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

Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Jeff DeWitt** **Chief Financial Officer**
DATE:	**April 3, 2014**
SUBJECT:	**Fiscal Impact Statement – "Fiscal Year 2015 Budget Support Act of 2014"**
REFERENCE:	**Draft legislation shared with the Office of Revenue Analysis on April 3, 2014**

Conclusion

Funds are sufficient in the proposed FY 2015 through FY 2018 budget and financial plan to implement the proposed Fiscal Year 2015 Budget Support Act of 2014.

The proposed FY 2015 through FY 2018 budget and financial plan accounts for the expenditure and revenue implications of the proposals described in the subtitles included in the bill. The Mayor's FY 2015 budget proposes $6.794 billion in Local funds spending, supported by $6.795 billion of local resources, with an operating margin of $0.5 million.

The initiatives in the Fiscal Year 2015 Budget Support Act of 2014, combined with the Mayor's policy choices, provide sufficient funds to balance the estimated expenditures of $7.656 billion[1] in the proposed General Fund FY 2015 budget.

The bill, the "Fiscal Year 2015 Budget Support Act of 2014," is the legislative vehicle for adopting statutory changes needed to implement the Mayor's proposed budget for the FY 2014 through FY 2017 budget and financial plan period. The purpose and the impact of each subtitle are summarized in the following pages.

[1] This amount includes local, dedicated and special purpose funds.

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TITLE I- GOVERNMENT DIRECTION

Subtitle (I)(A) – Bonus and Special Pay Limitation Act of 2014

Background

The proposed subtitle prohibits District agencies from awarding performance-related bonuses, special act pay, and service awards in fiscal year 2015. Contractually required bonuses and special payments, including those for certain employees of the District of Columbia Public Schools, are exempted from this requirement.

Financial Impact

Limitations on bonus and special payments generally help keep personnel expenditures under control, allowing the use of public funds for other purposes.

Subtitle (I)(B) – Elected Attorney General Implementation and Legal Service Establishment Technical Amendment Act of 2014

Background

Currently, the Office of the Attorney General (OAG) is a subordinate agency to the Mayor, responsible for providing legal support to District agencies, advising the Executive, and enforcing the laws of the District.[2] In 2010, District voters ratified a charter amendment to establish an elected and independent Attorney General, separate from the control of the Mayor.[3] Anticipating the election of an Attorney General in November 2014, a 2013 law[4] required major organizational changes to OAG and to legal staff throughout the District. The organizational changes were to be effective by October 1, 2014. At the same time, however, the law also moved the election date for an Attorney General until after January 2018.

This subtitle moves the deadline for required organizational changes in OAG to October 1, 2018, to more closely align with the planned 2018 election of an independent Attorney General.

Financial Impact

This subtitle does not have an impact on the District's budget and financial plan.

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[2] D.C. Official Code §§ 1-301.81 through1-301.82.
[3] D.C. Law 18-160 was ratified by the electors of the District of Columbia in a general election held on November 2, 2010, certified by the District of Columbia Board of Elections and Ethics on November 29, 2010, and became effective as law on May 30, 2011.
[4] Elected Attorney General Implementation and Legal Service Establishment Amendment Act of 2013, effective December 13, 2013 (D.C. Law 20-60: D.C. Official Code § 1-601.01 *et seq*.)

Subtitle (I)(C) – Public Sector Workers' Compensation Budget Savings Act of 2014

Background

Current law[5] allows the District to request reports of earnings and tax records from workers' compensation recipients with a partial disability. The subtitle permits the District to request the records from all workers' compensation recipients.

The subtitle also makes clear that the spouse of a deceased District employee cannot continue to receive compensation if he or she remarries. Current law[6] is ambiguously worded and could allow continued compensation if a spouse of a deceased employee remarries after the age of 60.

Lastly, the subtitle limits an employee's rights to receive additional compensation after receiving a permanent disability schedule award. Current law[7] may permit compensation for the same injury under both the permanent and temporary disability schedules.

Financial Impact

This subtitle does not have an impact on the District's budget and financial plan. Implementation of these changes have the potential to result in fewer expenditures for workers compensation than there might have been, but there is insufficient data at this time to determine whether any net savings will result.

Subtitle (I)(D) – Technology Services Support Amendment of 2014

Currently, the Office of the Chief Technology Officer (OCTO) may accept payment from independent and federal agencies who are recipients of DC-NET[8] services. These payments are deposited into the DC-NET Services Support Fund ("Fund"),[9] a special purpose revenue fund that helps defray the cost of the DC-NET program operational costs.

Financial Plan Impact

The subtitle permits OCTO to collect payments from entities receiving DC-NET services that are also supporting a District economic development initiative. The revenues are to be deposited into the Fund to defray the costs of providing these services. Specific customers have not been identified, so revenue increases are not expected at this time. If customers are identified in the future and collections exceed existing Fund authority, OCTO must request additional special purpose revenue authority to expend the revenue.

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[5] D.C. Official Code § 1-623.06.
[6] D.C. Official Code § 1-623.33.
[7] D.C. Official Code § 1-623.07.
[8] D.C. Official Code § 1-1431(4) defines the DC-NET program as "a program conducted by the Office of the Chief Technology Officer to implement and manage a state-of-the-art, fiber-optic network owned by the District government."
[9] D.C. Official Code § 1-1432 (DC-NET Services Support Fund).

Subtitle (I)(E) – Pay-as-you-go and Reserve Accounts Amendment Act of 2014

Background

Current law[10] permits the Chief Financial Officer (CFO) to use the Cash Flow Reserve Account to cover general cash-flow needs, so long as it is replenished in the same fiscal year. This subtitle expands the permitted use of the Cash Flow Reserve Account to include expenditures during a government shutdown.

The subtitle also permits the Mayor—with approval from Council and certification of the CFO—to utilize the Fiscal Stabilization Reserve Account during a government shutdown and for general cash flow management purposes. Under current law,[11] the Fiscal Stabilization Reserve Account cannot be used for either purpose.

Additionally, the subtitle requires that all uncommitted surpluses identified in the Comprehensive Annual Financial Report be allocated for three specific uses: the Housing Production Trust Fund, the District of Columbia Retiree Health Benefits Fund, and the reduction of debt by shifting borrowed funds for capital projects to pay-as-you-go funds. The surpluses will be allocated at 50 percent, 25 percent and 25 percent, respectively.

Lastly, the subtitle makes a technical change to clarify that FY 2016 is the base year for the required[12] pay-as-you-go capital account.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan.

Subtitle (I)(F) – Family Bonding Leave Program Amendment Act of 2014

Background

The subtitle provides an elective benefit of six weeks paid leave to District employees at full salary for the birth or adoption of a child,[13] regardless of time in service. In the event that both parents are employees of the District, the designated primary caregiver may take up to six weeks leave, and the secondary caregiver may take up to two weeks leave. The subtitle limits the amount of lifetime leave that can be taken under the subtitle to 30 weeks per employee. Leave must be taken in at least one week increments, either consecutively or intermittently, and used within 12 months of the birth or adoption. For employees serving in a probationary capacity, such as new employees, leave taken under this subtitle cannot count toward the required probationary period.

Currently, several other categories of leave are available to District government employees who wish to take time off related to the birth, adoption or care of an infant or child. However, these programs generally have time eligibility requirements, are unpaid, or do not guarantee full salary

[10] D.C. Official Code § 47-392.02(j-2). (Cash Flow Reserve Account).
[11] D.C. Official Code § 47-392.02(j-1). (Fiscal Stabilization Reserve Account).
[12] Required as per D.C. Official Code 47-392.02(f)(2).
[13] Child must be less than 19 years of age.

coverage. The District of Columbia Family and Medical Leave Act ("FMLA")[14] permits employees with 12 months of service to take 16 weeks of unpaid family leave during any 24 month period following the life event. Eligible employees may still take advantage of the protections and benefits afforded under the FMLA, as well as leave donations from other employees through voluntary leave transfer or the Annual Leave Bank Program.[15] Employees may also utilize their earned available sick or annual leave to limit the loss of their income beyond the six week family bonding benefit.

Financial Plan Impact

The subtitle creates a paid benefit of an estimated $3,804,247 in FY 2015, and $15,915,550 in the FY 2015 through FY 2018 budget and financial plan.[16] Since the District's proposed FY 2015 through FY 2018 budget accounts for full salaries of every employee, without making any allowances for any unpaid leave, the proposed subtitle's effect is already accounted for. While most agencies can absorb this cost by the spreading the work to other employees, it is plausible that when an employee is on family bonding leave, his or her agency may need to hire additional temporary personnel. Larger agencies with more staff and funds are better equipped to absorb the cost of a staffer on extended leave compared to smaller agencies, which may face spending or work pressures. Finally, the proposal will reduce lapsed salary savings. This does not have a fiscal impact since the proposed budget accounts for full salaries, but, once the fiscal year starts, the District would be constrained in its ability to use lapsed salaries to offset other spending pressures.

<u>Subtitle (I)(G) – Office of Contracting and Procurement Surplus Property Sales Fund Establishment Act of 2014</u>

Background

The subtitle creates a special purpose fund called the District of Columbia Surplus Property Sales Revolving Fund ("Fund') to collect a portion of revenues received from the sale of government surplus property (such as unneeded equipment). The District contracts with a private vendor to manage the sale of the surplus property and the sole purpose of the new Fund is to pay for the vendor's contract. Any revenue received into the Fund but not spent will revert back to the general fund at the end of the fiscal year.

Financial Plan Impact

An additional $375,000 is expected from surplus property revenue in FY 2015, and $1,500,000 over the four year financial plan. This additional revenue will be directed to the new Fund to pay the surplus property management vendor's contract.

[14] Effective October 3, 1990 (D.C. Law 8-181; D.C. Official Code § 32-501 *et seq*.)
[15] D.C. Official Code § 1-612.05.
[16] This estimate is based on the national birth rates and the current age and gender profile of District employees.

Subtitle (I)(H) – District of Columbia Food Provision Amendment Act of 2014

Background

The subtitle permits the Department of Parks and Recreation to use appropriated funding to purchase food, non-alcoholic beverages, and entertainment in connection with various programs it sponsors. Additionally, it permits the District to purchase meals and refreshments for members of boards and commissions during public business meetings. The subtitle requires the Mayor to issue rules governing this new authority.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Any expenditure on food and beverages must be separately appropriated.

TITLE II– ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Manufacturer Tasting Permit Amendment Act of 2014

Background

Current law permits breweries[17] to apply for tasting permits to serve samples of beer manufactured on the site, but prohibits full servings of beer for on-site consumption. The subtitle creates an on-premises sales and consumption permit so breweries can offer full servings of beer on their premises between 1 p.m. and 9 p.m. The subtitle sets the minimum fee for the permit at $1,000 annually. Breweries will still be required to have a tasting permit if they are also offering tastings.

Financial Impact

The Alcoholic Beverage Regulatory Administration can administer this new permit within its current resources. The fees collected for this new permit would be deposited into the Alcoholic Beverage Regulation Administration Fund, a special purpose fund.[18] There are only four beer manufacturers currently in the District; if all apply for the permit, the annual revenues to this fund could increase by $4,000.

Subtitle (II)(B) – Ward 4 Full Service Grocery Store Amendment Act of 2014

Background

Current law[19] prohibits new full service grocery stores from applying for and obtaining a Class B[20] retail liquor license to sell beer and wine for off-premises consumption. The subtitle would allow full service grocery stores to apply for a Class B license.

Financial Impact

The total number of stores that may apply is unknown, but it is expected to be small. Any additional fee revenue to the Alcoholic Beverage Regulation Administration Fund is expected to be small.

Subtitle (II)(C) – Alcoholic Beverage Control Board Stipend Amendment Act of 2014

Background

This subtitle increases the stipend paid to the seven members of the Alcoholic Beverage Control Board from $15,000[21] to $18,000 annually.

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[17] Specifically, Class B manufacturer license holders under D.C. Official Code §25-110(a)(2).
[18] D.C. Official Code § 25-210 (Alcoholic Beverage Regulation Administration Fund establishment).
[19] D.C. Official Code § 25-340.01(b) (Ward 4 restrictions).
[20] D.C. Official Code § 25-112 (Off-premises retail licenses).
[21] See D.C. Official Code § 1-611.08(c)(2)(I) for current stipend amounts.

Financial Impact

The additional stipend cost will be $21,000 annually, and is included in the proposed FY 2015 through FY 2018 budget and financial plan.

Subtitle (II)(D) – Consumer Procedures and Protections Enforcement Amendment Act of 2014

Background

Current law[22] permits the Department of Consumer and Regulatory Affairs (DCRA) to investigate potential violators of consumer protection laws, but requires a judge to administer fines for consumer protection violations.

The subtitle permits DCRA to impose civil fines for violations of consumer protections laws. Additionally, it adds harassment of a consumer on electronic and social media to the list of unlawful trade practices.[23]

Financial Impact

The subtitle is expected to generated approximately $20,000[24] of additional general fund revenue.

Subtitle (II)(E) – Solar Permitting Fees Amendment Act of 2014

Background

Currently, permit fees for solar panel installation projects are based on the expected cost of the installation, as are other types of additions, alterations and repairs.[25] The subtitle creates a separate permit fee schedule for solar permitting with two project categories: solar photovoltaic and solar thermal. If the project is solar photovoltaic, the permit fee is based on expected kilowatt generation levels. If the project is solar thermal, the permit fee is based on number of solar panels.

Financial Impact

The subtitle decreases general fund revenues by an estimated $90,000 annually. Restructuring of the fees from a project-cost basis to a project-type basis of is expected to reduce the average cost of each permit by $240, although individual permit costs will vary significantly by project.

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[22] D.C. Official Code § 28-3903.
[23] D.C. Official Code § 28-3904.
[24] This is based on an estimated 50 citations annually (out of estimated total of 350 cases per year) and $2,000 fine each. It is expected that only about twenty percent will end up being collected due to dismissals and settlements.
[25] See D.C. Municipal Regulations Title 12.

Subtitle (II)(F) – Public Utilities Reimbursement Fee Amendment Act of 2014

Current law[26] requires that natural gas suppliers, electricity suppliers, and local exchange providers pay a reimbursement fee to cover the operating budgets of the Public Service Commission (PSC) and the Office of the People's Counsel (OPC). In practice, the fee is also paid by public utilities. The subtitle clarifies the statutory language to explicitly make public utilities and telecommunications service providers subject to the fee.

If PSC or OPC underspend their budgets by five percent or more, the District must refund the unspent portion that is over five percent to public utilities and electricity suppliers.[27] Because of the limited statutory language, the District cannot reimburse natural gas suppliers and telecommunications service providers, which also pay the fee. Until recently this was not a problem, because underspending had not met the threshold. But in FY 2012 and FY 2013, sufficient underspending occurred to require a refund. Refunds to service providers have been held up because of the legal language question. The subtitle entitles all providers that pay the fee to receive a refund when one is due.

Financial Plan Impact

Changes to statutory language to more accurately reflect the historical and current practices of the public utilities reimbursement fee activity do not have a negative impact on the District's budget and plan. Funding for the pending refunds owed for FY 2012 and FY 2013 have been set aside[28] and are available for payment upon approval of this subtitle.

Subtitle (II)(G) – Unemployment Insurance Benefits Modernization and Federal Conformity Amendments Act of 2014

Background

The subtitle makes several changes to unemployment insurance benefits laws, bringing District's provisions into compliance with federal requirements, including:

- Employers with more than 5 employees must now submit contribution and wage reports. Currently, the minimum number of employees is 250; [29]
- Employers with delinquent reports or an unpaid lien in a base year must pay the highest rate for their unemployment insurance contribution rate ("contribution");
- Prisoners are not eligible for unemployment benefits regardless of where they are incarcerated. Currently, the code refers to District of Columbia prisons only; [30]
- Claimant is either in the state in which the unemployment compensation claim was filed, or in the state in which the claimant is looking for a job (and reporting on job search weekly);

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[26] D.C. Official Code § 34-912(b)(1).
[27] D.C. Official Code § 34-912(b)(3). The refunds are made in proportion to what the entity paid in fees.
[28] Funding to pay refunds owed are available in the unreserved fund balance of the Public Service Commission Agency Fund (established under D.C. Official § Code 34-912(a)(1)). Approximately $1.3 million of the current $1.9 million fund balance will be required to make the refunds.
[29] D.C. Official Code § 51-104.
[30] D.C. Official Code § 51-109(6).

- Penalty ceiling for false representation is raised from 1 year to 2 years suspension of benefits;[31]
- Definition of normal weekly hours changed to include full time and part time employees, and overtime is not included in computation of contributions and benefits;
- An employer who is new, has a negative balance (that is benefits paid out of the employer's account are greater than the contributions), is taxed at the maximum rate, or has employees receiving supplemental unemployment benefits can no longer submit shared work plans, where the employers claim partial benefits for reduced hours; and
- Shared work compensation shall be counted toward an employer's experience ratings—that is the unemployment benefits paid relative to total employee compensation, unless an employer is liable for payments.

The subtitle outlines the process Department of Employment Services (DOES) will follow when determining whether a potentially erroneous payment to an employer's account should be relieved. DOES is required to notify an employer if an employer is determined not to have timely and adequately responded to a request for information.

Additionally, the subtitle outlines a process for determining an employer's contribution if the employer was created by a merger or transfer, and establishes penalties for violations related to determining the assignment of a contribution rate. Employers will be assigned the highest rate for the year the violation occurs, but no less than a two percent increase on taxable wages may be imposed on the violator. If the person committing the fraud is not an employer, he or she may be subject to a penalty of up to $5,000, as well as the possibility of felony charges.

Financial Plan Impact

DOES can manage these changes within its current resources. It is possible some provisions could affect individual employer contributions to the Unemployment Insurance Fund, but the exact amount is not known. This fund is not a part of the District's local General Fund, as it can only be used to pay unemployment benefits.

Subtitle (II)(H) – H Street Retail Priority Area Incentive Amendment Act of 2014

Background

The subtitle requires that all grants made in accordance with the H Street Retail Priority Area Grant Fund[32] be used to support corridor revitalization programs associated with the Great Streets program.[33] Under current law, the grants can only be used to assist retail development projects, which generate new jobs in new or improved existing retail space in the H Street, N.E., Retail Priority Area. The proposed change will make many other revitalization programs, such as programs for retention and attraction of small businesses, neighborhood branding and marketing,

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[31] D.C. Official Code § 51-119(e)(2).
[32] D.C. Official Code § 1-325.172.
[33] Great Streets Program is defined in Great Streets Neighborhood Retail Priority Area Amendment Act of 2013, enacted as Subtitle VIII(D) of Fiscal Year 2014 Budget Support Act of 2013, effective December 24, 2013 (D.C. Law 20-61; 60 DCR 12472) .

blighted and vacant property mitigation and redevelopment of private properties, streetscape projects and beautification and greening projects for public areas, eligible for grants.

Financial Plan Impact

The subtitle expands the types of projects that can receive H Street Retail Priority Area grants, but this change does not affect the budget.

Subtitle (II)(I) – Local Rent Supplement Sustainment Amendment Act of 2014

Background

This subtitle requires all new and vacant slots for local rent supplement assistance[34] to be filled with chronically homeless individuals and families referred by the Department of Human Services (DHS). Referrals must be made in accordance with special eligibility criteria in the District of Columbia Municipal Regulations.[35]

Financial Plan Impact

Requiring available slots for rent assistance to be filled by homeless families and individuals who are referred by DHS does not have a fiscal impact.

Subtitle (II)(J) – Film DC Economic Incentive Amendment Act of 2014

Background

The subtitle repeals the Film DC Economic Incentive Fund[36] and associated programs and replaces it with the Film DC Economic Incentive Grant Fund ("Fund"), to be funded with general appropriations that do not lapse at the end of the fiscal year. The Fund can be used to provide grants that attract to the District nationally distributed film and television projects, but not news or sporting events. The productions must spend at least $500,000 in qualified expenses[37] over five days or more on production activities in the District, and the incentive grants must not exceed the total qualified expenses. The Fund can also be used for administrative costs associated with managing the Fund and associated programs. Lastly, the subtitle requires the Mayor to report annually to the Council on the grants that are issued from the Fund.

Financial Plan Impact

The proposed FY 2015 budget allocates $1 million to the Fund, which will be managed by the Office of Motion Picture and Television Development.

[34] See D.C. Official Code § 6-228 for establishment of the Rent Supplement Program.
[35] As outlined in 29 DCMR § 2556 - 2558.
[36] D.C. Official Code § 39-501.
[37] Qualified expenses are outlined in detail in the subtitle, and include such costs as materials, supplies, equipment rentals, hotel expenses and food expenses.

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Metropolitan Police Department Escort and Reimbursement Act of 2014

Background

The subtitle authorizes the Metropolitan Police Department (MPD) to receive reimbursement for and issue regulations on police escort services needed to protect public safety.

Financial Plan Impact

MPD does not currently provide police escort services, but this subtitle will give it the authority to seek reimbursement if the services are provided in the future.

Subtitle (III)(B) – State Safety Oversight Agency Establishment Amendment Act of 2014

Background

In FY 2013, the District established a State Safety Oversight Agency ("Agency") within the Fire and Emergency Medical Services (FEMS) Department to oversee the safety and security of the District's streetcar program, as required by the Federal Transit Administration (FTA). Since the Agency's establishment, the FTA imposed[38] further requirements on state safety agencies that oversee transit operations.

The subtitle ensures the Agency has the following responsibilities to ensure the safe operations of the DC Streetcar system:

- Conduct investigations into accidents or incidents involving the DC Streetcar system independently or with federal partner agencies;
- Audit the DC Streetcar system to ensure compliance with safety-related plans;
- Issue reports and findings regarding the safe and secure operations of the DC Streetcar system;
- Require and render judgment on safety-related plans required by law;
- Enforce safety rules governing the DC Streetcar system's operations;
- Limit or stop any streetcar operations to protect public safety; and
- Apply for grants and cooperative agreements with the FTA on behalf of the District.

Financial Plan Impact

The subtitle provides clarifications required by FTA for successful operation of the Agency and no additional resources are required.

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[38] The new rules were authorized by "Moving Ahead for Progress in the 21st Century Act," which reauthorized federal transportation programs through FY 2014. (MAP-21, approved July 6, 2012 (Public Law 112-141; 49 U.S.C. Chapter 53).

TITLE IV – PUBLIC EDUCATION SYSTEM

<u>Subtitle (IV)(A) –Funding For Public Schools and Public Charter Schools Amendment Act of 2014</u>

Background

The proposed subtitle increases[39] the foundation level used by the Uniform per Student Funding Formula (UPSFF) to $9,492 per student for FY 2015. The FY 2014 level is set at $9,306. The changes made to the foundation level funding, and the various add-ons are depicted in the following tables:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	**Weighting**	**Per Pupil Allocation in FY 2015**
Pre-Kindergarten 3	1.34	$12,719
Pre-Kindergarten 4	1.30	$12,340
Kindergarten	1.30	$12,340
Grades 1-5	1.00	$9,492
Grades 6-8	1.08	$10,251
Grades 9-12	1.22	$11,580
Alternative program	1.44	$13,668
Special education school	1.17	$11,106
Adult	0.89	$8,448

General Education Add-ons			
Level / Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
ELL	Additional funding for English Language Learners	0.49	$4,651
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	$2,079

Special Education Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	$9,207
Level 2:Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	$11,390
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	$18,699
Level 4: Special	More than 24 hours per week which may include	3.49	$33,127

[39] By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*).

Special Education Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Education	instruction in a self-contained (dedicated) special education school other than residential placement.		
Blackman Jones Compliance	Weighting provided in addition to special education level add-on weightings on a per student basis Blackman Jones compliance.	0.069	$655
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	$845
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	$15,852

Residential Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Pupil 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.	0.368	$3,493
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.	1.337	$12,691
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.	2.891	$27,438
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.	2.874	$27,280
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	$6,341

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Special Education Level	Additional funding to support the summer school/program needs for students who require	0.063	$598

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
1 ESY	extended school year services in their IEPs.		
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	$2,155
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	$4,661
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	0.489	$4,642

Financial Plan Impact

With these changes made in the foundation level funding, in FY 2015, District of Columbia Public Schools would receive $701,344,630 for its instructional budget through the UPSFF. Public charter schools would receive $552,267,058 for their instructional budgets and $121,861,938 for the facilities allowance, bringing their collective local budget to $674,128,996.

Subtitle (IV)(B) – Alternative School Establishment Act of 2014

Background

This subtitle gives[40] the Office of the State Superintendent of Education (OSSE) the authority to designate schools or programs as "alternative" so that they receive alternative education funding through the Uniform per Student Funding Formula. The subtitle defines a school or program as eligible for alternative status if at least 70 percent of its students qualify for alternative education. It defines a student as needing alternative education if the student is 18 years old or younger (or up to 24 in some cases) and meets one of the following criteria:

- Is under court supervision;
- Has a history of being on long-term suspension or receiving multiple short-term suspensions within one school year;
- Has been expelled;
- Has withdrawn from the school system for a period of nine weeks or more and is seeking readmission;
- Has a history of severe absenteeism or truancy;
- Is committed to the Department of Youth Rehabilitation Services;
- Has been incarcerated in an adult correctional facility;
- Is pregnant or parenting;

[40] By amending the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*).

- Is receiving treatment for drug abuse;
- Has a history of violence; or
- Is severely over-aged and/or under-credited.

Schools or programs seeking "alternative" designation must provide specialized instruction to meet students' unique needs. Alternative schools' academic programming must culminate in the granting of a high school diploma or its equivalent.

Each year OSSE will accept applications from schools or programs wishing to be considered for "alternative" status. OSSE will also create a reapplication process for schools wishing to renew their status.

Financial Plan Impact

In FY 2015, 1,485 public school students are expected to be enrolled in an alternative school or program. A total of $20.3 million in formula funding (before add-ons) will be allocated to District of Columbia Public Schools and public charter schools on behalf of these students.

Subtitle (IV)(C) – District of Columbia Public Charter School Board Funding Amendment Act of 2014

Background

This subtitle increases[41] the percentage of the D.C. Public Charter Schools (DCPCS) budget paid to the D.C. Public Charter School Board (PCSB) from 0.5 percent to 1 percent.

Financial Plan Impact

Increasing the portion of the DCPCS budget going to the PCSB to 1 percent will result in an additional $3.37 million being transferred from DCPCS to the PCSB in FY 2015. This amount is expected to grow in subsequent years due to increases in the DCPCS budget from charter school enrollment growth. The table below gives a year-by-year breakdown of the increase in transfers due to the subtitle.

Estimated Impact of Subtitle (IV)(D) - District of Columbia Public Charter School Board Funding Amendment Act of 2014, FY 2015 - FY 2018 ($ in thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	4-Year Total
Increase in money transferred from DCPSC to PCSB[1]	$3,371	$3,438	$3,507	$3,577	$13,893

Table Notes
[1]Assumes a 2 percent annual increase in transferred funds due to projected increases in charter school enrollment.

[41] By amending Section 2211 of the Balanced Budget Downpayment Act II, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1802.11(b)(2))

Unlike prior years, in FY 2015 the PCSB will be funded entirely by the O-type funds received from DCPCS, which will total $6.74 million if the subtitle is approved. Local funds that previously went to the PCSB ($1.16 million in FY 2014) will be shifted to the Deputy Mayor for Education's office for the My School D.C. Common Lottery.

Subtitle (IV)(D) – Preferences in Admission for Public Charter Schools Act of 2014

Background

The subtitle creates[42] new preferences in the charter school admissions lottery for the following groups of students:

- Children of full-time employees of public charter schools;
- Children with individualized education programs (typically these are students receiving special education services); and
- Children who have been committed to the custody of the District of Columbia in the 12 months prior to applying to a public charter school.

Financial Plan Impact

This subtitle does not have a fiscal impact on the proposed FY 2015 through FY 2018 budget and financial plan. The lottery preferences would only affect District expenditures if they impacted the total number of students or types of students choosing to enroll in the public school system. This effect is unlikely and if it did occur it would be extremely difficult to separate the lottery preferences' impact on enrollment from effects due to changes in population or parental preferences.

Subtitle (IV)(E) – Educational Continuity Act of 2014

Background

This subtitle waives[43] the tuition of D.C. public school students who used to be wards of the District but no longer live in D.C. The waiver applies for up to three years after the child ceases being a ward of the District.

Financial Plan Impact

This subtitle is not expected to have a fiscal impact. The subtitle's residency waiver would be used so rarely that any resulting reduction in tuition payments would be negligible. [44] Therefore, there are no tuition payment reductions incorporated into the proposed FY 2105 through FY 2018 budget and financial plan.

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[42] By amending the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1800.01 *et seq*.).

[43] By amending the District of Columbia Nonresident Tuition Act, approved September 8, 1960 (Pub. L. 86-725; D.C. Official Code §38-302).

[44] According to the Deputy Mayor for Education's Chief of Staff, Scheherazade Salimi, in a phone conversation on April 1, 2014.

Subtitle (IV)(F) – Common Lottery Advisory Board Establishment Act of 2014

Background

This subtitle establishes[45] the District of Columbia Common Lottery Advisory Board (CLB), which will advise the Deputy Mayor for Education on the development and implementation of the common lottery system for public schools, both traditional and charter. The 10-member CLB will include an executive director and a total of nine representatives from the offices of the Deputy Mayor for Education, D.C. Public Schools, D.C. Public Charter Schools, and the Office of the State Superintendent of Education. The subtitle authorizes the CLB to secure private funding to develop and run the lottery system.

Financial Plan Impact

The CLB has a proposed FY 2015 budget of $1.1 million. This money will come from a shift in local funds from the D.C. Public Charter School Board (PCSB) to the CLB. The District is able to shift these funds because in FY 2015 the PCSB is expected to receive twice the amount of money than it has in previous years from D.C. Public Charter Schools.[46]

In FY 2014 the common lottery was entirely funded with private donations, but the amount of private funds the CLB will raise in FY 2015 is uncertain. The CLB will not need budget authority to spend privately raised money, but it will need fully executed grant agreements.

Subtitle (IV)(G) – Education Funding Formula Equity Amendment Act of 2014

Background

This subtitle postpones[47] the requirement that services provided by District of Columbia government agencies to schools must be provided on an equal basis to D.C. Public Schools and public charter schools. Under current law, service parity has to be implemented by FY 2015. This subtitle postpones the requirement to FY 2016.

Financial Plan Impact

The fiscal impact of this subtitle has been incorporated into the proposed FY 2015 through FY 2018 budget and financial plan. Providing services on an equal basis could significantly change the funding structure for D.C. Public Schools, but the Office of Revenue Analysis cannot provide an estimate on the magnitude of this change before the term "equal basis" is clarified by the Mayor and the Council.

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[45] By amending Section 202 of the Public Education Reform Amendment Act, effective June 12, 2007 (D.C. Law 17-9, D.C. Official Code §38-191).

[46] Pending approval the District of Columbia Public Charter School Board Funding Amendment Act of 2014 (Subtitle IV-C of the Budget Support Act of 2014).

[47] By amending Section 115 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective September 24, 2010 (D.C. Law 18-223; D.C. Official Code § 38-2913).

TITLE V– HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – Department on Disability Services Amendment Act of 2014

Background

This subtitle authorizes[48] the Department on Disability Services (DDS) to enter into an agreement with the Department on Health Care Finance (DHCF), so the two agencies can work together on policy design and rate setting for services targeting people with intellectual and developmental disabilities (IDD) and their families.

The subtitle also creates a Family Support Council under DDS, mainly composed of people with IDD and family members. The members will work to develop and implement an action plan to inform policies and programs that support families

Financial Plan Impact

Authorizing DDS and DHCF to enter into an agreement to develop policies and services for individuals with IDD does not have an impact on the budget and financial plan.

Subtitle (V)(B) – Department of Health Functions Clarification Amendment Act of 2014

Background

This subtitle provides authority[49] in FY 2015 for the Department of Health (DOH) to issue grants to organizations for the following services:

- HIV screening and prevention (up to $1,550,000);
- Clinical nutritional home delivery services for individuals living with cancer and other life-threatening diseases;
- Ambulatory health services;
- Poison control hotline and prevention education services;
- Operations and primary care services for school-based health clinics; and
- A teen pregnancy prevention program.

The subtitle also allows DOH to charge for the services it provides in its health clinics that treat communicable diseases.[50] DOH will be able to seek reimbursements from private insurers and Medicaid and charge uninsured patients based on their ability to pay. Payments received for these services will be deposited into the Communicable and Chronic Diseases Prevention and Treatment Fund ("Fund"), a non-lapsing O-type account. The money in this fund will go towards the cost of operating the health clinics.

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[48] By amending the Department on Developmental Disabilities Establishment Act of 2006, effective March 14, 2007 (D.C. Law 16-264; D.C. Official Code §7-761.01 *et seq*).
[49] 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.*).
[50] Including tuberculosis, HIV/AIDS, hepatitis, and sexually transmitted diseases.

Financial Plan Impact

DOH's proposed FY 2015 through FY 2018 budget and financial plan includes the funds to support the grants named in the subtitle. The proposed budget and financial plan does not, however, incorporate any revenues that might be generated from billing patients at DOH's health clinics. Once the billing process is well-established, DOH might be able to generate up to $2.2 million a year,[51] but the amount it will take in during FY 2015 is uncertain. FY 2015 revenues depend on how long it takes the health centers to get billing processes in place and how smoothly the billing process goes. If DOH runs into problems with billing Medicaid or private insurance, then revenues could be less than expected. DOH will be able to provide more precise revenue projections after the billing process is in place.

Subtitle (V)(C) – Medical Assistance Program Amendment Act of 2014

Background

This subtitle allows the Department of Health Care Finance (DHCF) to submit to the federal Centers for Medicaid and Medicare Services (CMS) the state plan amendments, modifications, or waivers required to:

- Implement amendments to the Elderly and Individuals with Physical Disabilities waiver needed to ensure compliance with federal law and promote best practices;
- Establish new payment rates for Federally-Qualified Health Centers;
- Establish a new payment method and make other improvements to the payment methodology for hospital inpatient treatment;
- Establish a new payment method and make other improvements to the payment methodology for hospital outpatient services;
- Implement amendments to the Intellectual Disabilities/Developmental Disabilities waiver needed to ensure compliance with federal law and promote best practices;
- Align specialty hospital payments with the complexity of their patient mixes and national best practices and to describe payment standards for sub-acute services for children who are inpatients in private psychiatric specialty hospitals; and
- Update transplantation coverage standards and provide coverage for lung transplantation and autologous bone marrow transplantation.

Under current law, DHCF must submit all Medicaid state plan amendments and waivers to the District of Columbia Council for a 30 day passive review before sending them to CMS. This subtitle would waive Council review for the initiatives listed above, which would speed up the approval and implementation of these items.

[51] According to Michael Kharfen, DOH's Senior Deputy Director of the HIV/AIDS, Hepatitis, STD & TB Administration.

Financial Plan Impact

Discontinuing legislative oversight of proposed state plan amendments and waivers does not have a fiscal impact; however, it would eliminate some analytical review of these proposals, including legal sufficiency review and fiscal impact analysis.

Federal and District anti-deficiency laws[52] prohibit District officers and employees from exceeding agency appropriations in any fiscal year, so DHCF would still need to budget and appropriate funds required to implement the amendments and waivers or absorb future costs in its budget and financial plan, and the Agency Fiscal Officer would still need to certify that funds are sufficient for implementation.

Subtitle (V)(D) – Department of Behavioral Health Establishment Amendment Act of 2014

Background

This subtitle moves the Tobacco Control Program (TCP) from the Department of Behavioral Health (DBH) to the Department of Health (DOH). The TCP conducts outreach on smoking prevention and cessation and also monitors the implementation of the District's tobacco-free laws.

Financial Plan Impact

DBH has included $1.14 million in its proposed FY 2015 budget for the TCP. The budget includes $495,000 in local funds and nearly $646,000 in federal grants. DOH has not included any TCP funding in its FY 2015 budget. If the subtitle is implemented, DBH will need to transfer these funds to DOH.

Subtitle (V)(E) – Department of Behavioral Health Enterprise Fund Amendment Act of 2014

Background

This subtitle establishes the Department of Behavioral Health (DBH) Enterprise Fund (the "Fund"), a lapsing, segregated account within the District of Columbia General Fund. The Fund will include proceeds from the following:

- The cafeteria on the St. Elizabeths campus;
- Fees for trainings done by the DBH Training Institute; and
- Repayment of loans given out by DBH through its housing bridge subsidy program. The loans help individuals with mental health disabilities transition from supportive housing to independent living.

The Fund will be used to pay for management and operation of the cafeteria, the Training Institute, and DBH's supported housing programs.

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[52] 31 U.S.C. § 1341 (2007) and D.C. Official Code § 47-355.01 *et seq.* (2001).

Financial Plan Impact

DBH cannot yet estimate cafeteria revenues because the cafeteria is still in the planning process and has not yet been built. DBH is also unsure how much money it will recoup through housing bridge subsidy repayments. DBH believes that the trainings it provides will bring in approximately $160,000 to $245,000 per year, depending on which classes it offers. If the subtitle is approved, DBH plans to start charging for trainings at the beginning of FY 2015. However, because these plans are not yet firm it is not possible to provide a reliable estimate of the revenues that will be deposited into the fund.

<u>Subtitle (V)(F) – LIHEAP Heat and Eat Eligibility Preservation Amendment Act of 2014</u>

Background

This subtitle requires all participants in Supplemental Nutrition Assistance Program (SNAP), who do not receive standard benefits through the Low-income Home Energy Assistance program (LIHEAP), to receive a minimum annual benefit required to maximize SNAP's standard utility allowance.[53] Current law[54] requires all SNAP participants be enrolled in LIHEAP and any participants not receiving standard LIHEAP benefits must receive at least $1.

Financial Plan Impact

Approximately 70,000 households receive the minimum $1 LIHEAP benefit annually. The subtitle will increase the minimum payment to $20.01 for these households, and therefore will cost approximately $1.3 million per year.

<u>Subtitle (V)(G) – Health Services Planning and Development Amendment Act of 2014</u>

Background

When a health service provider wants to provide a new service[55] it must obtain a certificate of need from the Department of Health (DOH). This subtitle would eliminate[56] the certificate of need requirement for providers of outpatient substance abuse treatment regulated by the Department of Behavioral Health.

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[53] The minimum that needs to be met is currently $20.01, as referenced in the Agriculture Act of 2014) approved on February 7, 2014 (Pub. Law. 113-79; 128 Stat. 649).
[54] Fiscal Year 2010 Budget Support Act of 2009, effective March 3, 2010 (D.C. Law 18-111;D.C. Official Code § 4-261.03(c)).
[55] Any medical or clinical related service, including services that are diagnostic, curative or rehabilitative, as well as those related to alcohol abuse, drug abuse, inpatient mental health services, home health care, hospice care, medically supervised day care, and renal dialysis.
[56] By amending Section 2 of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-401 *et seq*.).

Financial Plan Impact

While this subtitle will reduce the number of certificates of need issued by DOH, the reduction will be small enough that it won't have a significant impact on DOH's operations or fee revenues.

Subtitle (V)(H) – Temporary Assistance for Needy Families Amendment and Cost of Living Adjustment Act of 2014

Background

The subtitle establishes an automatic, annual cost of living adjustment (COLA) for monthly Temporary Assistance for Needy Families (TANF) benefits. The annual COLA is based on the consumer price index for all urban consumers for all items (CPI) published by the U.S. Department of Labor. The COLA would increase annual payments the beginning of each fiscal year. For fiscal years 2015 and 2016, the increase would be based on annual CPI. Then, in FY 2017, the payment level would increase by 46 percent and then revert back to annual CPI in the following years.

Financial Plan Impact

Increasing monthly TANF payments as described in the bill will cost $1.5 million in FY 2015 and $32.2 million over the four year financial plan. The cost of the subtitle has been incorporated in the proposed FY 2015 budget and financial.

Currently, the average monthly payment for TANF families eligible for the full grant amount is $374. For families that have exceeded the 60 month time limit and do not qualify for a time-limit exemption, the average monthly benefit will be $131 in FY 2015, per the graduated reduction schedule under current law. With the proposed COLA adjustment in FY 2015, the full grant amount will increase to $383 and the reduced grant to $134. Additionally, assistance payments for the District's General Assistance, Refugee Assistance, and Interim Disability programs will also increase, as the benefit amounts for these programs are set at the same level as TANF.[57] General Assistance and Refugee Assistance are entitlement programs, so the estimated cost increase for both of these programs is approximately $92,000 in FY 2015 and $800,000 over the four year financial plan. Finally, Interim Disability is not an entitlement program; therefore, the payment increase will not have a budget impact but rather reduce the number of recipients the Department of Human Services (DHS) can serve through this program.[58] The table below details the estimated increases in the monthly and annual expenditures, as well as the projected TANF caseload and other assumptions included in this analysis.

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[57] D.C. Official Code § 4-205.05a; § 4-204.07; and § 4-209.04.
[58] DHS serves approximately 1,000 individuals at an average monthly benefit level of $270.

Estimated Fiscal Impact of Subtitle (V)(H), Temporary Assistance for Needy Families Amendment and Cost of Living Adjustment Act of 2014 , FY15-FY18					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**4-Year Total**
UNIT COSTS					
Average monthly TANF grant	$374	$374	$374	$374	-
60 month + monthly TANF grant [a]	$131	$0	$0	$0	-
Projected monthly TANF grant with COLA Adjustment[b]	$383	$392	$573	$586	-
Projected 60 month + TANF grant with COLA Adjustment[b]	$134	$0	$0	$0	
TOTAL COSTS ($ in thousands)					
Additional TANF grant expenditures[b, c, d]	$1,430	$2,445	$26,728	$28,578	$59,180
Additional Cost of Implementing General Assistance [b, e]	$21	$43	$470	$503	$1,038
Additional Cost of Implementing Refugee Assistance [b, e]	$72	$82	$288	$303	$745
TOTAL COST OF IMPLEMENTATION ($ in thousands)	**$1,523**	**$2,571**	**$27,486**	**$29,384**	**$60,963**

Table Notes
[a]This is the average monthly payment for recipients that have exceeded the 60-month time limit. After FY 2015, payments for these recipients will be eliminated.
[b]Assumes a 2.4 percent COLA increase in all years except, FY 2017 when the increase would be 46 percent.
[c]Estimated based on the full TANF caseload as of August 2013 which was 17,083.
[d]Estimated number of cases at full grant includes those cases that qualify for a time-limit exemption and transferred to POWER under D.C. Law 20-61, with the exception of the exemption for those enrolled in an accredited postsecondary education program or a Department of Employment Services approved job training program. The Office of the Attorney General issued an opinion on September 24, 2013 to the Mayor's Budget Director stating that section 5153(c)(6) of the FY 2014 Budget Support Act could not be legally implemented due to insufficient funding.
[e]The caseloads for the Refugee Assistance and General Assistance programs are approximately 125 and 260, respectively.

TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) – Vault Rent Amendment Act of 2014

Background

The District Department of Transportation (DDOT) partners with the Office of Tax and Revenue (OTR) to bill commercial and residential buildings for their use of underground public space known as vaults. The most common types of vaults are areas of underground parking garages that extend into public space. DDOT permits and measures vault sizes. OTR applies a per-square foot value and a utilization factor, based on the level of the vault,[59] to the size of the vault to calculate the annual rental value.

The subtitle makes a significant change to the management of vaults by transferring the authority to charge and collect for the occupancy of underground vaults from DDOT to the Office of the Chief Financial Officer (OCFO). The OCFO will subsequently make a number of changes to the billing processes, including:

- Move the billing due date from June 30th to no later than September 15th;
- Create separate tax entities for condominium associations, and bill these entities for vault fees;
- Authorize the OCFO to alter any condominium land assessment as needed;[60]
- Institute a $100 flat fee for fuel oil tanks;
- Authorize the OCFO to charge fees for actions taken by the Mayor to repair or seal off a vault; and
- Allow the OCFO to waive interest penalties, compromise charges, or offer delinquent properties for tax sale.

DDOT will maintain responsibility for verifying the area of a vault and setting the utilization factor.

Financial Plan Impact

The subtitle will generate $10,000 in FY 2015 and $40,000 over the four year financial plan period from the institution of a $100 flat fee for fuel oil tanks.[61]

The District Department of Transportation funds one full-time employee within the OCFO's Office of Tax and Revenue to implement vault billing and that funding will be sufficient in the future to implement the subtitle's provisions. Additionally, there are no anticipated negative impacts to shifting the billing due date from June 30th of each year to September 15th of each year.

[59] The utilization factor for the first level of a vault is 1.20% and for each subsequent level is 0.30%.
[60] This can already been done with other vault containing properties where the full building receives an assessed land value.
[61] The billing for fuel oil tanks has been stalled since 2007.

Subtitle (VI)(B) – Public Space Rental Amendment Act of 2014

Background

Currently, property owners can apply for a permit from the District Department of Transportation (DDOT) to operate a sidewalk café in public space. The permit recipient pays, through the Office of Tax and Revenue, $5 per square foot of public space occupied for an unenclosed sidewalk café and $10 per square foot for an enclosed café. The total bill is prorated based on the number of months the café is operational.

The subtitle increases the fees and eliminates the pro-rata calculation of bills. Beginning July 1, 2015, the unenclosed café fee will rise to $8.30 per square foot and the enclosed café fee will rise to $16.60 per square foot. The subtitle provides the Mayor the authority to further modify the rate in FY 2016. The subtitle also transfers the authorization to rent surface public space, such as a surface parking lot located in public space, and charge a fee for that rental from the Council of the District of Columbia to the Mayor. Lastly, the bill increases the penalty for violating public space rental and utilization laws and regulations from $300 to $1,000.

Financial Plan Impact

Increasing sidewalk café fees will result in increased revenues of over $1 million in FY 2015 and $4.3 million over the four year financial plan period.

Subtitle (VI)(C) – Private Sponsorship of Capital Bikeshare and Other Transportation Facility and Equipment Amendment Act of 2014

Background

Capital Bikeshare is a bike sharing system of over 300 stations and over 2,500 bicycles spread across the District, Arlington County and Alexandria City, VA, and Montgomery County, MD. The system allows individuals to borrow a bike for a few hours or a day or sign up for a membership that allows unlimited usage during the membership period.[62]

The subtitle establishes the authority for the District Department of Transportation (DDOT) to enter into private sponsorship agreements for Capital Bikeshare.[63] Sponsorship funds received for the bikeshare system will be deposited into the Bicycle Sharing Fund,[64] while sponsorship funds for other facilities will be deposited into the DDOT Enterprise Fund for Transportation Initiatives.[65]

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[62] The first 30 minutes of every trip are free, with additional fees incurred for each subsequent 30 minute period.
[63] In addition to the bikeshare system, DDOT the bill also gives DDOT the authority to seek sponsors for other transportation facilities and equipment, such as a future streetcar stop.
[64] District Department of Transportation Bicycle Sharing Fund Act of 2012, effective March 19, 2013 (D.C. Law 19-234; D.C. Official Code § 50-921.16).
[65] Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 50-921.13).

Financial Plan Impact

There is no fiscal impact of the subtitle on the proposed FY 2015 through FY 2018 budget and financial plan. Currently, there are no private sponsorship agreements for Capital Bikeshare or any other transportation facilities.

Subtitle (VI)(D) – District Department of Transportation Managed Lane Authorization Act of 2014

Background

The subtitle gives the District Department of Transportation (DDOT) the authority to implement managed lane policies, which would be used to ration access to lanes based on, for example, vehicle occupancy, or through a toll system. At least one lane of traffic on a managed lane roadway must be free of charge to users.

Financial Plan Impact

DDOT commissioned a managed lane study in 2013, but there are no current plans to implement managed lanes.

Subtitle (VI)(E) –Integrated Premium Transit System Amendment Act of 2014

Background

In the District, the District Department of Transportation (DDOT) has the authority to plan, develop, finance, control, operate, and regulate a streetcar system or to enter into a third party contract to accomplish the same.[66] Additionally, the Fiscal Year 2014 budget dedicated resources in the Pay-as-you-go Capital Account ("Paygo Account")[67] to construction of the streetcar system.

The bill broadens DDOT's authority so it can plan, manage, and contract for all or any parts of an Integrated Premium Transit System ("System").[68] The System is defined in the bill to include streetcar, bus services,[69] and related transit facilities. The bill also expands the use of the Paygo Account to support the System.

Under the provisions of the bill, DDOT's Infrastructure and Project Administration will oversee the development of the System, and DDOT's Transportation Policy and Planning Administration will operate, maintain, and regulate the DC Circulator and the DC Streetcar.

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[66] District Department of Transportation DC Streetcar Amendment Act of 2012, effective April 20, 2013 (D.C. Law 19-268; 60 DCR 1709).
[67] D.C. Official Code § 47-392.02(f).
[68] This could include design, engineering, construction, and operations and maintenance.
[69] This only includes bus services operated or managed by or on behalf of the District government.

Financial Plan Impact

The subtitle provides DDOT the authority it needs to implement an Integrated Premium Transit System, replacing what was provided for the streetcar system.

The Paygo Account will receive 25 percent of any projected local funds revenue of each year in excess of the local funds revenue in the budget and financial plan approved May, 2015. The first year the Paygo Account will be funded is Fiscal Year 2017. If the account is funded that year because projected revenues are greater than Fiscal Year 2016 revenues, then those resources will be dedicated to the System until construction is completed.

Subtitle (VI)(F) – Pesticide Registration Fund Amendment Act of 2014

Background

The District Department of the Environment (DDOE) charges fees for the registration of pesticide products and the licensing of individuals to be pesticide applicators. Fees collected from these activities are deposited into the Pesticide Registration Fund (Fund) and are expended on DDOE's pesticide regulation programs.

The subtitle expands the allowable uses of Fund resources to include DDOE's chemical, tank, and land remediation programs, which fall under DDOE's Toxic Substances Division.

Financial Plan Impact

The Fund's resources can now be expended across additional DDOE programs within the Toxic Substances Division.

TITLE VII– FINANCE AND REVENUE

Subtitle (VII)(A) – Subject to Appropriations Amendment Act of 2014

Background

The subtitle authorizes expenditures and revenue reductions for the following laws, which had been passed subject to appropriations, but are now funded in the proposed FY 2015 through FY 2018 budget and financial plan:

- Earned Sick and Safe Leave Amendment Act of 2013;[70]
- Minimum Wage Amendment Act of 2013;[71]
- Electric Company Infrastructure Improvement Financing Act of 2014;[72]
- Small and Certified Business Enterprise Development and Assistance Amendment Act of 2014;[73] and
- Senior Citizen Real Property Tax Relief Act of 2014.[74]

The subtitle also amends the Tax Clarity Equity Amendment Act of 2013[75] to include a subject-to-appropriations clause. This Act allows taxpayers to claim a credit for or refund of an overpayment of District taxes for the years 1998 through 2000. This allowance was expected to reduce franchise tax revenue by $4 million per year starting in FY 2018. At the time this Act was passed, the cost fell outside the window of four-year financial plan. The Office of the Chief Financial Officer incorporated the effect of the Act in the financial plan in its February 2014 revenue certification, which was the first time FY 2018 projections were published.

The proposed inclusion of a subject-to-appropriation clause means this Act will not be effective until the cost of providing this credit or refund is budgeted for in an approved budget and financial plan. As a result, revenues will increase by $4 million starting FY 2018.

Financial Plan Impact

Repealing the subject to appropriations provision of the above-mentioned laws authorizes expenditures of approximately $4.2 million in FY 2015 and $20.8 million over the four-year financial plan.

Subject to Appropriations Amendment Act of 2014, Expenditures FY 2015-FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Four Year Total**
Expenditure Increases:					
Earned Sick and Safe Leave Amendment Act of	$253	$188	$192	$192	$825

[70] Effective February 22, 2014 (D.C. Law 20-89; 60 DCR 317).
[71] Effective March 11, 2014 (D.C. Law 20-29; 60 DCR 778).
[72] Enacted March 3, 2014 (D.C. Bill 20-387, 60 DCR 1882).
[73] Introduced on March 7, 2013 (D.C. Bill 20-181)
[74] Enacted March 25, 2014 (D.C. Act 20-303).
[75] Effective February 22, 2014 (D.C. Law 20-85, 60 DCR 184).

Subject to Appropriations Amendment Act of 2014, Expenditures FY 2015-FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Four Year Total**
2013					
Minimum Wage Amendment Act of 2013	$383	$273	$281	$281	$1,218
Electric Company Infrastructure Improvement	$3,400	$4,100	$4,960	$5,700	$18,160
Senior Citizen Real Property Tax Relief Act of 2014	$129	$83	$86	$89	$387
Total Program Expenditure	**$4,165**	**$4,644**	**$5,519**	**$6,262**	**$20,590**

Source: ORA Calculations

Additionally, making Tax Clarity Equity Amendment Act subject to appropriations will increase local fund revenue by $4 million annually starting FY 2018, and the Senior Citizen Real Property Tax Relief Act will reduce real property tax revenues by $8.5 million in FY 2015 and $36.5 million over the four-year financial plan. The net revenue reduction is shown in the table below.

Subject to Appropriations . Amendment Act of 2014, Tax Expenditures FY 2015-FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Four Year Total**
Revenue Impact					
Senior Citizen Real Property Tax Relief Act of 2014 - revenue reduction	$8,472	$8,813	$9,168	$10,069	$36,522
Tax Clarity Equity Amendment Act of 2013 - revenue increase	-	-	-	($4,000)	($4,000)
Net Revenue Reduction	**$8,472**	**$8,813**	**$9,168**	**$6,069**	**$32,522**

Source: ORA Calculations

Subtitle (VII)(B) – Tax Revision Commission Policy Recommendations Implementation Act of 2014

Background

The proposed subtitle makes the following changes to the District's tax laws:

For *individual income taxes* changes the income tax rates for different brackets beginning Tax Year 2015. Specifically, beginning Tax Year 2015, the subtitle reduces the marginal tax rate on incomes between $40,000 and $60,000 from 8.5 percent to 7.5 percent.[76] At the same time, it maintains the marginal tax rate on incomes above $350,000 at the current statuary rate of 8.95 percent. Current law reduces this rate to 8.5 percent beginning tax year 2016.[77]

For *franchise taxes*, the subtitle reduces the tax rate on businesses, which is balanced by a change in the apportionment factor that would be solely based on a company's sales in the District, and not on other forms of presence, such as the size of its payroll or property. Beginning Tax Year 2015, the

[76] D.C. Official Code § 47-1806.03.
[77] *Ibid.*

subtitle reduces the franchise tax rate on corporations[78] and unincorporated businesses[79] from 9.975 percent to 9.4 percent. At the same time, it changes[80] the calculation used to apportion to the District the net business income of entities that have incomes derived from sources both within and outside of the District. The current formula equally weights property and payroll factors for the business entity, but sales factor[81] is weighted twice.[82,83] The proposed subtitle will switch to a single weighted sales factor—that is the apportionment factor would be the same as the sales factor, which is measured as the share of the company's sales in the District against its total shares.

Business apportionments for the District are expected to increase when solely based on the sales factor because the District is generally a destination for sales, and not a producer and exporter of taxable goods and services. Thus, taxable sales constitute a larger share of a company's taxable transactions compared to real property and payroll. These two measures of presence tend to be larger for manufacturing firms and large service providers, of which the District has few.

The proposed subtitle will also exempt from unincorporated business franchise tax entities that trade on their own accounts.[84] The exemption will not apply to securities dealers, investment banks, or REITS.

Finally, the proposal will tax all tobacco products other than premium cigars at rates similar to cigarettes. Currently cigarettes are taxed at the wholesale level at a rate $2.50 per pack of 20 cigarettes plus a surcharge equivalent of 6 percent of retail prices.

Financial Plan Impact

The fiscal impact of the proposed changes, shown in the table below, is already incorporated into the FY 2015 through FY 2018 budget and financial plan. The tax reductions in FY 2015 are partly offset by the $18 million the District has put aside to pay for the recommendations of the Tax Revision Commission. This amount is not included in the table below, but in the financial plan for FY 2015 through FY 2018 period. The table on the next page depicts the impact of each provision.

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78 D.C. Official Code § 47-1807.02(a).
79 D.C. Official Code § 47-1808.03(a).
80 D.C. Official Code § 47-1810.02(d).
81 The factor for each of these areas is the share of District tax payments in the total tax payments. For example, let S stand for the sales factor, S_{DC}, sales tax payments to D.C., and S_{OTHER} for sales tax payments to all other jurisdictions from where the entity derives income. The sales factor is calculated as $S = \frac{S_{DC}}{S_{DC}+S_{OTHER}}$.
82 Let A_{DC} stand for business income apportioned to DC, and P, PR, and S stand for property, payroll, and sales factors respectively. Under current law, the apportionment formula is $A_{DC} = \frac{P+PR+2S}{4}$; under proposed law, it would be the same as the sales factor.
83 Twenty four states use an apportionment method that weights sales more heavily, or provide this method as an option to the taxpayer. Twelve states use only sales as the apportionment factor. Virginia, for example, uses a double-weighted sales factor, and Maryland allows either double-weighted or single sales factor.
84 D.C. Official Code § 47-1808.01.

Estimated Fiscal Impact of Subtitle VII(B) - Tax Revision Commission Policy Recommendations Implementation Act of 2014, FY 2015 – FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Four-Year Total**
Individual income tax provisions	**($25,013)**	**($7,010)**	**($6,810)**	**($6,506)**	**($45,339)**
Reduce Marginal Tax Rate on Income Between $40,000 and $60,000 from 8.5% to 7.5%	($25,013)	($25,783)	($26,618)	($27,205)	($104,619)
Keep Marginal Tax Rate on Incomes Above $350,000 at the Current Statutory Rate of 8.95%		$18,773	$19,808	$20,699	$59,280
Franchise Tax Provisions	**($4,400)**	**($4,400)**	**($4,400)**	**($4,400)**	($17,600)
Use Single Weighted Sales Apportionment Factor	$20,000	$21,015	$21,977	$22,938	$85,930
Reduce Business Income Tax Rate from 9.975% to 9.4%	($20,000)	($21,015)	($21,977)	($22,938)	($85,930)
Exempt entities that trade on their own accounts from unincorporated business franchise tax	($4,400)	($4,400)	($4,400)	($4,400)	($17,600)
Sales / Use	**$7,000**	**$6,879**	**$6,761**	**$6,644**	**$27,284**
Unify Taxation of Tobacco Products	$7,000	$6,879	$6,761	$6,644	$27,284
Total Fiscal Impact	**($22,413)**	**($4,531)**	**($4,449)**	**($4,262)**	**($35,655)**

Source: ORA Calculations based on tax return data for Tax Year 2012

Subtitle (VII)(C) – The Urban Institute Real Property Tax Abatement Repeal and Real Property Tax Rebate Act of 2014

Background

The proposed subtitle repeals "The Urban Institute Real Property Tax Abatement Act of 2009."[85] This Act authorized a 10-year, $15 million real property tax abatement for The Urban Institute. The tax abatement was never utilized; thus this subtitle repeals it, and in its place authorizes The Urban Institute to claim a rebate on the amount of real property tax owed according to its lease agreement. The rebate is authorized for 10 years, starting with the date the non-profit leases new office space, and the rebate amount is capped at $1 million annually.

Financial Plan Impact

The proposed real property tax rebate is expected to cost $1 million per year starting FY 2015, and $4 million over the four-year financial plan period. The rebate becomes effective once The Urban

[85] Effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 47-4624).

Institute relocates and leases new office in the District. The subtitle will continue to have a fiscal impact beyond the financial plan period since the rebate is authorized for 10 years.

Estimated Fiscal Impact of Subtitle VII(C) – Urban Institute Real Property Tax Abatement Repeal and Real Property Tax Rebate Act of FY 2014, FY 2015– FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Four-Year Total**
Total Estimated Rebate	$1,000	$1,000	$1,000	$1,000	$4,000

Subtitle (VII)(D) – Industrial Revenue Bond Security Interest Instrument Recordation Tax Exemption Amendment Act of 2014

Background

The subtitle exempts from taxation the recordation of a security instrument executed by a borrower in connection with a loan under the District's Industrial Revenue Bond program. The majority of entities that take advantage of IRB's are tax-exempt, and therefore not subject to recordation tax under current law. There are a few commercial and nonprofit entities that are not exempt from real property taxes and therefore would be subject to recordation tax; however, they are not taxed because the District's practice has been to exempt these instruments, regardless of the underlying tax status of the entity, from recordation.[86]

Financial Plan Impact

Because the District's current practice is to exempt these types of security instruments from recordation tax, codifying this in the law will not have a negative revenue impact on the District's budget and financial plan.

Subtitle (VII)(E) – Fiscal Year 2014 Budget Support Act Amendment of Act of 2014

Background

This subtitle amends the Fiscal Year 2014 Budget Support Act Amendment of 2014[87] to rename the "Innovation Fund" the "City Fund." The Innovation Fund was established to support community non-profit organizations through grants.

Financial Plan Impact

The renaming of a fund has no impact on the budget and financial plan.

[86] The practice has been to exempt these transactions from recordation taxes because the security instruments are unified deeds of trust and therefore involve the financial interest of both the borrowing entity and the District government. The District's financial interest is a small share of the total bond issuance.
[87] Effective December 24, 2013 (D.C. Law 20-61; 60 DCR 12472).

Subtitle (VII)(F) – Senior Citizen Real Property Tax Relief Amendment Act of 2014

The subtitle amends the Senior Citizen Real Property Tax Relief Act of 2014 to clarify that qualifying residents can have no more than 2 non-consecutive gaps of ownership that exceed 120 days.

Financial Plan Impact

The proposed clarification has no impact on the proposed FY 2015 through FY 2018 budget and financial plan. The fiscal impact estimate presented in Subtitle (VII)(A) already takes into account this requirement.

Subtitle (VII)(G) – Whitman Walker Tax Abatement Act of 2014

Background

This subtitle exempts Lot 129, Square 241 from real property taxes allocable to the portion of real property leased to the Whitman-Walker Clinic, Inc. (WWC). The WWC plans to lease the entire building located on the aforementioned property once renovations are completed in May of 2014. At this time, WWC would be responsible for 100 percent of real property taxes due. The estimated cost has been incorporated in the budget and financial plan.

Financial Plan Impact

The proposed real property tax abatement will reduce tax collections by approximately $250,000 in FY 2015 and $1.8 million over the four year financial plan.

Estimated Fiscal Impact of Subtitle VII(D) – Whitman Walker Abatement Act of FY 2014, FY 2015– FY 2018 ($ thousands)					
	FY 2015	FY 2016	FY 2017	FY 2018	Four-Year Total
Reduction in real property tax revenue	$250	$515	$530	$546	$ 1,841

Subtitle (VII)(H) – Alternative Fuel Vehicle Conversion Act of 2014

Background

The subtitle institutes an income tax[88] credit, beginning in 2014, for the conversion of vehicles to run on alternative fuels.[89] The tax credit is for up to 50 percent of incurred equipment and labor costs, cannot exceed the taxpayer's liability, and is non-refundable. The subtitle also bans the

[88] Includes personal, corporate, and unincorporated business income taxes.
[89] Alternative fuels are defined as at least 85 percent ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, biodiesel, electricity, and hydrogen.

registration of vehicles that run on petroleum diesel fuel. The credit will expire following Tax Year 2026.

At least twenty states and the federal government offer incentives for alternative fuel vehicle conversions. Incentives range from tax credits to rebates to grants. Most states[90] cap the amount of credit any one taxpayer can receive or limited the credit to one or two types of fuel.[91] Additionally, many credits are limited to businesses or fleets.

Financial Plan Impact

Implementation of the subtitle will cost $418,000 in FY 2015 and $2.3 million over the four year financial plan period.

The subtitle allows an individual or business to claim a credit against its income taxes for up to 50 percent of the cost of converting a vehicle to run on alternative fuels. In scoring the cost of credits for vehicle conversions, the estimate only accounts for electric, flexible fuel, and propane conversions. Other fuel types, such as compressed natural gas, will see expansion over the financial plan period, but that expansion is expected to happen in public sector fleets and thus the need for the tax credit is negated. The analysis assumes an average conversion cost of $19,000 per vehicle for 243 vehicle conversions from tax years 2014 through 2017.

Alternative Fuel Vehicle Conversion Act of 2014 Cost[a] of Title VII, Subtitle H FY 2015 – FY 2018 (in $ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Total**
Reduction in income tax revenue	$418	$494	$618	$779	**$2,309**

Table Note
[a] Assumes all tax liabilities are sufficient to receive 100 percent of the credit for the Tax Year in which the activity took place.

Subtitle (VII)(I) – Alternative Fuel Infrastructure Incentive Act of 2014

Background

The subtitle institutes an income tax[92] credit, beginning in 2014, for the installation of alternative fuel[93] infrastructure on a qualified alternative fuel vehicle refueling property.[94] The tax credit is for

[90] Oklahoma and Louisiana appear to be the only two states that offer a tax credit with no cap for vehicle conversions.
[91] As examples, Kansas only allows for biomass conversions, West Virginia only offers credits for natural gas and propane conversions, and Colorado allows credits for electric, propane, and compressed natural gas.
[92] Includes personal, corporate, and unincorporated business income taxes.
[93] Alternative fuels are defined as at least 85 percent ethanol, natural gas, compressed natural gas, liquefied natural gas, liquefied petroleum gas, biodiesel, electricity, and hydrogen.
[94] These properties are defined as those that are owned or leased by an applicant and contain the necessary infrastructure to store and dispense alternative fuels to the public.

up to 50 percent of incurred costs,[95] cannot exceed the taxpayer's liability, and is non-refundable. In the case of the credit for infrastructure investments, the credit can be carried forward for up to two Tax Years.[96] The credit will expire following Tax Year 2026.

A number of states and the federal government offer incentives for alternative fuel infrastructure installation. Incentives range from tax credits to rebates to grants. Most states[97] cap the amount of credit any one taxpayer can receive or limited the credit to one or two types of fuel.

Financial Plan Impact

Implementation of the subtitle will cost $125,000 in FY 2015 and $815,000 over the four year financial plan period.

The subtitle allows an individual or business to claim a credit against its income taxes for up to 50 percent of the cost of the installation of infrastructure to house and distribute alternative fuels. To estimate the cost of tax credit related to infrastructure, ORA only focused on the electric vehicle charging stations. Electric vehicles are the only alternative-fuel vehicles that show enough growth over the financial plan period to demand additional infrastructure. The estimate assumes 25 charging stations would be built in 2014, and 163 from Tax Years 2014 through 2017 at an average cost of $10,000 per station.

Alternative Fuel Infrastructure Incentive Act of 2014 Cost[a] of Title VII, Subtitle I FY 2015 – FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**Total**
Reduction in income tax revenue	$125	$167	$224	$299	**$815**

Table Notes
[a] Assumes all tax liabilities are sufficient to receive 100 percent of the credit for the Tax Year in which the activity took place.

Subtitle (VII)(J) – Real Property Tax Calculated Rate Clarity Act of 2014

Background

Under current law, the Chief Financial Officer must recalculate the residential real property tax rate by September 15th of every year if the revenues for the next fiscal year are projected to grow faster than the assessed values, or by more than 7 percent. Similarly, the Chief Financial Officer must recalculate the commercial real property tax rate on the first $3 million of assessments if the revenue from Class II properties is projected to grow by more than 10 percent.

[95] Allowable costs do not include the cost to purchase land or lease land, the purchase of an existing qualified alternative fuel vehicle refueling property, or the construction or purchase of a structure.
[96] The refueling property must continue to be operational in a publically available manner or else any remaining credits will be forfeited.
[97] Oklahoma and Louisiana appear to be the only two states that offer a tax credit with no cap for infrastructure investments.

The subtitle makes two clarifying changes to the D.C. Official Code. First it clarifies that Class 2 real property is taxed at two rates—the first $3 million of assessments is taxed at $1.65 per $100 of assessed value, and assessed values greater than $3 million are taxed at $1.85 per $100 of assessed value. Current language in the section of the D.C. Official Code[98] for the calculated commercial property tax disregards the lower rate.

Second, it moves the deadline for the releasing of the calculated rate from September 15 to January 5 for both residential and commercial property.

Financial Plan Impact

The proposed changes are technical in nature and do not have a fiscal impact.

At present, when the Chief Financial Officer is directed to announce the calculated rate (September 15), the revenues for the current fiscal year are still projections. This is because the second installments for real property taxes are not due until the end of September. Moving the date to January 5 will allow the Chief Financial Officer to use better data regarding base year revenues, but will not change the timing of the tax relief. This is because the first bills for real property taxes are mailed at the end of January, so the changes in the rate, if any, will still be reflected in the bills.

Subtitle (VII)(K) – Carver 2000 Senior Mansion Real Property Tax Abatement Amendment Act of 2013

Background

The subtitle removes the 16-year sunset provision on the tax exemption granted to certain real property owned by the Carver 2000 Senior Mansion; thus making the properties exempt from real estate taxes indefinitely. The properties are currently exempt from real property taxes through 2018.

Financial Plan Impact

Because, these properties are currently exempt from real property taxes through 2018, removing the 16-year sunset provision will not have an impact on the FY 2015 budget and financial plan.

Subtitle (VII)(L) – Residential Real Property Equity and Transparency Act of 2014

Background

The bill makes several modifications to the District's tax sale process that are intended to provide additional safe guards for residential homeowners who are delinquent on their real property taxes and may become subject to tax sale. To this end, the bill does the following:

[98] D.C. Official Code § 47-812(b-8)

- *Establishes an Office of the Real Property Tax Ombudsman*. The Office will be headed by an Ombudsman of real property tax ("Ombudsman") who is appointed by the Mayor and serves a 5-year term. The Ombudsman's office is responsible for advising residential real property owners with tax-related matters, investigating taxpayer complaints, and referring taxpayers to the appropriate channels to resolve tax-related matters.
- *Prohibits the sale of a residential real property tax lien if the amount owed is $2,500 or less.* Currently, the Office of Tax and Revenue (OTR) excludes properties that owe $1,000 or less in real property taxes.
- *Allows homeowners to enter into a deferred payment plan for delinquent taxes*, so long as they are claiming the homestead deduction and owe $7,500 or less in taxes.
- *Reduces the interest rate applied to seniors in the low-income tax deferral program from 8 percent to 6 percent.*[99] It also allows senior citizens, who are delinquent on real property taxes and not enrolled in the program, to enroll and have all past taxes deferred.
- *Expands pre-sale and post-sale noticing requirements for real property subject to tax sale.* The bill increases the frequency with which OTR must notify real property owners subject to the tax sale. It also requires OTR to mail notices to the homeowners' mailing address of record as well as to the premise address.
- *Limits the attorney's fees and other expenses charged by lien purchasers to $1,500 plus allowances for additional expenses incurred as outlined in the bill.* Under current law, in order for a property owner to redeem a property sold at tax sales, the owner must pay the taxes due, as well as attorney fees incurred by the purchaser.[100] Currently, the law does not cap the total amount of legal fees a purchaser can charge a property owner.
- *Limits the purchasers' equity in the foreclosure of an owner-occupied property to 10 percent, or $20,000, whichever is less.* This provision applies to residential real property that is occupied by the owner (or a person with an interest in the property as an heir or beneficiary) at the time the complaint to foreclose was filed. Once the foreclosure is final, the property will then be sold by a trustee appointed by the Superior Court of the District of Columbia. The bill requires that the purchaser is entitled to retain 10 percent, or $20,000, whichever is less, of the equity, and the remaining balance is transferred to the owner of record or their heirs (as determined by the court). Under current law, the purchaser is entitled to the equity in the property.

Financial Plan Impact

The estimated cost to implement the requirements is approximately $1.68 million in FY 2014 and $3.8 million over the FY 2015 through FY 2018 budget and financial plan. The provisions under this bill will have both revenue-side and expenditure-side costs.

With regards to revenue impacts, the exclusion of properties owing $2,500 or less for residential property from the tax sale will have a one-time impact on tax collections.[101] These properties account for approximately $4.6 million, or 10 percent of the value, of real property taxes owed prior

[99] D.C. Official Code §47-845.03.
[100] D.C. Official Code §47-1377.
[101] Currently, OTR excludes properties with liens of $1,000 or less; however, this exclusion is neither required by law, nor it is made apparent in the tax sale notice. Thus the threat of tax sale still applies to these taxpayers and motivates payments.

to tax sale.[102] Because the threat of a tax sale will no longer apply to this group of taxpayers, this will have a one-time impact on collections, which is estimated to cost $787,000.[103]

The establishment of a forbearance program or deferred payment plan for taxpayers will also impact collections. While the District will eventually collect taxes, there will be a delay in receipt. The delay in collections will depend on the timeframe in which taxpayers are allowed to repay his or her taxes. For the purposes of this estimate, we assume taxpayers are granted a four year window, which will delay the collection of approximately $465,000 in FY 2015 and $1.2 million over the four year financial plan. After year four, the District will have recovered the past taxes.

The bill also requires OTR to provide taxpayers with a certificate of redemption when they redeem a property. Currently, OTR charges a $100 fee for these certificates and issues approximately 500 a year. OTR will no longer collect this revenue, which amounts to $50,000 a year.

Lastly, on the revenue side, the reducing the interest rate for the low-income senior tax deferral program from 8 to 6 percent and allowing seniors who are delinquent and qualify for the program to enroll and have the deferral apply to past taxes will also reduce revenue collections; however the impact of this provision is *de minimus* given the current low participation rate in the program.[104]

On the expenditure side, personnel are required to implement the new office established under the Mayor – the Office of the Real Property Tax Ombudsman. At a minimum, this office will require one full-time staff person. If additional staff is required, they can be appointed as funding is budgeted.

The OTR will also require four new staffers to implement the requirements of the bill. Two full-time equivalents (FTEs) are required to implement the deferred payment program for taxpayers[105] and two FTEs are required to implement the new pre-sale and post-sale noticing requirements.

Finally, it is worth noting that the combination of these modifications to the tax sale process could impact purchasers' participation. For example, the cap on legal fees and the provision that limits tax sale purchasers equity in a foreclosure has been raised as concerns by some stakeholders who argue these provisions will reduce purchaser participation. However, it is difficult to estimate what, if any, dampening effect will occur as a result of these changes.

The estimated costs of the subtitle are detailed in the table below.

[102] This is based on the total value of delinquencies at the time OTR runs its newspaper advertisement announcing delinquent properties in July for the years 2010 through 2013. Prior to every tax sale, OTR is required to print a newspaper ad announcing properties in which taxes are levied and are in arrears (D.C. Official Code § 47-1301). The total value of delinquencies at the time of the news ad is run averages approximately $43 million. Between the news ad and tax sale day, OTR recovers about $15 million on average. Data provided by OTR.

[103] The average collection rate for delinquencies from the time of the newspaper ad to the day of tax sale averages 34 percent. It is assumed OTR's collection rate for this group will be reduced by half.

[104] Currently, there is only one taxpayer taking advantage of this program.

[105] The cost to automate this process using OTR's current system would require significantly more resources than hiring additional personnel.

Estimated Fiscal Impact for Subtitle (VII)(L), Residential Real Property Equity and Transparency Act of 2014, FY 2015 – FY 2018 ($ thousands)					
	FY 2015	**FY 2016**	**FY 2017**	**FY 2018**	**4-Year Total**
REVENUE IMPACTS					
One-time cost due to $2,500 minimum for homesteads [1]	$787	$0	$0	$0	$787
Deferred payment plan - revenue impact [2]	$465	$348	$232	$116	$1,161
Waiving of fees for redemptions certificates [3]	$50	$50	$50	$50	$200
Total revenue impact	$1,301	$398	$282	$166	$2,148
EXPENDITURE IMPACTS					
Deferred payment plan - personnel costs [4]	$123	$128	$133	$138	$522
Office of the Ombudsman [5]	$138	$144	$149	$155	$586
Personnel required for noticing requirements [6]	$119	$123	$128	$133	$503,
Total expenditure impact	$379	$397	$413	$427	$1,617
Total Estimated Costs	**$1,681**	**$796**	**$696**	**$593**	**$3,765**

Table Notes:
1. The threat of tax sale will be removed for those with delinquencies of $2,500 or less, reducing collections prior to the sale. It is assumed OTR will collect 1/2 of the amount of taxes it usually collects between the first newspaper ad and tax sale day. The average value of collections for delinquencies less than $2,500 is approximately $1.6 million.
2. It is assumed that those homestead properties with tax bills of $7,500 or less will opt into the deferral plan requiring outstanding taxes to be paid off over a four year period.
3. OTR issues approximately 500 redemption certificates annually at a cost of $100 per certificate. OTR will no longer collect the $100 fee under this bill
4. OTR will need two grade level 9 FTE's to run a deferral program. Cost includes salary and fringe benefits.
5. The estimate assumes one grade level 15 FTE for the Ombudsman. Cost includes salary and fringe benefits.
6. OTR requires 2 accounting technicians to

TITLE VIII– CAPITAL BUDGET

Subtitle (VIII)(A) – Department of Transportation Capital Budget Allocation Authority Act of 2014

Background

Currently, in its budget request from the U.S. Congress, the District groups similar capital projects that could be funded from the Highway Trust Fund under a single master project (for example road improvement, bridges, etc.). This is because at the time the budget request is sent to the Congress, we may not know which capital projects will be ready to move forward or will be accelerated or delayed in the upcoming fiscal year.

Before spending these funds, the Director of the District Department of Transportation (DDOT) must first identify the projects (known as "Related Projects") under each master project,[106] and then request from the Office of Budget and Planning (OBP) that appropriations under each master project is allocated to each of these Related Projects.[107] Once allocated, there could be no change to the spending plan for these funds. So, if a Related Project is completed under budget, no mechanism exists for the District to shift the excess funds to other projects under the master project.

The subtitle allows DDOT to request that OBP reallocate funds from a Related Project back to the master project. This would ensure that any unspent amounts could be put to use in other Related Projects within a master project.

Financial Impact

The subtitle allows for additional flexibility so DDOT can reallocate unspent funds across different capital projects funded by the Highway Trust Fund. There is no fiscal impact associated with this change.

Subtitle (VIII)(B) – Department of Transportation Capital Project Review and Reconciliation Amendment Act of 2014

Background

Most of the capital projects executed by the District Department of Transportation (DDOT) leverage federal Department of Transportation funds through the Highway Trust Fund. While the Federal Highway Administration approves of most activities within a project that are executed on or around federal roads, there are costs, such as some labor and overhead or utility costs, which are not approved federal expenditures, but are critical to the project. These expenditures are considered non-participating costs and must be fully funded from local resources.

Under current law, the Chief Financial Officer (CFO) can close capital projects funded from revenues in the Local Transportation Fund if the project has been inactive over a year, or has obligated or

[106] These are projects the Federal Government must approve for the Highway Trust Fund monies.
[107] D.C. Official Code § 50-921.02(e).

expended funds in excess of its approved budget.[108] Current law also states that any funds resulting from the closing of these projects should be used to restore funding to the Pedestrian and Bicycle Safety Enhancement Fund,[109] up to an annual level of $1.5 million and then equally among the Local Streets Ward-based capital projects.

The subtitle clarifies that if all or some of the funds in a project that is being closed pay for "non-participating costs," then those monies should be returned to the non-participating Highway Trust Fund Support local transportation street project.

Financial Impact

The subtitle ensures that local funds tied to Highway Trust Fund projects remain that way, so the District can meet its Capital Improvement Plan. There is no fiscal impact from this subtitle.

Subtitle (VIII)(C) – "Fiscal Year 2015 Capital Project Reallocation Approval Act of 2014"

Background

The proposed subtitle authorizes the Office of the Chief Financial Officer (OCFO) to reallocate approximately $86.6 million in currently held general obligation bond balances from the capital projects with slow activity to three projects with insufficient bond balances to cover expenditures: WMATA Transit Operations and Dedicated Facilities project, Dunbar SHS Modernization, and Cardozo High School Modernization. This enables the District to make better use of the bonds held in escrow (at a low interest rate), avoid some future borrowing, and improve cash flow. The sources and uses of these funds are shown in the two tables below.

Subtitle (VIII)(C) – Projects that will serve as source of financing		
Owner Agency Title	**Project Title**	**Total**
DC Public Library	African American Civil War Memorial	$1,118,561
	Reconstruction/Renovation Neighborhood Libraries	$3,955,680
Department of General Services	Evans Campus - See Forever Foundation	$2,000,000
	Neighborhood Revitalization	$9,629
	Procurement of 225 Virginia Avenue	$13,792
Department of Human Services	Oak Hill Youth Facility	$501
Department of Parks and Recreation	Friendship Park	$1,670,370
	Renovation Of The S & T St NW Park	$498,788
Deputy Mayor for Economic Development	Walter Reed Redevelopment	$421,874
District Department of Transportation	Pedestrian Bridge	$4,987,554
	SE Salt Dome	$21,288
District of Columbia Public Schools	Ron Brown ES Modernization	$4,050,000
	Woodrow Wilson Natatorium/Pool	$4,039,764

[108] D.C. Official Code § 50-921.52.
[109] Established by § 1-325.131, the non-lapsing Pedestrian and Bicycle Safety and Enhancement Fund is used to improve the safety of pedestrian and bicycle transportation, including traffic calming and Safe Routes to School enhancements. The sources of funds (limited at $1.5 million) include fines and penalties collected from civil fines and infractions related to pedestrian safety such as failing to stop and give right-of-way to a pedestrian, colliding with a pedestrian in the process of failing to stop and give right-of-way.

Subtitle (VIII)(C) – Projects that will serve as source of financing		
Owner Agency Title	**Project Title**	**Total**
Fire and Emergency Medical Services	Engine Company 22 Replacement	$1,525,115
	Engine Company 25 Renovation	$4,853
	Engine Company 27 Renovation	$2,956,335
	Engine Company 5 Renovation	$13,658
Mass Transit Subsidies	Metrorail Construction	$53,577,000
Metropolitan Police Department	Base Building Renovation	$4,848,843
	Information Technology Initiative - MPD	$11,039
Office of the Attorney General	Child Support Enforcement System - CSED	$20,885
Office of the Chief Technology Officer	District Reporting System	$489,445
University of the District of Columbia	Higher Education Back Office - Banner	$302,363
Grand Total		$86,537,336

Subtitle (VIII)(C) – Projects receiving new financing		
Agency	**Project Title**	**Total**
WMATA	Transit Operations & Dedicated Facilities	$27,860,968
DCPS	Dunbar SHS Modernization	$29,453,153
	Cardozo HS Modernization	$29,223,215
Grand Total		**$86,537,336**

Financial Impact

The proposal is already incorporated into the proposed FY 2015 through FY 2021 Capital Improvement Plan. The reallocation would neither increase nor decrease the budget authority for the WMATA project, the two school modernization projects or the other capital budget projects cited in the legislation. The intent is only to reallocate available bond balances where they are needed, making more efficient use of District resources.

TITLE IX– ADDITIONAL REVENUE CONTINGENCY LIST

Subtitle (IX)(A) – Revised Revenue Estimate Contingency Priority List Act of 2014

Background

This subtitle allocates[110] the additional FY 2015 revenues that might be certified in the Chief Financial Officer's June 2014 revenue certification to the following new expenditures and tax expenditure initiatives, as outlined below:

Revised Revenue Estimate Adjustment Allocation (New Expenditures and Tax Expenditures) FY 2015	
	FY 2015
Office of the State Superintendent of Education[1]	$8,000,000
General Fund Revenue Reduction – personal income tax[2]	$10,800,000
General Fund Revenue Reduction- business income tax[3]	$20,800,000
General Fund Revenue Reduction- commercial property tax[4]	$10,200,000
University of District of Columbia[5]	$10,000,000
Office of the State Superintendent of Education[6]	$3,000,000
Department of Behavioral Health[7]	$1,900,000
Department of Healthcare Finance[8]	$1,867,027
Department of Healthcare Finance[9]	$1,500,000
Department of Healthcare Finance[10]	$1,050,000
General Fund Revenue Reduction- deed transfer and recordation taxes[11]	$10,400,000
Children and Youth Investment Trust Corporation[12]	$5,000,000
Office of the State Superintendent of Education[13]	$8,500,000
General Fund Revenue Reduction – personal income tax[14]	$10,200,000
General Fund Revenue Reduction – personal income tax[15]	$10,100,000
D.C. Commission on Arts and Humanities[16]	$10,000,000
Department of Housing and Community Development[17]	$700,000
Realtor Fund[18]	$501,000
Office of the Attorney General[19]	$453,608
General Fund Revenue Reduction – estate tax[20]	$13,900,000
Total	**$138,871,635**

Table notes

[1] To increase early childhood program infant and toddler slots by 200.
[2] To increase the maximum Earned Income Tax Credit from $195 to $487.
[3] To reduce Franchise Tax rate from 9.4% to 8.9%.
[4] To reduce the commercial property tax rate on the first $3,000,000 of assessed value from $1.65 to $1.55 per $100 of assessed value.
[5] Additional funds split equally for UDC and CCDC educational advancements.
[6] To increase adult literacy funding.
[7] For the expansion of the school based mental health program.
[8] For coverage of ineligible persons for Health Benefits Exchange Insurance program.
[9] The fund increase for Federally Qualified Health Center (FQHC) rate methodology.

[110] Pursuant to the Fiscal Year 2014 Budget Request Act of 2013, passed on 1st and final reading on May 22, 2013 (Enrolled version of Bill 20-198), and notwithstanding any other provision of law.

[10] For the elderly and persons with disabilities waiver.
[11] To reduce the Deed, Recordation, and Transfer Tax from 1.45% to 1.4%. This includes an offsetting 1.5 percentage point increase to the Housing Production Trust Fund transfer from 15% to 16.5%.
[12] To increase funding to cover summer initiatives.
[13] To increase funding for the Mayor's Scholars program.
[14] To increase the Personal Exemption from $1,775 to $2,215.
[15] To increase the Standard Deduction from $4,250 to $5,200.
[16] Additional grant funding.
[17] To fund the Small Business Technical Assistance program.
[18] To restore funding to the Realtor Fund.
[19] For 3 additional attorneys and 1 paralegal within the Personnel, Labor & Employment Division.
[20] To exempt estates valued less than $5,250,000 from the Estate Tax.

Financial Plan Impact

The proposals on the contingency list will only become effective, in the order presented in the table, if the June 2014 revenue certification exceeds the revenues that balance the proposed FY 2015 budget.

TITLE X – SPECIAL PURPOSE AND DEDICATED REVENUE FUND AMENDMENTS AND TRANSFERS

Subtitle (X)(A) – Local and Special Purpose Revenue Fund Amendment Act of 2014

Background

This subtitle modifies or repeals various special purpose and dedicated revenue funds. The title makes the following non-lapsing special purpose funds lapsing:

- *RFK & DC Armory Maintenance Fund*,[111] which holds the reimbursements the District Department of Real Estate Services receives from Events DC to maintain the RFK Stadium and the non-military sections of the D.C. Armory. The FY 2013 fund balance in this account was $1,155.
- *Facilities Service Request Fund,[112]* funded by monies collected from non-D.C. government tenants of the District for services provided by the Department of Real Estate Services (such as maintenance, janitorial, security, etc.).
- *Distribution Fees Account*,[113] under the Office of the Secretary which holds the revenues from the sales of the District of Columbia Register, the District of Columbia Municipal Regulations, and other government publications, certification fees for notary public commissions, fees for the authentication of documents for both foreign and domestic use, and fees for the publication or reproduction of materials of historical interest. The account is used to defray various costs in the Office of the Secretary.
- *Copy Fund*,[114] within the Public Service Commission, which holds fees for copying services.
- *Utility, Security, and Custodial Reimbursements funds*[115] within the District of Columbia Public Schools (DCPS), which are used to defray utility, security and custodial services for DCPS properties, or parts of DCPS properties, that are leased by other entities such as public charter schools, community organizations, and day-care centers. These funds are already lapsing funds, with balances that are supposed to be transferred to debt service accounts. The subtitle requires that fund balances be deposited to the unrestricted portion of the local General Fund.
- *Recreation Enterprise Fund*[116] within the Department of Parks and Recreation, which is used to support DPR activities. The fund was made lapsing in 2011, but at the end of FY 2013, the fund carried a balance of $1.9 million. The subtitle clarifies this action.
- *Pedestrian and Bicycle Safety and Enhancement Fund*[117] within the Department of Transportation that can be used to improve safety and quality of pedestrian and bicycle transportation, including traffic calming and Safe Routes to School enhancements."

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[111] The fund was created in 2010 (D.C. Law 18-111, § 2081(l), D.C. Official Code § 10-1202.08c) when the District of Columbia Sports and Entertainment Commission was abolished. The District Official Code refers to the fund as the Sports Facilities Account.
[112] D.C. Official Code § 10-551.07a.
[113] D.C. Official Code § 1-204.24d.
[114] Fund 0651
[115] D.C. Official Code § 38-401.
[116] D.C. Official Code § 10-303
[117] D.C. Official Code § 1-325.131

- *Out-of-State Vehicle Registration fund*[118] within the Department of Motor Vehicles, which is used to support the education of taxicab and limousine drivers in the District of Columbia.
- *Technology Infrastructure Services Support Fund*[119] within the Office of the Chief Technology Officer, used to defray operational costs of various IT services.
- *Healthcare Forfeiture Fund,* which represents 401(a) Defined Contribution pension plan contribution amounts which have been forfeited by former employees who have separated from District service before the vesting period has ended. The FY 2013 end of year fund balance was approximately $1.17 million.

The title makes the following local fund lapsing:

- *Neighborhood Historic Preservation Fund* (a.k.a., Targeted Homeowner Grant or Historic Landmark-District Protection Fund),[120] which pays for the costs of repair work necessary to prevent demolition by neglect of historic properties. The grants are capped at $25,000 per applicant. The FY 2013 fund balance in this account was $686,440.

The title repeals the following dedicated, special purpose or local funds:

- *Fixed Cost Commodity Reserve Fund* under the Department of General Services;
- *Child Support – Title IV-C Incentive Fees Fund* within the Office of the Attorney General;
- *Adult Training Fund*[121] under the Department of Employment Services;
- *Youth Jobs Fund*[122] under the Department of Employment Services;
- *Neighborhood Investment Fund,* authorized by the Neighborhood Investment Act of 2004;[123]
- *Senior Citizens Housing Modernization Grant Fund* authorized by the Senior Housing Modernization Grant Fund Act of 2010;[124]
- *Shaw Community Development Fund* authorized by the Washington Convention Center Authority Act of 1994;[125]
- *AWC Integration (Economic Development Special Account)* authorized by the National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008;[126]
- *Commercial Revitalization Assistance Fund* authorized by the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005;[127]
- *TDL Career Cluster,* within the District of Columbia Public Schools;
- *Pre-k for All Fund* within the Office of the State Superintendent of Education;
- *Choice in Drug Treatment (Addiction Recovery Fund)* authorized by the Choice in Drug Treatment Act of 2000;[128]
- *Air Quality Construction Permits Fund* within the Department of Health;
- *DDOT Unified Fund* authorized by the Highway Trust Fund Establishment Act of 1996;[129]

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[118] D.C. Official Code § 50-1501.03
[119] D.C. Official Code § 1-1433.
[120] D.C. Official Code § 6-1110.01(a).
[121] D.C. Official Code § 32-1671.
[122] D.C. Official Code § 2-1516.01.
[123] Effective March 30, 2004 (D.C. Law 15-131; D.C. Official Code § 6-1071).
[124] Effective August 12, 2010 (D.C. Law 18-218; D.C. Official Code § 1-325.162).
[125] Effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.04(l)).
[126] Effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).
[127] Effective September 24, 2010 (D.C. Law 18-223; D.C. Official Code § 2-218.76).
[128] Effective July 8, 2000 (D.C. Law 13-146; D.C. Official Code § 7-3004).
[129] Effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 9-111.01a).

- *Parking Meter Fund* (fund 6906) within the District Department of Transportation
- *Prison Diversion fund* within the Department of Behavioral Health;
- *Integrated Service Fund* authorized by the Fiscal Year 2007 Budget Support Act of 2006;[130]

Finally, the subtitle will repeal the dedicated tax that provides resources for the Healthy Schools Fund authorized by the Healthy Schools Act of 2010.[131]

Financial Impact

Making various special-purposed funds lapsing could increase the end-of-fiscal year fund balance, but this amount cannot be reliably estimated at this time. The repealing of the dedicated tax for the Healthy Schools Fund will increase general sales tax revenue available to support operations of the District of Columbia by approximately $4.3 million. However, the proposed budget replenishes this account with local appropriations of $4.3 million, so the net impact of this provision is zero.

Subtitle (X)(B) – Local and Special Purpose Revenue Fund Transfer Act of 2014

Background

The subtitle authorizes the transfer of the fund balances from the following account into the Contingency Cash Reserve Fund. These would be recognized as FY 2014 revenue for this Fund.

Fund Balance Transfers Authorized by Subtitle (X)(B)		
Agency	Fund Name	Fund Balance Amount
DGS	Fixed Cost Commodity Reserve	$22,288,649
DOES	Adult Training Fund	$10,156,624
DOES	Youth Jobs Fund	$6,431,374
DMPED	Neighborhood Investment Fund	$60,226
DMPED	Senior Housing Modernization Grant Fund Act of 2010	$100,000
DMPED	AWC Integration	($6,146)
DSLBD	Commercial Revitalization Assistance Fund	$1,245,199
DHCF	Hospital Assessment Tax	$715,707
DDOT	DDOT Operating (Unified) Fund	$65,084
DDOT	Parking Meter Fund	$534,282
DBH	Prison Diversion	$128,000
OCFO	Integrated Service Fund	$4,576,805
OSSE	Healthy Schools Act	$4,349,170
OCFO	Healthcare Forfeiture	$1,176,069
Total		**$51,821,043**

Financial Impact

[130] Effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 4-1345.02).
[131] Effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02).

The proposed subtitle would recognize $51.8 million of special purpose revenue end of Fiscal Year 2013 fund balances as revenue for the Contingency Cash Reserve Fund in FY 2014. The proposed supplemental FY 2014 budget already reflects the impact of the proposed subtitle. The monies would be used to replenish the Contingency Cash Reserve Fund, out of which, approximately $66 million of allocations have been requested for Fiscal Year 2014.