pay the full amount of the assessment, establish appeal procedures for hospitals that do not agree with assessment, and authorize the Mayor to issues rules to implement its provisions. The proposed subtitle would expire on September 30, 2014.

### **Financial Plan Impact**

Implementation of the new hospital assessment is estimated to increase revenues by \$6.26 million in FY 2011 and \$25 million over the four year budget and financial plan period. While there may be additional revenue collected in FY 2010, this revenue is not recognized as the Office of Tax and Revenue may not have sufficient time to implement the assessment before the September 1, 2010 due date. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

<b>Fiscal Impact of Title XI – Hospital Assessment Emergency Act of 2010</b>					
<b>Estimated Impact of Assessment on the Hospital Fund</b>					
	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Four Year Total</b>
<b>Annual Revenues<sup>a</sup></b>	\$6,292,500	\$6,292,500	\$6,292,500	\$6,292,500	\$25,170,000
<b>Administrative Costs<sup>b</sup></b>	\$35,000	\$0	\$0	\$0	\$35,000
<b>Net Revenue</b>	<b>\$6,257,500</b>	<b>\$6,292,500</b>	<b>\$6,292,500</b>	<b>\$6,292,500</b>	<b>\$25,135,000</b>

<sup>a</sup> Assumes no change in the current number of licensed beds.

<sup>b</sup> One-time administrative costs would be incurred by the Office of Tax and Revenue for reprogramming.

<sup>20</sup> Does not include St. Elizabeth's Hospital or any hospital operated by the federal government.

<sup>21</sup> Established by § 12 of the District of Columbia Medical Liability Captive Insurance Agency Establishment Act of 2008, effective July 18, 2008 (D.C. Law 17-196; D.C. Official Code §1-307.91).



## **Title XII – Prescription Drug Marketing Costs Emergency Amendment Act of 2010**

### **Background**

The proposed subtitle would amend Title 22 the District of Columbia Municipal Regulations (DCMR) to increase the filing fee each manufacturer or labeler of prescription drugs that employs, directs or utilizes marketing representatives in the District must pay to the Department of Health when they file their annual report<sup>22</sup> from \$2,500 to \$5,000.

### **Financial Plan Impact**

The increase in the filing fee is expected to increase revenues in the Board of Pharmacy Special Purpose Revenue Fund by \$340,000 in FY 2011 and by \$1.36 million over the four year budget and financial plan period.<sup>23</sup> While there may be additional revenue collected in FY 2010, this revenue is not recognized as the Department of Health may not have sufficient time to implement the increase before the July 1, 2010 due date.<sup>24</sup> The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

<b>Fiscal Impact of Title XII – Prescription Drug Marketing Costs Emergency Amendment Act of 2010</b>					
<b>Estimated Impact of Assessment on the Board of Pharmacy Special Purpose Revenue Fund</b>					
	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Four Year Total</b>
<b>Annual Revenues<sup>a</sup></b>	<b>\$340,000</b>	<b>\$340,000</b>	<b>\$340,000</b>	<b>\$340,000</b>	<b>\$1,360,000</b>

<sup>a</sup> Assumes the current number of pharmaceutical companies remains unchanged.

## **Title XIII – Unauthorized Option Contract Prohibition Emergency Act of 2010**

### **Background**

The proposed subtitle would require Council approval prior to expensing of FY 2010 funds on any indefinite-delivery indefinite-quantity option contract for construction services that has task orders over \$1 million.

### **Financial Plan Impact**

This is a procedural change, with no negative fiscal impact on the revised FY 2010 budget.

<sup>22</sup> As required by the AccessRx Act of 2004, effective May 18, 2004 (D.C. Law 15-164; D.C. Official Code § 48-831.01 *et seq.*).

<sup>23</sup> This subtitle was also included in the Fiscal Year 2011 Budget Support Act of 2010; however, no revenue from FY 2010 was recognized as the payment date for the fee is July 1 and it is unclear if the Department of Health would be able to implement the increase in time.

<sup>24</sup> This is the date the report and the accompanying filing fee is due.

## **Title XIV – Domestic Violence Fatality Review Board Sunset Emergency Act of 2010**

### **Background**

The proposed subtitle would amend Title 16 of the D.C. Official Code by specifying that the Domestic Violence Fatality Review Board ("Board") would sunset 10 years instead of 7 years after its creation. Under current law the Board sunset in April 2010. It also would repeal Section 2(b) of the Domestic Violence Fatality Review Board Emergency Act of 2010,<sup>25</sup> which made the annual report voluntary instead of mandatory.

### **Financial Plan Impact**

Implementation of the proposed subtitle would not impact the District's budget and financial plan. The Office of the Chief Medical Officer, which provides administrative support to the Board, could continue to do so without requiring any additional resources.

## **Title XV – University of the District of Columbia Expansion Emergency Act of 2010**

### **Background**

The proposed subtitle would give the University of the District of Columbia (UDC) exclusive use of the closed Patricia R. Harris Education Center school building and site ("PR Harris") located at 4600 Livingston Road, S.E., in Ward 8, to continuing to provide Vocational Education and Community College of the District of Columbia courses.

### **Financial Plan Impact**

The fiscal impact of the proposed legislation is not clear at this time. The proposed subtitle could have a negative impact on the proposed *FY 2011 budget*, but this cannot be determined with certainty until the term "exclusive use" is fully defined.

Currently, the PR Harris is DC government property, and as such, is maintained by the Department of Real Estate Services (DRES). UDC occupies 60,000 square feet of the 348,000 sq. ft. facility, and pays DRES \$531,202 for fixed costs and maintenance services under a Memorandum of Understanding. The FY 2010 fixed and maintenance costs for PR Harris is approximately \$620,000, excluding security. (UDC pays for its own security.) Additionally, the Department of Fire and Emergency Medical Services (FEMS) is building a training facility. The contract<sup>26</sup> for building of this facility was approved in April 2010 and FEMS was planning to move into the building in FY 2011.

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<sup>25</sup> Effective April 5, 2010 (D.C. Act 18-366; 57 DCR 3168).

<sup>26</sup> CA18-286, was deemed approved by the Council of the District of Columbia on April 11, 2010.

Under the proposed subtitle, UDC would have "exclusive use" of the building. If under its "exclusive use" rights, UDC would continue to make the fixed costs payments to DRES, and allow FEMS and other entities<sup>27</sup> to continue using the parts of the building that are not needed by UDC, the title would have no fiscal impact. If, however, UDC would not continue making its fixed cost payments to DRES, or would require all other users to relocate in other sites, the proposed subtitle would have an impact. Our discussions with the University and the committee staff suggests that FEMS would continue using the building under the proposed subtitle.

Another concern is whether UDC would be required to assume the management and operational responsibilities for the building, including all fixed costs, security costs and janitorial services. Under this scenario, UDC would be required to support these costs through funding in its budget and additional amounts it can collect from use agreements with other tenants in the building. Any operational expenditure in excess of what UDC can collect from current and potential tenants would be UDC's responsibility. DRES estimates that in FY 2011, the fixed costs and operational expenditures associated with the building, assuming FEMS use, would be approximately \$1.5 million.

Without clarification of these issues, for example, through a use agreement or memorandum of understanding between DRES and UDC, the fiscal impact of the proposed subtitle cannot be determined.

Finally, according to UDC, the only large tenant in the building, PR Harris needs repairs and updates at a number of levels. First, an estimated \$2 million to \$5 million is needed to make the building compliant with basic code requirements. Second, in order to address long term problems, and specifically be ADA compliant, UDC estimates that it would need \$26 million for renovations. Currently, the District Government has no plans to renovate the building—the Capital Investment Plan has no additional funding for the building except for the \$1.3 million FEMS invested in the building for the construction of the training facility in FY 2010. UDC also does not have the required capital expenditures in its budget.

## **Title XVI – Adult Job Training Fund Emergency Act of 2010**

### **Background**

The proposed legislation would allocate \$4.6 million from FY 2010 local budget of the Department of Employment Services (DOES) for funding an industry/sector specific adult job training Request for Proposals. At least \$2.225 million would be required to go to an organization or school with at least 3 years of experience in providing adult job training, offers training culinary arts, information technology or nursing, has an adult student placement rate of over 90 percent, and is capable of enrolling at least 300 adult students in its job training program in FY 2011. The DOES funds would be nonlapsing

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<sup>27</sup> Currently, Child and Family Services Agency and one non-profit entity use the facility.

and remain available until expended for the purposes of funding an industry/sector specific adult job training Request for Proposals.

### **Financial Plan Impact**

The impact of the proposed subtitle is incorporated into the revised FY 2010 budget.

### **Title XVII – African-American Civil War Museum Clarification Emergency Act of 2010**

#### **Background**

The proposed subtitle would authorize the District of Columbia Public Library to issue grants and execute contracts pursuant to its authority granted in the Reserve for African-American Civil War Records Act of 2009.<sup>28</sup>

#### **Financial Plan Impact**

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

### **Title XVIII - Lobbyist Administration and Enforcement Fund Establishment Amendment Act of 2010**

#### **Background**

The proposed subtitle would<sup>29</sup> establish a non-lapsing fund administered by the Office of Campaign Finance (OCF) called the Lobbyist Administration and Enforcement Fund ("Fund") to be used solely for the purpose of administering and enforcing Title V.

#### **Financial Impact**

Paid lobbyists that are required to register with the District of Columbia<sup>30</sup> are also required to pay an annual registration fee. The fee is \$50 for lobbyists who lobby solely for non-profit organizations and \$250 for all others. The OCF expects to collect \$45,000 in FY 2010, \$45,000 in FY 2011, and \$180,000 over the FY 2011 through FY 2014 budget and financial plan period. All fees collected in FY 2010 have gone into the

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<sup>28</sup> Effective March 3, 2010 (D.C. Law 18-111; 57 DCR 181).

<sup>29</sup> District of Columbia Campaign Finance Reform and Conflict of Interest Amendment Act of 1974. Approved August 14, 1974 (88 Stat. 462; D.C. Official Code § 1-1105.02(c))

<sup>30</sup> Pursuant to D.C. Official Code § 1-1105.02 individuals are required to register with the District if they receive compensation or expend funds in an amount of \$250 or more in any 3-consecutive-calendar-month period for lobbying. Additionally persons who receive compensation from more than 1 source are required to register if they receive an aggregate amount of \$250 or more in any 3-consecutive-calendar-month period for lobbying.

general fund and will be transferred into the Lobbyist Administration and Enforcement Fund.

### **Title XIX – Streetcar Project Plan Approval Emergency Act of 2010**

#### **Background**

The proposed subtitle would require that \$34.5 million of the capital funds allocated for the Streetcar Project<sup>31</sup> be subject to the approval by the Council of a comprehensive plan for the for financing, operations, and capital facilities of the streetcar project.

#### **Financial Plan Impact**

The proposed legislation provides a procedural change to the allocation of capital funds for the Streetcar Project, and does not impact the revised FY 2010 budget. The required expenditures for the Streetcar Project are already incorporated into the Districts capital expenditure plan.

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<sup>31</sup> Project SA-306.