

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt

Chief Financial Officer

June 18, 2019

Chairman Phil Mendelson
Members of the Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Chairman Mendelson and Members of the Council of the District of Columbia:

Questions have been raised concerning potential sweeps of District reserves for the FY 2020 budget, particularly as it relates to the recent WCSA excess reserve transfers to the General Fund as required by District law. The transfers were the result of corrected excess reserve calculations for FY 2017 and FY 2018. In total, \$47.851 million was transferred to the General Fund with \$28.053 million to the Cash Flow Reserve and \$9.899 million to the Housing Production Trust Fund and \$9.899 million to the Pay-as-you-go Capital Fund.

Any proposal that sweeps \$28.053 million from the District's 60-day Cash Flow Reserve Fund is of concern. The Cash-Flow Reserve was established by the Mayor and Council in 2010 to ensure that the District could consistently address its cash-flow needs despite uneven revenue flows (the timing difference between when bills are due versus when tax revenue is received). More importantly, the Fund is a financial safeguard in times of economic downturn or a recession. As the Chief Financial Officer, it is my responsibility to advise the Council that such an action, outside of an economic downturn or other fiscal distress, sets a dangerous precedent for use of this critical reserve fund and is inconsistent with sound financial management practices.

The repeated use of cash reserves to support programmatic spending could lead to a return of short-term borrowing to meet cash flow needs which could trigger a credit rating downgrade resulting in higher borrowing costs. The District's continued progress toward the 60-day cash reserve level is due to the hard work and commitment of policy makers over the past nine years and is one of the factors that resulted in the AAA bond rating upgrade last July.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey S. DeWitt".

Jeffrey S. DeWitt

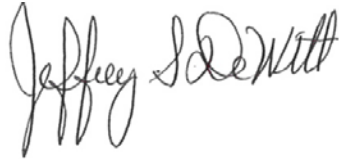
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 18, 2019

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2020 Budget Support Act of 2019”

REFERENCE: Amendment in the Nature of a Substitute circulated June 17, 2019

The Office of the Chief Financial Officer (OCFO) has reviewed the DC Council’s proposal for the FY 2020-2023 budget and financial plan. The Council’s removal of a sweep of \$49 million in Washington Convention and Sports Authority (WCSA) reserve funds and Marriott Marquis hotel lease payments, both legally obligated to bondholders, eliminate impediments to certification of the Council’s proposed budget.

Conclusion

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the Fiscal Year 2020 Budget Support Act of 2019.

The District’s proposed fiscal year 2020 budget includes \$8.57 billion in Local fund spending supported by \$8.57 billion of local resources, with an operating margin of \$0.5 million.

The proposed budget and financial plan accounts for the expenditure and revenue implications of the bill.

The bill, the “Fiscal Year 2020 Budget Support Act of 2019,” is the legislative vehicle for adopting statutory changes needed to implement the District’s proposed budget and financial plan for the fiscal years 2020 through 2023. The following pages summarize the purpose and the impact of each subtitle.

Table of Contents

TITLE I - GOVERNMENT DIRECTION AND SUPPORT	6
Subtitle (I)(A) – Captive Insurance Agency Amendment Act of 2019	6
Subtitle (I)(B) – Advisory Neighborhood Commission Accountability Amendment Act of 2019.....	6
Subtitle (I)(C) – Discretionary Funds Clarification Amendment Act of 2019	6
Subtitle (I)(D) – Council Employee Student Loan Repayment Assistance Act of 2019.....	7
Subtitle (I)(E) – Fair Elections and Campaign Finance Reform Amendment Act of 2019.....	7
TITLE II - ECONOMIC DEVELOPMENT AND REGULATION	9
Subtitle (II)(A) – Negotiated Employee Affordable Home Purchase Fund Act of 2019	9
Subtitle (II)(B) – Tax Increment Financing Amendment Act of 2019	9
Subtitle (II)(C) – New Communities Bond Authorization Amendment Act of 2019.....	11
Subtitle (II)(D) – Office of Cable Television, Film, Music, and Entertainment Amendment Act of 2019	11
Subtitle (II)(E) – Chief Tenant Advocate Salary Amendment Act of 2019	12
Subtitle (II)(F) - Streetscape Business Development Relief Fund Amendment Act of 2019...	12
Subtitle (II)(G) - Commission on Fashion Arts and Events Approval Process Amendment Act of 2019	13
Subtitle (II)(H) Retail Priority Area Amendment Act of 2019.....	13
Subtitle (II)(I) Department of Employment Services Grants Transparency Amendment Act of 2019.....	13
Subtitle (II)(J) Wage and Hour Education Grants Program Act of 2019	14
Subtitle (II)(K) Tipped Wage Worker Fairness Clarification Amendment Act of 2019	15
Subtitle (II)(L) Short-Term Rental Zoning Analysis	15
Subtitle (II)(M) Office of Public-Private Partnerships Amendment Act of 2019	16
Subtitle (II)(N) Rental Housing Database and Registration Extension Amendment Act of 2019	16
Subtitle (II)(O) East End and Opportunity Youth Careers Amendment Act of 2019	16
Subtitle (II)(P) DC Central Kitchen Grant Extension Amendment Act of 2019	18
Subtitle (II)(Q) Walter Reed Development Omnibus Amendment Act of 2019	19
Subtitle (II)(R) Diverse Washingtonian Statue Funding	19
Subtitle (II)(S) HPTF Target Modification Amendment Act of 2019	19
Subtitle (II)(T) Safe at Home Clarification Amendment Act of 2019.....	20
Subtitle (II)(U) CAH Independence and Funding Restructuring Amendment Act of 2019.....	20
Subtitle (II)(V) Real Estate Guaranty and Education Fund Amendment Act of 2019	21
Subtitle (II)(W) Historic Preservation Review Board Membership Clarification Amendment Act of 2019	22
Subtitle II (X) Funds for Ward 1 Public Housing Properties Amendment Act of 2019.....	22
Subtitle (II)(Y) Short-Term Rental Funding Act of 2019.....	22
TITLE III - PUBLIC SAFETY AND JUSTICE	24
Subtitle (III)(A) – Criminal Code Reform Commission Amendment Act of 2019	24
Subtitle (III)(B) – Retired Police Officer Redeployment Program Amendment Act of 2019..	24

Subtitle (III)(C) – Automatic Renewal Protections Amendment Act of 2019	25
Subtitle (III)(D) – Crime Victims Compensation Funeral and Burial Expenses Amendment Act of 2019	25
Subtitle (III)(E) – Office of Neighborhood Safety and Engagement Amendment Act of 2019	26
Subtitle (III)(F) – Returning Citizens Opportunity to Succeed Amendment Act of 2019.....	27
Subtitle (III)(G) – Maternal Mortality Review Committee Establishment Amendment Act of 2019.....	27
Subtitle (III)(H) – Attorney General Support and Restitution Funds Amendment Act of 2019	28
Subtitle (III)(I) – Office of Police Complaints Independent Review Amendment Act of 2019	29
Subtitle (III)(J) – Escheatment Fund Clarification Amendment Act of 2019	29
Subtitle (III)(K) – Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2019.....	30
 TITLE IV - PUBLIC EDUCATION	 32
Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2019.....	32
Subtitle (IV)(B) – Non-Resident Student Delinquent Debt Recovery Amendment Act of 2019	35
Subtitle (IV)(C) – Office of Administrative Hearings Jurisdiction Amendment Act of 2019 .	36
Subtitle (IV)(D) – Deputy Mayor for Education Limited Grant-Making Authority Amendment Act of 2019	36
Subtitle (IV)(E) – Statewide Special Education Compliance Fund Act of 2019.....	36
Subtitle (IV)(F) – Chancellor of the District of Columbia Public Schools Salary Conformity Amendment Act of 2019.....	37
Subtitle (IV)(G) – Student Fair Access to School Clarification Amendment Act of 2019	37
Subtitle (IV)(H) District of Columbia Public Library Partnership and Sponsorship Amendment Act of 2019	38
Subtitle (IV)(I) University of the District of Columbia Fundraising Match Act of 2019.....	38
Subtitle (IV)(J) Use of School Permit Fees Amendment Act of 2019	39
Subtitle (IV)(K) Self-Operated School Food Service Amendment Act of 2019.....	39
Subtitle (IV)(L) Truancy Prevention and Literacy Pilot Program Amendment Act of 2019 ...	40
Subtitle (IV)(M) University of the District of Columbia Affordable Law Firm Participation Amendment Act of 2019.....	40
Subtitle (IV)(N) Special Needs Public Charter School Funding Authorization Act of 2019...	40
Subtitle (IV)(O) – Healthy Schools Funding Clarification Amendment Act of 2019.....	41
 TITLE V - HEALTH AND HUMAN SERVICES.....	 41
Subtitle (V)(A) – Flexible Rent Subsidy Program Amendment Act of 2019.....	41
Subtitle (V)(B) – Interagency Council on Homelessness Consumer Member Stipends Amendment Act of 2019.....	41
Subtitle (V)(C) – Office of Veterans Affairs Grant-Making Authority Amendment Act of 2019	42
Subtitle (V)(D) – Adult Protective Services Transfer Amendment Act of 2019.....	42
Subtitle (V)(E) – Families First DC Program Implementation Act of 2019.....	42

Subtitle (V)(F) – Dementia Services Coordinator Amendment Act of 2019	43
Subtitle (V)(G) – Child and Family Services Agency Prevention Services Grants Act of 2019	44
Subtitle (V)(H) – Department of Health Care Finance Grant-Making Amendment Act of 2019	45
Subtitle (V)(I) – Medicaid Hospital Supplemental Payment Amendment Act of 2019	46
Subtitle (V)(J) – Not-for-Profit Hospital Corporation Fiscal Oversight and Transition Planning Amendment Act of 2019.....	47
Subtitle (V)(K) –D.C. Healthcare Alliance Reform Amendment Act of 2019	48
Subtitle (V)(L) – Fort Dupont Ice Arena Construction Acceleration Act of 2019.....	48
Subtitle (V)(M) - Leverage for Our Future Amendment Act of 2019.....	48
Subtitle (V)(N) – Senior Strategic Plan Clarification Amendment Act of 2019	48
Subtitle (V)(O) – Birth-to-Three for All DC Clarification Amendment Act of 2019	49
 TITLE VI - TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT.....	50
Subtitle (VI)(A) –Half Street Improvement Amendment Act of 2019.....	50
Subtitle (VI)(B) – Master Transportation Capital Projects Amendment Act of 2019.....	50
Subtitle (VI)(C) – Department of For-Hire Vehicles Amendment Act of 2019.....	51
Subtitle (VI)(D) – Parking Enforcement When a Motor Vehicle Operator Leaves the Site of a Violation Amendment Act of 2019.....	51
Subtitle (VI)(E) – Student, Foster Youth, Summery Youth Employee, and Adult Learner Transit Subsidies Act of 2019.....	52
Subtitle (VI)(F) – CleanEnergy Implementation Amendment Act of 2019	53
Subtitle (VI)(G) – Clean Rivers Impervious Area Charge Assistance Fund Amendment Act of 2019.....	55
Subtitle (VI)(H) – Residential Parking Permit Amendment Act of 2019.....	56
Subtitle (VI)(I) – Driving While Using a Mobile Telephone Minor Prohibition Amendment Act of 2019	57
Subtitle (VI)(J) – Office of Urban Agriculture Establishment Amendment Act of 2019	57
Subtitle (VI)(K) – Temporary Visitor Parking Permit Program Transfer Regulation Amendment Act of 2019.....	58
Subtitle (VI)(L) – Congestion Pricing Study Amendment Act of 2019	58
Subtitle (VI)(M) – Lead Service Line Replacement Amendment Act of 2019.....	58
 TITLE VII – FINANCE AND REVENUE.....	59
Subtitle (VII)(A) –Keep Child Care Affordable Tax Credit Amendment Act of 2019	59
Subtitle (VII)(B) – Keep Housing Affordable Increased Property Tax Relief Act of 2019..	60
Subtitle (VII)(C) – Recordation and Transfer Taxes Amendment Act of 2019	61
Subtitle (VII)(D) – Internet Sales Tax Revenue Amendment Act of 2019	62
Subtitle (VII)(E) – Internet Sales Tax Commercial Property Tax Rate Amendment Act of 2019	62
Subtitle (VII)(F) - Sports Wagering Revenue Amendment Act of 2019.....	63
Subtitle (VII)(G) – Healthy Kids Revenue Amendment Act of 2019	64

Subtitle (VII)(H) – Washington Parks and People Equitable Real Property Tax Relief Act of 2019.....	64
Subtitle (VII)(I) – National Cherry Blossom Festival Fundraising Match Act of 2019.....	65
Subtitle (VII)(J) – Senior Residents Real Property Tax Cap Clarification Amendment Act of 2019.....	65
Subtitle (VII)(K) – Special Funds Repeal.....	65
(Subtitle (VII)(L) – Omitted)	66
Subtitle (VII)(M) – Expenditure Commission Establishment Act of 2019	66
Subtitle (VII)(N) – Nonprofit Workforce Housing Properties Real Property Tax Exemption Amendment Act of 2019.....	66
Subtitle (VII)(O) – Subject-to-Appropriations Amendment Act of 2019	67
Subtitle (VII)(P) – Council Period 23 Rule 736 Amendment Act of 2019	73
Subtitle (VII)(Q) – Events DC Grant-Making Authority Amendment Act of 2019	73
Subtitle (VII)(S) – Downloading Lost Revenues Amendment Act of 2019.....	74
Subtitle (VII)(T) – Washington Convention Center and Sports Authority Excess Cash Amendment Act of 2019.....	75
Subtitle (VII)(U) – Events DC Expenditure Authority Amendment Act of 2019.....	75
 TITLE VIII – SPECIAL PURPOSE AND DEDICATED REVENUE FUNDS.....	 76
Subtitle (VII)(A) – Designated Fund Transfer Act of 2019	76
The subtitle also authorizes the transfer of specific vacancy savings in certified funds and other revenue to the unassigned fund balance of the General Fund. The following vacancy savings amounts will be transferred:.....	76

The Honorable Phil Mendelson
Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a
Substitute, circulated June 17, 2019

TITLE I - GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Captive Insurance Agency Amendment Act of 2019

Background

The subtitle establishes a new fund, the Medical Captive Insurance Claims Reserve Fund to pay claims and losses under medical liability insurance policies issued by the Captive Insurance Agency. Such claims are currently paid out of the Captive Trust Fund¹. The subtitle directs any remaining fiscal year 2018 balances in the Captive Trust Fund that are dedicated to medical liability claims to be deposited in the new fund.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan. The relevant remaining fiscal year 2018 balances will be directed to the new fund. The required purpose of the funding is the same and because the agency's liability² is limited to funds in the Captive Trust Fund, there is no fiscal impact.

Subtitle (I)(B) – Advisory Neighborhood Commission Accountability Amendment Act of 2019

Background

Advisory neighborhood Commissions are required³ to submit quarterly financial reports to the Office of Advisory Neighborhood Commissions. The subtitle prohibits future funding allotments for Advisory Neighborhood Commissions that have failed to file two or more consecutive quarterly reports.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan.

Subtitle (I)(C) – Discretionary Funds Clarification Amendment Act of 2019

Background

The subtitle gives the Attorney General discretionary authority over the expenditure of certain funds appropriated for the Office of the Attorney General.⁴

Financial Plan Impact

The fiscal year 2020 budget for the Office of the Attorney General includes authorization for the Attorney General to spend up to \$25,000 of its total budget in a discretionary manner. This subtitle is a conforming amendment and there are no costs associated with giving the Attorney General the authority to make expenditure decisions regarding these appropriated funds.

¹ D.C. Official Code § 1-307.91.

² D.C. Official Code § 1-307.82.

³ D.C. Official Code § 1-309.13(j).

⁴ Discretionary Funds Act of 1973, approved October 26, 1973 (87 Stat. 509; D.C. Official Code § 1-333.10).

Subtitle (I)(D) – Council Employee Student Loan Repayment Assistance Act of 2019

Background

The bill establishes within the Council of the District of Columbia a Council Employee Student Loan Repayment Program. The program will provide Council employees with loan repayment assistance for post-secondary education. To be eligible for the program, an employee must have been employed at the Council for at least one year.

Financial Plan Impact

The fiscal year 2020 budget includes \$100,000 in recurring funds for the program.

Subtitle (I)(E) – Fair Elections and Campaign Finance Reform Amendment Act of 2019

Background

The District's Office of Campaign Finance administers a Fair Elections Program (Program)⁵ that allows candidates for covered offices⁶ to receive District funding for their campaign expenditures. The Program has specific parameters around filings, contributions, debates, and number of donors that must be met to participate in the Program and must be maintained to stay in the Program. Program participants will receive a base payment (if the election is contested) at varying levels depending on the covered office sought and matching payments depending on the number and value of qualified small-dollar contributions received.

The subtitle extends from five days to ten days both the amount of time the Director of the Office of Campaign Finance (Director) must certify a candidate as a participating candidate and the amount of time a candidate has to appeal if she or he is not certified. It also clarifies that an uncontested election is one in which there are no other candidates, not just no other candidates participating in the Program. The subtitle clarifies that a non-Program candidate that has qualified for ballot access can also participate in any Office of Campaign Finance sponsored debates.

The subtitle clarifies and enhances some of the Program's contribution and expenditure provisions. The subtitle clarifies that a qualified small-dollar contribution is cash or an in-kind contribution valued at \$5 or more that meets other prescribed criteria.⁷ The Director is currently allowed to establish dates by which candidates that are seeking Program certification or are already participating candidates must submit reports of qualified small-dollar contributions and non-District resident individual contributions.⁸ The subtitle maintains the Director's authority to set these reporting dates, but establishes one mandatory reporting date as the 10th day of October preceding a November election. The subtitle eliminates the need for a candidate to provide a receipt to qualified small-dollar contributors and only requires that the candidates maintain certain donor information. The subtitle also clarifies that a donor only needs to make required contribution declarations once if she or he makes automatic or regularly scheduled contributions. The donor can make the declaration orally if contributions are made over the phone.

⁵ Fair Elections Amendment Act of 2017, effective May 5, 2018 (D.C. Law 22-94; 65 DCR 2847).

⁶ Covered offices include State Board of Education seats, Council, Attorney General, and Mayor.

⁷ D.C. Official Code § 1-1161.01(47A).

⁸ D.C. Official Code § 1-11663.09(b-1).

The subtitle also clarifies and amends provisions around the base and matching payments. The subtitle authorizes a candidate seeking certification to file for and receive base and matching payments at any time. The subtitle clarifies that the Director has five days from the certification of a participating candidate or from receiving campaign finance reports to notify the Office of the Chief Financial Officer (OCFO) to make base and matching payments in accordance with the law. The OCFO then has five days to disburse payments to the campaigns.⁹ The subtitle increases from five to ten days the amount of time a candidate has to appeal a Director’s decision that she or he is not eligible for certain matching payments. Current law requires losing candidates to turn over any equipment purchased by the campaign to the Office of Campaign Finance. The subtitle amends this to require a losing candidate, or one whose participation in the Program has been revoked, to donate any equipment to a non-profit that meets prescribed requirements and is unaffiliated with the candidate, the candidate’s family, any principal campaign committee members, or any of principal campaign committee member’s family.

The Council also passed the Campaign Finance Reform Amendment Act (Act) in 2018 that has yet to be implemented because the Act was subject to appropriations.¹⁰ These reforms separate campaign finance from the Board of Elections, enhance prohibitions on political contributions from entities who contract with the District, change contribution limits to candidates and political committees, restrict how campaign funds are used, and supplement required campaign trainings.

The subtitle amends the Act’s subject to appropriations clause so that certain reporting and contribution limits that do not require additional budgeted resources can be implemented immediately. The subtitle’s changes will allow the Office of Campaign Finance to implement the Act’s provisions around contribution limit changes, political committees, constituent services programs, and enhanced training.

Financial Plan Impact

The Program is funded at approximately \$4.3 million in fiscal year 2020. The subtitle’s proposed changes to the program will enhance the Office of Campaign Finance’s ability to administer the Program and any required adjustments can be absorbed within the Office of Campaign Finance’s budget.

The amendments to the Act will allow the Office of Campaign Finance to implement the Act’s provisions that do not require additional resources or whose costs can be absorbed into the Office of Campaign Finance’s budget. The Act’s provisions that required additional resources, such as separating campaign finance oversight from the Board of Elections and the covered contractor provisions, will remain subject to appropriations.

⁹ Under current law, the Director has five days to remit payments.

¹⁰ Campaign Finance Reform Amendment Act of 2018, effective March 13, 2019 (D.C. Law 22-250; 66 DCR 985).

TITLE II - ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Negotiated Employee Affordable Home Purchase Fund Act of 2019

Background

The subtitle creates the Negotiated Employee Affordable Home Purchase (NEAHP) Fund, which will be administered by the Department of Housing and Community Development (DHCD). NEAHP provides down payment and closing cost assistance to government employees covered by a collective bargaining agreement that requires the District to fund NEAHP on behalf of the employees.

The Fund will receive funding designated for employee housing assistance under collective bargaining agreements the District has negotiated with various unions, as well as repayments employees might make to NEAHP. The Fund will be non-lapsing, meaning money left in the Fund at the end of a fiscal year will stay in the Fund and be rolled over to the next fiscal year.

Currently when a collective bargaining agreement includes NEAHP funding, the Department of Human Resources will transfer that funding to DHCD. If any of that funding is left over at the end of the year, DHCD must justify rolling over the funds to the next fiscal year by showing the funds are earmarked for NEAHP. The creation of the NEAHP Fund is intended to make the process for rolling over the funds more transparent.

Financial Plan Impact

The subtitle has no fiscal impact. DHCD can manage the Fund without additional resources. Creating a new fund to contain the NEAHP funding will not have an impact on the funding available to the program.

Subtitle (II)(B) – Tax Increment Financing Amendment Act of 2019

Background

In 2016, the Council approved a Tax Increment Financing (TIF) area¹¹ in the District's Edgewood neighborhood. The TIF area, known as the Bryant Street TIF, is north of Rhode Island Avenue, N.E. and along the western edge of the Metropolitan Branch Trail.¹² The District will issue up to \$24 million in debt against incremental sales and property tax revenues in the TIF area to support a mixed-use development project by MRP Rhode Island Avenue Investors LLC. The Mayor's authority to issue TIF bonds for the project sunsetted on March 1, 2019.

¹¹ Bryant Street Tax Increment Financing Act of 2016, effective April 7, 2017 (D.C. Law 21-262; D.C. Official Code § 2-1217.37a et seq.).

¹² The TIF area includes a portion of the properties known for tax assessment purposes as Square 3629, Lots 7, 813, and 814.

In 2017, the Council approved a TIF area¹³ around Union Market in Northeast DC roughly bounded by New York Avenue, N.E., Florida Avenue, N.E., Gallaudet University, and Brentwood Park. The District will issue up to \$82.4 million in debt to support infrastructure improvements and structured parking in the Union Market TIF area.

In 2018, the Council approved a TIF area¹⁴ in the District’s Brentwood neighborhood that is roughly bordered by Brentwood Road, N.E., Rhode Island Avenue, N.E., Montana Avenue, N.E., and a to-be-developed alley between Saratoga Avenue, N.E. and Bryant Street, N.E. The District will issue up to \$56 million in combined Class A and Class B debt to support a residential and retail development project in the TIF area.

The subtitle extends the Mayor’s authority to issue bonds for the Bryant Street TIF area until March 1, 2020. Additionally, the subtitle requires the District to execute closing documents for the Union Market TIF area with the owners of retail parking.

The subtitle also defines refunding bonds separate from the TIF bonds for all three TIF areas so that the Mayor is not restricted by the legislated debt issuance sunset dates for the purpose of issuing bonds to refund the TIF bonds.

Financial Plan Impact

The developer of the Bryant Street TIF area project experienced unexpected project delays when the approved planned unit development was appealed.¹⁵ The subtitle’s sunset extension until March 1, 2020 allows the District to issue the TIF bonds when the developer is closer to meeting the required benchmarks for receiving the District’s TIF bond proceeds. There are no costs associated with this delay nor with the subtitle’s refunding bond clarifications on all three TIF areas.

The subtitle’s requirement that the District execute TIF bond closing documents with the owners of retail parking may impede the District’s ability to ensure that projects supporting the repayment of the Union Market TIF bonds generate tax increment in an amount to repay the debt over the life of the bonds. However, the Chief Financial Officer has authority over bond issuance and will not issue bonds for which the repayment is not factored into the budget and financial plan.

¹³ Union Market Tax Increment Financing Act of 2017, effective February 15, 2018 (D.C. Law 22-58; D.C. Official Code § 2-1217.36e et seq.).

¹⁴ Rhode Island Avenue (RIA) Tax Increment Financing Act of 2018, effective March 22, 2019 (D.C. Law 22-263; D.C. Official Code § 2-1217.39a et seq.).

¹⁵ See *Ward 5 Alliance for Equity v. D.C. Zoning Commission*, No. 17-AA-0001 (D.C. Jan. 8, 2019). The Developer is now pursuing a matter of right project: <https://dc.urbanturf.com/articles/blog/mrps-pulled-back-rhode-island-avenue-project/14525> (last accessed January 18, 2019).

Subtitle (II)(C) – New Communities Bond Authorization Amendment Act of 2019

Background

The New Communities Initiative was developed to revitalize severely distressed subsidized housing and redevelop four District neighborhoods: Barry Farm,¹⁶ Northwest One,¹⁷ Park Morton,¹⁸ and Lincoln Heights.¹⁹ The District financially assists private developers in creating mixed-use properties and mixed-income communities. The District used the Housing Production Trust Fund to support debt for New Communities Initiative projects, but the Council ended that practice effective May 2013 in favor of the issuance of income tax-secured bonds.²⁰

The subtitle allows the District to issue income tax-secured bonds to support the New Communities Initiative at the same time as it issues income tax-secured bonds for other District purposes, so long as those supporting the New Communities Initiative are a separate series of bonds.

Financial Plan Impact

There are no costs associated with issuing New Communities Initiative income tax-secured bonds at the same time the District issues other income tax bonds or issuing them as a distinct series of bonds. The District may experience cost and debt cap savings because of lower interest rates if it can issue the debt concurrently, but savings cannot be quantified at this time.

Subtitle (II)(D) – Office of Cable Television, Film, Music, and Entertainment Amendment Act of 2019

Background

In fiscal year 2016,²¹ the District merged the Office of Cable Television and the Office of Motion Picture and Television Development. The merger inadvertently left the newly combined Office of Cable Television, Film, Music, and Entertainment (OCTFME) without the statutory authority to administer the Film, Television, and Entertainment Rebate Fund and to issue motion picture and television production permits. The subtitle updates the statute to affirm OCTFME’s authority to perform these functions. The subtitle makes several other technical statutory changes associated with the merger of the two offices.

The subtitle also clarifies the application requirements for a production rebate, including the requirement that a production company must indicate its direct District expenditures.²²

¹⁶ Barry Farm/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006, effective December 19, 2006 (Resolution 16-922; 54 DCR 35).

¹⁷ Northwest One/Sursum Corda Affordable Housing Protection, Preservation and Production Act of 2006, effective November 16, 2006 (D.C. Law 16-188; 53 DCR 6750).

¹⁸ Park Morton Redevelopment Initiative Plan Approval Resolution of 2008, effective February 29, 2008 (Resolution 17-538; 55 DCR 1881).

¹⁹ Lincoln Heights/Richardson Dwellings New Communities Revitalization Plan Approval Resolution of 2006, effective December 19, 2006 (Resolution 16-923; 54 DCR 38).

²⁰ Fiscal Year 2014 Budget Support Technical Clarification Amendment Act of 2013, effective June 26, 2014 (D.C. Law 20-117; D.C. Official Code § 42-2812.03(e)).

²¹ Entertainment and Media Production and Development Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 34-1251.01 et seq.).

²² The subtitle defines direct District expenditures as production expenditures made in the District and personnel expenditures made to District residents.

Financial Plan Impact

These changes are technical in nature or align the statute with current OCTFME practices and have no impact on the budget and financial plan.

Subtitle (II)(E) – Chief Tenant Advocate Salary Amendment Act of 2019

Background

The subtitle removes²³ the requirement that the Chief Tenant Advocate’s salary, which comes from the Excepted Service salary schedule, be equivalent to that of a Grade 15 employee on the District schedule (also known as the career service pay schedule). Instead, the subtitle allows the Mayor to set the salary of the Chief Tenant Advocate, allowing the Chief Tenant Advocate to have a salary higher than that of a Grade 15 career service employee.

Financial Plan Impact

The proposed fiscal year 2020 budget includes a \$10,000 pay increase for the Chief Tenant Advocate.

Subtitle (II)(F) - Streetscape Business Development Relief Fund Amendment Act of 2019

Background

The Streetscape Loan Relief Fund (Fund)²⁴ is managed by the Department of Small and Local Business Development (DSLBD). DSLBD provides loans out of the Fund to businesses whose operations are disrupted by District streetscape construction and rehabilitation projects and who are located adjacent to or within the project area. Loans must be repaid within five years of completion of the District project.

The subtitle renames the Fund as the Streetscape Business Development Relief Fund and expands its financial assistance authority to include issuing grants. The subtitle also authorizes loans and grants to be issued in response to any District capital infrastructure project, in addition to the currently authorized project types.

Financial Plan Impact

The Fund does not have any budget in the fiscal year 2020 through fiscal year 2023 budget and financial plan, but it will receive revenues as previously issued loans repay into the Fund. The subtitle will allow DSLBD to issue grants with any funds it does receive from loan repayments.

The fiscal year 2020 budget sweeps approximately \$268,000 from the Fund’s fund balance, which accounts for all its current resources.²⁵

²³ By amending Section 2066(c)(1) of the Office of the Chief Tenant Advocate Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.06(c)(1)).

²⁴ Streetscape Fund Amendment Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 1-325.191).

²⁵ See the Designated Fund Transfer Act of 2019 or Title VIII of the Fiscal Year 2020 Budget Support Act of 2019 which sweeps the Fund’s current fund balance of \$268,121.

Subtitle (II)(G) - Commission on Fashion Arts and Events Approval Process Amendment Act of 2019

Background

The Commission on Fashion Arts and Events (CFAE) is a fifteen-member commission that promotes the fashion and beauty industries in the District and provides recommendations on how to grow the industry. CFAE operates with the support of the Deputy Mayor for Planning and Economic Development. The Mayor appoints members to CFAE who are subject to a ninety-day Council review period and require active approval.²⁶

The subtitle changes the Council review process from ninety to forty-five days and requires an active disapproval resolution in order to reject a Mayoral appointee.²⁷

Financial Plan Impact

The subtitle reduces the confirmation time for a Mayoral appointee to CFAE and changes the Council requirement from active approval to active disapproval. There are no costs associated with the subtitle's implementation.

Subtitle (II)(H) Retail Priority Area Amendment Act of 2019

Background

The subtitle expands the 14th and U Street, N.W./Adams Morgan/Mt. Pleasant Retail Priority Area to include additional geographic locations. This retail priority area will expand north to include the areas of the Columbia Heights and Mt. Pleasant neighborhoods around 16th Street, N.W. from Park Road, N.W. to Piney Branch Parkway, N.W. The retail priority area will also expand east to encompass more of Columbia Heights, with a new eastern border of Sherman Avenue, N.W.

Financial Plan Impact

The subtitle expands the number of potential businesses that can apply for the \$8.75 million budgeted in fiscal year 2020 for retail priority areas. No additional funding is included in the budget that is dedicated to this expansion.

Subtitle (II)(I) Department of Employment Services Grants Transparency Amendment Act of 2019

Background

The subtitle requires²⁸ the Department of Employment Services to meet certain timelines and advertising requirements when soliciting applications for grants. Under the subtitle, DOES's requests for applications (RFAs) will have to be open for at least 30 days, posted on the agency's website, and

²⁶ Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(e)).

²⁷ D.C. Official Code § 1-523.01(f).

²⁸ By amending Section 2 of the Workforce Job Development Grant-Making Authority Act of 2012, effective April 23, 2013 (D.C. Law 19-269; D.C. Official Code §1-328.05).

widely advertised, including on social media. DOES will have to hold a pre-application conference at least 14 days after it releases the RFA, 7 days before a letter of intent is due, and 14 days before the application is due.

The subtitle also requires DOES to verify applicants’ reports of past performance and statements of receiving prior funding for similar work. Whenever possible, DOES must conduct site visits and interviews with grant finalists before making or issuing an award.

People reviewing the grants may not have financial or person relationships with any of the applicants. If such a relationship exists the reviewer must recuse himself or herself from the review. Grant reviewers must complete a conflict of interest form indicating the nature of any financial or personal relationship with any applicant for a grant the reviewer is judging.

DOES must post on its website all executed grant agreements in full, without redactions, and quarterly must transmit to Council grantee performance evaluations and monthly status report forms without redactions.

Financial Plan Impact

The subtitle does not have a fiscal impact. DOES staff, who currently work on about 51 grants, will follow the new procedures and manually track compliance. For compliance to be tracked automatically DOES would need additional funding to update its grants management system; we do not have an estimate for that update at this time.

Conducting interviews and site visits for all grant finalists would require an additional staff member, according to DOES. Since the subtitle requires interviews and site visits “whenever possible”, funding for this additional staff member is not required in the budget.

Subtitle (II)(I) Wage and Hour Education Grants Program Act of 2019

Background

The subtitle requires DOES to issue grants to organizations that will educate workers on the District’s labor laws concerning wages and hours worked. Each year DOES must give grants to at least two community-based organizations that will hold at least 10 workshops to educate workers on the District’s wage and hour laws.²⁹

To receive a grant, an organization must have three years’ experience conducting group trainings, organizing public awareness campaigns, or representing employees in administrative or legal

²⁹ The grantees must provide information on two or more of the following laws: The Accrued Sick and Safe Leave Act of 2008, effective May 13, 2008 (D.C. Law 17-152; D.C. Official Code § 32-531.01 *et seq.*); The Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code § 32-1001 *et seq.*); An Act To provide for the payment and collection of wages in the District of Columbia, approved August 3, 1956 (70 Stat. 976; D.C. Official Code § 32-1301 *et seq.*); The Wage Theft Prevention Amendment Act of 2014, effective October 1, 2014 (D.C. Law 21-266; 61 DCR 10157); and Title II of An Act To provide for the payment and collection of wages in the District of Columbia, effective April 27, 2013 (D.C. Law 19-300; D.C. Official Code § 32-1331.01 *et seq.*), and section 907(c)(6A) of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-359.07(c)(6A)).

proceedings. The people supervising or conducting a workshop must have at least two years of experience advocating for or representing workers’ rights under District law.

Each grantee must report to DOES information about the content of the workshop as well as demographic data on workshop attendees. DOES must post this information on its website.

Financial Plan Impact

The cost of the subtitle has been incorporated into the budget and financial plan. The FY 2020 budget for DOES includes \$200,000 in recurring grant money for wage-hour education. The Mayor’s budget included \$130,000 of this total, and Council supplemented this amount with an additional \$70,000.

Subtitle (II)(K) Tipped Wage Worker Fairness Clarification Amendment Act of 2019

Background

The subtitle makes changes to the Tipped Wage Workers Fairness Amendment Act of 2018³⁰ to clarify the content of the materials the Department of Employment Services must create to inform the public of the rights of tipped wage workers in the District. It also establishes deadlines for the creation of these materials.

Financial Plan Impact

The changes the subtitle makes to the Tipped Wage Workers Fairness Amendment Act of 2018 (the Act) do not change the fiscal impact of the Act; however, these provisions of the Act remain unfunded. The cost of these provisions of the Act were most recently estimated by the D.C. Council Budget Office on October 16, 2018 for the legislation’s Amendment in the Nature of a Substitute, and by the Office of the Chief Financial Officer on October 1, 2018 for the legislation’s Committee Print³¹. For the Act to fully go into effect, the Office of the Chief Financial Officer will need to update its fiscal impact statement for the legislation and the cost of the legislation will need to be included in an approved budget and financial plan.

Subtitle (II)(L) Short-Term Rental Zoning Analysis

Background

The subtitle prohibits the issuance of building permits to the District government for any construction project at Robert F. Kennedy Memorial Stadium or Franklin Square until the Office of Planning submits its analysis of short-term rental uses in residential zones. The report was requested by the Zoning Commission as a necessary step to consider changing regulations to permit home sharing or short-term rentals in residential zones³².

Financial Plan Impact

³⁰ Effective December 13, 2018 (D.C. Law 22-196; D.C. Official Code § 32-161 et seq.).

³¹ See <http://lims.dccouncil.us/Download/40679/B22-0913-Fiscal-Impact-Statement1.pdf>

³² The Council requested Zoning Commission action after passing D.C. Law 22-307, Short-term Rental Regulation and Affordable Housing Protection Act of 2017, effective April 25, 2019, which establishes requirements for short-term rentals of property in the District.

The Office of Planning has sufficient resources to complete the report for the Zoning Commission, so the subtitle has no impact on the proposed budget and financial plan. However, the District’s Capital Improvement Program includes a \$13 million Franklin Square Park Project³³ and if building permits for this project are significantly delayed, the total cost of the project could increase. Total project cost growth will depend on the length of the delay³⁴ but without additional funding the scope of the project may need to be reduced.

Subtitle (II)(M) Office of Public-Private Partnerships Amendment Act of 2019

Background

In fiscal year 2016, the Mayor launched the Office of Public-Private Partnerships (Office)³⁵ to facilitate the development, solicitation, evaluation, award, delivery, and oversight of public-private partnerships involving the District government. The Office is currently a subordinate office within the Office of the City Administrator.

The subtitle moves control of the Office from the City Administrator to the Office of the Deputy Mayor for Planning and Economic Development (DMPED).

Financial Plan Impact

The fiscal year 2020 budget moves the Office’s \$686,000 fiscal year 2020 budget and three employees to DMPED but does not change the Office’s operations. There are no costs associated with the subtitle’s implementation.

Subtitle (II)(N) Rental Housing Database and Registration Extension Amendment Act of 2019

Background

The subtitle pushes back³⁶ the date by which the Office of the Tenant Advocate must complete the re-registration of all the city’s rental units and create an online database that will hold the registration data. The new due date will be September 30, 2020. Originally it was December 13, 2019.

Financial Plan Impact

The cost of creating the database and completing the re-registration has been incorporated into the budget and financial plan. For the Office of the Tenant Advocate to work within the shifted timeline, \$617,348 in database funding that was unspent in fiscal year 2019 was cut from the fiscal year 2019 budget and moved to the agency’s fiscal year 2020 capital budget.

Subtitle (II)(O) East End and Opportunity Youth Careers Amendment Act of 2019

³³ Project number QN751 – Franklin Square Park in the FY 2020-FY 2025 Capital Improvements Plan.

³⁴ Industry standard escalation rates are approximately three percent per year.

³⁵ Public-Private Partnership Act of 2014, effective March 11, 2015 (D.C. Law 20-228; D.C. Official Code § 2-272.01(a)).

³⁶ Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*).

Background

This subtitle affects³⁷ three programs at the Department of Employment Services (DOES): the Mayor Marion S. Barry Summer Youth Employment Program (MBSYEP), year-round youth training, and the D.C. Infrastructure Academy (DCIA).

Mayor Marion S. Barry Summer Youth Employment Program

The subtitle makes changes for certain participants in the MBSYEP, which places more than 10,000 youth aged 14 to 24 with host employers for 6 weeks each summer. It requires at least 100 participants be placed with host employers that also employ registered apprentices, some or all of whom may be placed via the Career Ready Internship Program run by D.C. Public Schools. It also allows Opportunity Youth – individuals 16 to 24 years old who are out of school and not regularly employed – to extend their employment at a host employer for up to an additional 6 weeks, for a total of up to 12 weeks in the program.

The subtitle allows, or in some cases requires, increases in program wages for some participants. Youth who are classified as supervisors are currently paid an hourly wage between \$9.25 and \$13; the subtitle increases the maximum allowed wage for these supervisors to the District’s minimum wage, which is currently \$13.25.³⁸ It also increases the hourly wage for youth 14 to 15 years of age, from a minimum of \$5.25 to \$6.25.

The subtitle also makes changes to program reporting and evaluation. It moves up the deadline for the annual program report from February 1 to December 15. The report must now include information on participants placed with employers who host apprentices, opportunity youth, and supervisory positions. The program evaluator, who previously was hired by June 1, must now be hired by December 1. The evaluation must be expanded to include an assessment of the program’s soft skills training and causes of participant attrition.

Year-Round Youth Training

The subtitle places requirements on DOES’s use of local funds for year-round youth training, which go toward both in-school and out-of-school youth. Specifically, it requires that at least 66 percent of these funds be spent on in-school youth who reside or attend a public school or public charter school in Ward 7 or Ward 8 and are not participants in D.C. Public Schools’ Career Bridge Program. If the subtitle were not in effect, only 33 percent of local funds for year-round youth training would go toward in-school youth and the remainder would go toward out-of-school youth, according to DOES’s fiscal year 2020 spending plan.³⁹

D.C. Infrastructure Academy

³⁷ By amending The Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241 *et seq.*)

³⁸ The minimum wage is scheduled to increase to \$14 an hour on July 1, 2019 and \$15 an hour on July 1, 2020. Beginning July 1, 2021, the minimum wage will increase annually by the increase in the Consumer Price Index for the Metropolitan Statistical Area.

³⁹ According to the committee report on the FY 2020 budget published by the Labor and Workforce Development Committee.

The subtitle sets standards for training and training providers at the DCIA, which trains residents to fulfill skilled infrastructure positions in the District. It requires at least 66 percent of DCIA participants to be trained in occupations that pay an average wage of at least 150% of the District’s minimum wage.⁴⁰ Currently only 34 percent of participants meet this standard, according to an analysis by the D.C. Council’s Labor and Workforce Development Committee.⁴¹

This subtitle also requires that at least 25 percent of the value of each grant or contract with a DCIA training provider be contingent on the provider achieving at least one performance outcome.⁴² A provider may also be eligible for a bonus equal to up to 15 percent of the value of its grant or contract if at least 50 percent of its participants entering permanent employment retain that employment for at least 6 months.

Financial Plan Impact

The budget and financial plan includes recurring funding for this subtitle of \$388,000 a year.

The cost comes from two changes to the MBSYEP: the expansion of the scope and duration of the MBSYEP evaluation, which will cost \$11,000 a year; and the increase in the minimum pay of 14 and 15 year old participants to \$6.25 an hour, which will cost up to \$377,000 a year.

Other changes to MBSYEP have no fiscal impact, either because they are not mandatory and remain unfunded (as is the case for the increased wage for supervisors and extended program for opportunity youth), or because DOES staff will absorb the work (as is the case for the placement of youth with employers who run apprenticeships and new reporting requirements.)

Changes to the use of year-round youth training funds and DCIA training requirements have no fiscal impact, though they may require DOES staff to change their operating procedures.

Subtitle (II)(P) DC Central Kitchen Grant Extension Amendment Act of 2019

Background

In the fiscal year 2019 budget, the D.C. Council included a \$1 million grant to D.C. Central Kitchen. D.C. Central Kitchen has received \$500,000 of this grant, but the remaining \$500,000 has been left unspent in the budget of the Workforce Investment Council (WIC) because D.C. Central Kitchen must secure a new facility before receiving the rest of the grant money. This subtitle allows⁴³ the unspent money to be available for use by D.C. Central Kitchen in fiscal year 2020.

⁴⁰ 150% of the District’s minimum wage is currently \$18.97 per hour and will rise to \$22.50 on July 1, 2020. After that the minimum wage will increase annually by the increase in the Consumer Price Index for the Metropolitan Statistical Area.

⁴¹ See the Committee’s “Report and Recommendations of the Committee on Labor and Workforce Development on the Fiscal Year 2020 Budget for Agencies Under Its Purview”

⁴² Providers may achieve one of the following results: at least 75% of all participants receive an industry-recognized credential; at least 80% of all participants completing the program enter permanent, unsubsidized employment; or at least 85% of all participants enter permanent, unsubsidized employment.

⁴³ By amending the DC Central Kitchen Grants Amendment Act of 2018, 828 effective October 30, 2018 (D.C. Law 22-168; 65 DCR 9388).

Financial Plan Impact

In the Revised Fiscal Year 2019 Local Budget Emergency Act of 2019 WIC’s budget was reduced by \$500,000 and this money has been added to WIC’s fiscal year 2020 budget.

Subtitle (II)(Q) Walter Reed Development Omnibus Amendment Act of 2019

Background

The subtitle defines the Walter Reed Site as the 110.1 acres of land bounded by 16th Street, N.W., Aspen Street, N.W., Georgia Avenue, N.W., Fern Street, N.W., and Alaska Avenue, N.W. and gives the Mayor authority to acquire real property located within the site. The subtitle also allows the Mayor to enter into an agreement with Children’s National at Walter Reed, LLC for the management of any real property it acquires pursuant to the subtitle.

Financial Plan Impact

The subtitle gives the Mayor the authority to purchase or otherwise acquire additional real property on the Walter Reed Site.⁴⁴ The District budgeted \$20 million in capital funds⁴⁵ that it will use to purchase a parking garage from Children’s National. The site will continue to operate as a parking garage following the purchase by the District, and the District is authorized to contract with Children’s National at Walter Reed, LLC for the continued operation and maintenance of the facility.

Subtitle (II)(R) Diverse Washingtonian Statue Funding

Background

The subtitle authorizes up to \$250,000 in spending on a commemorative statue of a prominent female native Washingtonian. The statue must be recommended by the Commemorative Works Committee⁴⁶ and approved by the Council and Mayor.

Financial Plan Impact

The fiscal year 2020 budget reserves \$250,000 in Non-Departmental (Agency D00) budget for this commemorative work.

Subtitle (II)(S) HPTF Target Modification Amendment Act of 2019

Background

The subtitle increases⁴⁷ the portion of funding from the Housing Production Trust Fund that must be allocated towards housing for extremely low-income households⁴⁸. With the subtitle in effect,

⁴⁴ The authority to do so is continuous, but there are no current plans to acquire additional property beyond the parking garage.

⁴⁵ \$10 million is budgeted in each of fiscal year 2019 and fiscal year 2023.

⁴⁶ D.C. Official Code § 9-204.12.

⁴⁷ By amending Section 3(b-1)(2) of the Housing Production Trust Fund Act of 1989, effective 883 March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(b-1)(2)).

⁴⁸ Those with incomes at or below 30% of the Area Median Income.

projects for extremely low-income households will receive at least 50% of HPTF funding, projects for very low-income households⁴⁹ will receive at least 40%, and projects for other low-income households⁵⁰ will receive up to 10% of funding. Currently, at least 40% of HPTF funding must fund units for extremely low-income households, 40% must fund units for very low-income households, and 20% of funding targets other low-income households.

Changes in the Distribution of HPTF Funding due to the HPTF Target Modification Amendment Act of 2019		
Household Income:	Distribution Currently	Distribution under New Law
Extremely Low Income <i>(Up to 30% AMI)</i>	at least 40%	at least 50%
Very Low Income <i>(31%-50% AMI)</i>	at least 40%	at least 40%
Low Income <i>(51%-80% AMI)</i>	up to 20%	up to 10%

Financial Plan Impact

The subtitle does not have a fiscal impact since it does not change the amount of spending from the Housing Production Trust Fund. The HPTF has budget authority of \$130 million in fiscal year 2020.

Subtitle (II)(T) Safe at Home Clarification Amendment Act of 2019

Background

The subtitle amends the Safe at Home Act of 2016⁵¹ so the Act matches current practice of the Safe at Home Program run by the Department of Aging and Community Living (DACL). The Safe at Home program provides up to \$6,000 to low-income adults with a disability and people 60 years or older to modify their homes for safer living. Among the changes the subtitle makes are lowering the maximum grant amount each residence can receive from \$10,000 to \$6,000 to match the current program and clarifying that people with disabilities are eligible for a grant only if they are at least 18 years old.

Financial Plan Impact

This subtitle has no fiscal impact. With the changes made by the subtitle, DAACL can meet the requirements of the Safe at Home Act of 2016 without additional funding. This subtitle will therefore allow the subject to appropriations clause of the Safe at Home Act of 2016 to be repealed.

Subtitle (II)(U) CAH Independence and Funding Restructuring Amendment Act of 2019

⁴⁹ Those with incomes of 31% - 50% of the Area Median Income.
⁵⁰ Those with incomes of 51% - 80% of the Area Median Income.
⁵¹ Effective November 26, 2016 (D.C. Law 21-168; D.C. Official Code § 7-551.01).

Background

The subtitle makes the Commission on the Arts and Humanities (“CAH”) an independent commission, sets new qualification requirements for the members, and establishes specific budget allocations by grant type. The 18 CAH members will continue to be nominated by the Mayor and approved by Council. The Chairperson will be appointed by the Mayor subject to the advice and consent of the Council by resolution. A new statutory position, the Executive Director, will be nominated by the Commission and approved by the Council for a four-year renewable term, fulfilling an executive role previously performed by the Chairperson.

The subtitle requires that beginning in fiscal year 2021 at least 77 percent of CAH’s annual budget must be budgeted to specific grant types. No more than 23 percent can be budgeted for administrative costs. Of the funding dedicated to grants, 50 percent must go to support the Arts and Humanities Cohort⁵², 28 percent to the National Capital Arts Cohort⁵³, 17 percent to capital projects in either cohort, and five percent to the Humanities Grant Program.⁵⁴

The subtitle also establishes a special, non-lapsing Arts and Humanities Fund to receive taxes and other funds dedicated to the Commission.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan. None of the new requirements increase costs to the Commission on the Arts and Humanities. Because grants are issued annually, the subtitle’s specific grant allocation requirements beginning in fiscal year 2021 do not have an impact on the budget.

Subtitle (II)(V) Real Estate Guaranty and Education Fund Amendment Act of 2019

Background

The Real Estate Guaranty and Education Fund (“Fund”) is used to pay individuals who have received judgements (such as fraud or misrepresentation) against a licensed real estate broker, salesperson or property manager when the licensee is unable to pay. The Mayor sets the amount of funding that must be maintained in the Fund. A fee is triggered when the Office of the Chief Financial Officer projects that the balance will drop below the minimum within a current fiscal year.

The subtitle allows for general appropriations to be deposited into the Fund, and not just fees. It also clarifies that the fund is non-lapsing.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan.

⁵² The subtitle defines the Arts and Humanities Cohort as including individuals and organizations that directly produce or present content or facilitate productions of other arts and humanities organizations or provide arts education services.

⁵³ The subtitle defines the National Capital Arts Cohort as nonprofit organizations incorporated in the District that have income higher than \$1 million annually for three years prior to a grant receipt and receive funding from the national Capital Arts and Cultural Affairs Grant Program.

⁵⁴ The subtitle establishes the Humanities Grant Program within the Commission to provide subgrants to the humanities. It authorizes up to 30 percent of disbursements to this program to be used for administrative expenses.

Subtitle (II)(W) Historic Preservation Review Board Membership Clarification Amendment Act of 2019

Background

Members of the Historic Preservation Review Board serve three-year staggered terms⁵⁵. Current law states that upon expiration of a member’s term, that member can serve until his or her successor is appointed. The subtitle clarifies that a member cannot serve more than 180 days beyond the expiration of his or her term.⁵⁶

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan.

Subtitle II (X) Funds for Ward 1 Public Housing Properties Amendment Act of 2019

Background

The Adams Morgan Hotel Real Property Tax Abatement Act of 2010⁵⁷ provided for a 20-year abatement of real property taxes beginning with the hotel’s receipt of a permanent certificate of occupancy, provided certain conditions, such as employment of District residents, were met. The subtitle provides that the abatement may not commence prior to October 1, 2020.

The subtitle further directs the D.C. Housing Authority to spend not less than \$1 million in fiscal year 2020 on repairs and maintenance of public housing projects located in Ward 1.

Financial Plan Impact

The delay of the commencement of the property tax abatement for the hotel will increase property tax revenue by \$1.024 million in fiscal year 2020.

The D.C. Housing Authority is supported by an annual subsidy from the District. The subsidy is budgeted at \$145 million in the fiscal year 2020 budget, an increase of \$34 million over the fiscal year 2019. The D.C. Housing Authority will be required to allocate \$1 million of its subsidy for the repair and maintenance of Ward 1 properties.

Subtitle (II)(Y) Short-Term Rental Funding Act of 2019

Background

The Short-Term Rental Regulation Act of 2018 (Act) included a subject to appropriations clause. The fiscal impact of the Act included administrative costs to implement the Act’s requirements on short-term rental providers and a revenue loss stemming from the elimination of certain short-term rental activity on which the District is currently collecting hotel occupancy taxes. Since no appropriation

⁵⁵ D.C. Official Code § 6-1103(b).

⁵⁶ Pursuant to section 2(c) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(c)).

⁵⁷ D.C. Law 18-370.

occurred, the Act did not become law. The OCFO could not reserve revenue based on an Act that is not law. By enacting the new provision in the FY2020 Budget Support Act (BSA), the law, if passed, will have appropriation authority, allowing for the revenue to be reserved.

The subtitle reserves, beginning in June 2019, any recurring local fund revenues identified in future revenue estimates that are in excess of revenues included in the fiscal year 2020 through fiscal year 2023 budget and financial plan fund the revenue losses of the Act. In each revenue estimate the Chief Financial Officer must certify the amount of excess recurring revenues included in the estimate, how much is being used to fund the Act, and whether the Act is fully funded.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. Whenever excess recurring local fund revenues from future revenue estimates are sufficient to offset losses of the Act (but not prior to October 1, 2019), the Chief Financial Officer would certify that the Act has been fully funded and it would take effect. The administrative costs of the Act are included in the fiscal year 2020 budget and fiscal year 2020 through fiscal year 2023 financial plan.

The amount of local fund revenues that must be certified as recurring in future revenue estimates for the Act to be fully funded are currently:

Local Fund Revenue Losses of Short-Term Rental Funding Act of 2019 under current zoning rules (\$ thousands)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Local fund revenue requirement	\$23,882	\$25,077	\$26,330	\$26,909	\$102,198

The above estimate anticipates that approximately all current short-term rentals could be found to be inconsistent with current zoning regulations and would therefore be prevented from receiving the license required by the Act. If zoning regulations are updated to allow for short-term rental activity in residentially-zoned areas, most of the current occupancy tax revenues from short-term rental activity are estimated to be maintained. If such zoning update occurs prior to the Act being fully funded, the local fund recurring revenues that must be certified as recurring in future revenue estimates for the Act to be fully funded will be:

Local Fund Revenue Losses of Short-Term Rental Funding Act of 2019 under zoning rules that do not restrict residential (\$ thousands)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Local fund revenue requirement	\$4,896	\$5,141	\$5,398	\$5,517	\$20,952

TITLE III - PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Criminal Code Reform Commission Amendment Act of 2019

Background

In fiscal year 2017, the Criminal Code Reform Commission (Commission) was created as a separate commission by removing the criminal code review component from the Sentencing and Criminal Code Revision Commission.⁵⁸ The Commission is scheduled to deliver its final criminal code reform recommendations by September 30, 2019. The Commission will then cease its activities on October 1, 2019.

The subtitle exempts the Commission from oversight of the Chief Procurement Officer, but still requires it to follow the District's procurement laws.⁵⁹ The subtitle also extends the due date of the Commission's report to September 30, 2020 and sunsets the Commission's activities on October 1, 2020.

Financial Plan Impact

The Commission's activities are funded at approximately \$723,000 in the fiscal year 2020 budget. The Commission will terminate on October 1, 2020. There are no costs associated with giving the Commission independent contracting authority.

Subtitle (III)(B) – Retired Police Officer Redeployment Program Amendment Act of 2019

Background

The Metropolitan Police Department (MPD) currently rehires retired police officers as fully sworn officers with no impact on their retirement benefits. These officers are paid on the Police Service pay schedule as officers⁶⁰ and are not eligible for longevity pay. The Omnibus Public Safety and Justice Amendment Act⁶¹ expanded the retired police officer rehire program to include pay opportunities at the detective⁶² and sergeant⁶³ levels of the Police Service pay schedule for eligible retirees. The detective and sergeant programs will sunset on October 1, 2019, but officers rehired prior to that date can remain rehired for no more than three years from the date of rehire.

The subtitle changes the sunset date of the detective and sergeant programs from October 1, 2019 to October 1, 2020. The subtitle also extends a rehired police officer's tenure under this part of the program from no more than three years to no more than five years.

Financial Plan Impact

⁵⁸ Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 et seq.).

⁵⁹ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.01 et seq.).

⁶⁰ The pay grade and step is class 1, step 5.

⁶¹ Effective April 22, 2017 (D.C. Law 21-280; D.C. Official Code § 5-761(h)).

⁶² The pay grade and step is class 3, step 4.

⁶³ The pay grade and step is class 4, step 3.

MPD rehires retired officers into positions that are included in MPD’s budget in the fiscal year 2020 through fiscal year 2023 budget and financial plan. MPD can accommodate the extended sunset provision and the five-year limit for rehired officers at the detective and sergeant levels within the budget and financial plan.

Subtitle (III)(C) – Automatic Renewal Protections Amendment Act of 2019

Background

In 2018, the Council approved protections for consumers who enter into contracts that automatically renew at the end of a definite term period, including after a free trial or promotional period.⁶⁴ These protections include a requirement that companies notify a consumer at least thirty days, but not more than sixty days before a cancellation or renewal deadline or between one and seven days prior to the expiration of a free trial period. At the time of passage, Council did not provide funding for the Department of Consumer and Regulatory Affairs (DCRA) to educate consumers and respond to complaints related to automatic renewals.

The subtitle enhances the notification period for consumers receiving a free trial to be at least fifteen days, but not more than thirty days prior to the expiration of the free trial period. The subtitle also ensures that a contract attached to a free trial clearly states the price that will be charged or how the price or terms of the contract will change upon conclusion of the trial period.

The subtitle repeals the underlying law’s subject to appropriations clause.

Financial Plan Impact

DCRA’s Office of Consumer Protection will educate businesses and consumers and receive and investigate complaints related to automatic renewals. The subtitle’s changes to the underlying law do not require any additional resources, but DCRA needs an additional investigator to implement the law’s full consumer protections. The fiscal year 2020 through fiscal year 2023 budget and financial plan includes this investigator at a cost of \$100,000 in fiscal year 2020 and \$418,000 over the four-year financial plan period.

Subtitle (III)(D) – Crime Victims Compensation Funeral and Burial Expenses Amendment Act of 2019

Background

The Crime Victims Compensation Program is administered by the DC Superior Court and provides victims of violent crime in the District with compensation for crime-related expenses. Eligible expenses include, but are not limited to, medical expenses, funeral costs, meals, temporary housing, cleaning a crime scene, lost wages, and moving expenses. The court currently caps the reimbursement for funeral expenses at \$6,000.

The subtitle sets a maximum reimbursement of \$10,000 per death for reasonable funeral and burial expenses, including the cost of embalming, burial containers, cremation, or other method of interment.

⁶⁴ Structured Settlements and Automatic Renewal Protections Act of 2018, effective March 13, 2019 (D.C. Law 22-235; 66 DCR 3214).

Financial Plan Impact

The Crime Victims Compensation Program is managed by the DC Superior Court, which is operated by the federal government, and is funded through fines and fees collected by the court. These fees are deposited into the Crime Victims Compensation Fund (Fund).⁶⁵ The subtitle allows the court to compensate victims for funeral and burial expenses at a higher amount. The District’s budget and financial plan does not include any additional funding for the court’s program, so any increased expenditures on funerals or burials from the Fund would reduce available resources for other compensation efforts. The court paid, on average, \$7.6 million in total compensation payments annually over the 2013 to 2017 time period, assisting an average of 13,000 crime victims per year.

Subtitle (III)(E) – Office of Neighborhood Safety and Engagement Amendment Act of 2019

Background

The Neighborhood Engagement Achieves Results Amendment Act of 2016⁶⁶ established initiatives and programs to address violent crime in the District, including the establishment of the Office of Neighborhood Safety and Engagement (ONSE). ONSE coordinates the District’s violence prevention strategy, identifies and engages individuals who might be at high risk for criminal activity, identifies high crime neighborhoods, and coordinates with District agencies and nonprofits to provide youth outreach and employment opportunities for individuals in high crime neighborhoods or who are at high risk for criminal activity. ONSE also collaborates with District agencies and nonprofits to provide wrap-around services to crime victims and their families.

The subtitle renames the Community Stabilization Program⁶⁷ as the Family and Survivor Support Services Program. The subtitle expands the required information that needs to be included in ONSE’s reporting to the Mayor and the Council to include information by cohort; reasons why participants separated from ONSE programs; employment, certification, and diploma information; and whether any participants have been arrested or convicted during or following their participation. The subtitle authorizes OSNE to expend its budgeted resources on food and non-alcoholic beverage purchases for members of the public and District government employees participating in ONSE programs and activities.

The subtitle repeals the Neighborhood Safety and Engagement Fund (Fund).⁶⁸

Financial Plan Impact

The fiscal year 2020 through fiscal year 2023 budget and financial plan includes funding for ONSE of approximately \$8.8 million. The budget does not include any additional funding for food and beverage expenditures, but it allows ONSE to expend its resources on this additional activity. The

⁶⁵ Victims of Violent Crime Compensation Act of 1996, effective April 9, 1997 (D.C. Law 11-243; D.C. Official Code § 4-515).

⁶⁶ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-1251 D.C. Official Code § 7-2411 et seq.).

⁶⁷ This program was transferred from the Office of the Deputy Mayor for Public Safety and Justice to the ONSE through the Neighborhood Engagement Achieves Results Amendment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 7-2411(a)(1)).

⁶⁸ D.C. Official Code § 7-2413.

entire ONSE budget is comprised of appropriated Local funds and there is no impact on ONSE to repeal the Fund.

Subtitle (III)(F) – Returning Citizens Opportunity to Succeed Amendment Act of 2019

Background

The subtitle permanently extends pilot programs for fiscal year 2019 to waive fees for certain documents issued by District agencies and to provide transportation benefits for District residents returning from Federal Bureau of Prisons (BOP) custody⁶⁹ or residing in BOP halfway houses. For returning citizens, the Department of Health (DOH) must waive fees for birth certificates and the Department of Motor Vehicles (DMV) must waive fees for driver’s licenses, permits, provisional licenses, and identification cards. The subtitle also requires DOH to accept BOP documentation as proof of identification if DOH requires identifying documentation for a vital records application.

Financial Plan Impact

The subtitle continues the waiver of DOH birth certificate fees and DMV license, permit, and identification fees for returning citizens that began in 2019. Extending the waivers permanently will reduce annual revenues by \$30,000 in local funds and \$8,000 in DOH special purpose revenue. DOH and DMV require funding to produce the documents, so the fiscal year 2020 budget includes an increase of \$32,000 and \$47,000 at DOH and DMV, respectively.

Returning Citizens Opportunity to Succeed Amendment Act of 2019					
Fiscal Year 2020 – Fiscal Year 2023					
(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced fee revenue (DOH & local)	\$38	\$38	\$38	\$38	\$152
DOH Budget for document production	\$32	\$32	\$32	\$32	\$128
DMV Budget for document production	\$47	\$47	\$47	\$47	\$188

Subtitle (III)(G) – Maternal Mortality Review Committee Establishment Amendment Act of 2019

Background

In 2018, the District established a Maternal Mortality Review Committee (Committee)⁷⁰ within the Office of the Chief Medical Examiner (OCME). The Committee will evaluate maternal deaths of District residents and provide recommendations for improving maternal health and safety for women in the District. The Committee must publicize and submit to the Mayor and Council an annual report discussing the causes and contributing factors to maternal mortalities, the state of maternal health in the District, and recommendations for systemic changes to maternal health care delivery in the District.

The subtitle requires the Chief Medical Examiner (CME) to convene a symposium within sixty days of the Committee’s release of the annual report in which the CME presents the Committee’s findings

⁶⁹ The returning citizens must be within one year of their release from custody.

⁷⁰ Maternal Mortality Review Committee Establishment Act of 2018, effective June 5, 2018 (D.C. Law 22-111; D.C. Official Code § 7-671.01 et seq.).

to the public. The subtitle also expands the Committee’s membership to include one person directly impacted by a near maternal mortality, one anesthesiologist with experience in obstetrics, and one neonatologist with experience with high-risk pregnancies.

The District also has a Domestic Violence Fatality Review Board (Board)⁷¹ that evaluates and provides recommendations related to domestic violence fatalities in the District. The subtitle expands the Board’s membership to include domestic violence non-residential organizations and a representative from the D.C. Coalition Against Domestic Violence.⁷²

Financial Plan Impact

The CME does not need any additional resources in the fiscal year 2020 through fiscal year 2023 budget and financial plan to convene a symposium to present the Committee’s findings. There are no additional costs associated with expanding either the Committee’s or the Board’s membership.

Subtitle (III)(H) – Attorney General Support and Restitution Funds Amendment Act of 2019

Background

The Office of the Attorney General (OAG) administers the Litigation Support Fund (Fund)⁷³ into which OAG deposits recoveries from claims or litigation brought by OAG. The Fund is capped at \$5 million annually⁷⁴ and OAG can use the funds to support general litigation expenses.

The subtitle expands the allowable uses of the Fund to include up to \$3 million annually for crime reduction and violence interruption programming and up to \$4 million annually to support OAG staff positions.⁷⁵ The subtitle also increases the amount of funding OAG can maintain in the Fund from \$5 million to \$10 million, with an additional allowance of up to \$11.6 million through September 30, 2020.

The subtitle also establishes the Vulnerable Adults and Elderly Person Exploitation Restitution Fund (Restitution Fund) into which OAG will deposit any awards of restitution or costs through prosecutions of crimes for financial exploitation of vulnerable adults and elderly persons.⁷⁶ OAG can use the Restitution Fund’s resources to pay restitution to harmed individuals and for administrative costs.

Financial Plan Impact

Fund revenues will depend upon recoveries successfully collected by OAG and can be unpredictable on an annual basis. The Fund ended fiscal year 2018 with approximately \$4.6 million in fund balance. The subtitle increases the amount of funds that OAG can accrue and maintain in the Fund from \$5 million to \$10 million and authorizes OAG to spend up to \$4 million on staff costs and up to \$3 million

⁷¹ Uniform Interstate Enforcement of Domestic Violence Protection Orders Act of 2002, effective April 11, 2003 (D.C. Law 14-296; D.C. Official Code § 16-1051 et seq.).

⁷² <https://dccadv.org/>.

⁷³ Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-301.86b).

⁷⁴ Any funds in excess of \$5 million revert to the District’s unrestricted General Fund balance.

⁷⁵ The \$4 million authorization can also be used to fund non-personnel costs associated with administering any grants to assist in the production of criminal and delinquent offense documents.

⁷⁶ Financial Exploitation of Vulnerable Adults and the Elderly Amendment Act of 2016, effective November 23, 2016 (D.C. Law 21-166; D.C. Official Code § 22-933.01).

on crime reduction and violence interruption programs. The fiscal year 2020 through fiscal year 2023 budget and financial plan anticipates \$5 million in annual revenues. OAG will be limited in its expenditures to the revenues it receives despite the increased overall cap and the newly authorized program expenditure allowances.

The Restitution Fund is essentially a pass-through fund for any awards won by OAG on behalf of vulnerable adults and elderly persons. When awards are received into the Restitution Fund, they will be processed by OAG and awarded to claimants subject to court orders, judgments, or settlements. There are no revenues currently projected for the Restitution Fund over the fiscal year 2020 through fiscal year 2023 budget and financial plan period and OAG will only be able to pay out claims that correspond to revenues received. OAG can also use the Restitution Fund's resources to pay associated administrative costs.

Subtitle (III)(I) – Office of Police Complaints Independent Review Amendment Act of 2019

Background

The Police Complaints Board (Board) is a five-member board that reviews and makes recommendations on the citizen complaint review processes against law enforcement officers in the District. The Board annually reports to the Mayor and the Council on its findings that include the number, type, and disposition of complaints; the demographics of the complainant and the officer(s); the proposed discipline and the actual discipline; use of force incidences; and in-custody deaths.

The subtitle directs the Board to conduct or oversee a review of the Metropolitan Police Department's Narcotics and Specialized Investigations Division (NSID) covering the January 1, 2017 through December 31, 2019 time period. The review should evaluate NSID's operations, stops and searches, citizen complaints, discipline against NSID officers, and recommendations for improving NSID's policing strategies. A report summarizing the findings of the review must be submitted to the Mayor and the Council by April 30, 2021.

Financial Plan Impact

The Board requires an additional investigator and contractor funds to perform a review of NSID's operations. The investigator will cost \$66,000 in fiscal year 2020 and \$276,000 over the four-year financial plan period. This investigator, along with \$150,000 in one-time contracting costs to complete the review, are included in the fiscal year 2020 through fiscal year 2023 budget and financial plan.

Subtitle (III)(I) – Escheatment Fund Clarification Amendment Act of 2019

Background

The subtitle establishes⁷⁷ a special purpose fund called the Escheatment Fund that will be administered by the Department of Human Services (DHS). The fund will hold money from escheatments, instances in which the District claims property left behind by a deceased person who has no relatives who can claim the property.

⁷⁷ By amending Section 19-701 of the District of Columbia Official Code.

The District’s escheatment process has been in operation for years. The Office of the Attorney General (OAG) receives the unclaimed property, and deposits cash or sales proceeds in its Estate Agency Fund. The proceeds are restricted to being used for emergency housing assistance⁷⁸, which is administered by DHS. Escheatment has happened rarely - once in 2011 and again in 2019.

The subtitle will not change the escheatment process, but it will make the escheatment money easier to track. After OAG receives escheatment funds in its Estate Agency Fund it will transfer them to a non-lapsing special purpose fund under DHS. The subtitle will also provide DHS the authority to spend any escheatment revenue. Currently DHS needs to request local budget authority to spend escheatment revenue, so it is not immediately available for use.

Financial Plan Impact

The subtitle has no fiscal impact. There will be no additional cost to manage the fund created by the subtitle. However, the Fiscal Year 2019 Revised Local Budget Act includes a sweep of \$935,507 escheatment proceeds at OAG to be used to increase the fiscal year 2020 budget of DHS for homeless services and other services. Once the subtitle is in effect, DHS can spend future deposits into the Escheatment Fund on authorized emergency assistance.

Subtitle (III)(K) – Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2019

Background

The subtitle imposes an 80-cent⁷⁹ per room, per night tax on hotel⁸⁰ room and suite stays in the District. The District will deposit the tax proceeds into the Emergency and Non-Emergency Number Telephone Calling Systems Fund⁸¹ to support the Office of Unified Communication’s 911 system. The 911 system includes all the 911 emergency and 311 non-emergency call center operations and related technology.

Financial Plan Impact

The new 80-cent per room, per night hotel tax will generate approximately \$7.2 million in fiscal year 2020 and \$31.3 million over the four-year financial plan period. The Office of Tax and Revenue will collect these taxes monthly along with regular hotel sales and use tax receipts and dedicate them to the Emergency and Non-Emergency Number Telephone Calling Systems Fund.

**Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act
of 2019
New Hotel Tax Revenue
Fiscal Year 2020 – Fiscal Year 2023
(\$000s)**

⁷⁸ Specifically, grants “offered as crisis intervention services to individuals and families in need of cash assistance for mortgage, rent, or utility bills”, per D.C. Code § 4-753.01

⁷⁹ The bill requires the rate to be adjusted annually based on the Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria, DC-MD-VA-WV Metropolitan Statistical Area.

⁸⁰ The subtitle defines a hotel as any building or part of a building in which not less than thirty rooms or suites are reserved for transient guests on a daily basis.

⁸¹ The Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1802).

The Honorable Phil Mendelson
Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a
Substitute, circulated June 17, 2019

	FY 2020	FY 2021	FY 2022	FY 2023	Total
80-Cent Hotel Tax	\$7,229	\$7,606	\$8,003	\$8,420	\$31,258

TITLE IV - PUBLIC EDUCATION

**Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase
 Amendment Act of 2019**

Background

This subtitle sets⁸² the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$10,980. This is a three percent increase over fiscal year 2019. Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per student funding at that level or for those services. The subtitle also increases the weighting for the at-risk add-on from 0.224 to 0.225 and changes the name of the Special Education Compliance Fund weight.

The following tables show the base level funding at each grade level and the various add-ons:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Student Allocation in FY 2020
Pre-Kindergarten 3	1.34	\$14,713
Pre-Kindergarten 4	1.30	\$14,273
Kindergarten	1.30	\$14,273
Grades 1-5	1.00	\$10,980
Grades 6-8	1.08	\$11,858
Grades 9-12	1.22	\$13,395
Alternative program	1.44	\$15,810
Special education school	1.17	\$12,846
Adult	0.89	\$9,772

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$10,650
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$13,175
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$21,630

⁸² By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 et seq.).

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
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.	3.49	\$38,318
Special Education Compliance Funding	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	\$1,087
Attorney's Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per student basis for attorney's fees.	0.089	\$977
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$18,336

General Education Add-ons			
Level / Program	Definition	Weighting	Per Student Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$5,380
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.225	\$2,470

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Level 1: Special Education - Residential	Additional funding to support the after-hours Level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.37	\$4,062

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Level 2: Special Education - Residential	Additional funding to support the after-hours Level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.34	\$14,713
Level 3: Special Education - Residential	Additional funding to support the after-hours Level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.89	\$31,731
Level 4: Special Education - Residential	Additional funding to support the after-hours Level 4 special education needs of limited and non-English proficient students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.89	\$31,731
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$7,334

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Special Education Level 1 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.063	\$692
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	\$2,492

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$5,391
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	\$5,391

The subtitle also requires DCPS to use \$5.35 million of its fiscal year 2020 UPSFF allocation to provide a supplemental budget to 31 schools whose budgets would see a decrease in fiscal year 2020 due to declining enrollment. The \$5.35 million is required to be allocated proportionally to each of the 31 schools based on the projected net loss of funding. DCPS is required to report to the Council the amount each of the 31 schools receives by November 1, 2019.

Financial Plan Impact

The proposed 3 percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed fiscal year 2020 budget includes approximately \$1.66 billion for instructional budgets; \$902.52 million for the District of Columbia Public Schools (including \$5.35 million for supplemental budgets at 31 schools), and \$753.62 million for the public charter schools. Charter schools will receive \$150.64 million for facilities allowances in fiscal year 2020, bringing the collective public charter school local budget to \$904.77 million.

Subtitle (IV)(B) – Non-Resident Student Delinquent Debt Recovery Amendment Act of 2019

Background

This subtitle requires⁸³ that any delinquent non-resident tuition recovered by Office of the Chief Financial Officer’s Central Collection Unit (CCU) be deposited into the Office of the State Superintendent of Education’s (OSSE) Student Residency Verification Fund rather than into the Delinquent Debt Fund. OSSE’s Student Residency Verification Fund receives revenue from tuition payments made by parents who are not District residents but send their children to a public school. The Fund also collects fines imposed on non-resident families who send their children to public schools.

Financial Plan Impact

OSSE already collects non-resident tuition payments in the Student Residency Verification Fund. The subtitle allows late tuition payments recovered by the CCU to be collected and

⁸³ By amending The Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.01 et seq.).

deposited into the Fund. The CCU expects OSSE to refer a very small number of non-resident tuition delinquencies to it for collection and will absorb the additional work within its budget.

Subtitle (IV)(C) – Office of Administrative Hearings Jurisdiction Amendment Act of 2019

Background

This subtitle provides⁸⁴ the Office of Administrative Hearings (OAH) with the authority to hear an appeal of an action the Office of the State Superintendent of Education (OSSE) has taken against a charter school or other organization it believes is not complying with the terms of a grant it has issued.

Financial Plan Impact

OAH estimates that hearing OSSE's grant compliance cases will cost approximately \$1,460 in fiscal year 2020. This recurring funding has been transferred from OSSE to OAH in the fiscal year 2020 budget.

Subtitle (IV)(D) – Deputy Mayor for Education Limited Grant-Making Authority Amendment Act of 2019

Background

The subtitle gives the Deputy Mayor for Education (DME) the authority to issue a grant⁸⁵ of up to \$300,000 for a study of the Uniform Per Student Funding Formula as recommended by the February 1, 2019 report of the Uniform Per Student Funding Formula Working Group.

Financial Plan Impact

The fiscal year 2020 budget for the DME includes \$300,000 for this grant. The DME will administer the grant using existing staff.

Subtitle (IV)(E) – Statewide Special Education Compliance Fund Act of 2019

Background

This subtitle establishes within the Office of the State Superintendent of Education (OSSE) a non-lapsing Statewide Special Education Compliance Fund (Fund) to support compliance with federal and local special education laws and regulations. The Fund is subject to the availability of funding in subsequent fiscal years.

Financial Plan Impact

⁸⁴ By amending Section 6(b-22)(3) of the Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03(b-22)(3)).

⁸⁵ Pursuant to the requirements set forth in the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 et seq.).

The fiscal year 2020 budget for OSSE includes \$12.4 million in the Fund. The Mayor has the option to allocate additional funds in subsequent fiscal years to maintain compliance with local and federal special education laws.

Subtitle (IV)(F) – Chancellor of the District of Columbia Public Schools Salary Conformity Amendment Act of 2019

Background

This subtitle updates⁸⁶ District law regarding the salary of the District of Columbia Public Schools Chancellor with the current Chancellor's name and starting date. This subtitle also changes provisions around the payment of the Chancellor's performance bonus, so it is available each school year

Financial Plan Impact

This subtitle continues the Chancellor's existing salary and has no fiscal impact.

Subtitle (IV)(G) – Student Fair Access to School Clarification Amendment Act of 2019

Background

This subtitle shifts⁸⁷ implementation of the limit on use of out-of-school suspension for students in grades 6 through 8 from school year 2019-2020 to school year 2020-2021. The subtitle also requires the Department of Behavioral Health (DBH) to offer non-instructional personnel support to provide broad mental health services, including reducing the use of exclusion by addressing the causes of student misconduct and being available for consultation regarding the development and revision of disciplinary plans for individual students.

Financial Plan Impact

The fiscal year 2020 budget and financial plan includes additional funds for the District of Columbia Public Schools (DCPS) and Public Charter Schools (DC PCS) to implement the Student Fair Access to School Amendment Act of 2018.⁸⁸ In total, DCPS will receive an additional \$401,215 in local funds and DC PCS will receive \$292,731 in local funds through an increase to the at-risk weight in the Uniform Per Student Funding Formula. The budget also includes an additional \$172,000 in the Office of the State Superintendent of Education (OSSE) School Safety and Positive Climate Fund to provide schools with technical assistance on the causes of student misconduct, and the development and revision of disciplinary plans.

The subtitle removes OSSE as the provider of behavioral health and trauma-informed learning supports and instead assigns these duties to DBH. The DBH School Mental Health Program offers prevention, early intervention, and clinical services to youth and families. DBH's fiscal year 2020 budget includes a \$9.1 million enhancement to the School Mental Health Program (SMHP) to expand

⁸⁶ By amending Section 1052(b)(1)(A) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-610.52(b)(2)(A)).

⁸⁷ By amending Title II of the Attendance Accountability Amendment Act of 2018, effective August 25, 2018 (D.C. Law 22-157; D.C. Official Code § 38-236.01 et seq.).

⁸⁸ D.C. Law 22-157.

the number of locations the program will serve and establish training, professional development, and evaluations to improve program performance.

SMHP clinicians are already trained to provide broad mental health services including early intervention services to reduce out-of-school suspensions; trauma-informed clinical interventions and practices; crisis intervention; school culture and climate support; prevention services; and clinical interventions. These are the types of behavioral health supports that the Student Fair Access to School Amendment Act of 2018 intended for schools to use to meet disciplinary goals. The schools selected as part of the SMHP expansion are prioritized based on the behavioral health needs of each school using student level data on at-risk students, individualized education plans, in-seat attendance, out-of-school suspension rates, and English language learners.

Subtitle (IV)(H) District of Columbia Public Library Partnership and Sponsorship Amendment Act of 2019

Background

Current law is not unclear whether the District of Columbia Public Library (DCPL) may solicit private support or if DCPL should partner with the DCPL Foundation to support their fundraising for the DCPL. This subtitle would allow the Executive Director of DCPL or his or her designees to engage in certain activities with a charitable organization whose sole mission is to benefit DCPL, including contracting for advertisement and sponsorships and selling tickets to events.⁸⁹ It also authorizes designees of the Executive Director to execute leases and provide permits for the use of DCPL space.

Furthermore, this subtitle requires revenue from such activities, as well as revenue that is currently being deposited in the Library Collections Account, to be deposited into the DCPL Revenue-Generating Activities Fund. The subtitle expands the authorized expenditures of the DCPL Revenue-Generating Activities Fund to include DCPL operations, programming and facilities improvements, and purchases of food, snacks, and non-alcoholic beverages for the general public, DCPL program participants, and District government employees.⁹⁰ The subtitle also changes the DCPL Revenue-Generating Activities Fund from lapsing to non-lapsing.

Financial Plan Impact

This subtitle gives DCPL the statutory authority to spend revenue produced from the DCPL Revenue-Generating Activities Fund on the specified activities stated above. However, the fiscal year 2020 budget and fiscal year 2020 through 2023 financial plan do not include any certified revenue nor any budget authority for the fund and thus there is no impact on the budget or financial plan.

Subtitle (IV)(I) University of the District of Columbia Fundraising Match Act of 2019

Background

The subtitle dedicates up to \$1.5 million to the University of the District of Columbia (UDC) subsidy account. For every \$2 that UDC raises by April 1, 2020, the District will donate \$1 up to a maximum

⁸⁹ By amending an Act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia, approved June 3, 1896 (29 Stat. 244; D.C. Official Code § 39-101 et seq.).

⁹⁰ Id., (D.C. Official Code § 39-107, 114, and 117).

of \$1.5 million. Of the amount transferred by the District, at least one-third must be dedicated to UDC’s endowment fund.

Financial Plan Impact

The budget and financial plan includes \$1.5 million in the nondepartmental budgeting agency to fund the matching grant.

Subtitle (IV)(J) Use of School Permit Fees Amendment Act of 2019

Background

In 2018, the Council established parameters around how the District should permit the use of District of Columbia Public Schools (DCPS) facilities,⁹¹ including a priority order for offering access to those spaces.⁹² The law directs the Mayor to deposit all permit revenues from renting school facilities into the DCPS School Facility Fund (Fund)⁹³ and to transfer 75 percent of the revenues back to the schools where the rental took place to support cleaning, maintenance, and repairs. The remaining 25 percent of revenues is maintained to administer the school facility permit program.

The subtitle eliminates the specific use requirement for the 75 percent of permit revenues that are directed back to the schools.

Financial Plan Impact

The subtitle authorizes the individual schools to spend the permit revenues they receive for renting their school facilities on more activities than cleaning, maintenance, and repairs. There are no costs associated with reducing the restrictions on spending these funds.

The budget also funds the underlying law at \$1.2 million in fiscal year 2020 and approximately \$5.1 million over the four-year financial plan period.⁹⁴

Subtitle (IV)(K) Self-Operated School Food Service Amendment Act of 2019

Background

This subtitle requires the Mayor to pilot a self-operated school food service model at ten District of Columbia Public Schools (DCPS) or the maximum number of schools that funds can support over a two-year time period. The Mayor must also provide a report to the Council assessing school food services during each year of the pilot, including a comparison of student satisfaction surveys and cost savings with schools not participating in the pilot.

Financial Plan Impact

⁹¹ School facilities are fields, playgrounds, gymnasiums, multipurpose rooms, and other recreational spaces under DCPS control.

⁹² Ensuring Community Access to Recreational Spaces Act of 2018, effective February 22, 2019 (D.C. Law 22-210; D.C. Official Code § 38-431 et seq.).

⁹³ D.C. Official Code § 38-434.

⁹⁴ When the law was passed, subject to appropriations language was inadvertently omitted and is therefore not explicitly repealed in the Fiscal Year 2020 Budget Support Act of 2019.

The fiscal year 2020 budget and financial plan includes \$1.6 million in the capital budget to complete kitchen upgrades at up to ten schools ahead of the planned pilot launch in school year 2020-2021. DCPS also requires start-up funds to hire school level food service personnel and purchase equipment and materials. The fiscal year 2020 budget allocates \$394,000 in special purpose revenue fund balance from the Nonprofit School Food Service Fund to cover the salary and fringe costs of hiring school-based food service workers and central office FTEs to manage the program and complete the required assessments and reporting. These new employees will have a start date of August 1, 2019. The fiscal year 2020 budget also allocates \$366,000 in special purpose revenue fund balance to purchase food, materials, and supplies for up to ten schools. The remaining \$3.25 million of Nonprofit School Food Service Fund balance can be used to implement pilot programs and reporting requirements in fiscal years 2021 and 2022 if DCPS does not require such fund balance for current needs. The number of schools included in the pilot program will depend on DCPS’s final cost estimates for the program.

Subtitle (IV)(L) Truancy Prevention and Literacy Pilot Program Amendment Act of 2019

Background

This subtitle establishes⁹⁵ a one-year truancy prevention and early literacy pilot program. Funding to implement the pilot program will be managed by the Office of the State Superintendent of Education (OSSE) and will be awarded to two schools that meet certain eligibility requirements.

Financial Plan Impact

The fiscal year 2020 OSSE budget includes \$600,000 in one-time funding to provide two \$300,000 grant awards to implement the pilot programs.

Subtitle (IV)(M) University of the District of Columbia Affordable Law Firm Participation Amendment Act of 2019

Background

The subtitle authorizes the David A. Clarke School of Law to participate in the DC Affordable Law Firm,⁹⁶ a non-profit organization that employs recent law school graduates to provide affordable legal services to District residents whose income is too high to receive free legal aid, but not enough to afford market rate legal services.

Financial Plan Impact

The budget and financial plan increases the subsidy to the University of the District of Columbia by \$150,000 to facilitate the law school’s participation.

Subtitle (IV)(N) Special Needs Public Charter School Funding Authorization Act of 2019

Background

This subtitle authorizes the Public Charter School Board (PCSB) to provide funds to St. Coletta Special Education Public Charter School in fiscal year 2020. These funds are in addition to any funds

⁹⁵ By amending the Raising Expectations for Education Outcomes Omnibus Act of 2012, effective July 13, 2012 (D.C. Law 19-142; D.C. Official Code §§ 38-754.01 et seq.).

⁹⁶ <http://dcaffordablelaw.org/>

The Honorable Phil Mendelson
Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a Substitute, circulated June 17, 2019

transmitted to the school pursuant to the Uniform Per Student Funding Formula. The PCSB must transfer the funds within 30 days of the effective date of the Fiscal Year 2020 Local Budget Act of 2019 and must collect a quarterly accounting of all expenditures made with the additional funds.

Financial Plan Impact

The fiscal year 2020 budget includes a \$1.8 million enhancement to the PCSB budget for distribution to St. Coletta Special Education Public Charter School. PCSB can collect the required quarterly spending reports with existing staff.

Subtitle (IV)(O) – Healthy Schools Funding Clarification Amendment Act of 2019

Background

This subtitle increases⁹⁷ the amount of revenue dedicated towards the Healthy Schools Fund from \$4.226 million annually to \$5.110 million beginning fiscal year 2020. The Healthy Schools Fund is used to finance a variety of health and nutrition programs at schools in the District of Columbia.

TITLE V - HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – Flexible Rent Subsidy Program Amendment Act of 2019

Background

The subtitle exempts households enrolled in the Flexible Rent Subsidy Pilot Program from the income limit used to determine eligibility for services for residents at risk of homelessness. The Program provides rent subsidies, in the form of direct funds, to residents who are at imminent risk of experiencing homelessness.

Financial Plan Impact

Waiving the income limit will have no fiscal impact. Program spending is constrained by the available budget, which in the fiscal year 2020 budget will be \$1 million.

Subtitle (V)(B) – Interagency Council on Homelessness Consumer Member Stipends Amendment Act of 2019

Background

This subtitle allows⁹⁸ consumer members of the Interagency Council on Homelessness (ICH) to receive a stipend of no more than \$50 for each Council meeting, including committee and working group meetings.

Financial Impact

⁹⁷ By amending Section 102(f) of the Healthy Schools Act of 2010, effective July 2, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(f)).

⁹⁸ By amending Section 1108(c-2) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-611.08(c-2)).

The Department of Human Services will absorb the cost of the stipends in its fiscal year 2020 budget. ICH estimates the stipends will cost \$21,600 in fiscal year 2020 if consumer members receive a \$50 stipend for each meeting they attend.⁹⁹

Subtitle (V)(C) – Office of Veterans Affairs Grant-Making Authority Amendment Act of 2019

Background

The subtitle gives¹⁰⁰ the Mayor’s Office of Veterans Affairs (MOVA) the authority to issue grants to support the provision of services to veterans, their dependents, and their survivors.

Financial Plan Impact

MOVA’s fiscal year 2020 budget includes \$200,000 in recurring, non-personnel services money. While MOVA does not have a grant manager that can directly administer grants, MOVA intends to transfer the grant funding to the Department of For-Hire Vehicles via a Memorandum of Understanding. The Department of For-Hire Vehicles administers a VetsRide program that provides qualifying veterans with transportation for medical, educational, employment, and other opportunities.

Subtitle (V)(D) – Adult Protective Services Transfer Amendment Act of 2019

Background

The subtitle transfers¹⁰¹ Adult Protective Services from the Department of Human Services (DHS) to the Department of Aging and Community Living (DACL).

Financial Plan Impact

The proposed fiscal year 2020 budget includes a transfer of \$3,194,329 and 24 FTEs from DHS to DACL for DACL to run Adult Protective Services. A breakdown of the funding is in the table below.

Resources transferred from DHS to DACL in FY 2020 to fund the Adult Protective Services Transfer Amendment Act of 2019						
	Local		Federal		Total	
	Amount	FTEs	Amount	FTEs	Amount	FTEs
Personnel services	\$1,195,674	11	\$1,543,839	13	\$2,739,513	24
Non-Personnel services	\$112,364	0	\$342,452	0	\$454,816	0
Total Funding	\$1,308,038	11	\$1,886,291	13	\$3,194,329	24

Subtitle (V)(E) – Families First DC Program Implementation Act of 2019

⁹⁹ Assuming 12 people on the youth and adult boards, with an average of three qualifying meetings per month per person.

¹⁰⁰ By amending Section 403 of the Office of Veterans Affairs Establishment Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 49-1003).

¹⁰¹ By amending Section 2(6) of the Adult Protective Services Act of 1984, effective March 14, 1985 (D.C. Law 5-156; D.C. Official Code § 7-1901(6)).

Background

The subtitle allows the Mayor to award grants to non-profit organizations to support the establishment and operation of Families First DC centers in District neighborhoods. Priority will be given to neighborhoods with disparities related to social determinants of health, a need for community stabilization efforts, and disproportionate numbers of substantiated cases of child abuse or neglect. The centers will offer access to District and private-sector services and resources, with the goal of reducing social, economic, and health disparities among District residents and creating stronger families and supportive environments for children.

Financial Plan Impact

The fiscal year 2020 budget includes \$3,741,986 in recurring funding in the budget of the Child and Family Services Agency (CFSA) for the Families First DC program. CFSA will manage the program with three FTEs: one program manager and two program analysts, whose positions will, altogether, cost around \$342,000 a year. CFSA will also have \$3,400,000 in non-personnel services funding to award grants for staffing and programming at each neighborhood center.

Funding for Families First DC included in FY 2020 budget					
	FY 2020	FY 2021	FY 2022	FY 2023	Four-Year Total
Grants for staff and programming at neighborhood centers	\$3,400,000	\$3,459,500	\$3,520,041	\$3,581,642	\$13,961,183
CFSA Staff, 3 FTEs: 1 Program Manager, 2 Program Analysts	\$341,986	\$347,971	\$354,060	\$360,256	\$1,404,273
TOTAL	\$3,741,986	\$3,807,471	\$3,874,101	\$3,941,898	\$15,365,456

Subtitle (V)(F) – Dementia Services Coordinator Amendment Act of 2019

Background

This subtitle establishes¹⁰² within the Department of Health (DOH) the position of the Dementia Services Coordinator. The Coordinator is responsible for organizing dementia services within the District including:

- Organizing dementia services with the District;
- Implementing and updating the District of Columbia State Plan on Alzheimer’s Disease;
- Assessing and analyzing dementia-related data collected by the District;
- Evaluating the District’s dementia services;
- Identifying and supporting the development of dementia-specific trainings; and
- Carrying out such other duties relevant to the support of individuals with dementia as may be assigned by the Director of the Department of Health.

¹⁰² By amending The Department of Health Functions Clarification Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-731 et seq.).

Financial Plan Impact

The fiscal year 2020 DOH budget includes \$535,0000 to fund the Dementia Services Coordinator and to complete the various activities required of the position. These funds will cover the costs of salary and fringe benefits, professional services,¹⁰³ data collection,¹⁰⁴ and one-time information technology upgrades.¹⁰⁵

Subtitle (V)(F) – Dementia Services Coordinator Amendment Act of 2019					
Total Fiscal Impact					
	FY 2020	FY 2021	FY 2022	FY 2023	Four-Year Total
Salary and Fringe ^(a)	\$109,537	\$112,823	\$116,207	\$119,694	\$458,261
Professional Services	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
Data Collection	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000
IT Upgrades	\$245,000	\$0	\$0	\$0	\$0
Total	\$534,537	\$292,823	\$296,208	\$299,694	\$1,178,262

Table Notes

- a) Assumes one Grade-12, Step-5 FTE and a fringe benefit rate of 21.9 percent. Assumes cost growth of 3 percent.

Subtitle (V)(G) – Child and Family Services Agency Prevention Services Grants Act of 2019

Background

The subtitle requires¹⁰⁶ the Child and Family Services Agency (CFSA) to award the following grants on a competitive basis in fiscal year 2020:

- \$200,000 to support a program that provides targeted legal intervention services in matters involving child custody, child support, domestic violence, landlord-tenant issues, housing conditions, federally subsidized housing defense, and access to public benefits, for the purpose of preventing families from unnecessarily entering the child welfare system; provided that the selected program shall have contracted with CFSA in fiscal year 2019 for the provision of such services;
- \$150,000 to support a program that helps fathers gain the knowledge and skills necessary to improve their involvement and connection to their children through voluntary home visits, parenting support, child development information and activities, health education and support, family goal planning, adult literacy, legal advocacy, access to community resources,

¹⁰³ Contractual services and/or sub-grant to conduct a District-wide assessment of current capacity, organizational structure, patient’s demographic characteristics, care processes, infrastructure, and culture to develop a system of care for individuals with Alzheimer’s disease and related dementias, as well as their families and caregivers.

¹⁰⁴ Contractual services to implement the Behavioral Risk Factor Surveillance System’s optional Cognitive Impairment module and to collect and analyze data from the optional Cognitive Decline and Caregiver modules.

¹⁰⁵ The funding will also be used to develop health information technology infrastructure needed to facilitate statewide data collection and reporting for public health planning, evaluation, and quality improvement initiatives.

¹⁰⁶ By amending the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1303.01a et seq.).

and activities that promote bonding and healthy habits; provided that the selected program shall have received Community-Based Child Abuse Prevention grant funding from CFSA in fiscal year 2018;

- \$150,000 to support a program that provides services to youth between 11 and 24 years of age who have been, or are at risk of, becoming victims of sex trafficking¹⁰⁷, who are not in CFSA's care and custody; and
- \$160,000 to support a program that provides parenting group sessions and visitation services to families, with an emphasis on services that assist mothers who are homeless, victims of domestic violence, and reuniting with their children following a period of incarceration; provided that the selected program shall have received Community-Based Child Abuse Prevention grant funding from the CFSA in fiscal years 2018 and 2019.

Financial Plan Impact

CFSA's fiscal year 2020 budget includes \$660,000 for these grants. The agency can use existing staff to award the grants.

Subtitle (V)(H) – Department of Health Care Finance Grant-Making Amendment Act of 2019

Background

This subtitle requires the Department of Health Care Finance (DHCF) to award two new competitive grants for two separate health initiatives: Medical Respite Care for the Homeless and Support for Community-Based Social Determinates of Health in Wards 7 and 8.

Medical Respite Care for the Homeless

Medical respite care is acute and post-acute medical care for homeless persons who are too ill or frail to recover from a physical illness or injury on the streets but are not ill enough to be in a hospital.¹⁰⁸ This subtitle requires DHCF to award a Federally Qualified Health Centers¹⁰⁹ a grant not to exceed \$150,000 to help fund operating expenses associated with the provision of medical respite care services to individuals who are homeless, with particular emphasis on care for women.¹¹⁰ This subtitle also requires the Director of DHCF to submit a report to Council by the end of the fiscal year recommending whether such respite care services may be provided through a Medicaid State Plan amendment or Section 1115 demonstration waiver, the types of services provided in the program, and potential restrictions to implementation.¹¹¹

Support for Community-Based Social Determinates of Health in Wards 7 and 8

¹⁰⁷ As that term is defined in Section 103(12) of the Trafficking Victims Protection Act of 2000, approved October 28, 2000 (114 Stat. 1469; 22 U.S.C. § 7102(12)).

¹⁰⁸ According to the National Health Care for the Homeless Council.

¹⁰⁹ Federally Qualified Health Centers are community-based health care providers that receive funds from the Health Resources & Services Administration's Health Center Program to provide primary care services in underserved areas.

¹¹⁰ By amending Section 8a of the Department of Health Care Finance Establishment Act of 2007, effective December 13, 2017 (D.C. Law 17-109; D.C. Official Code § 7-771.07a).

¹¹¹ Id.

According to the Centers for Disease Control and Prevention, social determinates of health, e.g. conditions in the places where people live, learn, work, and play, affect a wide range of health risks and outcomes in a community. This subtitle requires DHCF to award a total of \$100,000 in grants to community-based initiatives focusing on addressing the social determinants of health in Wards 7 and 8.¹¹² The subtitle also establishes the criteria DHCF shall prioritize when awarding the grant and a timeline of when the criteria and awarded grantees are published publicly.¹¹³

Financial Plan Impact

\$250,000 in one-time funding is allocated in DHCF’s Fiscal Year 2020 budget for both grant programs. The management of these programs and the preparation of the report to Council can be absorbed within the agency’s existing staff.

Subtitle (V)(I) – Medicaid Hospital Supplemental Payment Amendment Act of 2019

Background

This subtitle authorizes¹¹⁴ the District to continue to charge a fee on each hospital’s outpatient gross patient revenue.¹¹⁵ All revenues collected from fees will be deposited into a non-lapsing Hospital Provider Fee Fund (Fund). The Fund must be used to make Medicaid outpatient hospital access payments and refunds. The subtitle also authorizes¹¹⁶ the District to continue to charge a fee on each hospital’s inpatient net patient revenue.¹¹⁷ All revenues collected from fees will be deposited into a non-lapsing Hospital Assessment Tax Fund (Fund). The Fund must be used to fund District Medicaid inpatient fee-for-service. The subtitle expires on September 30, 2029.

Financial Plan Impact

The hospital outpatient fee is estimated to generate \$5.44 million in dedicated tax revenue and approximately \$12.46 million in federal Medicaid funding. Council has included \$17.9 million of additional spending by the Department of Health Care Finance in the fiscal year 2020 budget supported by these dedicated taxes and federal funds. The hospital inpatient fee is estimated to generate \$7.99 million in dedicated tax revenue and approximately \$18.64 million in federal Medicaid funding. Council has included \$26.6 million of additional spending by the Department of Health Care Finance in the fiscal year 2020 budget supported by these dedicated taxes and federal funds.

¹¹² Id.

¹¹³ Id.

¹¹⁴ By amending The Medicaid Hospital Outpatient Supplemental Payment Act of 2017, effective December 13, 2017 (D.C. Law 22-033; D.C. Official Code § 44-664.01 et seq.).

¹¹⁵ Gross patient revenue is the amount calculated in accordance with generally accepted accounting principles for hospitals that is reported as the sum of Lines 18 and 19; Column 2; Worksheet G-2 of the Hospital and Hospital Health Care Complex Cost Report.

¹¹⁶ By amending The Medicaid Hospital Inpatient Rate Supplement Act of 2017, effective December 13, 2017 (D.C. Law 22-033; D.C. Official Code § 44-664.11 et seq.).

¹¹⁷ Inpatient net patient revenue is the amount calculated in accordance with generally accepted accounting principles for hospitals as derived from each hospital’s filed Hospital and Hospital Health Care Complex Cost Report.

**Subtitle (V)(I) – Not-for-Profit Hospital Corporation Fiscal Oversight and Transition Planning
Amendment Act of 2019**

Background

This subtitle establishes¹¹⁸ a new, smaller board of directors to serve as a Fiscal Management Board of the United Medical Center (UMC) if the current UMC Board does not adopt, by September 15, 2019, a revised fiscal year 2020 budget, certified by the Chief Financial Officer, that is balanced with a \$22.1 million District operating subsidy. The new Fiscal Management Board will also be established if the hospital operates at a further deficit and requires a District operating subsidy larger than \$22.1 million at any time during fiscal year 2020, or if it requires a subsidy larger than \$15 million annually after September 30, 2020. The Fiscal Management Board is required to adopt an operating budget that includes behavioral health services, an emergency department and supporting services appropriately scaled for the specified District operating subsidy. The District's CFO must determine, within fifteen days of adoption, whether such budgets can be certified.

The subtitle specifies that UMC may not admit new patients starting December 31, 2022 and that the hospital must cease patient operations by January 31, 2023. At that time, UMC's assets, positions, personnel, records, and unexpended fund balances will revert to the District. The Chief Financial Officer must ensure that the fiscal year 2023 year-end audit of UMC is properly conducted.

The subtitle also repeals the East End Hospital Amendment Act of 2018.¹¹⁹ The subtitle exempts the East End Hospital and a skilled nursing facility located in Ward 7 or 8 from the certificate of need review required by the Health Services Planning Re-establishment Act of 1996, pending the fulfillment of certain conditions. These conditions include a workforce development plan for District residents, certain labor and workforce protections for UMC employees such as a labor peace agreement, and the filing of an academic affiliation agreement between Howard University and one or more health care facilities.

Financial Plan Impact

The fiscal year 2020 budget includes \$22.1 million in operating subsidy for UMC, and the financial plan includes an operating subsidy of \$15 million in each of fiscal years 2021 and 2022 and \$0 for fiscal year 2023, when the subtitle requires UMC operations to cease. The UMC Board will need to revise its adopted fiscal year 2020 budget and adopt fiscal year 2021 and 2022 budgets to fit within the appropriated subsidy transfer. The District's budget includes \$316.8 million of capital funding between fiscal year 2020 and fiscal year 2022 to build a new hospital at the St. Elizabeths East campus.

Exempting the East End Hospital and a skilled nursing facility from the certificate of need process will reduce revenues in the State Health Planning and Development Fund if the required conditions for the waiver are met. The budget includes \$600,000 in local funding to replace expenditures that would have been charged to the Fund if the exemption conditions are realized.

¹¹⁸ By amending The Not-For-Profit Hospital Corporation Establishment Amendment Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 44-951.01 et seq.).

¹¹⁹ D.C. Law 22-273; 66 DCR 1581.

Subtitle (V)(K) –D.C. Healthcare Alliance Reform Amendment Act of 2019

Background

The subtitle requires¹²⁰ enrollees who enroll in the DC Health Care Alliance program after March 31, 2023 to recertify their enrollment on an annual basis rather than every six months. Individuals that are enrolled prior to March 31, 2023 must continue to recertify every six months.

Financial Plan Impact

Cost associated implementing the subtitle fall outside of the fiscal year 2020 budget and financial plan, therefore the subtitle does not have a fiscal impact.

Subtitle (V)(L) – Fort Dupont Ice Arena Construction Acceleration Act of 2019

Background

This subtitle authorizes the Mayor to spend the funds in the Fort Dupont Ice Arena Replacement capital project to plan, design, and construct an ice arena at Fort Dupont beginning on October 1, 2019, or after \$1,300,000 is raised in private donations by the Friends of the Fort Dupont Ice Arena.

Financial Plan Impact

The fiscal year 2020 budget includes \$2.6 million in the capital budget for the Fort Dupont Ice Arena and a total of \$22.3 million over the six-year capital improvement plan.

Subtitle (V)(M) - Leverage for Our Future Amendment Act of 2019

Background

This subtitle requires¹²¹ the Department of Health (DOH) to award a competitive grant of \$150,000 to a home visiting provider to support the development of a pilot program for home visiting services for first-time mothers in the District. The grant is limited to home visiting providers that receive at least \$500,000 of funding from private sources. To be eligible to receive home visiting services, first-time mothers must have an income that is less than 60 percent of the Area Median Income for the Washington, D.C. metropolitan area and must be Medicaid-eligible.

Financial Plan Impact

The fiscal year 2020 budget includes \$150,000 to implement the grant pilot program. DOH can implement the grant program with existing staff.

Subtitle (V)(N) – Senior Strategic Plan Clarification Amendment Act of 2019

Background

¹²⁰ By amending Section 7b of the Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1407).

¹²¹ By amending The Birth-to-Three for All DC Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-179; D.C. Official Code § 4-651.01 et seq.).

The subtitle expands¹²² the scope of the ten-year Senior Strategic Plan, published by the Department of Aging and Community Living (DACL), so that it now includes reporting on:

- people with cognitive and other disabilities who cannot care for themselves without assistance;
- people who spend down assets in order to qualify for Medicaid, who forgo needed care because they cannot afford the care, and who spend a significant percentage of their income or assets on health care;
- changes in the proportion of aged residents with disabilities; and
- current licensing and training programs for in-home healthcare workers administered by the Department of Health and the Department of Employment Services.

Financial Plan Impact

The subtitle does not have a fiscal impact since it does not change the number or type of staff DACL needs to issue the plan: a lead data management analyst; a data management analyst; and a performance evaluator. These three staff have been funded in the fiscal year 2020 budget and financial plan. With these staff, DACL will be able to issue the plan, including the new information required by the subtitle.

Subtitle (V)(O) – Birth-to-Three for All DC Clarification Amendment Act of 2019

Background

This subtitle makes the following changes¹²³ to the Birth-to-Three for All DC Amendment Act (Act):

- The subtitle corrects the D.C. Code to assign the implementation of the Early Head Start visitation program to the Office of the State Superintendent for Education (OSSE). OSSE is already responsible for administering Early Head Start programs.
- The subtitle makes a technical change to the D.C. Code to clarify the number of schools that must be included in the Department of Behavioral Health’s (DBH) Healthy Futures program by fiscal year.
- The subtitle updates which sections of the Act are subject to inclusion in the budget and financial plan.

Financial Plan Impact

There is no fiscal impact to make technical change to the D.C. Code to correct the agency responsible for Early Head Start program and to specify the number of expansion schools in the Healthy Futures program by fiscal year.

The subtitle repeals¹²⁴ the corresponding subject to appropriations language for four provisions of the Act that are fully funded in the fiscal year 2020 budget and financial plan. The fiscal year 2020 budget allocates the following:

- \$1.7 million in fiscal year 2020 and \$8.4 million over the financial plan to OSSE to implement Early Head Start visitation for homeless children;

¹²² By amending Section 307(b) of the District of Columbia Act on the Aging, effective October 29, 1975 (D.C. Law 1-24; D.C. Official Code § 7-503.07(b)).

¹²³ By amending The Birth-to-Three for All DC Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-179; D.C. Official Code § 4-651.01 et seq.).

¹²⁴ Sections 102(g)(2), (3), (4), and (5), 104, 106(b)(2), 107(b), 109(d), 110(a)(2) and (3), and new amendatory sections 11b and 11c of the Day Care Policy Act of 1979, effective October 30, 2018 (D.C. Law 22-179; D.C. Official Code §§ 4-410.02 and 4-410.03) remain subject to appropriations.

- \$253,000 in fiscal year 2020 and \$581,000 over the financial plan to the Department of Health to implement a lactation certification preparatory program at an institute of higher learning;
- \$1.53 million in fiscal year 2020 and \$6.83 million over the financial plan to DBH to implement the Healthy Futures program at 75 schools. The additional expansions required in the Act in fiscal years 2021 and 2022 remain subject to appropriations; and
- \$105,000 in fiscal year 2020 and \$439,000 in over the financial plan to OSSE to implement a teacher salary scale study.

TITLE VI - TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) – Half Street Improvement Amendment Act of 2019

Background

This subtitle authorizes the Director of the District Department of Transportation (DDOT) to issue grants¹²⁵ supporting improvements to Half Street, S.E. located between M Street, S.E. and N Street, S.E. The Director can issue grants to the Capitol Riverfront Business Improvement District (BID)¹²⁶ or an owner of real property adjacent to this segment of Half Street, S.E.

Financial Plan Impact

In fiscal year 2019, the District budgeted \$2.2 million in capital funds¹²⁷ to improve this segment of Half Street, N.E. The subtitle authorizes DDOT to issue grants to either the Capitol Riverfront BID or adjacent property owners. DDOT expects to issue a one-time grant to one of the eligible entities using the budgeted \$2.2 million.

Subtitle (VI)(B) – Master Transportation Capital Projects Amendment Act of 2019

Background

The District Department of Transportation (DDOT) groups the District’s capital infrastructure needs funded through the District of Columbia Highway Trust Fund and local funds¹²⁸ as “Master” capital projects with several “Related Projects.” DDOT is not authorized to spend directly from the local Master capital projects but must request the Office of the Chief Financial Officer’s Office of Budget and Planning (OBP) to allocate funds for the Related Projects before obligating and spending those funds. DDOT was also authorized to request OBP to transfer any unspent fund balances from completed Related Projects back to the relevant Master local capital project through January 31, 2019.

The subtitle eliminates the January 31, 2019 sunset date for the reallocation of unspent fund balances for locally funded Related Projects and expands the provision to include all local Related Projects with a fund balance and not just completed projects.

¹²⁵ This includes grants in excess of \$1 million.

¹²⁶ Capitol Riverfront Business Improvement District Amendment Act of 2007, effective October 18, 2007 (D.C. Law 17-27; D.C. Official Code § 2-1215.58).

¹²⁷ District capital project: Half Street (HAF19).

¹²⁸ Fiscal Year 2018 Budget Support Act of 2017, effective December 13, 2017 (D.C. Law 22-33; 64 DCR 12875).

Financial Plan Impact

The subtitle enhances DDOT’s flexibility to reallocate capital funds within its local capital project program. This subtitle does not change the amount of capital funding available for local projects and has no impact on the budget and financial plan.

Subtitle (VI)(C) – Department of For-Hire Vehicles Amendment Act of 2019

Background

The Transportation Reorganization Amendment Act eliminated the Taxicab Commission and the Office of Taxicabs and created the Department of For-Hire Vehicles (DFHV). The Act created a number of suboffices within DFHV, including the Office of Hearings and Conflict Resolution (OHCR) to conduct hearings, adjudications, appeals, and other forms of conflict resolution. The hearing examiner within OHCR determines all cases and sends them to the DFHV Director for final approval. Appeals of the Director’s decision can be made to the Court of Appeals.

The subtitle eliminates a statutory allowance to appeal a DFHV decision to the Office of Administrative Hearings (OAH).

DFHV deposits most of the revenues it collects into the Public Vehicles-for-Hire Consumer Service Fund (Fund).¹²⁹ These revenues include all passenger surcharges, public, licensing and registration fees, and approximately one-sixth of the gross receipts tax collected from private for-hire vehicle operators.¹³⁰ Currently, DFHV submits monthly reports to Council indicating the Fund’s revenues. The subtitle amends the monthly report to make it a quarterly report due by the 15th of each month following the end of each quarter.

Financial Plan Impact

DFHV decisions are not currently appealed to OAH and eliminating this statutory reference aligns the statute with current DFHV practices. There is no impact on the budget and financial plan. The subtitle also changes the frequency with which DFHV needs to report Fund revenues to Council and there is no impact on the budget and financial plan.

Subtitle (VI)(D) – Parking Enforcement When a Motor Vehicle Operator Leaves the Site of a Violation Amendment Act of 2019

Background

The subtitle expands the Mayor’s authority to mail a motor vehicle notice of infraction to a violator when the violator leaves the site of the violation before the enforcement officer can personally serve or affix the violation to the vehicle. Currently, the Mayor can only mail a notice of infraction detected by an automated traffic enforcement device.¹³¹

¹²⁹ Taxicab Service Improvement Amendment Act of 2012, effective October 22, 2012 (D.C. Law 19-184; D.C. Official Code § 50-301.20).

¹³⁰ Vehicle-For-Hire Innovation Amendment Act of 2014, effective March 10, 2015 (D.C. Law 20-197; D.C. Official Code § 50-301.31(b)(11)).

¹³¹ District of Columbia Traffic Adjudication Act of 1978, effective September 12, 1978 (D.C. Law 2-104; D.C. Official Code § 50-2303(c-1)).

Financial Plan Impact

The subtitle gives the Mayor broad authority to mail any type of vehicle-related notice of violation if it cannot be personally served or affixed to a vehicle. The Department of Public Works (DPW), which operates the parking enforcement program, intends to implement a mailing program on a pilot basis for parking enforcement of bike lanes in the District. DPW estimates that it will cost approximately \$125,000 annually to process and mail notices of violation for bike lane infractions and these resources are included in the fiscal year 2020 through fiscal year 2023 budget and financial plan.

Subtitle (VI)(E) – Student, Foster Youth, Summer Youth Employee, and Adult Learner Transit Subsidies Act of 2019

Background

The subtitle makes¹³² several changes to the transit subsidy programs serving students (also known as Kids Ride Free), foster youth, participants in the Summer Youth Employment Program (SYEP), and adult learners. Many of the changes streamline the D.C. Code and get rid of outdated provisions that no longer apply to the programs. Other changes have an impact on program operations, which we outline below.

The subtitle prohibits SYEP participants who have access to the Kids Ride Free subsidy from also receiving a transit subsidy through the SYEP. Accompanying this change is the removal of outdated D.C. Code restricting the use of the Kids Ride Free subsidy to school days. Removal of this provision will officially allow students to use their Kids Ride Free cards in the summer, making the SYEP transit subsidy unnecessary for participants with Kids Ride Free cards.

The subtitle also increases the SYEP subsidy so that it is equivalent to a daily round-trip bus fare – or \$4 per participant per program day. Currently SYEP participants receive \$110 for the 29-day program, or \$3.79 per day on average.

Finally, the subtitle increases the adult learner subsidy from \$50 to \$70 per participant per month.

Financial Plan Impact

The fiscal impact of the subtitle has been incorporated into the fiscal year 2020 budget and financial plan. Overall, the subtitle produces a net savings of approximately \$145,000 per year. While one provision of the subtitle produces savings, two others have a cost.

Prohibiting SYEP participants who have access to a Kids Ride Free card from receiving an SYEP subsidy will save \$362,000 a year since currently some participants receive both benefits. The savings will be used for other purposes.

Increasing the SYEP transit subsidy to \$4 a day will cost approximately \$17,000 a year. Increasing the adult learner subsidy to \$70 a day will cost approximately \$200,000 a year. These costs have been appropriately funded.

¹³³ Enacted January 18, 2019 (D.C. Act 22-583; 66 DCR 1344).

Fiscal Impact of the Student, Foster Youth, Summer Youth Employee, and Adult Learner Transit Subsidies Amendment Act of 2019					
	FY 2020	FY 2021	FY 2022	FY 2023	Four-year Total
DOES Savings - Ending overlap between SYEP and Kids Ride Free subsidies	(\$362,000)	(\$368,335)	(\$374,781)	(\$381,340)	(\$1,486,455)
DOES Cost - Increasing SYEP subsidy	\$17,070	\$17,369	\$17,673	\$17,982	\$70,093
DDOT Cost - Increasing Adult Learner subsidy	\$200,000	\$203,500	\$207,061	\$210,685	\$821,246
Total Fiscal Impact	(\$144,930)	(\$147,466)	(\$150,047)	(\$152,673)	(\$595,116)

Subtitle (VI)(F) – CleanEnergy Implementation Amendment Act of 2019

Background

In late 2018, the Council passed the CleanEnergy DC Omnibus Amendment Act (Act).¹³³ The Act is intended to protect the environment by setting more aggressive renewable energy goals, encouraging reductions in energy use through increased sustainable energy surcharges,¹³⁴ improving building efficiency, developing more business participation in energy efficiency fields, and encouraging consumer choices to reduce emissions in the transportation sector.

The Act includes a more aggressive Renewable Portfolio Standard and increases the sustainable energy surcharge to generate more District revenues from utility providers or to cause more power to be generated with renewable sources. The Act also develops a new Building Energy Performance Standard Program and requires District agencies to conduct studies and plans to reduce energy usage related to buildings and transportation.

The subtitle repeals the subject to appropriations funding clause allowing the law to be implemented with the fiscal year 2020 budget. In doing so, the more aggressive Renewable Portfolio Standards will go into effect; the sustainable energy surcharges on electricity, natural gas, and home fuel oil will increase; the Department of Energy and Environment (DOEE) will develop the Building Energy Performance Standard Program and the Department of Motor Vehicles (DMV) will adjust the vehicle excise tax¹³⁵ to be more favorable to more fuel-efficient vehicles. The latter provision includes a full exemption from the excise tax for all electric vehicles.

The subtitle allows the Act’s 30 percent set-aside for low-income residents and workforce development to be used to fund DMV’s implementation of the Act’s vehicle excise tax changes. The subtitle also allows the District to use the set-aside to implement the strategic energy management plan to reduce energy and water use within the Department of General Services’ (DGS) portfolio.

¹³³ Enacted January 18, 2019 (D.C. Act 22-583; 66 DCR 1344).

¹³⁴ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10(b)).

¹³⁵ District of Columbia Traffic Act, 1925, approved March 3, 1925 (43 Stat. 1121; D.C. Official Code § 50-2201.03(j)).

Financial Plan Impact

The subtitle fully implements the CleanEnergy DC Omnibus Amendment Act. The Act's implementation will increase revenues for the Sustainable Energy Trust Fund (SETF) and increase program costs at DOEE, DMV, DGS, and the District Department of Transportation (DDOT). The Act's motor vehicle excise tax exemption for electric vehicles will reduce those tax revenues by approximately \$132,000 annually.

The charts below outline the costs associated with the Act's implementation and the more detailed impact on the SETF.¹³⁶

CleanEnergy Implementation Amendment Act of 2019 Implementation Costs Fiscal Year 2020 - Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
DISTRICT ENERGY COSTS					
Solar Compliance	\$0	\$1,000	\$1,190	\$1,300	\$3,490
SETF Assessments	\$742	\$698	\$661	\$621	\$2,722
Total Energy Costs	\$742	\$1,698	\$1,851	\$1,921	\$6,212
BUILDING PERFORMANCE PROGRAM					
DOEE Personnel	\$650	\$674	\$698	\$750	\$2,772
DOEE Startup Costs	\$164	\$0	\$0	\$0	\$164
DOEE Ongoing Costs	\$386	\$398	\$410	\$422	\$1,616
Total DOEE Costs	\$1,200	\$1,072	\$1,108	\$1,172	\$4,552
STUDIES AND PLANS					
Building Performance Study	\$250	\$0	\$0	\$0	\$250
DGS Strategic Energy Management Plan	\$250	\$0	\$0	\$0	\$250
DDOT Clean Vehicle Transition Study	\$250	\$0	\$0	\$0	\$250
Total Studies and Plans Costs	\$750	\$0	\$0	\$0	\$750
TRANSPORTATION INITIATIVES					
DMV Personnel	\$68	\$71	\$74	\$76	\$289
DMV System Update	\$150	\$0	\$0	\$0	\$150
Electric Vehicle Excise Tax Exemption	\$132	\$132	\$132	\$132	\$528
Total Transportation Costs	\$350	\$203	\$206	\$208	\$967
NEW SETF COMMITMENTS					
Green Finance Authority Transfers	\$15,000	\$15,000	\$10,000	\$10,000	\$50,000
30% Allocation for Low-Income, Certified Business Enterprises, and Overall Act Implementation	\$7,130	\$6,766	\$6,456	\$6,119	\$26,470
Affordable Housing Programs	\$0	\$0	\$3,000	\$3,000	\$6,000
Total SETF Commitments	\$22,130	\$21,766	\$19,456	\$19,119	\$82,470
TOTAL IMPLMENTATION COSTS	\$25,172	\$24,739	\$22,621	\$22,420	\$94,951

**Revenues and Commitments for the Sustainable Energy Trust Fund (SETF)
Fiscal Year 2020 - Fiscal Year 2023**

¹³⁶ D.C. Official Code § 8-1774.10.

(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
SETF REVENUES					
Current Financial Plan Revenues	\$23,483	\$23,483	\$23,483	\$23,483	\$93,932
Incremental Gas and Electric Revenues	\$23,459	\$22,246	\$21,213	\$20,090	\$87,008
New Oil Revenues	\$306	\$306	\$306	\$306	\$1,224
Total SETF Resources	\$47,248	\$46,035	\$45,002	\$43,879	\$182,164
PROGRAM COMMITMENTS					
Sustainable Energy Utility Contract and DOEE Administrative Costs ^a	\$23,919	\$23,197	\$24,438	\$23,588	\$95,142
Green Finance Authority Transfers	\$15,000	\$15,000	\$10,000	\$10,000	\$50,000
Building Performance Program Management	\$1,200	\$1,072	\$1,108	\$1,172	\$4,552
30% Allocation for Low-income, Certified Business Enterprises, Overall Act Implementation	\$7,130	\$6,766	\$6,456	\$6,119	\$26,470
Affordable Housing Programs	\$0	\$0	\$3,000	\$3,000	\$6,000
Total Commitments	\$47,248	\$46,035	\$45,002	\$43,879	\$182,164

Table Notes

^a The fiscal year 2020 budget also includes approximately \$3.9 million in SETF balance use to enhance the Sustainable Energy Utility contract amount.

Subtitle (VI)(G) – Clean Rivers Impervious Area Charge Assistance Fund Amendment Act of 2019

Background

In fiscal year 2019,¹³⁷ the Mayor launched two financial assistance programs to help District residents and District non-profit organizations pay their DC Water impervious area charges.¹³⁸ To be eligible, a District resident’s income must not exceed 100 percent of the Area Median Income and a non-profit must show it experiences significant hardship due to the impervious area charge. The Mayor allocated \$7 million in fiscal year 2019 for these programs and required that at least \$4 million of that funding be available for the non-profit organization program.

The subtitle establishes a special local fund account called the Clean Rivers Impervious Area Charge Assistance Fund (Fund) to support the two financial assistance programs. The Mayor should deposit into the Fund any funding annually appropriated for this purpose and any unspent funds at the end of the year from the \$7 million allocated in fiscal year 2019. The Fund is non-lapsing and the resources will be continuously available to support the programs.

Financial Plan Impact

The Mayor funded the District resident and non-profit organization financial assistance programs with \$7 million in fiscal year 2019. The subtitle requires the Mayor to deposit any of these funds that

¹³⁷ District of Columbia Water and Sewer Authority Rate Increase Mitigation Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 34-2202.16b).

¹³⁸ Stormwater Permit Compliance Amendment Act of 2019, effective June 13, 2001 (D.C. Law 13-311; D.C. Official Code § 34-2202.16).

remain unspent at the end of fiscal year 2019 into the Fund. The fiscal year 2020 through fiscal year 2023 budget and financial plan includes an additional \$4 million annually in resources for the Fund. The District Department of Energy and Environment transfers this funding to DC Water, which bills water customers for the impervious area charge.

Subtitle (VI)(H) – Residential Parking Permit Amendment Act of 2019

Background

The Department of Motor Vehicles (DMV) issues Residential Parking Permits (RPP) to owners of vehicles registered in the District who want to park their vehicles on the street in the parking zone where the vehicle is registered. DMV annually charges \$35 per RPP per vehicle for most residents and \$25 per RPP per vehicle for residents 65 years of age or older.¹³⁹

The subtitle increases the RPP fee and creates a tiered RPP fee structure depending on how many vehicles are registered at each legal mailing address. The new fees will be \$50 for the first vehicle, \$75 for the second vehicle, \$100 for the third vehicle, and \$150 for the fourth and subsequent vehicles. The fee for the first vehicle for residents 65 years of age and older will be \$35.

Financial Plan Impact

The subtitle increases the RPP fee and creates a tiered structure for mailing addresses where residents have registered more than one vehicle. The increased fees will generate approximately \$1.7 million in fiscal year 2020 and \$11 million over the four-year financial plan period. DMV will need to update its registration system, hire new staff at service centers, and train staff to process the tiered program and educate DMV customers. Beginning in fiscal year 2021, DMV will also need to hire an additional hearing examiner to manage a potential increase in RPP violations. The subtitle’s implementation will cost \$1.08 million in fiscal year 2020 and \$2.4 million over the four-year financial plan period.

The fiscal year 2020 through fiscal year 2023 budget and financial plan includes the projected revenues and the implementation costs associated with the subtitle’s implementation.

Residential Parking Permit Amendment Act of 2019					
Net Implementation Costs					
Fiscal Year 2020 – Fiscal Year 2023					
(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
New RPP Revenues^a	\$1,676	\$3,103	\$3,103	\$3,103	\$10,985
DMV Costs^b	(\$1,077)	(\$599)	(\$333)	(\$343)	(\$2,352)
Total Budget Impact	\$599	\$2,504	\$2,770	\$2,760	\$8,633

Table Notes

^a The revenue estimate assumes that DMV will begin collecting RPP revenues under the tiered fee structure on April 1, 2020.

^b Non-recurring costs: \$875,000 in fiscal year 2020 and \$275,000 in fiscal year 2021 for a registration system update and training. Recurring costs: \$202,000 in fiscal year 2020 and \$1.2 million over the four-year financial plan period, including a hearing examiner that would start in fiscal year 2021.

¹³⁹ Fees for Stickers or Permits, effective September 14, 2011 (58 DCR 6226, 6300; 18 DCMR § 2415).

Subtitle (VI)(I) – Driving While Using a Mobile Telephone Minor Prohibition Amendment Act of 2019

Background

The District prohibits distracted driving on District roadways, including a prohibition on using a mobile telephone without an equipped hands-free device. The District also has an outright prohibition on the use of mobile devices while driving for school bus operators and drivers operating with a learner’s permit. The Metropolitan Police Department (MPD) enforces these prohibitions with a fine of \$100, unless it is suspended for a first-time violator who proves she or he has acquired a hands-free device.¹⁴⁰

The subtitle extends the outright prohibition on using mobile telephones while driving to include drivers under the age of eighteen. The subtitle also clarifies that the ability to suspend the \$100 fine for a first-time violator only applies to a driver who is eligible to use a mobile telephone with a hands-free device.

Financial Plan Impact

MPD will enforce the subtitle’s mobile phone prohibition on drivers under the age of eighteen when it is making a traffic stop and determines that a violation has occurred. MPD can enforce this with the resources included in the fiscal year 2020 through fiscal year 2023 budget and financial plan.

Subtitle (VI)(J) – Office of Urban Agriculture Establishment Amendment Act of 2019

Background

The subtitle establishes the Office of Urban Agriculture (Office) as a new office within the Department of Energy and Environment (DOEE). The Office will encourage and promote urban agricultural practices and programs including community gardens, farms, greenhouses, beekeeping, other farm facilities, the Urban Farming Land Lease Program,¹⁴¹ and urban farm tax abatements.¹⁴² The Office should develop and implement city-wide policies and programs to support these efforts while collaborating with other District agencies. The subtitle authorizes the Office to accept grants on behalf of DOEE to support urban agriculture.

The subtitle also transfers the Urban Farming Land Lease Program and the management of urban farm tax abatements from the Department of General Services to DOEE.

Financial Plan Impact

DOEE requires an additional staff member to develop policies and programs around urban farming and agriculture, provide technical assistance, manage the Urban Farming Land Lease Program, and apply for grants on behalf of DOEE. This new employee is included in the fiscal year 2020 through fiscal year 2023 budget and financial plan and will cost \$122,000 in fiscal year 2020 and \$498,000 over the four-year financial plan period.

¹⁴⁰ Distracted Driving Safety Act of 2004, effective March 30, 2004 (D.C. Law 15-124; D.C. Official Code § 50-1731.01 et seq.).

¹⁴¹ Urban Farming and Food Security Amendment Act of 2014, effective April 30, 2015 (D.C. Law 20-248; D.C. Official Code § 48-402.01).

¹⁴² D.C. Official Code § 47-868.

**Subtitle (VI)(K) – Temporary Visitor Parking Permit Program Transfer Regulation
Amendment Act of 2019**

Background

The Metropolitan Police Department (MPD) issues temporary visitor parking passes to residents on residential parking permit eligible blocks for up to fifteen days. In 2018, the Council passed an amendment to the rules to require MPD to limit the issuance of visitor parking passes to a single residential address in a calendar year to ninety days.¹⁴³

The subtitle transfers the responsibility to issue and restrict visitor parking passes from MPD to the District Department of Transportation (DDOT). DDOT will assume this responsibility on January 1, 2020.

Financial Plan Impact

MPD required additional financial resources to implement the 2018 restrictions approved by the Council, while DDOT is currently developing a system to issue and track temporary visitor parking passes. The subtitle's transfer of responsibility to DDOT allows the 2018 restrictions to become effective once DDOT's new system is complete. DDOT expects to complete the system by January 1, 2020.

Subtitle (VI)(L) – Congestion Pricing Study Amendment Act of 2019

Background

The subtitle requires the District Department of Transportation (DDOT) to work with the Office of the Chief Financial Officer and other District agencies to conduct a study and make recommendations on the potential benefits of congestion pricing in the District. The study should include the effect of tolls; pricing strategies; the impact on demographic, geographical, and income-level equity; potential revenue, and potential regional collaboration. The report must be made public by July 1, 2020.

Financial Plan Impact

The fiscal year 2020 budget includes \$475,000 for DDOT to complete the study.

Subtitle (VI)(M) – Lead Service Line Replacement Amendment Act of 2019

Background

In 2018, the Council approved lead service line replacement programs for both those households where DC Water is planning to replace the lead pipes located in public space and those households where DC Water replaced the public space lead service pipes at some point in the past.¹⁴⁴ Under the first program, DC Water is prohibited from replacing a public space lead service pipe unless it also replaces the lead service pipe on the homeowner's private property. The second program provides

¹⁴³ Temporary Parking Permit Limitation Regulation Amendment Act of 2018, effective March 28, 2019 (D.C. Law 22-270; 18 DCMR § 2414.5).

¹⁴⁴ Lead Water Service Line Replacement and Disclosure Amendment Act of 2018, effective March 13, 2019 (D.C. Law 22-241; D.C. Official Code § 34-2151 et seq.).

income-contingent payment assistance to households where DC Water replaced the public side lead service pipe in the past and the household now wants to replace the service line in private space.

The subtitle clarifies the payment assistance program for households where the public space lead service pipes were previously replaced to ensure that households adjacent to a partial public space lead service line replacement are also qualified for payment assistance. The subtitle also establishes a new fund, the Lead Service Line Replacement Fund (Fund) to support the payment assistance program. The Fund will receive any appropriated funds and any locally appropriated funds in fiscal year 2020 that remain unspent at the end of fiscal year 2020. The subtitle authorizes DC Water to utilize any funds provided for the payment assistance program to pay for administrative costs associated with administering the program.

Financial Plan Impact

The Department of Energy and Environment (DOEE) requires one new employee to manage the payment assistance program as well as funding to transfer to DC Water when needed to provide payment assistance on customer bills. The new employee will cost \$122,000 in fiscal year 2020 and \$515,000 over the four-year financial plan period. The budget also funds the payment assistance program at approximately \$1.8 million annually. DOEE will review payment assistance applications and then transfer the funding to DC Water as needed to assist its customers who replace the service lines on private property. The District will deposit any of the \$1.8 million that remains unspent at the end of fiscal year 2020 into the Fund.

Lead Service Line Replacement Amendment Act of 2019					
Implementation Costs					
Fiscal Year 2020 – Fiscal Year 2023					
(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Payment Assistance Program	\$1,804	\$1,804	\$1,804	\$1,804	\$7,214
DOEE Employee	\$122	\$126	\$131	\$136	\$515
Total	\$1,926	\$1,930	\$1,935	\$1,940	\$7,729

The Lead Water Service Line Replacement and Disclosure Amendment Act of 2018 was passed subject to appropriations, but the funding provided here for the payment assistance program, as well as \$1 million annually for the program that requires DC Water to replace service lines in private spaces when replacing service lines in public space s, will allow the Act to be fully implemented.¹⁴⁵

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) –Keep Child Care Affordable Tax Credit Amendment Act of 2019

Background

For tax year 2018, the Early Learning Tax Credit Amendment Act of 2018¹⁴⁶ provided a refundable income tax credit of up to \$1,000 per child age 3 and under for taxpayers who have enrolled their child, and incurred spending at a licensed child development facility in the District. To be eligible, a

¹⁴⁵ The subject to appropriations clause is repealed in Title VII of this Fiscal Year 2020 Budget Support Act of 2019.

¹⁴⁶ D.C. Official Code 47-1806.15.

taxpayer must have had taxable income of less than \$750,000 and must not currently be receiving child care subsidies under the Office of the State Superintendent of Education Subsidy Program. The credit currently applies only to tax year 2018.

The subtitle permanently extends the credit but lowers the maximum allowable income a taxpayer can have to be eligible. The maximum income is set to \$150,000 for single filers, heads of household and married filing jointly filers, and \$75,000 for married filing separately filers. The subtitle increases the maximum credit available according to inflation, beginning in tax year 2020.

Financial Plan Impact

The subtitle will reduce income tax revenue by extending the tax credit throughout the proposed financial plan.

Fiscal Impact of Subtitle (VII)(A) Keep Child Care Affordable Tax Credit Amendment Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced individual income tax revenue	\$1,353	\$1,385	\$1,419	\$1,453	\$5,610

Subtitle (VII)(B) – Keep Housing Affordable Increased Property Tax Relief Act of 2019

Background

The subtitle increases the maximum per taxpayer Schedule H real property tax credit¹⁴⁷ from \$1,000 to \$1,200 beginning tax year 2019 and increases the maximum credit annually by a cost of living adjustment. The subtitle raises the income eligibility threshold for the credit by \$5,000 for non-seniors and applies a different credit calculation formula for the higher income threshold.

Currently, the Schedule H credit equals the amount of property tax paid (or 20 percent of rent paid) above three percent of a filer’s Adjusted Gross Income (“AGI”), if the filer’s AGI is less than \$25,000. If the filer’s AGI is between \$25,000 and \$50,000, the credit equals the amount of property tax paid (or 20 percent of rent paid) above four percent of a filer’s AGI. Tax filers with AGI above \$50,000 are not eligible.

The subtitle adjusts the second threshold to allow for filers with AGI between \$25,000 to \$51,999 to receive a credit if property tax paid (or 20 percent of rent paid) is more than four percent of a filer’s AGI. It also adds a third threshold for filers with AGI between \$52,000 and \$55,000 to receive a credit if property tax paid (or 20 percent of rent paid) is more than five percent of a filer’s AGI. Tax filers with AGI above \$55,000 will not be eligible (unless the filer is a senior).

For seniors, the subtitle increases the maximum AGI for claiming the credit from \$60,000 to \$75,000. The credit for senior claimants is calculated as the amount of property tax paid (or 20 percent of rent paid) above three percent of a filer’s AGI.

¹⁴⁷ D.C. Official Code 47-1806.06.

Additionally, the subtitle excludes dependent income in the calculation of the tax filing unit’s AGI, increasing the number of tax filers that will be eligible for the credit. Finally, the subtitle requires the Office of Tax and Revenue (OTR) to accept electronic filings of stand-alone Schedule H returns or returns with zero federal AGI.

Financial Plan Impact

The subtitle will reduce income tax revenue over the proposed budget and financial plan by increasing the maximum credit available expanding eligibility for the credit by raising the income limit and excluding dependent income from the AGI eligibility thresholds.

Fiscal Impact of Subtitle (VII)(B) Keep Housing Affordable Increased Property Tax Relief Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced individual income tax revenue	\$3,777	\$3,928	\$4,085	\$4,248	\$16,038

The subtitle’s provision requiring electronic submission of stand-alone Schedule H returns will require OTR to update its systems at a cost of \$60,000. This funding has been included in the paygo capital budget.

Subtitle (VII)(C) – Recordation and Transfer Taxes Amendment Act of 2019

Background

The subtitle increases the deed transfer¹⁴⁸ and deed recordation¹⁴⁹ tax rates for mixed-use and commercial real estate transactions valued at \$2 million or higher. Both tax rates will increase to 2.5 percent for these properties; currently both rates are 1.45 percent.

A deed that evidences a transfer of an economic interest in mixed-use or commercial property at \$2 million or above will be taxed at a rate of 5 percent. Currently those transfers are taxed at 2.9 percent. Additionally, a surtax on the recordation of security interest instruments is imposed by the subtitle.

Financial Plan Impact

The subtitle will increase deed recordation and transfer tax revenue over the proposed budget and financial plan per the chart below. Fifteen percent of all deed recordation¹⁵⁰ and transfer¹⁵¹ tax revenue is dedicated to the Housing Production Trust Fund.¹⁵²

Fiscal Impact of Subtitle (VII)(C) Recordation and Transfer Taxes Amendment Act of 2019 Fiscal Year 2019 – Fiscal Year 2023 (\$000s)					
---	--	--	--	--	--

¹⁴⁸ D.C. Official Code § 42-1103.

¹⁴⁹ D.C. Official Code § 47-903.

¹⁵⁰ D.C. Official Code § 42-1103 (a-4).

¹⁵¹ D.C. Official Code § 47-903 (a-4).

¹⁵² D.C. Official Code [§ 42-2802](#) Housing Production Trust Fund.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Increased deed recordation and transfer tax revenue to general fund	\$9,166	\$77,956	\$95,302	\$98,152	\$101,002	\$381,576
Increased deed recordation and transfer tax revenue dedicated to Housing Production Trust Fund	\$1,395	\$12,879	\$15,778	\$16,281	\$16,784	\$63,117
TOTAL	\$10,561	\$90,834	\$111,080	\$114,433	\$117,786	\$444,694

Subtitle (VII)(D) – Internet Sales Tax Revenue Amendment Act of 2019

Background

Fiscal year 2019 revenues generated by the 2018 Internet Sales Tax law were dedicated¹⁵³ to the Commission on Arts and Humanities. The subtitle repeals the fiscal year 2019 dedication to CAH.

Financial Plan Impact

The subtitle increases the sales tax revenue that is available for the General Fund. The budget of the Commission on Arts and Humanities had not incorporated any of the dedicated revenues, so removing the dedication does not have an effect on spending.

Fiscal Impact of Subtitle (VII)(D) Internet Sales Tax Revenue Amendment Act of 2019 Fiscal Year 2019 – Fiscal Year 2023 (\$000s)						
	FY 2019	FY 2021	FY 2022	FY 2023	FY 2023	Total
Sales tax revenue available in General Fund by reducing dedicated sales tax revenues	\$14,336	\$0	\$0	\$0	\$0	\$14,336

Subtitle (VII)(E) – Internet Sales Tax Commercial Property Tax Rate Amendment Act of 2019

Background

The subtitle maintains the current class 2 commercial rate of \$1.89 per \$100 value on properties with an assessed value greater than \$10 million. Under current law¹⁵⁴, any new sales tax revenue generated by the Internet Sales Tax bill is to be used to lower the Class 2 commercial property tax rate on properties with an assessed value greater than \$10 million until the rate reaches \$1.85 per \$100 of assessed property value. The subtitle repeals this rate reduction trigger.

Financial Plan Impact

¹⁵³ D.C. Act 22-584, Internet Sales Tax Amendment Act of 2018, projected law date March 28, 2019. (66 DCR 1362).

¹⁵⁴ Internet Sales Tax Amendment Act of 2018, effective March 22, 2019 (D.C. Law 22-258; 66 DCR 3974).

The subtitle increases property tax revenue over the proposed budget and financial plan as follows:

Fiscal Impact of Subtitle (VII)(E) Internet Sales Tax Commercial Property Tax Rate Amendment Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Increased property tax revenue	\$24,705	\$25,224	\$25,754	\$26,295	\$101,978

Subtitle (VII)(F) - Sports Wagering Revenue Amendment Act of 2019

Background

The recent law¹⁵⁵ authorizing sports wagering dedicated all excise tax revenue from private sports gaming wagering to three different sources. The first \$200,000 is dedicated to the Department of Behavioral Health (DBH) for prevention and treatment of gambling addiction, and the remaining revenue is divided equally between funding the Birth-to-Three for All DC Amendment Act of 2018¹⁵⁶ and the Neighborhood Safety and Engagement Fund¹⁵⁷.

The subtitle eliminates the dedications to Birth-to-Three for All DC and the Neighborhood Safety and Engagement Fund. The \$200,000 dedication to DBH remains.

The subtitle makes technical changes to incorporate amendments that were made to the final law¹⁵⁸, that included increasing the Class A license fees from \$250,000 to \$500,000 and Class B license fee from \$50,000 to \$100,000. Additionally, the subtitle amends the law to allow a Class A licensee to operate mobile operations over the internet within two blocks of its designated facility, provided the internet operations do not function within another licensed Class A facility.

Financial Plan Impact

Removing the dedications makes \$1.5 million in revenue available for expenditure in the General Fund in the proposed fiscal year 2020 budget and \$7.1 million over the proposed four-year financial plan.

Fiscal Impact of Subtitle (VII)(F) – Sports Wagering Revenue Amendment Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Revenue available in General Fund by	\$1,512	\$1,683	\$1,872	\$2,079	\$7,146

¹⁵⁵ Sports Wagering Lottery Amendment Act of 2018, effective May 3, 2019 (D.C. Law 22-312; 66 DCR 5807).

¹⁵⁶ D.C. Law 22-179, effective October 30, 2018.

¹⁵⁷ D.C. Official Code § 7-2413.

¹⁵⁸ See Sports Wagering Lottery Clarification Emergency Amendment Act of 2019 (D.C. Act 23-2; 66 DCR 1452).

reducing dedicated revenue					
-----------------------------------	--	--	--	--	--

Subtitle (VII)(G) – Healthy Kids Revenue Amendment Act of 2019

Background

The subtitle amends the definition of a soft drink and imposes 8 percent tax on all soft drinks. A soft drink¹⁵⁹ will now only exclude any beverages that are 100 percent fruit or vegetable juice or are at least 50 percent milk, including soy, rice, or similar milk substitutes.

Soft drinks are currently taxed at the general gross receipts tax rate of 6 percent.¹⁶⁰

Financial Plan Impact

The subtitle imposes an 8 percent gross receipts tax on soft drinks, which is 2 percent higher than the current 6 percent charge. This additional 2 percent tax will generate approximately \$3.2 million in fiscal year 2020 and \$11.9 million over the four-year financial plan period.

Fiscal Impact of Subtitle (VII)(G) Healthy Kids Revenue Amendment Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Incremental Soft Drink Tax Revenue	\$3,219	\$3,058	\$2,905	\$2,760	\$11,942

Subtitle (VII)(H) – Washington Parks and People Equitable Real Property Tax Relief Act of 2019

Background

The subtitle provides a real property tax exemption and forgiveness of special assessments on land¹⁶¹ owned by Washington Parks and People (WPP) in the Columbia Heights neighborhood. WPP operates a job training program, called the Community Harvest, on the site.

This subtitle forgives¹⁶² all back taxes, District liens, interest, penalties, fees, and other related charges accrued on the properties beginning with tax year 1998 through the end of the month of the effective date of this subtitle and exempts the properties from any future property taxes if WPP remains the owner and uses the properties for certain activities.¹⁶³

¹⁵⁹ A soft drink is a non-alcoholic beverage with natural or artificial sweeteners.

¹⁶⁰ The subtitle also corrects an inadvertent reference in the District Code reflecting that soft drinks should be charged a supplemental 1 percent sales tax that is applied to food and beverages sold for immediate consumption (D.C. Official Code § 47-2002.02(2)(A)).

¹⁶¹ On Lots’ 841, 847, 848, and 851, Square 2841

¹⁶² By amending Sec. 7072. Chapter 10 of Title 47 of the District of Columbia Code (D.C. Official Code § 47-1099.04)

¹⁶³ Authorized uses of these lots include use as a park by the public generally, as a community garden, or as a children’s playground.

Financial Plan Impact

This subtitle has a \$67,333 onetime reduction in revenue in Fiscal Year 2020 due to the forgiveness of accrued fees, taxes, penalties and interest.

Subtitle (VII)(I) – National Cherry Blossom Festival Fundraising Match Act of 2019

Background

The subtitle establishes a matching grant program of up to \$1,000,000 to support the 2020 National Cherry Blossom Festival, which is administered by the Washington Convention and Sports Authority. A matching grant shall be awarded to a nonprofit organization that organizes and produces an event that is part of the festival.

Financial Plan Impact

The subtitle reserves \$1,000,000 Non-Departmental (Agency D00) budget in fiscal year 2020 to allow for the possibility of this matching grant.

Subtitle (VII)(J) – Senior Residents Real Property Tax Cap Clarification Amendment Act of 2019

Background

The Fiscal Year 2019 Budget Support Act¹⁶⁴ lowered the cap¹⁶⁵ on assessment growth to five percent annually for homestead-qualified residents over the age of 65, or with a permanent disability, and with a household adjusted gross income of less than \$125,000. The subtitle clarifies that the five percent cap applies to qualified senior and disabled residents living in a cooperative housing association¹⁶⁶. The clarification applies as of October 1, 2018.

Financial Plan Impact

The clarification has no impact on the four-year financial plan. Estimates already assumed the inclusion of senior-occupied units in cooperative housing associations.

Subtitle (VII)(K) – Special Funds Repeal

Background

The subtitle repeals authority for four special purpose funds: the Productivity Bank Fund¹⁶⁷, the Fee Collection Incentive Fund¹⁶⁸, the WMATA Momentum Fund¹⁶⁹, and the WMATA Support Fund¹⁷⁰.

Financial Plan Impact

The funds are not currently being used and have no budget authority, so repealing them has no effect on the budget and financial plan.

¹⁶⁴ Section 2007 of D.C. Law 22-168, effective October 30, 2018.

¹⁶⁵ D.C. Official Code § 47-864(b).

¹⁶⁶ D.C. Official Code § 29-901 et seq.

¹⁶⁷ D.C. Official Code § 1-325.01, Productivity Bank Fund.

¹⁶⁸ D.C. Official Code § 1-325.61, Fee Collection Incentive Fund.

¹⁶⁹ D.C. Official Code § 1-325.241, WMATA Momentum Fund.

¹⁷⁰ D.C. Official Code § 1-325.311. WMATA Operations Support Fund.

(Subtitle (VII)(L) - Omitted)

Subtitle (VII)(M) – Expenditure Commission Establishment Act of 2019

Background

The subtitle authorizes the creation of an Expenditure Commission to review the structure of the District's budget, both revenue and expenditures, and provide recommendations to the Council and the Mayor. The Commission will have 11 members, including a chairperson, and will serve without compensation. Five members are appointed by the Mayor to include: two members from the Executive branch (including the City Administrator or a designee), one member representing the general community, one representing the business community, and one representing local government finance research. The Chairman of the Council must appoint the Chairperson, the Council Budget Director or a designee, the D.C. Auditor or a designee, one member representing the community, one representing the business community, and one representing local government finance research. The Chief Financial Officer will be an ex officio member.

The Commission will select a Director to perform the day-to-day functions of the Commission including coordination, selection of staff, consultants and producing reports.

The subtitle requires several specific analyses and outputs including recommendations on a budget structure that can sustain economic downturns and be competitive with surrounding jurisdictions. Recommendations cannot include spending or revenue caps and must focus on structural changes to operations rather than specific policy areas. Recommendations must be submitted by December 31, 2020 in the form of a final report or reports, like those provided by the Tax Revision Commission¹⁷¹, and draft legislation or other relevant implementation mechanisms.

The subtitle is applicable as of September 1, 2019.

Financial Plan Impact

The budget reserves \$1 million for the Commission to fulfill its duties. It is expected that this should be sufficient to cover required administrative costs and likely to have remaining funds for discretionary spending by the Commission to fulfill its duties.

Subtitle (VII)(N) – Nonprofit Workforce Housing Properties Real Property Tax Exemption Amendment Act of 2019

Background

The subtitle establishes both real property and deed recordation tax exemptions for rental housing owners who are nonprofit entities, lease their units at certain income thresholds, and comply with additional requirements.¹⁷² The subtitle requires that nonprofit entities claiming the tax exemptions be registered as a 501(c)(3) with the Internal Revenue Service (IRS) or be a limited liability company, the sole member of which has 501(c)(3) exemption status with the IRS, and that they complete a certification process with the Office of Tax and Revenue. The subtitle requires that qualifying projects include at least 50 percent of the units leased to households with incomes at or below 80 percent of

¹⁷¹ D.C. Official Code § 47-462.

¹⁷² By amending Chapter 10 of Title 47 of the District of Columbia Official Code (D.C. Official Code § 47-1005.03).

the Area Median Income (AMI) and the remainder of units leased to households with incomes not to exceed 120 percent AMI.¹⁷³ Rents on the units must be priced (on an annual basis) so they do not exceed 30 percent of such income levels, provided that such rents do not exceed the Housing Choice Voucher Program submarket rent established annually by the District of Columbia Housing Authority. The subtitle further requires certified nonprofit owners to limit annual rent increases based on the District’s rent control law.¹⁷⁴ If the income of a tenant rises above 140 percent of AMI, the unit occupied by such tenant shall become subject to property tax in the following year. Finally, the subtitle requires that certified nonprofit owners maintain a policy to retain the tenants even when they become unable to pay rent due to financial hardship, and that the owners maintain a reserve to support such policy.¹⁷⁵

Financial Plan Impact

The subtitle will reduce real property and deed recordation tax revenue by exempting certified nonprofit entities from these taxes. The exemptions are projected to apply to new nonprofit entities that acquire housing properties that meet the required specifications in the subtitle.

Fiscal Impact of Subtitle (VII)(N) Nonprofit Workforce Housing Tax Exemption Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced real property and deed recordation tax revenue	\$3,051	\$4,024	\$5,055	\$3,009	\$15,139

Subtitle (VII)(O) – Subject-to-Appropriations Amendment Act of 2019

Background

The subtitle authorizes expenditures for the following laws which were passed subject to appropriations in a budget and financial plan. Each required expenditures or revenue reductions that have now been included in the proposed budget and financial plan:

- Safe at Home Act of 2016¹⁷⁶
- Advisory Neighborhood Commissions Omnibus Amendment Act of 2016¹⁷⁷
- Office of Administrative Hearings Jurisdiction Expansion Amendment Act of 2018¹⁷⁸
- Accessible and Transparent Procurement Amendment Act of 2018¹⁷⁹
- Study of Mental Health and Substance Abuse in Immigrant Communities Act of 2018¹⁸⁰

¹⁷³ Id.

¹⁷⁴ Established by the Rental Housing Act of 1985, the maximum rent increase for each year is based on the annual Consumer Price Index percentage increase plus 2 percent, but not more than 10 percent.

¹⁷⁵ Id.

¹⁷⁶ D.C. Law 21-168, effective November 26, 2016.

¹⁷⁷ D.C. Law 21-269, effective April 7, 2017

¹⁷⁸ D.C. Law 22-112, effective April 19, 2018.

¹⁷⁹ D.C. Law 22-121, effective July 3, 2018.

¹⁸⁰ D.C. Law 22-141, effective July 17, 2018.

- Public Housing Credit-Building Pilot Program Amendment Act of 2018¹⁸¹
- Student Fair Access to School Amendment Act of 2018¹⁸²
- Healthy Parks Amendment Act of 2018¹⁸³
- Revised Uniform Law on Notarial Acts Act of 2018¹⁸⁴
- Rental Housing Affordability Re-establishment Amendment Act of 2018¹⁸⁵
- Access to Treatment for Anaphylaxis Act of 2018¹⁸⁶
- Pathways to District Government Careers Amendment Act of 2018¹⁸⁷
- Vacancy Increase Reform Amendment Act of 2018¹⁸⁸
- Daytime School Parking Zone Act of 2018¹⁸⁹
- Study of Long-Term Care Facilities and Long-Term Care Services Act of 2018¹⁹⁰
- Healthy Students Amendment Act of 2018¹⁹¹
- Lead Water Service Line Replacement and Disclosure Amendment Act of 2018¹⁹²
- Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018¹⁹³
- Women, Infants, and Children Program Expansion Act of 2018¹⁹⁴
- Rhode Island Avenue (RIA) Tax Increment Financing Act of 2018¹⁹⁵
- Public Restroom Facilities Installation and Promotion Act of 2017¹⁹⁶
- Employment Protections for Victims of Domestic Violence, Sexual Offenses, and Stalking Amendment Act of 2018¹⁹⁷
- Opioid Overdose Treatment and Prevention Omnibus Act of 2018¹⁹⁸
- Safe Fields and Playgrounds Act of 2018¹⁹⁹
- School Safety Omnibus Amendment Act of 2018²⁰⁰
- Economic Development Return on Investment Accountability Amendment Act of 2018²⁰¹
- Wage Garnishment Fairness Amendment Act of 2018²⁰²

¹⁸¹ D.C. Law 22-154, effective August 22, 2018.

¹⁸² D.C. Law 22-157, effective August 25, 2018.

¹⁸³ D.C. Law 22-186, effective November 27, 2018.

¹⁸⁴ D.C. Law 22-189, effective December 4, 2018.

¹⁸⁵ D.C. Law 22-202, effective February 22, 2019.

¹⁸⁶ D.C. Law 22-207, effective February 22, 2019.

¹⁸⁷ D.C. Law 22-211, effective February 22, 2019.

¹⁸⁸ D.C. Law 22-223, effective February 22, 2019.

¹⁸⁹ D.C. Law 22-226, effective February 22, 2019.

¹⁹⁰ D.C. Law 22-238, effective March 13, 2019.

¹⁹¹ D.C. Law 22-240, effective March 13, 2019.

¹⁹² D.C. Law 22-241, effective March 13, 2019.

¹⁹⁴ D.C. Law 22-255, effective March 22, 2019.

¹⁹⁴ D.C. Law 22-255, effective March 22, 2019.

¹⁹⁵ D.C. Law 22-263, effective March 22, 2019.

¹⁹⁶ D.C. Law 22-280, effective April 11, 2019.

¹⁹⁷ D.C. Law 22-281, effective April 11, 2019.

¹⁹⁸ D.C. Act 22-617, enacted January 30, 2019.

¹⁹⁹ D.C. Law 22-293, effective April 11, 2019.

²⁰⁰ D.C. Law 22-294, effective April 11, 2019.

²⁰¹ D.C. Law 22-295, effective April 11, 2019.

²⁰² D.C. Law 22-296, effective April 11, 2019.

The Honorable Phil Mendelson
 Fiscal Impact Statement for “Fiscal Year 2020 Budget Support Act of 2019,” Amendment in the Nature of a Substitute, circulated June 17, 2019

- Performing Arts Promotion Amendment Act of 2018²⁰³
- DC Water Consumer Protection Amendment Act of 2018²⁰⁴
- Hyacinth’s Place Equitable Real Property Tax Relief Act of 2018²⁰⁵
- Students in the Care of D.C. Coordinating Committee Act of 2018²⁰⁶
- Sports Wagering Lottery Amendment Act of 2018²⁰⁷

Sections 3 and 4 of the Naval Lodge Building, Inc. Real Property tax Relief Act of 2015²⁰⁸ is funded.

Under Subtitle (VI)(G) of this bill, the CleanEnergy DC Omnibus Amendment Act of 2018²⁰⁹ is also fully authorized and funded in the budget and financial plan.

The Senior Dental Services Program Act of 2018²¹⁰ has been funded for fiscal year 2020 but will be subject to appropriations beginning fiscal year 2021.

Under Subtitle (VII)(F) of this bill, the Feminine Hygiene and Diaper Sales Tax Exemption Implementation Amendment Act of 2019²¹¹ is also fully authorized and funded in the budget and financial plan.

Financial Plan Impact

The expenditures and revenue reductions that have been funded in the budget and financial plan are listed below for each law or act authorized by the subtitle.

Fiscal Impact of Subtitle (VII)(O) Subject-to-Appropriations Amendment Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Safe at Home Act of 2016	\$0	\$0	\$0	\$0	\$0
Advisory Neighborhood Commissions Omnibus Amendment Act of 2016 <i>(Funded in OHR)</i>	\$242	\$247	\$251	\$255	\$995
Office of Administrative Hearings Jurisdiction Expansion Amendment Act of 2018	\$125	\$127	\$130	\$132	\$514

²⁰³ D.C. Act 22-634, enacted February 6, 2018.

²⁰⁴ D.C. Law 22-299, effective April 11, 2019.

²⁰⁵ D.C. Law 22-301, effective April 11, 2019.

²⁰⁶ D.C. Law 22-303, effective April 11, 2019.

²⁰⁷ D.C. Law 22-312, effective May 3, 2019.

²⁰⁸ D.C. Law 21-30, effective October 21, 2015.

²⁰⁹ D.C. Law 22-257, effective March 22, 2019.

²¹⁰ D.C. Law 22-108, effective June 5, 2018.

²¹¹ Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-201; 63 DCR 15041).

The Honorable Phil Mendelson
 Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a
 Substitute, circulated June 17, 2019

<i>(Funded in OAH)</i>					
Accessible and Transparent Procurement Amendment Act of 2018	\$0	\$0	\$0	\$0	\$0
Study of Mental Health and Substance Abuse in Immigrant Communities Act of 2018	\$200				\$200
<i>(Funded in DBH)</i>					
Public Housing Credit-Building Pilot Program Amendment Act of 2018	\$105	\$59	\$0	\$0	\$164
<i>(Funded in DCHA)</i>					
Student Fair Access to School Amendment Act of 2018	\$765	\$768	\$772	\$775	\$3,082
<i>(Funded in DCPS / PCS)</i>					
Healthy Parks Amendment Act of 2018	\$891	\$907	\$922	\$939	\$3,659
<i>(Funded in DPR)</i>					
Revised Uniform Law on Notarial Acts Act of 2018	\$80	\$0	\$0	\$0	\$80
<i>(Funded in the Office of Notary Commissions and Authentications within the Office of the Secretary)</i>					
Rental Housing Affordability Re-establishment Amendment Act of 2018	\$9	\$47	\$88	\$131	\$275
<i>(Reduction in franchise tax revenues is funded)</i>					
Access to Treatment for Anaphylaxis Act of 2018	\$201	\$205	\$209	\$213	\$828
<i>(Funded in DOH)</i>					
Pathways to District Government Careers Amendment Act of 2018	\$102	\$104	\$106	\$107	\$419
<i>(Funded in DOES)</i>					
Vacancy Increase Reform Amendment Act of 2018	\$53	\$275	\$514	\$773	\$1,615
<i>(Reduction in franchise tax and income tax revenues is funded)</i>					
Daytime School Parking Zone Act of 2018	\$89	\$90	\$92	\$93	\$364
<i>(Funded in DDOT)</i>					

The Honorable Phil Mendelson
 Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a
 Substitute, circulated June 17, 2019

Study of Long-Term Care Facilities and Long-Term Care Services Act of 2018 (Funded in DOH)	\$118	\$0	\$0	\$0	\$118
Healthy Students Amendment Act of 2018 (Funded in OSSE)	\$944	\$854	\$865	\$875	\$3,538
Lead Water Service Line Replacement and Disclosure Amendment Act of 2018 (Funded in DOEE)	\$5,235	\$5,239	\$5,244	\$5,249	\$20,967
Foreign Government Owned Vacant and Blighted Building Amendment Act of 2018 (Funded in...) DCRA)	\$158	\$162	\$166	\$166	\$652
Women, Infants, and Children Program Expansion Act of 2018 (Funded in DOH)	\$226	\$151	\$155	\$160	\$692
Rhode Island Avenue (RIA) Tax Increment Financing Act of 2018 (Funded in DMPED)	\$2,721	\$0	\$0	\$0	\$2,721
Public Restroom Facilities Installation and Promotion Act of 2018 (Funded in DGS and DSLBD)	\$400	\$130	\$130	\$130	\$790
Employment Protections for Victims of Domestic Violence, Sexual Offenses, and Stalking Amendment Act of 2018 (Funded in OHR)	\$255	\$256	\$264	\$266	\$1,041
Opioid Overdose Treatment and Prevention Omnibus Act of 2018 (Funded in DHCF)	\$83	\$83	\$83	\$83	\$332
Safe Fields and Playgrounds Act of 2018 (Funded in DGS and DOH)	\$411	\$0	\$0	\$0	\$0
School Safety Omnibus Amendment Act of 2018 (Funded in CFSA, DCPS, PCS and OSSE)	\$2,366	\$1,816	\$1,816	\$1,816	\$7,814
Economic Development Return on Investment Accountability Amendment Act of 2018 (Funded in DMPED)	\$129	\$112	\$116	\$118	\$475

The Honorable Phil Mendelson
 Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a
 Substitute, circulated June 17, 2019

Wage Garnishment Fairness Amendment Act of 2018 <i>(Revenue reduction is funded)</i>	\$140	\$140	\$140	\$140	\$560
Performing Arts Promotion Amendment Act of 2018 <i>(Revenue Reduction is funded)</i>	\$375	\$375	\$375	\$375	\$1,500
DC Water Consumer Protection Amendment Act of 2018	\$0	\$0	\$0	\$0	\$0
Hyacinth's Place Equitable Real Property Tax Relief Act of 2018 <i>(Revenue reduction is funded)</i>	\$26	\$0	\$0	\$0	\$26
Students in the Care of D.C. Coordinating Committee Act of 2018 <i>(Funded in DME)</i>	\$392	\$359	\$369	\$380	\$1,500
Short-Term Rental Regulation Act of 2018 <i>(Administrative costs funded in DCRA)</i>	\$4,105	\$2,045	\$2,086	\$2,127	\$10,365
Sports Wagering Lottery Amendment Act of 2018	\$0	\$0	\$0	\$0	\$0
Senior Dental Services Program Act of 2018 <i>(Funded in DOH)</i>	\$500	\$0	\$0	\$0	\$500
Naval Lodge Building, Inc. Real Property Tax Relief Act of 2015	\$0	\$0	\$0	\$0	\$0
CleanEnergy DC Omnibus Amendment Act of 2018 <i>(Revenue reduction is funded)</i>	\$132	\$132	\$132	\$132	\$528
Feminine Hygiene and Diaper Sales Tax Exemption Implementation Amendment Act of 2019 <i>(Revenue reduction is funded)</i>	\$4,506	\$4,660	\$4,921	\$5,120	\$19,207
TOTAL REVENUE REDUCTIONS (NET)	\$5,241	\$5,629	\$6,170	\$6,671	\$23,711
TOTAL ADDITIONAL COSTS	\$20,843	\$13,714	\$13,776	\$13,884	\$61,810

<i>TOTAL COST (Including Revenue Reductions)</i>	\$26,084	\$19,343	\$19,946	\$20,555	\$85,521
---	----------	----------	----------	----------	-----------------

Subtitle (VII)(P) – Council Period 23 Rule 736 Amendment Act of 2019

Background

Council Rule 736²¹² states that laws passed subject to appropriation that remain unfunded two years after passage are subject to repeal. The subtitle repeals five laws that were passed subject to appropriation in an approved budget and financial plan: the Incarceration to Incorporation Entrepreneurship Program Act of 2016; the Improved Access to Identity Documents Amendment Act of 2016; the Enhanced Penalties for Distracted Driving Amendment Act of 2016; the Notice in Case of Emergency Amendment Act of 2016; and Sections 3 and 4 of the Vehicle-for-hire-Accessibility Amendment Act of 2016. These laws and sections of law have not been funded since becoming law.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan.

Subtitle (VII)(Q) – Events DC Grant-Making Authority Amendment Act of 2019

Background

The subtitle amends the purposes of the Washington Convention and Sports Authority (WCSA) to include promoting and supporting cultural institutions, which are defined as nonprofit organization in the arts, including museums or theaters, incorporated in the District of Columbia, and allows WCSA to issue large capital grants to such organizations. The subtitle further requires WCSA to issue in fiscal year 2020, subject to funds being available for such purposes, not less than \$10 million in grants from the Convention Center Fund to support such cultural institutions. In addition, WCSA must use any proceeds from the sale of the Marriott Marquis leasehold for large capital grants to cultural institutions. All such grants may only be issued if WCSA has satisfied its current liabilities and legally required reserves, which shall not include the elective early redemption of bonds.

Financial Plan Impact

The subtitle has no fiscal impact. Paying for \$10 million in grants may reduce excess funds that may have been transferred to the District from the Convention Center Fund at the end of the fiscal year, but no excess funds are included in the District's fiscal year 2020 budget or fiscal year 2020 through fiscal year 2023 budget and financial plan. However, the subtitle prevents the Washington Convention Center and Sports Authority from redeeming bonds early. Early redemption would free up debt capacity for other District capital projects. This provision hampers WCSA and the District's ability to efficiently use debt capacity to maximize its use for other District capital projects.

²¹² Rules of Organization and Procedure for the Council of the District of Columbia, Council Period 23, page 82. (<http://dccouncil.us/wp-content/uploads/2019/01/PR23-0001a.pdf>)

Subtitle (VII)(S) – Downloading Lost Revenues Amendment Act of 2019

Background

The subtitle repeals or alters several tax incentives offered to Qualified High Technology Companies (QHTC). A high-technology company is considered "qualified" if it (1) has two or more employees in the District, and (2) derives at least 51 percent of gross revenues earned in the District from technology-related goods and services.

Currently, a QHTC is allowed a credit against its business tax liability equal to 10 percent of the wages paid during the first 24 months of employment to a qualified employee hired after December 31, 2000. The credit for each qualified employee may not exceed \$5,000 per taxable year. If the credit exceeds the amount of tax otherwise due from a high-technology company, the unused amount of the credit may be carried forward for 10 years. The amendment reduces the credit as of tax year 2020 for each qualified employee hired after December 31, 2017 to five percent of wages not exceeding \$3,000 per taxable year and eliminates the carry-forward period for such employee credits.

Also, high-technology companies are eligible for a credit equal to an exemption of business franchise taxes for five years and that thereafter reduces the franchise tax rate to six percent. The amendment limits, as of tax year 2020, the reduced rate of income tax to six percent for no more than five years, provided that the total amount of credit a QHTC may receive does not exceed \$250,000 in a taxable year.

High-technology companies also currently benefit from sales tax exemptions. Gross receipts of high-technology companies who make sales of certain eligible products and services within the District of Columbia are exempt from sales tax. Further, certain high-technology purchases are also exempt from sales tax when purchased for use in connection with the operation of the Qualified High Technology Company. The amendment repeals these exemptions as of October 1, 2019.

Financial Plan Impact

The subtitle will increase District revenues by a total of \$15.865 million in fiscal year 2020 and \$77.075 million through fiscal year 2023.

Fiscal Impact - Downloading Lost Revenues Amendment Act of 2019					
\$ in thousands	FY20	FY21	FY22	FY23	Total
Changes to wage credits for new hires	1,606	3,328	5,050	6,772	16,756
Changes to QHTC corporate franchise tax credits	3,801	3,915	4,032	4,153	15,901
Repeal of sales tax exemptions ¹	10,458	10,897	11,311	11,752	44,418
Total revenue	15,865	18,140	20,393	22,677	77,075

Notes

1. Comprised of local fund revenue and revenue dedicated to the Commission on Arts and Humanities.

**Subtitle (VII)(T) – Washington Convention Center and Sports Authority Excess Cash
Amendment Act of 2019**

Background

The subtitle requires that 50 percent of any excess funds at the Washington Convention and Sports Authority (WCSA) at the end of fiscal year 2019 be transferred to the District of Columbia Housing Administration (DCHA) Rehabilitation and Maintenance Fund²¹³ to provide public housing repairs. It also repeals the requirement²¹⁴ that the WCSA retain three times the annual operating and marketing expenditures as a reserve.

The subtitle is applicable beginning July 1, 2019.

Financial Plan Impact

The subtitle has no fiscal impact. Directing excess undesignated or unallocated WCSA funds to the DCHA Rehabilitation and Maintenance Fund does not have a fiscal impact. Current reserve requirements are less than three times the annual operating and marketing expenditures, so eliminating that requirement also does not have an impact.

Subtitle (VII)(U) – Events DC Expenditure Authority Amendment Act of 2019

Background

This subtitle prohibits²¹⁵ Events DC from obligating or spending funds in fiscal years 2019 and 2020 to purchase Robert F. Kennedy Memorial Stadium (RFK Stadium) or induce a National Football League team to locate in the District. The subtitle also requires Events DC to provide detailed information on its Capital Improvement Plan (CIP). The CIP must also outline how projects will be financed and describe the expected sources of revenue from each capital project.

Financial Plan Impact

The subtitle has no fiscal impact. Prohibiting Events DC from obligating or spending funds on the purchase of RFK Stadium in fiscal year 2019 and 2020 does not have a fiscal impact. Events DC can implement the additional CIP requirements within existing resources.

²¹³ D.C. Official Code § 6-202(c-1).

²¹⁴ Section 3(1) of D.C. Law 12-223, Washington Convention Center Authority Dedicated Tax Revenue Bond Resolution of 1998, effective April 13, 1999.

²¹⁵ By amending The Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.01 et seq.).

TITLE VIII – SPECIAL PURPOSE AND DEDICATED REVENUE FUNDS

Subtitle (VII)(A) – Designated Fund Transfer Act of 2019

Background

The subtitle allows the District to use fund balance available in thirteen funds as a source of funding for the proposed fiscal year 2020 through fiscal year 2023 budget and financial plan. The affected funds and transfer amounts are listed in the chart below:

Fund Name	Amount
Unclaimed Property Contingency Fund	\$30,642
DC Lottery Reimbursement Fund	\$106,581
Green Building Fund	\$79,801
Bill of Rights (Grievance & Appeals)	\$22,991
Solid Waste Disposal Fee Fund	\$57,627
Clean City Fund	\$60,509
ABC – Import and Class License Fees	\$301,171
DC Surplus Personal Property Sales Operations	\$39,011
HMO Assessment	\$22,815
Insurance Assessment	\$179,655
Securities and Banking Fund	\$291,220
Captive Insurance	\$133,230
Public Vehicles for Hire Consumer Services	\$302,277
TOTAL:	\$1,627,575

The subtitle also authorizes the transfer of specific vacancy savings in certified funds and other revenue to the unassigned fund balance of the General Fund. The following vacancy savings amounts will be transferred:

Fund Name	Amount

The Honorable Phil Mendelson
Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," Amendment in the Nature of a
Substitute, circulated June 17, 2019

Insurance Assessment Fund	\$391,475
Securities and Banking Fund	\$540,998
TOTAL:	\$932,473

Financial Plan Impact

The proposed budget and financial plan includes \$2.56 million of funding available for use as listed from the above-named funds.