


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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 29, 2015

SUBJECT: Fiscal Impact Statement - "Fiscal Year 2016 Budget Support Act of 2015"

REFERENCE: Bill 21-158, Amendment in the Nature of a Substitute circulated on June 29, 2015

Conclusion

Funds are sufficient in the proposed fiscal years 2016 through 2019 budget and financial plan to implement the Fiscal Year 2016 Budget Support Act of 2015. The District's FY 2016 budget proposes \$7.0347 billion in local funds spending, supported by \$7.0352 billion of local resources, with an operating margin of \$500,000. The initiatives in the Fiscal Year 2016 Budget Support Act of 2015, combined with the Mayor's and the Council's policy choices, provide sufficient funds to balance the estimated expenditures of \$7.9424 billion¹ in the proposed General Fund fiscal year 2016 budget.

The bill, the "Fiscal Year 2016 Budget Support Act of 2015," is the legislative vehicle for adopting statutory changes needed to implement the District's proposed budget for the fiscal year 2016 through fiscal year 2019 budget and financial plan period. The following pages summarize the purpose and the impact of each subtitle.

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

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TITLE I- GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Bonus and Special Pay Limitation Act of 2015

Background

The subtitle prohibits District agencies from awarding performance-related bonuses, special awards pay, and service awards in fiscal year 2016. Contractually required bonuses and special payments, including those for some of the employees of the District of Columbia Public Schools or the Office of the Attorney General, are exempted from this requirement.

Financial Plan Impact

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

Subtitle (I)(B) – Supply Management Amendment Act of 2015

Background

The subtitle expands the Office of Contracting and Procurement's authority to sell surplus goods and other personal property for District charter schools and quasi-governmental organizations.² The Office of Contracting and Procurement may charge up to six percent of the gross sales proceeds as an administrative fee to these agencies. The administrative fee collections will be deposited into the lapsing Surplus Property Sales Fund.³

Financial Plan Impact

Expansion of the program to include quasi-governmental organizations in the current online auction platform could bring increased sales. When sales volume increases, the Office of Contracting and Procurement may be able to negotiate lower contract costs, but the magnitude of savings cannot be known until all contracts are signed. Selling surplus property for more agencies could generate more revenue, but since many agencies already work with the Office of Contracting and Procurement, the impact may be small. The six percent administrative fee the agency can retain from independent agencies is sufficient to cover the contract costs associated with selling those agencies' goods.

Subtitle (I)(C) – Office of Lesbian, Gay, Bisexual, Transgender, and Questioning Affairs Name Change Amendment Act of 2015

Background

The subtitle changes⁴ the name of the Office of Gay, Lesbian, Bisexual, and Transgender Affairs to the Office of Lesbian, Gay, Bisexual, Transgender, and Questioning Affairs.

² Including those not subject to the Procurement Practices Reform Act of 2010, effective April 8, 2010 (D.C. Law 18-371; D.C. Official Code § 2-351.01 *et seq.*).

³ Established by the Office of Contracting and Procurement Surplus Personal Property Fund Establishment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 62 DCR 3601).

⁴ By amending the Office of Gay, Lesbian, Bisexual, and Transgender Affairs Act of 2006, effective April 4, 2006 (D.C. Law 16-89; D.C. Official Code § 2-1381 *et seq.*).

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Financial Plan Impact

There are minor incidental costs associated with the name change (reprinting, signage, etc.) which can be paid out of budgeted fund for the office.

Subtitle (I)(D) – Attorney General Authority and Litigation Fund Establishment Amendment Act of 2015

Background

The subtitle clarifies the role, responsibilities and authority of the Attorney General, who is now an elected official. It repeals the code sections that regulate the appointment and the salary of the Attorney General, but keeps the provision that the Attorney General be paid at the same level as the Chairman of the Council of the District of Columbia.⁵ It clarifies that the Attorney General has personnel and procurement authority over his independent office, but limits the personnel size of this office to 30. It clarifies that the Attorney General is the authorized party to any collective bargaining agreements that cover the employees of the Office of the Attorney General, and that the Attorney General is authorized to grant awards to the employees of the Office of the Attorney General. It also clarifies that the Attorney General is the sole holder of subpoena authority in the District.

The subsection also establishes the Litigation Support Fund, a non-lapsing special purpose revenue fund the Attorney General can use to support general litigation expenses incurred when prosecuting or defending a case on behalf of the District of Columbia. The fund will receive monies from all settlements the District receives, but the amount in the fund, including the interest earned, cannot exceed \$1.5 million. If the fund combined with the interest earned on the fund exceeds this cap, the excess monies would revert to the General Fund.

Financial Plan Impact

Providing personnel and procurement authority to the Office of the Attorney General does not have a fiscal impact. The Office of the Attorney General is subject to the same anti-deficiency rules as the rest of the District government agencies, and therefore cannot hire employees or procure goods before having sufficient funds to pay for them.

Since we do not know with certainty when the District would receive its next settlement, we cannot reliably estimate the revenues for the Litigation Support Fund.

Subtitle (I)(E) – Office on Aging Reporting Requirements Act of 2015

Background

The subtitle requires the Mayor to submit quarterly reports to Council in FY 2016 on the Office on Aging's programs and operations. The reports are due within 30 days of the end of each quarter.

Financial Plan Impact

The impact of the subtitle has been incorporated into the proposed FY 2016 through FY 2019 budget and financial plan. The subtitle will produce some work for the Office on Aging, but it is small enough that the agency can do the work using its current staff and resources.

⁵ D.C. Official Code § 1-301.82 and § 1-301.85.

Subtitle (I)(F) – Grant Administration Amendment Act of 2015

Background

The subtitle adds new restrictions⁶ to a political donor's eligibility to receive grants of \$100,000 or more. Political donors are individuals who contributed to campaigns, political funds, committees, parties, and other entities controlled by elected officials, elected officials' families, or individuals under the supervision of elected officials.

The subtitle provides grant award restrictions to two different groups of political donors. The first group includes donors to elected officials or candidates for elective office who may be involved in influencing or approving a grant award (the restrictions extend to any affiliated political committees as well). An individual or organization⁷ is restricted from receiving a grant of greater than \$100,000 for one year from the date of the contribution to such a political candidate. The second group includes donors to a constituent services fund, a political party, or an organization controlled by a public official or his or her immediate family or in which the official or candidate has a 10 percent or greater ownership stake. In the case of donations to this group, the individual or organization is restricted from a \$100,000 or greater grant award for a period of eighteen months from the date of the contribution. Applicants for a grant awards must provide a sworn statement that they have not donated to a covered recipient and is therefore eligible for the grant.

In addition, the subtitle proposes the following changes:

- Extend from 30 days to 45 days the period within which the District must notify a grant applicant of its decision;
- Provides an exception to the competitive bidding process for a grant of \$50,000 or more if the funding source for the grant is a non-District entity; and
- Requires the Office of Partnerships and Grant Services to create consistent guidelines for grant award applications and reporting across all District agencies.

Financial Plan Impact

Implementation of the subtitle will not require any additional costs. The sworn statement places the onus on the applicant; other changes can be implemented with existing resources.

Subtitle (I)(G) – Independent Investigation Debarment Authority Amendment Act of 2015

Background

The District's Chief Procurement Officer can debar a District contractor for a variety of reasons.⁸ One such reason is if the Chairman of the Council of the District of Columbia or the chairperson of a Council committee informs the procurement officer that the person has willfully failed to cooper-

⁶ Current restrictions have been effective since December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).

⁷ As defined in the Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1161.01(42)).

⁸ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code 2-359.07).

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ate⁹ in a Council or Council committee investigation. The subtitle extends the debarment request authority to the District of Columbia Auditor and Inspector General in cases where a person has willfully failed to cooperate with their audits, inspections, or investigations. The Chief Procurement Officer must issue the debarment decision within 30 days from the date of the notification from the Auditor or the Inspector General.

Financial Plan Impact

There are no costs associated with this subtitle.

Subtitle (I)(H) – Cultural Plan for the District Act of 2015

Background

The subtitle requires the Office of Planning to commission a comprehensive cultural plan for the District. The plan should include recommendations to increase participation in cultural activities, an evaluation of the District's current cultural policies and approaches to public engagement, and an analysis of the needs of artists and other members of the creative economy. An important component of the plan is a reflection on District agencies and how cultural activities can be more engrained into their missions and development activities. The Office of Planning will submit recommendations for short-, medium- and long-term; grouping them by their potential costs.¹⁰ The plan should cost no more than \$200,000 and be reviewed every ten years.

Additionally, the subtitle creates a Cultural Planning Steering Committee to include three members from the District's creative community and a representative from each of the Deputy Mayor for Planning and Economic Development, the Office of Planning, the Commission on Arts and Humanities, Chairman of the Council, Chairman of the Council's Committee on Finance and Revenue, and the District of Columbia Business Improvement District Council.

Financial Plan Impact

The proposed fiscal year 2016 budget includes a one-time transfer of \$200,000 from the Council's Committee on Education to commission the cultural plan.

Subtitle (I)(I) – Board of Ethics and Government Accountability Board Size Amendment Act of 2015

Background

Comprehensive ethics reform¹¹ created a three-member Board of Ethics and Government Accountability whose members serve staggered terms and are appointed by the Mayor with Council approval. Each board member receives \$12,500 per year and the chairperson of the board receives \$26,500 per year.

⁹ Includes failure to provide public hearing testimony, documentation, books, papers or other information upon request.

¹⁰ Categorized by under \$50,000, \$50,000 to \$250,000, \$250,000 to \$1 million, and over \$1 million as a cost to implement each recommendation.

¹¹ Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2010 (D.C. Law 19-124; D.C. Official Code § 1-1161.01 *et seq.*).

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The subtitle increases the membership on the Board of Ethics and Government Accountability to five members, appointing one member for a two-year term, two members for four-year terms, and two members for six-year terms. The terms begin retroactive to July 1, 2012 and no more than three members should be from the same political party.

Financial Plan Impact

The proposed fiscal year 2016 through fiscal year 2019 budget and financial plan includes \$12,500 annually for each new board member.

TITLE II- ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Department of Small and Local Business Development Micro Loan Fund Amendment Act of 2015

Background

The subtitle changes the name of the Department of Small and Local Business Development's Micro Loan Fund to the Small Business Capital Access Fund. The non-lapsing fund can be used to provide loans and grants to businesses as well as local matching support for the Department's federal grants.

Current eligibility¹² is limited to certified business enterprises¹³, with preference given to resident-owned¹⁴ businesses. The subtitle adds preference for small¹⁵ and disadvantaged¹⁶ businesses.

Financial Plan Impact

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

Subtitle (II)(B) – Apprenticeship Modernization Amendment Act of 2015

The subtitle makes permanent language updates¹⁷ to a 1978 law¹⁸ regarding apprenticeships¹⁹ to ensure the District Department of Employment Services can continue to be recognized by the U. S. Department of Labor to operate as a State Apprenticeship Agency.²⁰

Financial Plan Impact

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

Subtitle (II)(C) – Retail Priority Area Amendment Act of 2015

Background

The subtitle allows no more than \$4 million in grants from the H Street Retail Priority Area Grant Fund²¹ to be issued to support revitalization programs associated with the Great Streets program.²²

¹² D.C. Official Code § 2-218.75.

¹³ D.C. Official Code § 2-218.31.

¹⁴ D.C. Official Code § 2-218.35.

¹⁵ D.C. Official Code § 2-218.32.

¹⁶ D.C. Official Code § 2-218.33.

¹⁷ Temporary updates have been approved through Apprenticeship Modernization Temporary Amendment Act of 2014, effective April 30, 2015 (D.C. Law 20-256; 62 DCR 2259).

¹⁸ An Act to Provide for Voluntary Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-156; D.C. Official Code § 32-1401 *et seq.*).

¹⁹ The bill defines an apprentice as a worker at least 16 years old, earning less than minimum wage, employed to learn an apprentice-able occupation, and meeting certain federal and state-level criteria.

²⁰ Recognition of State Apprenticeship Agencies confers non-exclusive authority to determine whether an apprenticeship program conforms to the published standards and whether the program is, therefore, eligible for purposes which require such a determination by the Department of Labor. (29 CFR 29.13)

Additionally, it establishes a new Tenleytown Retail Priority area, extends the Connecticut Avenue Retail Priority Area²³ and the U Street/14th Street Retail Priority Area,²⁴ and expands boundaries to include abutting properties for the North Capitol Street Retail Priority Area, the Nannie Helen Burroughs Avenue Priority Area, the New York Avenue, N.E., Retail Priority Area, the Good Hope Road, S.E. Retail Priority Area, the Martin Luther King, Jr. Avenue, S.E./South Capitol Street Retail Priority Area, the H Street, N.E., Retail Priority Area, the 7th Street/Georgia Avenue, N.W., Retail Priority Area, the Petworth Retail Priority Area, the Minnesota-Benning Retail Priority Area, the Rhode Island Avenue, N.E., Retail Priority Area, the Bladensburg Road, N.E., Retail Priority Area, the Good Hope Road, S.E. Retail Priority Area, and the Pennsylvania Avenue, S.E., Retail Priority Area.

Financial Plan Impact

This subtitle expands the uses of the H Street Retail Priority Area grants, but does not alter its budget. No more than \$4 million from the H Street Retail Priority Grant Fund in fiscal year 2016 can support Great Streets grants. \$2 million of this may be used to provide grants to qualified high technology companies in proportion to the improvements they make to their owned or leased properties.

The subtitle expands the areas that are eligible retail development grants, but it does not allocate any funding.

Subtitle (II)(D) – Youth Employment and Work Readiness Training Amendment Act of 2015

Background

The subtitle makes permanent most of the emergency²⁵ changes to age eligibility and hourly wages for participants in the Department of Employment Services' Mayor Marion S. Barry Summer Youth Employment Program and other work readiness training programs. However, it lowers the maximum age of eligibility for the program from 24 to 21, and the maximum number of participants in the program from 25,000 to 21,000.

The subtitle also increases the maximum weekly hours the Summer Youth Employment Program participants can work from 25 to 40, extends the registration period for the Summer Youth Employment Program to the end of April, and requires the Department of Employment Services to issue a public notice of the registration schedule at least 30 days in advance. The Mayor is authorized to set the wage rate for supervisory positions in the program.

The subtitle authorizes the Mayor to set wage rates and training stipends for all youth employment and work-readiness training programs, by Executive Order, subject to the availability of funds. Ad-

²¹ D.C. Official Code § 1-325.172.

²² Great Streets Program is defined in the Fiscal Year 2014 Budget Support Act of 2013, Subtitle VIII(D), Great Streets Neighborhood Retail Priority Area Amendment Act of 2013, effective December 24, 2013 (D.C. Law 20-61; 61 DCR 962).

²³ D.C. Official Code § 2-1217.73(i).

²⁴ D.C. Official Code § 2-1217.73(m).

²⁵ Youth Employment and Work Readiness Training Emergency Amendment Act of 2015, effective May 29, 2015, expires Aug 25, 2015 (D.C. Act 21-73; 62 DCR 6884). A temporary version of this emergency law is under Mayoral review with a response due June 22, 2015.

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ditionally, the Mayor may add incentives such as bonuses to promote work readiness training activities, subject to funding availability.

The subtitle sets minimum work-readiness training rates for 14- and 15-year-olds at \$5.25 per hour. Wages for 16- to 21-year-olds in employment programs are set at 18 percent above the federal minimum wage or \$8.25. Under the subtitle, there is no longer a minimum participation requirement of 10 hours per week for in-school employment and work-readiness training programs.

For adult on-the-job training programs, the subtitle increases employer reimbursement from half of the prevailing wage to 75 percent of the prevailing wage, subject to the availability of funds. It also requires that participants not displace existing employees at a worksite.

The subtitle also requires the Mayor to conduct an evaluation of the program for the 22- to 24-year-old group for fiscal year 2015 only.

Lastly, the subtitle conforms program eligibility requirements for the District's youth employment and work readiness program to standards established under the federal Workforce Innovation and Opportunity Act of 2014.

Financial Plan Impact

The proposed budget for the Department of Employment Services includes sufficient funding to accommodate the changes. While the subtitle gives the Mayor authority to increase wages subject to funding availability, the FY 2016 budget does not include funding for potential wage or stipend increases and incentive bonuses. The Office of the Chief Financial Officer will evaluate any proposed wage increases to ensure there is sufficient budget to pay for them.

Once the Summer Youth Employment Program enrollment numbers are confirmed, if forecasted expenditures exceed available budget, the District must either scale back or identify additional funding to pay for them. It is important to note that during fiscal year 2014, the Department of Employment Services had to use \$3.5 million from the contingency reserves to cover all of the program costs.

The evaluation of the Summer Youth Employment Program for the 22- to-24-year-olds can be done with existing resources.

Subtitle (II)(E) – Local Rent Supplement Amendment Act of 2015

Background

The Local Rent Supplement Program, run by the D.C. Housing Authority, provides rent vouchers directly to very low-income families. This subtitle allows the Department of Human Services and other District agencies to refer families to this voucher program. Currently, the D.C. Housing Authority selects voucher recipients from the waiting list of its Housing Choice Voucher Program (formerly called Section 8). The subtitle also allows people in the Rapid Re-Housing and Permanent Supportive Housing programs to be referred to the voucher program.

This subtitle applies only to the Local Rent Supplement Program vouchers the D.C. Housing Authority gives directly to families, which are called tenant-based vouchers. It does not apply to project-based and sponsor-based vouchers.

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Financial Plan Impact

This subtitle has no cost since it only changes the way families are referred to the tenant-based voucher program. It does not require the D.C. Housing Authority to serve additional families.

Subtitle (II)(F) – Affordable Homeownership Preservation and Equity Accumulation Amendment Act of 2015

Background

Low-income residents who want to buy their own homes may receive grants or subsidies from the Housing Production Trust Fund. These residents may also be eligible for income tax credits against the property taxes they pay.

Current law has provisions that require residents to pay back the subsidies they receive from the Housing Production Trust Fund if they sell the home and benefit from an increase in housing values. However, the provisions do not address the repayment requirements when homes are sold because of economic distress.

The subtitle allows²⁶ people to repay to the Housing Production Trust Fund an amount smaller than the subsidy they received if the value of their home decreased after they purchased it. In this case, the repayment amount would be equal to the current value of their home minus the amount they paid for the home (excluding the subsidy).

Additionally, recorded sale prices on homes built and purchased with Housing Production Trust Fund assistance include the amount of the subsidy. In some circumstances, this may make the fair market value of the home too high for the low-income homeowner to be eligible for low-income property tax credits. The subtitle allows all homes constructed with Fund assistance to be eligible for lower income property abatements.

Financial Plan Impact

The Housing Production Trust Fund receives some repayment from beneficiaries who sell their home at a profit. The subtitle will reduce these payments, but this is not a fiscal impact because revenues estimates for the Housing Production Trust Fund do not include such payments given their uncertainty, and the fiscal year 2016 budget does not rely on these repayments. That said, the subtitle will reduce the repayments but these cannot be known with certainty. For example, last year the Housing Production Trust Fund received \$5.5 million in subsidy repayments, and had this legislation been in place the payments would have been \$4.8 million. ²⁷

Making all Housing Production Trust Fund subsidized housing eligible for low-income property tax credits can reduce personal income tax collections, but the amount is *de minimis*.

Subtitle (II)(G) – Sidewalk Cafe and Summer Garden Endorsement Amendment Act of 2015

²⁶ By amending section 2(8A) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801(8A)).

²⁷ This estimate is based on [information from Zillow](#) that says 12 percent of D.C. homeowners owe more on their mortgage than their home is worth.

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FIS: Bill 21-158 "Fiscal Year 2016 Budget Support Act of 2015," Amendment in the Nature of a Substitute circulated on June 29, 2015

Background

The subtitle authorizes breweries, wineries, and distilleries serving alcoholic beverages on-site to obtain a sidewalk café or summer garden endorsement from the Alcoholic Beverage Regulatory Administration to allow consumption on outside public or private space. The endorsement fee is \$75 annually.

Financial Plan Impact

If all four breweries and all three distilleries in the District request the endorsement, an additional \$525 annually will go to the Alcoholic Beverage Regulatory Administration special purpose revenue administration fund.²⁸

Subtitle (II)(H) – Entertainment and Media Production and Development Amendment Act of 2015

Background

The subtitle merges the Office of Cable Television and the Office of Motion Pictures and Television Development into a single agency called the Office of Cable Television, Film, Music, Television, and Entertainment.

Financial Plan Impact

The revised fiscal year 2015 budget for the Office of Motion Pictures and Television is \$2.2 million, and the fiscal year 2015 budget for the Office of Cable Television is \$9.4 million. The proposed budget for the new merged agency in fiscal year 2016 is \$12.3 million.

Subtitle (II)(I) – Local Business Enterprise Certification Amendment Act of 2015

Background

Local business enterprises²⁹ are required³⁰ to have 50 percent of assets located in the District and 50 percent of gross receipts claimed in the District. This dual requirement is relatively new: before June 10, 2014, local business enterprises had to meet either the 50-percent-assets requirement or the 50-percent-gross receipts requirement. The subtitle reverts to the less restrictive requirement, allowing them to have one or the other, retroactive to June 10, 2014.

The change will allow a business that makes most of its money outside the District, but still has most of its assets in the District to qualify as a local business enterprise. The retroactive change will ensure that businesses that have been certified as local business enterprises for 20 consecutive years will not lose their status as a Longtime Resident Business.³¹

Financial Plan Impact

The subtitle has no fiscal impact.

²⁸ D.C. Official Code § 25-210.

²⁹ Due to a change made in the Certified Business Enterprise Development and Assistance Amendment Act of 2013, effective June 10, 2014, (D.C. Law 20-108; 61 DCR 6325).

³⁰ D.C. Official Code § 2-231.31(2A).

³¹ DC Official Code § 2-218.02(13).

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FIS: Bill 21-158 "Fiscal Year 2016 Budget Support Act of 2015," Amendment in the Nature of a Substitute circulated on June 29, 2015

Subtitle (II)(J) – Solar Permitting Fees Technical Clarification Amendment Act of 2015

Background

The subtitle corrects a citation in the Solar Permitting Fees Amendment Act of 2014 to refer to the proper chapter of the DC Municipal Regulations.

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(K) – Electric Company Infrastructure Improvement Financing Amendment Act of 2015

Background

The subtitle retroactively clarifies the cost allocation methodology related to the implementation of the undergrounding of power lines in the district.³²

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(L) – Adult Career Pathways Task Force Amendment Act of 2015

Background

The subtitle adds the Director of the Department of Disability Services, or his or her designee, to the Adult Career Pathways Task Force,³³ and requires the Task Force to submit to the Council and the Mayor the citywide strategic plan, integrated with the workforce development plan, no later than September 30, 2015.

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(M) – Career Pathways Implementation Amendment Act of 2015

Background

The subtitle requires the Workforce Investment Council to issue Career Pathways Innovation grants to pilot adult career development programs recommended by the Adult Career Pathways Task Force. The subtitle authorizes use of up to \$500,000 from the Unemployment and Workforce Development Administrative Fund for the grants.

Financial Plan Impact

This subtitle has no fiscal impact. The maximum cost of the subtitle is \$500,000 in FY 2016 and \$2 million throughout the FY 2016 through FY 2019 budget and financial plan. The Unemployment

³² Electric Company Infrastructure Improvement Financing Act of 2014, effective May 3, 2014 (D.C. Law 20-102; 61 DCR 5193).

³³ Section 2122 of the Adult Literacy Task Force Act, effective February 26, 2015 (D.C. Law 20-155; 62 DCR 3601).

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Insurance Workforce Development Administrative Fund has sufficient reserve funding – currently \$12 million in FY 2014 reserve fund balance - to pay for the grants.

Subtitle (II)(N) – Clean Team Extension Amendment Act of 2015

Background

The subtitle expands the boundaries³⁴ for Wisconsin Avenue and Connecticut Avenue Clean Teams.

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(O) – DC Beautiful Pilot Program Act of 2015

Background

The subtitle creates a one-year pilot program within the Office of Planning called "DC Beautiful." It dedicates two full-time equivalent positions in the Office of Planning to coordinate efforts to beautify streets in Wards 7 or 8 that are not served by a Business Improvement District.

Financial Plan Impact

The fiscal year 2016 budget directs \$200,000 to the Office of Planning for the Program to hire two employees.

Subtitle (II)(P) – Greater Economic Opportunity Strategic Planning Act of 2015

Background

The subtitle authorizes the Deputy Mayor for Greater Economic Opportunity to create strategic plan examining education, housing, employment, transit, and economic development in Wards 7 and 8, and making recommendations for improvement in each of these areas.

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(Q) – Uniform Commercial Code Bulk Sales Conforming Clarification Act of 2015

Background

At present, alcoholic beverage wholesalers are prohibited³⁵ from holding another alcohol license, such as a retail license. The subtitle maintains that prohibition, but clarifies that the wholesaler may still record a security interest in a retailer's stock with the Recorder of Deeds.

Financial Plan Impact

The subtitle has no fiscal impact.

³⁴ Section 6087(a)(2) of the Fiscal Year 2015 Budget Support Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 61 DCR 9990).

³⁵ D.C. Official Code § 25-303.

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Subtitle (II)(R) – Creative and Open Space Modernization Act of 2015

Background

The subtitle authorizes up to \$2 million in grants - in FY 2016 only - to Qualified High Technology Companies³⁶ that make improvements to their leased space.

The subtitle also authorizes the Mayor to certify real property tax rebates for the companies beginning in fiscal year 2017. The rebates cannot exceed \$1 million for a single company per fiscal year, and the total of all rebates for all tenants cannot exceed \$3 million per fiscal year.

Financial Plan Impact

The maximum cost of the subtitle is \$2 million in FY 2016 and \$11 million over the fiscal years 2016 through 2019 budget and financial plan. The fiscal year 2016 grants will be funded from H Street Retail Priority Area Grant Fund³⁷, and the rebates, beginning fiscal year 2017, will be funded from the Economic Development Special Account. The Special Account generates \$5 to \$6 million in annual revenues and can absorb this impact.³⁸

Subtitle (II)(S) – Soccer Stadium Development Technical Clarification Amendment Act of 2015

Background

The subtitle makes permanent technical changes made in the Soccer Stadium Development Technical Clarification Emergency Act of 2015,³⁹ which are intended to make the District of Columbia Soccer Stadium Development Act of 2014⁴⁰ easier to understand and implement.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (II)(T) – Fiscal Year 2016 Deputy Mayor for Planning and Economic Development Limited Grant-Making Amendment Act of 2015

Background

³⁶ As defined in D.C. Official Code § 47-1817.01(5), Qualified High Technology Companies are for-profit entities with two or more employees in the District that derive at least 51 percent of gross revenue from a long list of specific high technology products and services.

³⁷ D.C. Official Code § 1-325.172.

³⁸ The fund's revenue comes from the following sources: (1) all operating funds transferred from the Anacostia Waterfront Corporation and National Capital Revitalization Corporation, (2) all fees, revenues, and other income arising from real property or other assets formerly under the authority of the Anacostia Waterfront Corporation and National Capital Revitalization Corporation, or any of their subsidiaries, (3) funds authorized by an act of Congress, reprogramming, or intra-district transfer to be deposited into the account, (4) any other monies designated by law to be deposited into the account, and (5) interest earned on money deposited into the account.

³⁹ Soccer Stadium Development Technical Clarification Emergency Act of 2015, expires August 6, 2015 (A21-0059; 62 DCR 5962).

⁴⁰ District of Columbia Soccer Stadium Development Act of 2014, effective March 11, 2015 (D.C. Law 20-233; 62 DCR 438).

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The subtitle authorizes the Deputy Mayor for Planning and Economic Development to provide a \$3 million grant to improve the facilities or infrastructure along the Chesapeake & Ohio canal in Georgetown.

Financial Plan Impact

The subtitle does not have a fiscal impact. The fiscal year 2016 budget includes \$3 million for this grant.

Subtitle (II)(U) – DCHA Board of Commissioners Amendment Act of 2015

Background

The subtitle raises the stipend⁴¹ of District of Columbia Housing Authority Commissioners from \$3,000 to \$4,000 annually, and raises the stipend of the Chairperson from \$5,000 to \$6,000 annually.

Financial Plan Impact

The higher stipends will cost \$11,000 in fiscal year 2016 and \$44,000 throughout the four-year financial plan period. The District of Columbia Housing Authority can pay for the increases.

Subtitle (II)(V) – Rent Control Housing Clearinghouse Amendment Act of 2015

Background

The subtitle allows the Department of Housing and Community Development to build an online database of the city's rent-controlled apartment units. The public will be able to search the database and landlords will use it to submit rent control information to the Department of Housing and Community Development.

Financial Plan Impact

This subtitle does not have a fiscal impact since it allows, but does not require the Department of Housing and Community Development to build the database. The agency estimates that building such a database would cost approximately \$500,000.

⁴¹ D.C. Official Code § 6-211(s).

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Body-Worn Camera Regulation and Reporting Requirements Act of 2015

Background

At present, the Metropolitan Police Department has 420 body-worn cameras that record police interactions. Footage from body-worn cameras is subject to the Freedom of Information Act, which allows any person the right to inspect, and at his or her discretion, to copy any public record as long as the record is not specifically exempt under the law.⁴² Producing documents for public information requests could be costly; however, if the projected cost of a Freedom of Information Act request is less than \$250, then the District cannot bill a requester in advance for the cost of producing documents or redacting.⁴³ Fee waivers are also granted if a request is deemed to be in the public interest and District agencies must absorb the cost of fulfilling a request if a waiver is granted.

When the public asks for copies of body-worn camera recordings, each video must be reviewed and redacted to remove any information that might compromise the privacy of individuals in the footage. These elements include faces, license plates, house numbers, among other things; but the standards for what constitutes private information in footage is not fully agreed upon. The government agencies involved must conduct quality control reviews of every frame in each footage before content can be shared with the public.

Since January 2015, when the body-worn camera program began, the Metropolitan Police Department has already received several Freedom of Information Act requests for body-worn camera footage, but these requests have been rejected on grounds of being too broad.

The Mayor's proposed fiscal year 2016 budget included \$5.06 million to purchase an additional 2,400 body-worn cameras; it also exempted body-worn camera footage from Freedom of Information Act, as the cost of redacting footage could be prohibitive. The Council amended the Mayor's proposal in the following way: The Budget Request Act approved by the Council on May 27, 2015 includes \$2.68 million to purchase an additional 1,180 body-worn cameras – bringing the total number of cameras in the District to approximately 1,600. The Council also removed the Freedom of Information Act request exemption from the Budget Support Act, but it did not identify funds necessary for meeting the financial obligations of responding to the Freedom of Information Act requests.

This subtitle will discontinue the use of body-worn cameras at the Metropolitan Police Department beginning fiscal year 2016 until the Mayor or the Department can identify the funds necessary to provide body-worn camera footage to the public. The Chief Financial Officer must then certify that the identified funding is sufficient to pay for the costs of Freedom of Information Act requests.

Additionally, the subtitle requires the Mayor⁴⁴ to develop rules in consultation with an advisory group regarding the accessibility of footage. The proposed rules must be submitted to Council for review no later than October 1, 2015 and must address the following:

- Standards for public access to body-worn camera footage;

⁴² Pursuant to D.C. Official Code § 2-532(a).

⁴³ Pursuant to D.C. Official Code § 2-532.

⁴⁴ By amending section 204(a) of the District of Columbia Administrative Procedure Act, effective October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*).

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- Policies for retaining body-worn camera footage;;
- Procedures for auditing the body-worn camera program;
- Policies for protecting the security of data; and,
- Mechanisms for cost recovery for Freedom of Information Act requests.

The subtitle also requires the Mayor to collect and publish a biannual report on Body-Worn Camera Program data and provide an annual report the Council on the effectiveness of the program.

Financial Plan Impact

The cost of responding to Freedom of Information Act requests for the body-worn camera footage is estimated at \$1.49 million in fiscal year 2016 and \$6.03 million over the four-year financial plan. The proposed fiscal year 2016 through 2019 budget and financial plan does not account for these costs. As a result, the Metropolitan Police Department must discontinue its Body-Worn Camera Program beginning fiscal year 2016, until the funding for responding to the Freedom of Information Act requests can be identified and certified.

In order to fulfill Freedom of Information Act requests for 1,600 cameras, the Metropolitan Police Department must contract with an outside vendor to redact private information from the footage. Additionally, the Department must hire 5 Full Time Employees to conduct quality control reviews of the footage once returned from an outside vendor. The details of the cost estimate are presented in the table below.

Fiscal Impact of Subtitle (III)(A) – Body-Worn Camera Regulation and Reporting Requirements Act of 2015					
	FY 2016	FY 2017	FY 2018	FY 2019	Four Year total
Annual total payments to redaction vendor (\$250 for each video) ^{b, c}	\$1,152,000	\$1,152,000	\$1,152,000	\$1,152,000	\$4,608,000
Salary and Benefits ^{a, d}	\$338,999	\$349,169	\$359,644	\$370,433	\$1,418,245
Total	\$1,490,999	\$1,501,169	\$1,511,644	\$1,522,433	\$6,026,245

Table Notes

^a. The number of hours worked by each Full Time Employees is equal to 1,920. With four Full Time Employees, this would be 7,680 hours worked in a year.

^b. The estimate assumes that on average 12.5 minutes of video requires 1 hour and 40 minutes reviewing for quality assurance, resulting in 4,608 videos that can be reviewed annually given Full Time Employee workload limitations. This would imply that the Metropolitan Police Department would receive Freedom of Information Act requests on about 2 percent of total videos recorded by body-worn cameras

^c. Assumes that the Metropolitan Police Department provides an advance payment of \$250 for each video redacted by a contract vendor based on restrictions under current law.⁴⁵

^d. Includes 1 Grade-13 Freedom of Information Act Specialist Supervisor (salary of \$89,079); 4 Grade-11 Freedom of Information Act Specialists (salary of \$62,480 for each); and a three percent cost of living adjustment annually.

⁴⁵ D.C. Official Code § 2-532 (b-3) - No agency or public body may require advance payment of any fee unless the requester has previously failed to pay fees in a timely fashion, or the agency or public body has determined that the fee will exceed \$250.

Subtitle (III)(B) – Child Fatality Review Committee Establishment Act Amendment of 2015

Background

This subtitle adjusts⁴⁶ the membership of the Child Fatality Review Committee. Representatives from the Department of Behavioral Health, Department of Health Care Finance, Department of Youth Rehabilitative Services, and Office of the State Superintendent of Education will be added to the Committee. The subtitle eliminates Department of Housing and Community Development representative since the agency does not provide direct housing services to families. Furthermore, the subtitle updates the law to reflect an agency name change by replacing the Office of the Corporation Counsel with its new name - the Office of the Attorney General.

Financial Plan Impact

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

Subtitle (III)(C) – Office of the Deputy Mayor for Public Safety and Justice Amendment Act of 2015

Background

This subtitle eliminates⁴⁷ the Office of the Deputy Mayor for Public Safety and Justice as an independent agency and removes its oversight and administrative responsibilities. The Access to Justice Initiative, Motor Vehicle Theft Prevention Commission, Corrections Information Council, Office of Justice Grants Administration, and Office of Victim Services will no longer be operating under the agency.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The Corrections Information Council will become a stand-alone agency in the District's budget structure and the Office of Justice Grants Administration and Office of Victim Services will combine to become a new Crime Victims and Justice Grants Administration agency.

Subtitle (III)(D) – Sentencing and Criminal Code Revision Commission Staffing Amendment Act of 2015

Background

This subtitle increases⁴⁸ the number of excepted service employees that may be appointed by the Sentencing and Criminal Code Revision Commission from ten to eleven.

Financial Plan Impact

The Committee on the Judiciary identified budget savings of \$83,000 to fund the additional FTE.

⁴⁶ By amending section 4604(a) of the Child Fatality Review Committee. Establishment Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 4-1371.04 (a)).

⁴⁷ By amending the Office of the Deputy Mayor for Public Safety and Justice Establishment Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 1-301.191).

⁴⁸ By amending the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-609.03(a)(9)).

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Subtitle (III)(E) – DOC Inmate and Returning Citizen Assistance Act of 2015

Background

This subtitle requires that no less than \$100,000 of the FY 2016 Justice Grants Administration budget shall be awarded to help fund an organization that assists inmates at the D.C. Jail or Correctional Treatment Facilities and recently released inmates.

Financial Plan Impact

Funds are included in the Justice Grants Administration budget to cover the requirements of this subtitle.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) –Funding for Public Schools and Public Charter Schools Amendment Act of 2015

Background

The proposed subtitle sets the base foundation level used by the Uniform Per Student Funding Formula at \$9,492, the same level as fiscal year 2015. It also proposes no changes to the Uniform Per Student Funding Formula weightings. 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 2016
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
English Language Learners	Additional funding for English Language Learners	0.49	\$4,651
At-Risk	Additional funding for students who are at-risk as defined in section 102(2A) of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901(2A))	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 Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	\$33,127
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	District of Columbia Public Schools or public charter school that provides students with room and board in a residential	1.67	\$15,852

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
	setting, in addition to their instructional program.		

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 District of Columbia Public Schools 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 District of Columbia Public Schools 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 District of Columbia Public Schools 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 District of Columbia Public Schools or public charter school that provides students with room and board in a residential setting.	2.874	\$27,280
Limited English Proficiency/Non-English Proficient - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a District of Columbia Public Schools 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 Indicated in Their Individualized Education Programs			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Special Education Level 1 Extended School Year	Additional funding to support the summer school/program needs for students who require extended school year services in their Individualized Education Programs.	0.063	\$598
Special Education Level 2 Extended School Year	Additional funding to support the summer school/program needs for students who require extended school year services in their Individualized Education Programs.	0.227	\$2,155
Special Education Level 3 Extended School Year	Additional funding to support the summer school/program needs for students who require extended school year services in their Individualized Education Programs.	0.491	\$4,661
Special Education Level 4 Extended School Year	Additional funding to support the summer school/program needs for students who require extended school year services in their Individualized Education Programs.	0.489	\$4,642

Financial Plan Impact

Although the base foundation level and formula weighting factors will remain the same in fiscal year 2016, formula driven local fund expenditures will increase as a result of additional enrolled students in the District’s public school system. Under the proposed subtitle, District of Columbia Public Schools will receive \$726 million for its instructional budget through the Uniform Per Student Funding Formula. Public charter schools will receive \$553 million for instructional budgets and \$122 million for facilities allowances, bringing the collective local budget to \$675 million.

Subtitle (IV)(B) – School Technology Fund Amendment Act of 2015

Background

This subtitle requires local education agencies—that is the District of Columbia Public Schools and public charter schools—to submit a yearly report that details any equipment, software, or technological improvements purchased with School Technology Funds.⁴⁹ The reports will allow the Office of the State Superintendent of Education to monitor School Technology Fund expenditures, and perform a cost-benefit analysis on the School Technology Fund.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The Office of the State Superintendent of Education has the capacity to collect spending information from the District of Columbia Public Schools and the public charter schools, and can conduct a cost-benefit study internally at no additional cost.

Subtitle (IV)(C) – Student Residency Verification Fund Amendment Act of 2015

Background

This subtitle corrects⁵⁰ a conflict in the law⁵¹ so all non-resident tuition payments and residency fraud sanctions can be deposited into a single non-lapsing Student Residency Verification Fund. The Office of the State Superintendent of Education will use the fund to help verify student residency and primary caregiver status.

Financial Plan Impact

The subtitle requires the depositing of all tuition payments into the Student Residency Verification Fund to be administered by the Office of the State Superintendent of Education.

⁴⁹ The School Technology Fund is used to improve technology at District of Columbia Public Schools and District of Columbia Public Charter Schools. (D.C. Law 20-61; D.C. Official Code § 1-325.251).

⁵⁰ By amending Section 2(c) of An Act To require the payment of tuition on account of certain persons who attend the public schools of the District of Columbia, and for other purposes, approved September 8, 1960 (74 Stat. 853; D.C. Official Code § 38-302(c)).

⁵¹ In 2012, the Student Residency Verification Fund was established via the District of Columbia Public Schools and Public Charter School Student Residency Fraud Prevention Amendment Act of 2012, effective May 9, 2012 (D.C. Law 19-126; D.C. Code § 38-312.02). The law indicates that the Office of the State Superintendent of Education was to administer the Student Residency Verification Fund. All funds collected from non-resident tuition and residency fraud sanctions were to be placed in the fund. The Fraud Prevent Amendment Act was enacted before the Office of the State Superintendent of Education's existence and has been used by the District of Columbia Public Schools to collect non-resident tuition payments. Under law, District of Columbia Public Schools is allowed to use these funds on general school purposes. There is a conflict with non-resident tuition payment collections and the activities the Student Residency Verification Fund can support.

Subtitle (IV)(D) – At-Risk Supplemental Allocation Preservation Fund Establishment Act of 2015

Background

This subtitle establishes a non-lapsing At-Risk Supplemental Allocation Preservation Fund to collect unspent District of Columbia Public School at-risk weight funding at the end of each school year. In a given year, the Fund deposit cannot exceed 5 percent of that year's total at-risk weight add-on allocation.

Financial Plan Impact

The proposed budget allocates a total of \$49,445,100 through the Uniform Per Student Funding Formula towards serving 23,786 at-risk students in District of Columbia Public Schools. Under this subtitle, a maximum of \$2,472,255 of unspent at-risk funds may be deposited into the At-Risk Supplemental Allocation Preservation Fund at the conclusion of the 2015-2016 school year.

Subtitle (IV)(E) – Chancellor of the District of Columbia Public Schools Salary Adjustment Amendment Act of 2015

Background

The subtitle permanently increases⁵² the annual salary for the Chancellor of the District of Columbia Public Schools from \$275,000 to \$284,000 beginning on January 2, 2015. Emergency and temporary legislation⁵³ to the same effect were approved on March 17, 2015.

Financial Plan Impact

The District of Columbia Public Schools has sufficient funds to cover the cost of this salary increase.

Subtitle (IV)(F)–District of Columbia Public Schools Sponsorship Opportunities Amendment Act of 2015

Background

The subtitle gives⁵⁴ the Chancellor of the District of Columbia Public Schools the ability to secure advertising and sponsorships for athletics, community engagement events, or facilities improvements. The subtitle also establishes a non-lapsing District of Columbia Public Schools Advertisements and Sponsorships Fund to collect any revenue generated from this subtitle.

Financial Plan Impact

It is unknown how much the public schools can raise through these activities.

⁵² By amending the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective June 10, 1998 (D.C. Law 12-124; D.C. Official Code §1-610.52).

⁵³ Chancellor of the District of Columbia Public Schools Salary Adjustment Temporary Amendment Act of 2015, introduced February 19, 2015 (D.C. Act 21-40).

⁵⁴ By amending the District of Columbia Public Schools Agency Establishment Act of 2007, effective April 23, 2007 (D.C. Law 17-09; D.C. Official Code § 38-174(c)).

Subtitle (IV)(G)–Educator Evaluation Data Protection Amendment Act of 2015

Background

The subtitle states that individual educator evaluation data are not public records and therefore cannot be made available to the public via the Freedom of Information Act.⁵⁵ The subtitle also exempts⁵⁶ the Office of the State Superintendent of Education from disclosing individual educator information the office maintains. These include, among other things, evaluations and effectiveness ratings, observation, and value-added data The Office of the State Superintendent of Education can still disclose aggregated data as long as individualized identity information remains confidential.

Financial Plan Impact

This subtitle is a clarification, and does not have an impact on the District’s budget and financial plan.

Subtitle (IV)(H)–Books from Birth Establishment Amendment Act of 2015

Background

This subtitle establishes⁵⁷ a District of Columbia Library Books from Birth program that mails one book each month to every enrolled District resident under the age of five. The subtitle also establishes a non-lapsing Books from Birth Fund to implement and promote the program.

Financial Plan Impact

The proposed program is estimated to cost approximately \$451,000 in fiscal year 2016 and \$2.9 million over the four-year financial plan.

There are four costs sources of costs in the program: books, personnel, marketing, and fees paid to the U.S. Postal Services to hold books that are not deliverable. The chart below outlines each of these costs by fiscal year and the assumptions that support these estimates.

Fiscal Impact of Subtitle (IV)(H), Books from Birth Establishment Amendment Act of 2015					
FY 2016 through FY 2019 (in thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	Four Year Total
Book Cost ^a	\$72	\$238	\$415	\$551	\$1,276
2.0 FTEs	\$137	\$141	\$146	\$150	\$575
Post Office Return Fee ^b	\$2	\$6	\$11	\$15	\$35
Marketing/Materials ^c	\$240	\$245	\$249	\$253	\$987
Total:	\$451	\$630	\$821	\$970	\$2,872

Table notes:

^a The price of each book and shipping estimated at \$2.10 based on discussions with industry specialists Peter Abell, Executive Director, Shelby County Books from Birth; Linnea Hegarty, Executive Director of DCPL Foundation.

^b Assumes a return rate of 3 percent at an estimated cost of \$2.00 per returned book every month based on experience from a similar program in Memphis, TN, according to a phone conversation with Peter Abell, Executive Director, Shelby County Books from Birth on March 11, 2015.

⁵⁵ The Freedom of Information Act is codified at D.C. Official Code § 2-531 *et seq.*

⁵⁶ By amending Section 3(b) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602).

⁵⁷ By amending an Act To establish and provide for the maintenance of a free public library and reading room in the District of Columbia, approved June 3, 1896 (29 Stat. 244; D.C. Official Code § 39-101 *et seq.*).

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^c The estimate is \$5 per eligible child for marketing and promotional materials costs, based on information obtained from Joi Mecks of the District of Columbia Public Library, during a phone call on March 17, 2015.

The Committee on Transportation and the Environment identified savings within its cluster of agencies and transferred funds to the Committee on Education in order to implement this subtitle.

Subtitle (IV)(I)–Education Reporting Requirements Act of 2015

Background

This subtitle requires the Office of the State Superintendent of Education, Public Charter School Board, and Deputy Mayor for Education to report information pertaining to specific programs to Council by October 1, 2015.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The involved agencies can meet the proposed reporting requirements with the resources in their current budgets.

Subtitle (IV)(J)–At-Risk Funding Amendment Act of 2015

Background

This subtitle allows⁵⁸ the Chancellor, in consultation with the principal and local school advisory team, to direct how at-risk student funds are spent.

Financial Plan Impact

This subtitle does not alter any budgeted funds; it also speaks to how they would be spent. Therefore, it does not have an impact on the District's budget and financial plan.

Subtitle (IV)(K)–Environmental Literacy Specialist Pilot Program Amendment Act of 2015

Background

This subtitle requires⁵⁹ the Office of the State Superintendent of Education to offer four environmental literacy specialists to eight public and public charter elementary schools as a pilot program to help maintain school gardens and promote environmental literacy.

Financial Plan Impact

The proposed program will cost approximately \$325,000 in FY 2016 only. The Committee on Transportation and the Environment identified savings within its cluster of agencies and transferred funds to the Committee on Education to implement this subtitle.

⁵⁸ By amending the Fair Student Funding and School-Based Budgeting Amendment Act of 2013, effective February 22, 2014 (D.C. Law 20-87; D.C. Official Code § 38-2907.01(b)).

⁵⁹ By amending the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-825.02).

Subtitle (IV)(L)–District of Columbia Public Library Revenue Generating Activities Amendment Act of 2015

Background

This subtitle provides⁶⁰ the District of Columbia Public Library with the means of generating revenue to support library activities. The subtitle also allows private users to use library facilities for fund-raising events or activities, so as long as they obtain the necessary permission from the Library Boards, and pay the usage fees. Any revenues the Public Library receives from such activities must be deposited into a newly established District of Columbia Public Library Revenue Generating Activities Fund. If any monies remain in this fund at the end of the fiscal year, they will revert to the General Fund.

Financial Plan Impact

The District of Columbia Public Library plans to open a United States Passport Office in the Martin Luther King Central Library. It has already identified the space and funds for buying the necessary equipment to serve the public. The Library will charge \$25 for each application and \$15 for passport photos. The estimated revenue for FY 2016 is \$125,000, which the Library plans to spend on non-personnel expenditures such as paying for space rental, special events, among other things.

Subtitle (IV)(M)–My School DC ED Fest Sponsorship and Advertising Act of 2015

Background

My School DC EdFest is an event usually held in mid-fall in the D.C. Armory, where parents can explore public school options. The event occurs about a month before the deadline for My School Application for the District's common lottery. This subtitle allows the Deputy Mayor for Education to contract for advertisements and sponsorships for the My School DC EdFest event.

Financial Plan Impact

The subtitle clarifies current practice: The Deputy Mayor for Education already collects advertisement and sponsorship revenue to offset the cost of administering the My School DC EdFest.

Subtitle (IV)(N)–Youth Bullying Prevention Amendment Act of 2015

Background

This subtitle extends⁶¹ the term of the Bullying Prevention Task Force and allows the task force to:

- Engage parents and legal guardians in bullying prevention efforts;
- Provide parents and legal guardians referrals to community based programs and resources that mitigate bullying; and,
- Provide consultation and review evidence-based school climate data to assess bullying prevention efforts.

⁶⁰ By amending an Act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia, approved June 3, 1896 (29 Stat. 244; D. C. Official Code § 39-101 *et seq.*).

⁶¹ By amending the Youth Bullying Prevention Act of 2012, effective September 14, 2012 (D.C. Law 19-167; D.C. Official Code § 2-1535.02).

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Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan since members of the Bullying Prevention Task Force are uncompensated.

Subtitle (IV)(O)-Early Literacy Grant Program Amendment Act of 2015

Background

This subtitle establishes⁶² a competitive grant to provide school-based, early literacy intervention services for grades pre-K through 3rd grade to be administered by the Office of the State Superintendent of Education. Additionally the subtitle prohibits local education agencies from receiving the funding.

Financial Plan Impact

The Early Literacy Grant Program costs \$1.6 million annually to administer and savings identified within the Public Charter School Payment were reallocated to fund the grant program in FY 2016.

Subtitle (IV)(P)-Deputy Mayor for Education Limited Grant-Making Authority Amendment Act of 2015

Background

This subtitle provides grant-making authority to the Deputy Mayor for Education to issue grants to an organization that provides services to high school students who are at risk of dropping out and to an organization that provides a music instruction program serving elementary students of limited means. Grants to high school students cannot exceed \$270,000 and the bill sets the grant for elementary student music instruction at \$150,000.

Financial Plan Impact

The Committee on Health identified \$270,000 in savings within the State Health Planning and Development Fund and \$150,000 in savings from the Pharmacy Protection Fund to fund the grant program.

Subtitle (IV)(Q)-Public Charter School Payment Reprogramming Amendment Act of 2015

Background

This subtitle restricts⁶³ the Districts ability to reprogram excess public charter school payments to purposes other than education.

Financial Plan Impact

This subtitle places restrictions on reprogramming out of public charter school payments in the event that public charter schools have inflated enrollment projections. Limiting the reprogramming of excess public charter school payments means these funds cannot be used to relieve spending pressures in other areas of the budget. While the proposed budget and financial plan does not rely on such transfers, they had been common practice: For example, since October 1, 2014, of the

⁶² By amending the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(b)).

⁶³ The subtitle amends the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1804.03(a)(2)).

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\$9.8 million excess payments identified and moved out of public charter school payments, \$6.4 million was reprogrammed out of the education cluster to various agencies.

Subtitle (IV)(R)–University of the District of Columbia Fundraising Match Act of 2015

Background

The proposed subtitle allocates up to \$1 million from the FY 2016 Non-Departmental Agency budget to the University of the District of Columbia to match private donations received by January 1, 2016. These funds will support the University of the District of Columbia's effort to meet accreditation standards and implement its strategic plan.

Financial Plan Impact

The Non-Departmental Agency budget includes \$1 million that is set aside for the fundraising match program.

Subtitle (IV)(S)–Public Charter School Board Administrative Fund Amendment Act of 2015

Background

This subtitle establishes⁶⁴ a non-lapsing fund to collect the administrative fee that the Public Charter School Board receives from public charter schools.

Financial Plan Impact

This subtitle serves as a conforming amendment to bring the statute in line with existing practice. Public charter schools already pay this fee to the Public Charter School Board.

Subtitle (IV)(T)–Raising Expectations for Education Amendment Act of 2015

Background

This subtitle expands⁶⁵ the Community Schools Initiative to lower grade levels, strengthens application requirements, establishes program evaluation criteria, and requires the Community Schools Advisory Committee to meet annually to review the program.

Financial Plan Impact

The proposed FY 2016 through FY 2019 budget and financial adds \$200,000 to the Office of the State Superintendent's budget to fund the expansion of the Community Schools Program another \$66,000 for program evaluation.

⁶⁴ By amending the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1802.14).

⁶⁵ By amending the Raising the Expectations for Education Outcomes Omnibus Act of 2012, effective June 19, 2012 (D.C. Law 19-142; D.C. Official Code § 38-754.03).

TITLE V- HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – Temporary Assistance for Needy Families Amendment Act of 2015

Background

This subtitle increases⁶⁶ the monthly Temporary Assistance for Needy Families benefits by 15.3 percent in Fiscal Year 2017, 13.3 percent in Fiscal Year 2018, and 11.8 percent in Fiscal Year 2019, resulting in an FY 2019 benefit that is about 46 percent higher than the FY 2016 level. Benefit increases in all other years will be equal to the percent increase in the Consumer Price Index for urban consumers.⁶⁷ Currently there is a 46 percent increase scheduled for FY 2017 and an increase based on Consumer Price Index for FY 2018 and FY 2019. The Office of Revenue Analysis expects the Consumer Price Index-based increases to be around 2.4 percent.

Current and Proposed Temporary Assistance to Needy Families Cost-of-Living Increases, FY 2017 - FY 2019			
	FY 2017	FY 2018	FY 2019
Current Policy	46%	2.4%*	2.4%*
Proposed Policy (Budget Support Act Subtitle V-A)	15.3%	13.3%	11.8%

*The scheduled increases for Fiscal Years 2018 and 2019 are based on the Consumer Price Index for urban consumers. The Office of Revenue Analysis projects that this will be 2.4 percent.

The increases will apply to Temporary Assistance for Needy Families cash benefits as well as general assistance for children and interim disability assistance.

The subtitle also allows families who have received Temporary Assistance for Needy Families benefits for more than 60 months to continue to receive benefits through the end of FY 2016. Once past the 60-month period, these families receive partial benefits equal to 35 percent of the full benefit, but under current law, these families will stop receiving benefits at the end of FY 2015.

Financial Plan Impact

There are two sources of fiscal impact: changes to the cost-of-living increases and the limitations to partial benefits. Below, we consider each in turn:

Cost-of-Living Increases

In fiscal year 2016, the Department of Human Services budgeted about \$66 million to pay for Temporary Assistance for Needy Families cash benefits for those receiving benefits for 60 months or less, general assistance for children, and interim disability assistance. About \$21 million of this will come from local funds. The proposed policy does not affect the fiscal year 2016 budget.

The District's local funds will pay for the proposed benefit increases for fiscal years 2017 through 2019. The amount of local funds needed to pay for the increased benefits will grow from \$31 mil-

⁶⁶ By amending Section 552(d) of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-205.52(d)).

⁶⁷ Published by the Bureau of Labor Statistics.

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lion in FY 2017 to \$41 million in FY 2018 to \$51 million in FY 2019.⁶⁸ The Office of Revenue Analysis estimates that the proposed policy will save about \$37 million in local dollars over the four-year financial plan period compared to the current policy, which calls for a 46 percent benefit increase in FY 2017 and increases tied to the Consumer Price Index in Fiscal Years 2018 and 2019.

Extension of Partial Benefits

An estimated 6,228 families will receive extended benefits in FY 2016, and the average benefit will be around \$137 a month.⁶⁹ As a result, the benefits extension will cost \$10.2 million in FY 2016. The District's local funds will pay for all of this. Beginning in FY 2017, families will no longer receive the partial benefits.

Three sources will fund this extension in partial benefits: \$5 million that the Mayor put in the budget; \$2.6 million from a delay in POWER benefits for single parents of young children;⁷⁰ and \$2.6 million in FY 2015 money that Department of Human Services did not use and will roll over to FY 2016.

Subtitle (V)(A) Temporary Assistance for Needy Families Amendment Act of 2015					
Estimated cost, FY 2016 - FY 2019 (dollars in millions)					
	FY 2016	FY 2017	FY 2018	FY 2019	Four-Year Total
Temporary Assistance for Needy Families Costs with Cost-of-Living Increases					
Total cost	\$65.7	\$75.7	\$85.8	\$95.9	\$323.2
Cost paid for with local funds	\$20.7	\$30.7	\$40.8	\$50.9	\$143.1
Extension of partial benefits	\$10.2	--	--	--	\$10.2
TOTAL Local Fund cost	\$30.9	\$30.7	\$40.8	\$50.9	\$153.3

Source: Based on most recent (FY 2015) data on Temporary Assistance for Needy Families program participants from Department of Human Services

Subtitle (V)(B) – Medical Assistance Program Amendment Act of 2015

Background

This subtitle allows⁷¹ the Department of Health Care Finance to submit to the federal Centers for Medicaid and Medicare Services the state plan amendments, modifications, or waivers required to:

- Update the reimbursement methodology model for intermediate care facilities for persons with developmental disabilities to ensure compliance with federal law;
- Update the payment methodology for hospital services;
- Update the payment methodology for Federally-Qualified Health Centers;
- Update the payment methodology and program standards for Home Health Agencies;
- Create health homes for chronically ill District residents;

⁶⁸ These cost estimates assume that the number of people receiving benefits will remain the same from FY 2016 to FY 2019. This is a conservative estimate since the average number of people receiving Temporary Assistance for Needy Families benefits has decreased slightly each year since FY 2012.

⁶⁹ This includes a cost-of-living increase of 2.4 percent.

⁷⁰ See Subtitle V(C) POWER Expansion Amendment Act of 2015.

⁷¹ By amending Section 1(a) of an Act To enable the District of Columbia to receive Federal financial assistance under title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat. 744; D.C. Official Code § 1-307.02(a)).

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- Establish a provider fee for District Medicaid hospitals for in-patient services; and
- Establish a supplemental payment to District Medicaid hospitals for outpatient services.

Under current law, the Department of Health Care Finance 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 Centers for Medicaid and Medicare Services. This subtitle would waive Council review for the initiatives listed above, which would speed up the approval and implementation of these items.

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 laws⁷² prohibit District officers and employees from exceeding agency appropriations in any fiscal year. The Department of Health Care Finance 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)(C) – POWER Expansion Amendment Act of 2015

Background

Single custodial parents or caretakers with a child under six months were to start receiving cash assistance through POWER in fiscal year 2016. This subtitle pushes back the start of their POWER benefits to fiscal year 2017.⁷³

Financial Plan Impact

The Department of Human Services had set aside \$2.6 million in FY 2016 to give POWER benefits to single custodial parents or caretakers of children under six months. The proposed one-year delay in benefits has allowed the District to use this money instead to give partial Temporary Assistance to Needy Families benefits in FY 2016⁷⁴ to families receiving benefits for more than 60 months.

Subtitle (V)(D) – Pharmaceutical Detailing Licensure Exemption Amendment Act of 2015

Background

This subtitle exempts⁷⁵ pharmaceutical detailers who work fewer than 30 consecutive days a year from the District's pharmaceutical detailer licensing requirements. According to the Department of Health, about 1,500 pharmaceutical detailers are licensed to work in the District. The licenses last for two years, and every other year DOH collects a licensing fee of \$175 from each detailer registered with the department. The upcoming collection years for the licensing fees are FY 2016 and FY 2018.

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

⁷³ By amending section 572a(a) of the District of Columbia Public Assistance Act of 1982, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 4-205.72a(a)).

⁷⁴ See Subtitle V(A) - Temporary Assistance for Needy Families Amendment Act of 2015.

⁷⁵ The subtitle amends the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Official Code § 3-1201.01 *et seq.*).

Financial Plan Impact

Under current licensing requirements, with around 1,500 pharmaceutical detailers licensed to work in the District, the Department of Health should expect to collect around \$262,500 from license holders in fiscal year 2016 and fiscal year 2018.

Under the provision, the number of license holders will drop to about 700. Industry statistics suggest that there is typically one detailer for every six doctors⁷⁶ and information from the Department of Health puts the number of active doctors to approximately 4,230.⁷⁷ This suggests under the proposal, approximately 700 detailers will serve this active doctor community, and the remainder of 800 detailers will no longer need a license for their sporadic appearances.

The projected drop in licenses would lead to a loss of \$140,000 in revenue for DOH in FY 2016 and FY 2018. To fund the revenue loss in 2016, the Council has transferred \$140,000 from Department of Health Care Finance to Department of Health. The Office of the Chief Financial Officer has incorporated the FY 2018 revenue loss into its financial plan.

Fiscal Impact of Subtitle (V)(D), the Pharmaceutical Detailing Licensure Exemption Amendment Act of 2015, FY 2016 - FY 2019					
	FY 2016	FY 2017	FY 2018	FY 2019	Four-Year Total
Revenue with 1,500 licenses (current policy)	\$262,500	\$0	\$262,500	\$0	\$525,000
Revenue with 700 licenses (under the legislation)	\$122,500	\$0	\$122,500	\$0	\$245,000
Fiscal Impact (lost revenue)	\$140,000	\$0	\$140,000	\$0	\$280,000

Source: Office Of Revenue Analysis based on data from Department of Health, Bureau of Labor Statistics, Pew Prescription Project, and other media reports. The estimate assumes that for every six doctors, one detailer would have a full-time District based job.

Subtitle (V)(E) – Department of Health Functions Clarification Amendment Act of 2015

Background

This subtitle gives the Department of Health the authority⁷⁸ to issue grants in FY 2016 for:

- Programs designed to promote healthy development in girls attending public and chartered schools in grades 8-12 in areas of the city with the highest rates of teen pregnancy (up to \$569,000);
- Clinical nutritional home delivery services (up to \$150,000); and

⁷⁶ A [Pew research brief](http://bit.ly/1G83gLb) says that in 2007, there were 95,000 detailers and 663,000 doctors, meaning one detailer for every seven physicians, but some estimates put the number closer to one detailer for every four or five doctors. The link to the study is here: <http://bit.ly/1G83gLb>. By 2012, the number of detailers dropped to 72,000, according to the [Wall Street Journal](#), and the number of doctors rose to 691,400, according to the [Bureau of Labor Statistics](#), meaning there was one detailer for every 9.6 doctors. Our estimate assumes that in 2012 there could have been as many as one detailer for every six doctors.

⁷⁷ About 9,400 doctors are licensed to work in the District, but a [study released by DOH](#) in 2010 said only about 45 percent of doctors licensed in D.C. are active. Therefore, we estimate that 4,230 (or 45 percent of licensed doctors) are active in the District today.

⁷⁸ By amending section 4907a of the Department of Health Functions Clarification Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 7-736.01).

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- Programs designed to support teen peer educators who provide sexual health information and condoms to youth (up to \$157,000).

Financial Plan Impact

To fund these grants, the Council transferred money from a number of sources to Department of Health's Community Health Administration.

Subtitle (V)(F) – Teen Pregnancy Prevention Fund Establishment Amendment Act of 2015

Background

The subtitle allows⁷⁹ the Teen Pregnancy Prevention Fund to operate for another year, through FY 2016. The DC Campaign to Prevent Teen Pregnancy will continue to manage the fund.

Financial Plan Impact

The Council is transferring \$1.3 million to the Teen Pregnancy Prevention Fund, which will allow the program to operate one more year.

Subtitle (V)(G) – Medicaid Hospital Outpatient Supplemental Payment Act of 2015

Background

The subtitle authorizes the District to tax hospitals' outpatient gross patient revenue for one year beginning October 1, 2015. The money from the tax will go into the newly established Hospital Provider Fee Fund, which Department of Health Care Finance will use to give supplemental Medicaid payments to hospitals for outpatient services. The tax will sunset on September 30, 2016, but any remaining funds will remain in the Hospital Provider Fee Fund for future use, and not revert to the local fund.

Psychiatric hospitals run by the District are exempt from the tax.

The tax will be set at a rate that allows the District to pay hospitals the maximum allowable amount for outpatient services for Medicaid recipients. The tax will also be set so that it provides \$150,000 to Department of Health Care Finance to cover the costs of managing the Fund.

Financial Plan Impact

The District plans to set the tax at a rate of 0.16 percent to generate a little more than \$6 million in revenue in fiscal year 2016. The \$6 million will cover the local costs to the District of making the maximum allowable Medicaid payments to hospitals and pay \$150,000 for administrative costs. The federal government's share of the cost associated with increased payments to providers will be about \$13.7 million.⁸⁰ The providers will receive the supplemental payments quarterly by the 15th day after the end of the quarter.

⁷⁹ The subtitle amends section 5146 of the Teen Pregnancy Prevention Fund Establishment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 62 DCR 3601).

⁸⁰ The federal government pays 70 percent of all the District's Medicaid costs.

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Fiscal Impact of Subtitle (V)(G) – Medicaid Hospital Outpatient Supplemental Payment Act of 2015			
Estimated FY 2016 dedicated tax revenues			
	Dedicated Tax (local funds)	Federal Medicaid Match	Total resources
Sources of funds for making maximum allowable payments to providers	\$6,008,571	\$13,669,999	\$19,678,570

Source: Department of Health Care Finance, cost estimation model

Subtitle (V)(H) – Medicaid Hospital Inpatient Rate Supplement Act of 2015

Background

The subtitle authorizes the District to tax hospitals' inpatient net patient revenue for one year beginning October 1, 2015. The money from the tax will go into the Hospital Fund, which the Department of Health Care Finance will use to fund Medicaid inpatient hospital services (both fee-for-service and managed care operations). The tax will sunset on September 30, 2016, but any remaining funds will remain in the Hospital Fund for future use, and not revert to the local fund.

The tax will be set at a rate that allows the District to reimburse hospitals, on average, for 98 percent of their inpatient costs for District Medicaid beneficiaries. Without the tax, the District only has enough money in its FY 2016 budget to reimburse hospitals at an average rate of 86 percent.

Specialty hospitals will be excluded from the tax. In order to exclude these hospitals, the Department of Health Care Finance will need to get a waiver from the Center for Medicare and Medicaid Services. The Department of Health Care Finance believes the waiver will be approved, but if it is not, the District will need to extend the tax to all hospitals.

Financial Plan Impact

The District plans to set the tax at a rate of 0.52 percent. This will generate \$10.4 million in revenue in FY 2016. The \$10.4 million will cover the local costs to the District of paying, on average, 98 percent, as opposed to 86 percent, of hospitals' Medicaid inpatient costs. The federal government will also give the District \$24.3 million to cover its portion of the costs associated with an average payment rate of 98 percent.⁸¹ The District will use the federal money to pay hospitals as part of its normal Medicaid payments.

If CMS does not approve the District's waiver, and the District must tax all hospitals, it will adjust the tax to a lower rate so that it still generates \$10.4 million in revenue.

Fiscal Impact of Subtitle (V)(F) – Medicaid Hospital Inpatient Rate Supplement Act of 2015			
Estimated FY 2016 dedicated tax revenues			
	Dedicated Tax (local funds)	Federal Medicaid Match	Total resources
Sources of funds for reimbursing hospitals for 98 percent of their costs (baseline is 86 percent)	\$10,400,000	\$24,266,667	\$34,666,667

Source: Department of Health Care Finance, cost estimation model

⁸¹ The federal government pays 70 percent of all the District's Medicaid costs.

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Subtitle (V)(I) – Underserved Youth Community Programming Amendment Act of 2015

Background

The subtitle requires⁸² the District to give \$660,448 in competitively bid sub-grants to a variety of programs for underserved youth.

Financial Plan Impact

Council is transferring \$660,448 to the Children and Youth Investment Trust Corporation to fund these grants.

Subtitle (V)(I) – Reproductive Health Non-Discrimination Clarification Amendment Act of 2015

Background

District laws ban employers from discriminating against women based on their reproductive health choices. This means employers cannot refuse a job to a potential candidate or fire a current employee for reproductive health choices the employee makes such as using various birth control methods or having an abortion.

The subtitle clarifies that while the law bans discrimination, it does not require employers to provide women with health insurance that covers abortions, birth control, or reproductive health options.

Financial Plan Impact

The subtitle is a clarification of current law, and does not have a fiscal impact.

⁸² By amending section 2403(a-1) of the Children and Youth Initiative Establishment Act of 1999, effective October 20, 1999 (D.C. Law 13-38; D.C. Official Code § 2-1553(a-1)).

TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) –Parking Amendment Act of 2015

Background

In 2008,⁸³ the District Department of Transportation launched two performance parking zones, one in Columbia Heights, and the other around the baseball stadium in Southeast, D.C. These zones, and the subsequently added H Street zone, charge on-street parking prices that change with parking demand. For example, during a Nationals baseball game, the parking meters near the stadium charge \$1.50 for the first hour, \$4.00 for each of the next two hours, and \$8.00 for the fourth hour. During non-baseball game operations, those meters charge \$1.50 per hour.

The subtitle establishes parameters for a new performance parking zone in the Penn Quarter and Chinatown neighborhoods.⁸⁴ The District Department of Transportation began⁸⁵ setting up this zone in 2014 with the help of a Federal Highway Administration grant. In this zone, the department will set rates so that 10 percent to 20 percent of all curbside spaces are available for parking at any given time. The District Department of Transportation will also staff the zone with the necessary parking and traffic control officers. The program will begin with a thirty-day warning period before drivers receive parking tickets so drivers can grow accustomed to the new parking meter technology.

The subtitle also establishes maximum parking fees for all performance parking zones. No zone can implement more than a \$1.50 per hour increase over a three-month period and no hourly rate can be greater than \$8.00 per hour.

The subtitle also makes the following changes to parking enforcement: First, it expands parking hours in Premium Demand Zones, which will now require payment and enforcement from 7:00 am until 12:00 am; at present parking enforcement at most of these locations end at 10:00 pm. Second, it increases the fine for failure to pay a parking meter, parking illegally at a meter, and staying beyond the allowable time at a meter from \$25 to \$30. Third, it increases the fine for parking beyond the allowable time in a residential parking zone will rise from \$30 to \$35.

Financial Plan Impact

Extending meter hours in Premium Demand Zones to 12:00 am will impact approximately 17,000 on-street parking spaces and will require the District Department of Transportation to install modern, networked meters and the Department of Public Works to enforce meter violations during those hours. The District Department of Transportation has installed new meters at most parking locations and expects to have all meters replaced by the end of 2015. Expanding the meter hours will generate an additional \$3.4 million in fiscal year 2016 and \$33.5 million over the four-year financial plan period.

⁸³ Performance Parking Pilot Zone Act of 2008, effective November 25, 2008 (D.C. Law 17-279; D.C. Official Code § 50-2531 *et seq.*).

⁸⁴ The new Zone will be bounded by 3rd Street, N.W. on the east, E Street, N.W. on the south, 11th Street, N.W. on the west, and H Street, N.W. on the north.

⁸⁵ The District Department of Transportation has begun to install the equipment necessary for the zone, but has not made any meter rate adjustments.

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The fine increase for some parking meter and residential parking violations will generate \$1.3 million in fiscal year 2016 and \$4.8 million over the four-year financial plan period.

Subtitle (VI) (A) Parking Amendment Act of 2015					
Fiscal Impact Analysis					
FY 2016 – FY 2019					
(000's)					
	FY 2016	FY 2017	FY 2018	FY 2019	Total
Extend Meter Hours	\$3,352	\$10,058	\$10,058	\$10,058	\$33,526
Increase Meter Fines \$25 to \$30	\$971	\$922	\$876	\$832	\$3,601
Increase Residential Fines \$30 to \$35	\$328	\$312	\$296	\$281	\$1,217
Extended Meter Hours Enforcement ^a	(\$711)	(\$499)	(\$518)	(\$538)	(\$2,266)
Net Positive Fiscal Impact	\$3,940	\$10,793	\$10,712	\$10,633	\$36,078

^a Enforcement includes 10 parking enforcement officers and associated non-personnel costs.

Changes proposed for the new performance parking zone might affect parking revenue, but because rates could increase or decrease, the revenues are unknown. To meet the 10 to 20 percent available parking space target, parking meter rates will increase and decrease with demand changes across the day, and the rates will be adjusted quarterly. The District Department of Transportation will account for locational anomalies, such as a high presence of law enforcement and government vehicles, to ensure that those do not artificially affect meter rates.

The Department is implementing the program for \$1.5 million; \$1.1 million of which is coming from a Federal Highway Administration grant. The new parking zone is not expected to affect parking meter maintenance or the pay-by-phone contracts.

Currently, the \$8.00 per hour maximum rate will only prevent the last hour of parking in the ball-park zone during ballpark events from increasing. All other zones are much lower than \$8.00 per hour and are unlikely to be affected.⁸⁶

Subtitle (VI)(B) – Unlawfully Parked Vehicles Act of 2015

Background

The subtitle authorizes the District Department of Transportation's traffic control officers to enforce parking meter violations on the Washington Metropolitan Area Transit Authority property in the District. The Washington Metropolitan Area Transit Authority has eight parking lots in the District totaling over 660 metered spaces.

Financial Plan Impact

Enforcement on the Washington Metropolitan Area Transit Authority lots is extremely limited, so any new enforcement by the District Department of Transportation will generate additional non-tax revenues for the District. However, the level of non-compliance by parkers is currently unknown and the additional revenues cannot be quantified at this time. The District Department of Transportation will enforce the lots with its current enforcement staff.

⁸⁶ Columbia Heights and H Street maximum rates are \$2.00 per hour during premium parking times (6:30 pm to 10:00 pm) and \$0.75 per hour at all other times.

Subtitle (VI)(C) –DDOT DC Streetcar Fare Violation Enforcement Amendment Act of 2015

Background

The subtitle authorizes the District Department of Transportation to enforce fare violations related to the operation of the DC Streetcar.

Financial Plan Impact

The District Department of Transportation does not have a definitive plan for streetcar operations and additional regulations are needed to establish a fare and fine schedule. The agency can absorb any enforcement costs within its existing resources. Additionally, no new enforcement revenues are being projected for streetcar fare violations.

Subtitle (VI)(D) – Vision Zero Pedestrian and Bicycle Safety Fund Establishment Act of 2015

Background

The subtitle establishes the new, non-lapsing Vision Zero Pedestrian and Bicycle Safety Fund (Fund). The District Department of Transportation will use the funds to improve bicycle and pedestrian roadway safety. The Fund will receive \$500,000 from automated traffic enforcement revenues. This Fund replaces the Pedestrian and Bicycle Safety and Enhancement Fund⁸⁷ and provides a consistent level of funding.

Vision Zero originated in Sweden⁸⁸ and aims for zero traffic-related fatalities and serious injuries through the implementation of safety-focused transportation system design. The District has set a goal of zero traffic-related fatalities and serious injuries by 2024.⁸⁹

Financial Plan Impact

The Fund will receive \$500,000 annually in revenue from automated traffic enforcement revenues. Currently, these revenues are directed to the General Fund, so there is a corresponding reduction in General Fund revenues to accommodate this annual transfer. Additionally, elimination of the Pedestrian and Bicycle Safety and Enhancement Fund allows its current dedicated funding stream⁹⁰ of approximately \$300,000 annually to remain in the General Fund.

Subtitle (VI)(E) – Sustainable Energy Trust Fund Amendment Act of 2015

Background

The subtitle adds the Low Income Home Energy Assistance Program as an eligible expenditure under the Sustainable Energy Trust Fund for \$1.5 million for FY 2016. The program provides some residents with financial assistance to pay heating and cooling bills based on their household, income, and home characteristics.

⁸⁷ Fiscal Year 2009 Budget Support Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 1-325.131).

⁸⁸ <http://www.visionzeroinitiative.com/>

⁸⁹ <http://mayor.dc.gov/release/mayor-bowser-announces-multi-million-dollar-investment-intersection-mlk-malcolm-x-part>

⁹⁰ This Fund currently receives the revenues from fine increases and new fines associated with the violations outlined in Section 3 of the Pedestrian Safety Reinforcement Amendment Act of 2008 (D.C. Law 17-269; D.C. Official Code § 50-2201.28).

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Financial Plan Impact

Implementation of the Low Income Home Energy Assistance Program will cost approximately \$1.5 million in FY 2016. The Sustainable Energy Trust Fund has sufficient fund balance and budget authority⁹¹ to absorb this cost.

Subtitle (VI)(F) – Anacostia River Clean Up and Protection Fund Clarification Amendment Act of 2015

Background

In 2009, the District approved a ban on disposable carryout bags and instituted a fee of \$0.05 for each one used.⁹² The proceeds from the bag fee are deposited into the Anacostia River Clean Up and Protection Fund and are used to support a number of environmental initiatives around cleaning and protecting the Anacostia and other polluted waterways in the District. The subtitle removes the requirement that funds be used in a specific priority order, but maintains the existing allowable uses.

Financial Plan Impact

Removing the priority order of expending the Fund's resources does not change the amount of resources available and does not impact the budget and financial plan.

Subtitle (VI)(G) – Benchmarking Enforcement Fund Establishment Amendment Act of 2015

Background

The subtitle establishes the new, non-lapsing Benchmarking Enforcement Fund. The Benchmarking Enforcement Fund will collect penalties assessed against private building owners that fail to submit timely energy benchmarking information as required by the Green Building Act.⁹³ These buildings can be fined up to \$100 per day for each day the required information is not submitted. The Fund's resources can be used to support implementing the benchmarking provisions in the Green Building Act.

Privately owned buildings are required to submit energy benchmarking information through the Energy Star Portfolio Manager by April 1st of the respective following year.

Financial Plan Impact

There are no costs associated with establishing the new Fund. The District Department of the Environment is not currently issuing fines and any potential revenues are unknown at this time.

⁹¹ The Fiscal Year 2015 Budget Request Act of 2014, enacted July 11, 2014 (D.C. Act 20-370; 61 DCR 7187) authorized the expenditure of all funds in the Sustainable Energy Trust Fund without regard to fiscal year until funds are fully expended.

⁹² Anacostia River Clean Up and Protection Act of 2009, effective September 23, 2009 (D.C. Law 18-55; D.C. Official Code § 8-102.01 *et seq.*).

⁹³ Effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.01 *et seq.*)

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Subtitle (VI)(H) – Bicycle and Pedestrian Advisory Council Term Clarification Amendment Act of 2015

Background

The District Department of Transportation supports two advisory councils: the Bicycle Advisory Council⁹⁴ and the Pedestrian Advisory Council.⁹⁵ These two councils advise the Mayor, Council, and other District agencies on enhancing the cyclist and pedestrian experience in the District.

The subtitle clarifies that a community member of either council who is appointed to fill a departing member's term shall only fulfill the unexpired portion of the departing member's time and not a full term.

Financial Plan Impact

There are no costs associated with clarifying how to handle the unexpired term of a community member.

Subtitle (VI)(I) – BID Parking Abatement Fund Establishment Act of 2015

Background

If a Business Improvement District seeks to close a street or a part of a street temporarily, for example for a street festival, they have pay public space fees to close the parking meters on the street. The subtitle establishes the new, non-lapsing BID Parking Abatement Fund, which can be used to abate the costs of public space fees. The Fund will be allocated \$120,000 in fiscal year 2016. No single Business Improvement District should receive more than 70 percent of the Fund's resources.

Financial Plan Impact

The Fund will receive \$120,000 in fiscal year 2016 to offset public space permit fees associated with parking. This is a one-time allocation of funding and the resources will be available until they are fully expended. The Business Improvement Districts will be responsible for other permit fees as required.

Subtitle (VI)(J) – Clean and Affordable Energy Amendment Act of 2015

Background

In 2008, the District was granted the authority to contract with a Sustainable Energy Utility to administer energy efficiency and renewable energy programs for District residents.⁹⁶ The subtitle makes the following changes to the Sustainable Energy Utility's legislated charge and The District Department of the Environment's related powers:

⁹⁴ District of Columbia Comprehensive Bicycle Transportation and Safety Act of 1984, effective March 16, 1985 (D.C. Law 5-179; D.C. Official Code § 50-1604).

⁹⁵ Pedestrian Advisory Council Establishment Act of 2009, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 50-1931).

⁹⁶ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1773.01 *et seq.*).

- Require at least semi-annual reporting of the reduction in growth of peak electricity demand and the reduction in the growth of energy demand by the District's largest energy users;
- Require expenditures on gas and electricity programs to be at least 75 percent of the receipts from their respective consumer bill assessment collections;⁹⁷
- Establish biennial performance benchmark updates by the Sustainable Energy Advisory Board;
- The District Department of the Environment should solicit recommendations from the public and the Board on performance benchmarks 90 days before issuing request for proposal for a new Sustainable Energy Utility;
- Increase to 90 days the amount of time the District Department of the Environment has to report to the Council on Sustainable Energy Trust Fund expenditures; and
- Allows the District Department of the Environment to use administrative funds within the Sustainable Energy Trust Fund to develop a comprehensive energy plan.⁹⁸

Financial Plan Impact

There are no costs associated with implementing these changes.

Subtitle (VI)(K) – Competitive Grants Act of 2015

Background

The subtitle provides \$485,000 for four grants across four District agencies. First, the Office of the People's Council receives \$250,000 to commission a study on the feasibility of municipally owned public electric utility. Second, the District Office on Aging receives \$100,000 to commission a study and plan for virtual senior wellness centers in District wards that do not currently have a center.⁹⁹ Third, the District Department of Transportation receives \$35,000 to commission a study on the feasibility of an aerial transportation option connecting Georgetown in the District with Rosslyn in Virginia. Lastly, the District of Columbia Taxicab Commission receives \$100,000 to commission a study to determine the demand for wheelchair accessible public vehicles-for-hire in the District and recommend the appropriate share of the fleet that should be accessible.

Financial Plan Impact

The fiscal year 2016 budget provides \$485,000 across the four relevant agencies to fund the desired grants.

Subtitle (VI)(L) – Congestion Management Study Amendment Act of 2015

Background

The subtitle requires the District Department of Transportation to commission a congestion management study to assess the current state of congestion in the District, analyze commute times by a

⁹⁷ Currently, the Sustainable Energy Utility can spend anywhere from 75 percent up to 125 percent of the collections on these programs.

⁹⁸ The District Department of Energy can use up to 10 percent of the Sustainable Energy Trust Fund funds for administrative purposes.

⁹⁹ Currently, Wards 2 and 3 are the only two wards without a senior wellness center supported by the Office on Aging.

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variety of modes,¹⁰⁰ and recommendation congestion remedies. The study should also include plans to implement the recommendations over 1-, 3-, and 5-year timeframes.

The plan should be completed by September 30, 2016.

Financial Plan Impact

Implementation of the congestion management study will cost the District Department of Transportation \$1.5 million to \$2 million. The proposed FY 2016 budget transfers \$1.5 million from fund balances of various special purpose revenue funds to the District Department of Transportation; if necessary, the agency can absorb another \$500,000 in its existing resources.

Subtitle (VI)(M) – Electronic Delivery to the Council and Advisory Neighborhood Commissions Amendment Act of 2015

Background

Current law¹⁰¹ requires the District Department of Transportation to provide the Council and an affected Advisory Neighborhood Commissions 30-day written notice of the intent to install, modify, or remove any signs regulating vehicular or pedestrian traffic or controlling curbside public space. The subtitle requires the Department to provide only electronic notice unless otherwise requested by the Council or affected Advisory Neighborhood Commission.

Financial Plan Impact

There are no costs associated with this subtitle.

Subtitle (VI)(N) – Green Infrastructure Special Purpose Revenue Funds Establishment Act of 2015

Background

Stormwater Retention Credits¹⁰² are means of providing incentives to entities to manage stormwater runoffs on their properties. Owners collect credits when they demonstrate success on retention, and can sell the credits in an open market to others who use them to meet regulatory requirements for retaining stormwater. In the District, the Department of the Environment grants these credits.

The subtitle creates two non-lapsing Stormwater Retention Credit Funds—one under the District Department of Transportation and the other under the Department of General Services. The two agencies will be able receive credits for stormwater retention efforts in the buildings they own or lease, and then sell these credits in the market. The two funds the subtitle creates will hold the monies from the sale of the credits, and they can be used to support the District's obligations under the Municipal Separate Storm Sewer System Permit.¹⁰³

¹⁰⁰ Includes walking, bicycling, bus, and personal vehicle.

¹⁰¹ District of Columbia Administrative Procedure Act, effective March 6, 1979 (D.C. Law 2-153; D.C. Official Code § 2-551(5)(B)(iv)).

¹⁰² Stormwater Retention Credit is defined as one gallon of retention for one year.

¹⁰³ The Municipal Separate Storm Sewer System, known as MS4, is a system of two independent piping systems: one that carries sewage and one that carries stormwater. The Clean Water Act requires that "urbanized areas" (as defined by the latest decennial census) obtain a permit to discharge stormwater from

Financial Plan Impact

The District Department of Transportation and the Department of General Services do not apply for or receive credits for their stormwater retention activities and the establishment of these funds will assist in that process. However, given the change in credit prices, it is not possible to reliably estimate how much can be collected through the sales of the credits.

Subtitle (VI)(O) – Pepco Cost-Sharing Fund for DC PLUG Establishment Act of 2015

Background

The subtitle makes permanent¹⁰⁴ the new, non-lapsing Pepco Cost-Sharing Fund for DC PLUG. The fund will hold transfers from Potomac Electric Power Company as reimbursement for cost-sharing obligations associated with the District of Columbia Power Line Undergrounding, also known as DC PLUG, initiative. The proceeds can only be spent on the DC PLUG initiative.

Financial Plan Impact

The fund will provide the District Department of Transportation a mechanism to receive funds from Pepco and dedicate the use of these funds for DC PLUG. However, the District must have appropriations authority to spend the monies, and this authority can only be obtained by Congressional approval. Thus, the District Department of Transportation can receive funds, but cannot obligate or expend any monies deposited in this fund until a Congressional appropriation is authorized.

Subtitle (VI)(P) – Public Space Rental Fee Waiver Amendment Act of 2015

Background

The subtitle waives public space fees for the use of public land located between 3225 8th Street, N.E. and 3305 8th Street, N.E.¹⁰⁵ The roadway currently serves as an access point to railroad tracks for emergency and transportation personnel, but a request has been made to temporarily occupy this space for the purposes of outdoor art activities associated with the Dance Place.¹⁰⁶

their outfalls. District holds such a permit, and under the terms of the permit, the District must: operate and maintain structural stormwater controls; control discharges from areas of development and significant redevelopment; operate and maintain public streets, roads and highways; identify, monitor and control discharges from municipal waste treatment, storage or disposal facilities; control pollutants related to application of pesticides, herbicides and fertilizers; implement an inspection program to enforce ordinances, which prohibit illicit connections and illegal dumping into the MS4; screen the MS4 for illicit connections and illegal dumping; implement standard investigative procedures to identify and terminate sources of illicit connections or discharges; prevent, contain and respond to spills that may discharge into the MS4; limit the infiltration of sanitary seepage into the MS4; identify, monitor and control discharges from municipal landfills; hazardous waste treatment, storage, disposal and recovery facilities; facilities subject to EPCRA Title III, Section 313; and any other industrial or commercial discharge the permittee determines to be contributing a substantial pollutant loading to the MS4; control pollutants in construction site runoff; and conduct public education on stormwater control.

¹⁰⁴ The Fund is currently effective under the Pepco Cost-Sharing Fund for DC PLUG Establishment Temporary Act of 2014, effective March 7, 2015 (D.C. Law 20-178; D.C. Official Code 1-325.311).

¹⁰⁵ For tax assessment purposes these properties are known respectively as Square 3832, Lot 16 and Square 3831, Lot 47.

¹⁰⁶ Dance Place occupies the property located at 3225 8th Street, N.E.

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Financial Plan Impact

The proposed fiscal year 2016 through fiscal year 2019 budget and financial plan includes \$83,000 annually to cover the cost of the public space fee waiver. The applicant must go through the public space permitting process with the District Department of Transportation and have the public space occupancy permit approved prior to any fees being waived. Any fees beyond \$83,000 will be the responsibility of the applicant.

Subtitle (VI)(Q) – Streetcar Authorization Amendment Act of 2015

Background

In 2012, the Council granted the District Department of Transportation the authority to plan, develop, finance, operate, control, and regulate a DC Streetcar program.¹⁰⁷ The authorizing legislation will sunset on September 30, 2015. The subtitle extends the sunset provision to September 30, 2016.

Financial Plan Impact

There are no costs associated with delaying the sunset provision until September 30, 2016. The proposed fiscal year 2016 budget includes over \$9 million of operating funds and the proposed FY 2016 through fiscal year 2021 capital improvements plan commits over \$335 million in funds to the DC Streetcar.

Subtitle (VI)(R) – Sustainable Food Service Ware Clarification Amendment Act of 2015

Background

The Sustainable DC Omnibus Amendment Act,¹⁰⁸ passed in 2014, implemented a ban on Styrofoam food service products used by food services entities in the District. The subtitle eliminates the allowance for exceptions if affordable alternatives are not available and the requirement that the District publish exempted food service products due to a lack of affordable alternatives.

Financial Plan Impact

Eliminating the requirement to identify affordable alternatives and the process for food service entities to seek exceptions allows the Styrofoam ban to be fully implemented within the District Department of the Environment's existing resources.

Subtitle (VI)(S) – Urban Farming and Food Security Amendment Act of 2015

Background

In 2014, the Council of the District of Columbia passed the Urban Farming and Food Security Amendment Act.¹⁰⁹ The Act established an Urban Farming and Gardens Program and authorized a

¹⁰⁷ District Department of Transportation DC Streetcar Amendment Act of 2012, effective April 20, 2013 (D.C. Law 19-268; D.C. Official Code § 50-921.71).

¹⁰⁸ Effective December 17, 2014 (D.C. Law 20-142; D.C. Official Code 8-1531 *et seq.*).

¹⁰⁹ Effective April 30, 2015 (D.C. Law 20-248; D.C. Official Code § 48-401). This Act is subject to its inclusion in an approved budget and financial plan.

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number of farming related income and property tax incentives. The subtitle amends the Act and authorizes a maximum tax credit benefit.

First, the subtitle clearly delineates that a community garden is not designed for commercial purposes whereas urban farms are primarily designed for such purposes. Second, the subtitle maintains the Urban Farming and Gardens Program, but eliminates one of its main functions- to establish a public land leasing initiative. Third, possessory interest tax will be waived for any District properties used for urban farming. Fourth, any currently tax-exempt property will maintain its tax-exempt status if it is used for a community garden. Lastly, the subtitle amends the proposed tax benefits by eliminating the farm to food donation income tax credit and limiting the 90 percent real property tax abatement to \$180,000 annually.

Financial Plan Impact

The subtitle will require one full-time employee to manage the Urban Farming and Gardens Program; this person will also certify eligibility and keep track of the tax expenditures under the program. The salary for this one employee is \$59,000 in fiscal year 2016 and \$250,000 over the four-year financial plan period. The maximum amount of tax abatements that could be granted under the subtitle is \$180,000 each year.

The expected demand for urban farms and community gardens¹¹⁰ will likely result in more requests for tax credits, possessory interest tax waivers, and continuation of tax-exempt statuses than the annual limit, but the limit constrains the tax expenditure at \$180,000 annually.

Subtitle (VI)(S) Urban Farming and Food Security Amendment Act of 2015					
Implementation Costs					
FY 2016 – FY 2019					
	FY 2016	FY 2017	FY 2018	FY 2019	Total
Personnel	\$59,000	\$61,000	\$64,000	\$66,000	\$250,000
Property Tax Credits	\$180,000	\$180,000	\$180,000	\$180,000	\$720,000
Total	\$239,000	\$241,000	\$244,000	\$246,000	\$970,000

Source: Office of Revenue Analysis

The Council identified the funding to pay for the abatement.

Subtitle (VI)(T) – Kids Ride Free Metrorail Benefit Amendment Act of 2015

Background

At present, the District Department of Transportation subsidizes student commutes by offering them subsidized transit fares through the Washington Metropolitan Area Transit Authority. Students can ride the bus free, and purchase subsidized passes for rail. The program is open to students in public, public charter, private, and parochial schools through the age of 21.¹¹¹ Additionally the District's foster youth¹¹² through the age of 20 and participants in the Summer Youth Employ-

¹¹⁰ The Office of Revenue Analysis expects demand over the financial plan period to be for twelve urban farms and twenty-six community gardens.

¹¹¹ Fiscal Year 2014 Budget Support Technical Clarification Amendment Act of 2014, effective June 26, 2014 (D.C. Law 20-117; D.C. Official Code § 35-233).

¹¹² Foster youth were added through the Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 35-233).

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ment Program¹¹³ are eligible for subsidies. The participants can buy a subsidized pass they can use on rail or bus, or receive a free Metrobus pass. The District Department of Transportation manages the program, and it is responsible for paying either the subsidized portion of a pass or the full cost of a bus ride on the free Metrobus pass.

The subtitle creates a subsidized Metrorail program with a capped benefit of \$100 per student per month. Unlike the other subsidized or free passes, the only eligible participants in the new program are students in the public and public charter school systems; including adult, alternative, and special education programs. The subtitle limits the expenditures for the subsidized rail to \$7 million in FY 2016; it also sunsets the program at the end of fiscal year 2016.

Financial Plan Impact

The fiscal year 2016 budget allocates \$7 million to fund the free Metrorail benefit for students. The program is limited to this funding and must close when the funds are exhausted. The program will sunset on September 30, 2016.

The District Department of Transportation intends to sign students up at the beginning of school year 2015-2016 and automatically make them eligible for the \$100 monthly benefit for the remainder of the school year (i.e. they will not have to register each month for the pass.¹¹⁴) Doing so will require that the District limit the program to about 7,000 students (fewer if the program covers summer school). There is no obvious way to impose this limit, and participation could significantly exceed this level if the program is not closely monitored.

The Council should note the following concerns about potential cost overruns in the program:

First, the program will to start in August of 2015, but no funds have been identified in the fiscal year 2015 budget for the beginning of the school year 2015-2016 (August and September).

Second, from an implementation perspective, the Office of Chief Financial Officer's ability to monitor participation and expenditures is limited. The expenditure information is not available immediately (for example from the District's accounting system of record) and the Washington Metropolitan Area Transit Authority reports official expenditure figures only once a year. For these reasons the District Department of Transportation's Agency Fiscal Officer cannot know exactly when the program runs out of funds. This means the District Department of Transportation must watch the program extremely closely, providing regular reports to the Office of the Chief Financial Officer on usage, expenditures, and student balances on Metrorail cards. Without this information, the District cannot know how much has been spent on the program in a timely manner.

To ensure that the program costs can be controlled, the District Department of Transportation would have to collect data on the following items and share with the Office of the Chief Financial Officer:

¹¹³ Summer Youth Employment Program participants were added through the Fiscal Year 2015 Budget Support Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 35-233).

¹¹⁴ Students may, however, have to take additional monthly action through the Washington Metropolitan Area Transit Authority.

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- Regular reports on the number of students who register their DC One cards through a website maintained by the Office of the Chief Technology Officer, and what kind of benefits each student chooses.
- Regular reports on student information on the amount of benefits downloaded to DC One cards and the amount of benefits used, and the breakdown of the usage between rail and bus benefits. This data will be obtained from the Washington Metropolitan Area Transit Authority.

TITLE VII- FINANCE AND REVENUE

Subtitle (VII)(A) – Subject to Appropriations Amendment Act of 2015

Background

The subtitle authorizes expenditures for the following laws that were previously unfunded:

- The Elected Attorney General Implementation and Legal Service Establishment Amendment Act of 2013,¹¹⁵ which created the Mayor's Office of Legal Counsel and made organizational changes to the Office of Attorney General and legal staff throughout the District government;
- The Cottage Food Amendment Act of 2013¹¹⁶, which established a framework for regulating small, and home-based businesses that sell home-made food products;
- Three resolutions,¹¹⁷ which approved the disposition of the commercial and residential components of the District-owned property at 2501 1st Street, N.W., known as the McMillan Sand Filtration Site.
- The Unemployed Anti-Discrimination Act of 2012,¹¹⁸ which made it illegal for District employers to consider a person's unemployed status or history of unemployment in the hiring process.
- The Protecting Pregnant Workers Act of 2014,¹¹⁹ which required employers to make reasonable accommodations for employees experiencing limitations due to pregnancy, childbirth, breastfeeding, or related medical conditions.
- The Public-Private Partnership Act of 2014,¹²⁰ which created an Office of Public-Private Partnerships and established a process for the District to enter into public-private partnerships.

Financial Plan Impact

All laws authorized in this subtitle are sufficiently funded in the proposed FY 2016 through FY 2019 budget and financial plan. Additionally, the Elected Attorney General Implementation and Legal Service Establishment Amendment Act of 2013, which established the Mayor's Office of Legal Counsel, is fully funded in FY 2015.¹²¹

Funding for two additional Department of Health inspectors is included in the proposed FY 2016 budget to implement the Cottage Food Amendment Act of 2013. The costs associated with the McMillan disposition resolutions are funded in the FY 2016 through FY 2021 capital improvement plan for the project. The budget also includes resources for the Office of Human Rights to accom-

¹¹⁵ Subtitle B of the Fiscal Year 2015 Budget Support Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 61 DCR 9990).

¹¹⁶ The Cottage Food Amendment Act of 2013, effective January 25, 2014 (D.C. Law 20-63; 60 DCR 1429).

¹¹⁷ McMillan – Residential Townhomes Parcel Disposition Approval Resolution of 2014, effective December 2, 2014 (R20-705; 62 DCR 1091); McMillan – Residential Multifamily Parcels Disposition Approval Resolution of 2014, effective December 2, 2014 (R20-706; 62 DCR 1094); McMillan – Commercial Parcels Disposition Approval Resolution of 2014, effective December 2, 2014 (R20-707; 62 DCR 1097).

¹¹⁸ The Unemployed Anti-Discrimination Act of 2012, effective May 31, 2012 (D.C. Law 19-132; 59 DCR 2391).

¹¹⁹ Protecting Pregnant Workers Fairness Act of 2014, effective March 3, 2015 (D.C. Law 20-168; 62 DCR 3614).

¹²⁰ The Public-Private Partnership Act of 2014, effective March 11, 2015 (D.C. Law 20-228; 62 DCR 4499).

¹²¹ The office was funded in FY 2015 via a reprogramming dated October 8, 2014.

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moderate additional cases and investigations expected to be brought under the Unemployed Anti-Discrimination Act of 2012.

The Department of Employment Services has sufficient funding to implement Protecting Pregnant Workers Act of 2014 in FY 2016. Funding for FY 2017 through FY 2019 is included in the proposed financial plan.

The Office of Public-Private Partnership is sufficiently funded in the proposed budget to implement the Public Private Partnership Act of 2014. The Office of the Chief Financial Officer will absorb its share of the cost to implement the Public Private Partnership Act.

Subtitle (VII)(B) – Prior Budget Act Amendments of 2015

Background

The subtitle makes permanent all of the changes made in the temporary FY 2015 budget clarification law.¹²² It also makes the several changes to provisions of budget acts from previous years. The subtitle:

- Allows certain tax rate changes approved in the Fiscal Year 2015 Budget Support Act be effective in Tax Year 2017 in the priority order set by law if the Chief Financial Officer's June 2015 or September 2015 revenue certification letters provide sufficient additional revenues for fiscal years 2016 through 2019 for the proposed cuts. Under current law, the next time tax reductions can be contemplated is when the Chief Financial Officer releases the February 2016 revenue certification letter.
- Ends the hardship exemption for child development facilities opting out of the Child and Adult Food Program in FY 2017;
- Makes changes to the estate tax to conform code to the intent of estate tax changes made in FY 2015 budget;
- Eliminates the requirement that H Street Bridge be completed before FY 2018;
- If an internet sales tax is approved in the future, dedicates 100 percent of the revenues to the Washington Metropolitan Area Transit Authority Momentum Fund.¹²³ Under current law, 50 percent would be directed to homeless programs, and 50 percent to the Momentum Fund;
- Moves the pilot year for the Local Low Income Housing Tax Credit pilot program from FY 2015 to FY 2016;
- Eliminates the requirement¹²⁴ that the Office of the Chief Financial Officer produce a Children's Budget report outlining services directed toward children;
- Requires Council approval when the cumulative capital project reprogrammings in a given fiscal year change a project budget by more than \$500,000. Currently, Council approval is

¹²² Fiscal Year 2015 Budget Support Clarification Temporary Amendment Act of 2014, effective March 7, 2015 (D.C. Law 20-179; 62 DCR 3808), expires October 18, 2015.

¹²³ D.C. Official Code § 1-325.311. Momentum Fund, established by the Fiscal Year 2014 Budget Support Act of 2013, is to hold monies the District can use for its share of implementation costs, if an inter-jurisdictional funding agreement can be reached upon for the implementation of the Washington Metropolitan Area Transit Authority Momentum Strategic Plan. The plan is available here: <http://www.wmata.com/momentum/>

¹²⁴ Section 1002 of the Fiscal Year 2006 Budget Support Act of 2005, effective October 20, 2005 (D.C. Law 16-33; 52 DCR 7503).

required¹²⁵ if cumulative reprogrammings change the budget by more than \$500,000 at any point during the lifetime of the project, and not in a single fiscal year;

- Makes non-lapsing the Department of Parks and Recreation Enterprise Fund,¹²⁶ which supports the Department’s programs, administration, and property maintenance. The fund currently lapses at the end of the fiscal year, and unspent revenue are returned to the General Fund;
- Extends the Employer-Assisted Housing Program¹²⁷ to include homes purchased before March 30, 2015. The program, which provides property and income tax credits for five years to District government employees who are purchasing a home in the District for the first time, was eliminated¹²⁸ last year.
- Eliminates the requirement that the Mayor provide an agency-by-agency accounting of expenditures in, and modifications to, the four year financial plan.

Financial Plan Impact

Many of the provisions in this subtitle are current law, and therefore do not have a fiscal impact.

Allowing the District to trigger tax rate reductions in June or September of 2015, as opposed to February of 2016 would mean that if excess revenues are certified, the tax cuts could be effective beginning TY 2017. Under current law, the earliest the cuts can be implemented is TY 2018. The shift in timing does not have a fiscal impact since the tax cuts will be triggered only if excess revenues materialize, and the proposed budget and financial plan do not rely on these revenues. The Office of Revenue Analysis will revise the estimates for triggered tax law changes with each new quarterly revenue certification issued by the Chief Financial Officer.

Extending the Employer Assisted Housing Program for participants with homes purchased through March 30, 2015 will decrease property tax revenues by \$406,000 in FY 2015 and \$1.2 million from FY 2015 through FY 2019. It will also decrease income tax revenue by \$504,000 in the FY 2016 through FY 2019 budget and financial plan.

Fiscal Impact of Subtitle (VII)(B) Prior Budget Act Amendments of 2015, Employer Assisted Housing Program Provision						
FY 2015 – FY 2019 (\$ thousands)						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Real property revenue loss due to the Property Tax credit	\$406	\$325	\$244	\$162	\$81	\$1,218
Income Tax Loss Income Tax credit	\$0	\$180	\$144	\$108	\$72	\$504
TOTAL Cost program	\$406	\$505	\$388	\$270	\$153	\$1,722

Source: Estimate by the Office of Revenue Analysis **Notes on estimation methodology:** The program allows participants to take a \$2,000 credit towards their income taxes for all five years they are in the program. They also receive a property tax credit of 80 percent of their liability in the first year, 60 percent in the second year, 40 percent in the third year, and 20 percent the fourth and fifth years. The estimate is based on Tax Year 2012 data adjusted for the growth in the number of filers through 2015.

¹²⁵ D.C. Official Code § 47-363(a).

¹²⁶ D.C. Official Code § 10-303.

¹²⁷ D.C. Official Code § 42-2506.

¹²⁸ Section 7013 of the Fiscal Year 2015 Budget Support Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 61 DCR 9990) ended the Employer Assisted Housing Program as of December 31, 2014.

Subtitle (VII)(C) – Parking Tax Contingency Amendment Act of 2015

Background

The subtitle increases the tax on gross receipts from parking or storing of motor vehicles or trailers in commercial lots¹²⁹ from 18 percent to 22 percent beginning fiscal year 2018. However, the increase will not occur if fiscal year 2015 revenues are sufficient to pay the \$47 million to the District of Columbia Public Employee Relations Board, as authorized in Subtitle G.¹³⁰

Financial Plan Impact

This subtitle will increase local revenue by \$10 million in fiscal year 2018 and \$21 million over the fiscal years 2016 through 019 budget and financial plan.

Fiscal impact of Subtitle (VII)(C) Parking Tax Contingency Amendment of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Increase commercial parking tax rate from 18 percent to 22 percent	\$0	\$0	\$10,486	\$10,801	\$21,281

Source: Estimate by the Office of Revenue Analysis **Notes on estimation methodology:** The estimate uses preliminary data on parking revenue collections for FY 2014.

Subtitle (VII)(D) – Low Income Credit Amendment Act of 2015

Background

A taxpayer with income below the federal minimum filing requirement receives a credit against District income tax on income equal to or below the federal minimum filing requirement. Currently, there are no limitations on the credit for part-year resident filers or for individuals who with business or pass-through income reported on a District franchise tax return. Therefore, those who are making more than the federal minimum income on an annual basis may receive the credit.

The subtitle prorates the credit for part-time residents to limit the use of the credit by those individuals whose aggregate income, including pass-through income, exceeds the federal minimum income filing requirement.

Financial Plan Impact

Adjusting the credit for part-time residents and limiting the credit for those with other income will increase income tax revenue by approximately \$500,000 in FY 2016 and by \$2 million over the FY 2016 through FY 2019 budget and financial plan.

Fiscal impact of Subtitle (VII)(D) Low Income Credit Amendment Act of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Increase in Income Tax Revenue	\$457	\$485	\$514	\$545	\$2,091

Source: Estimate by the Office of Revenue Analysis **Notes on estimation methodology:** The estimate is based on TY 2012 filing data, updated to reflect preliminary collections in TY 2013 and 2014. Projections for 2015 onwards are based on projection in personal income growth.

¹²⁹ D.C. Official Code § 47-2002(a)(1).

¹³⁰ Title VII, Subtitle G of this Act authorizes the payment of an expected settlement with the District of Columbia Public Employee Relations Board, because of a District of Columbia Court of Appeals decision, in a lawsuit between the Fire and Emergency Medical Services Department and PERB.

Subtitle (VII)(E) – Vapor Product Amendment Act of 2015

Background

The subtitle taxes e-cigarettes, and similar vapor products containing nicotine, at the same rate as “other tobacco products.”¹³¹ Vapor products are defined in the subtitle as any vapor cartridge or container of nicotine in a solution that is intended to be used with an electronic cigarette, cigar, cigarillo, pipe, or similar product or device. Currently, these products are taxed at the standard sales tax rate of 5.75 percent while “other tobacco products” are taxed at a calculated rate¹³² similar to cigarettes.

Financial Plan Impact

Applying the “other tobacco product” tax rate to e-cigarettes will increase excise tax revenue by approximately \$380,000 in fiscal year 2016 and by \$2.1 million over the financial plan period.

Fiscal impact of Subtitle (VII)(E) Vapor Product Act of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Increased excise tax revenue from taxing e-cigarettes or “vapor products” the same as tobacco	\$382	\$458	\$550	\$659	\$2,049

Source: Estimate by the Office of Revenue Analysis **Notes on estimation methodology:** The estimate is based on national projections of e-cigarette sales prorated by the District’s share of the nation’s population.

Subtitle (VII)(F) – Notice of Proposed Audit Changes Requirement Amendment Act of 2015

Background

At present, the Office of Tax and Revenue must inform a taxpayer 60 days in advance of reassessing taxes because of an audit finding. The Office of Tax and Revenue must first notify the taxpayer that there is an audit finding on the taxpayers filing, and then then notify the same payer of the reassessed taxes related to the audit. Each notification requires a 30-day advance. The current statute of limitations on tax audits is three years and the time limitations can only be stopped from running if a taxpayer responds to a notice of proposed audit filings. The proposed subtitle would stop limitations from running when the taxpayer receives the notice of proposed audit findings, and not when the taxpayer responds to the notice. In this way, the provision would give up to two additional months to the Office of Tax and Revenue to complete action on audit findings.

Financial Plan Impact

The Office of Tax and Revenue uses many different kinds of audits, including sales and corporate income tax audit reports by the Multistate Tax Commission and IRS Section 482 audits (on the allocation of income and deductions) to improve compliance. These reports generally arrive close to the end of the statute of limitations and if they arrive in the last 60 days of the three-year period, the Office of Tax and Revenue cannot use these reports, impairing the agency’s ability to use its own

¹³¹ Other tobacco products include any product made from tobacco that is not a cigarette or premium cigar that is intended to be expectorated or consumed. See D.C. Official Code § 47-2401(5A).

¹³² “Other tobacco products” are taxed at a rate similar to cigarettes. Specifically, the cigarette tax and surtax on a pack of 20 cigarettes expressed as a percentage of the average wholesale price of a package of 20 cigarettes, which is recalculated annually. See D.C. Official Code § 47-2402.01.

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audits as well. At present, if a taxpayer receives notice within the last month of the three-year action period, the taxpayer can let the statute of limitations run out by simply not responding to the notice, rendering the audit unusable. This subtitle will allow the Office of Tax and Revenue up to two additional months to complete audit related actions so long as a notice is sent within the statute of limitations period. This additional time is estimated to generate \$2 million revenue in corporate income taxes annually beginning FY 2016.

Fiscal impact of Subtitle (VII)(F) Notice of Proposed Audit Changes Requirement Act of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Increased income tax revenue from lengthening statute of limitations	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000

Source: Estimate by Office of Revenue Analysis Notes on estimation methodology: The estimate is based on 2015 audit data from the Office of Tax and Revenue.

Subtitle (VII)(G) – Fire and Emergency Medical Services Overtime Settlement Fund Act of 2015

Background

The District has agreed to a \$47 million settlement with the District of Columbia Public Employee Relations Board, because of a District of Columbia Court of Appeals decision¹³³ in a lawsuit between the Fire and Emergency Medical Services Department and Public Employee Relations Board.

The subtitle authorizes the use of any excess revenues certified in the Chief Financial Officer's June revenue certification to pay the settlement. It also authorizes the Chief Financial Officer to pay the settlement through end-of-year surpluses for FY 2015 and onwards, until the full settlement is paid. The settlement payment in FY 2015 will be made with surplus funds after all the locally and federally mandated transfers are made to various funds that hold District's debt service funds, and emergency and contingency funds. The subtitle creates a Fire and Emergency Medical Services Overtime Settlement Fund, into which end-of-year surpluses would be deposited,

Financial Plan Impact

If the District is able to pay for the settlement using excess revenues for FY 2015 or end-of-year surpluses, then the paygo contingency set aside for these payments in the financial plan will be released and can be used to reverse the proposed parking tax increase by Subtitle C of this title.

Payments from end-of-year surpluses would not change the amount set aside in the federally and locally mandated funds, but they would reduce the District's unreserved and undesignated fund balances.

Subtitle (VII)(H) – Business Improvement District Technical Amendment Act of 2015

Background

The subtitle corrects an error in the DC Business Improvement District Amendment Act of 2013. Currently the law states that possessory interest is taxable property as of 2014. The subtitle changes the taxable date to 2003.

¹³³ District of Columbia Fire Emergency Medical Services Department v. District of Columbia Public Employee Relations Board, Nos. 12-CV-1813, 12-CV-1910, (D.C., 2014).

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Financial Plan Impact

The subtitle is a technical correction and does not have a fiscal impact.

Subtitle (VII)(I) – District of Columbia Depository Expansion Amendment Act of 2015

Background

Current law requires that a financial institution, with which the District has any accounts, must at all times provide collateral equal to at least 102 percent of the District funds held by the eligible financial institution for deposits and investments that are not fully federally insured. The subtitle allows Federal Home Loan Bank letters of credit to be accepted as such collateral.¹³⁴

Financial Plan Impact

Expanding the list of eligible collateral financial institutions can hold for District of Columbia Government accounts not insured fully by the federal government does not have a fiscal impact.

Subtitle (VII)(J) – 4427 Hayes Street, N.E. Real Property Tax Abatement Amendment Act of 2015

Background

The subtitle extends the existing property tax abatement for property at 4427 Hayes Street, N.E. to 2040, and limits the annual abatement to \$30,000 per year.

Financial Plan Impact

The subtitle will reduce real property taxes in FY 2016 by \$28,000 and \$117,000 in the FY 2016 through FY 2019 budget and financial plan.

Fiscal impact of Subtitle (VII)(J) 4427 Hayes Street, N.E. Real Property Tax Abatement Amendment Act of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Reduction in real property tax revenue	\$28	\$29	\$30	\$30	\$117

Source: Estimate by Office of Revenue Analysis **Notes on estimation methodology:** The estimate is based on preliminary TY 2016 tax assessments. Out-year annual assessment growth rate is estimated to be 4 percent on average from 2016 to 2019

Subtitle (VII)(K) – Market-based Sourcing Clarification Amendment Act of 2015

Background

The subtitle makes permanent changes made by a temporary legislation¹³⁵ approved in December 2014. First, it clarifies that purchasers of tax liens in a tax sale make an interest payment of 1.5 percent per month. Prior to the temporary law, District code was unclear what the interest payment should be. Second, it sets the applicability date for change in definition of a taxpayer's market of

¹³⁴ D.C. Official Code § 47-351.08

¹³⁵ The Market-Based Sourcing Inter alia Clarification Temporary Amendment Act of 2014, effective April 30, 2015 (D.C. Law 20-0259; 62 DCR 5644), expires on December 11, 2015.

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sales;¹³⁶ and third, it removes the competitive bidding requirement¹³⁷ for a \$1 million grant for the Washington DC Economic Partnership.

Financial Plan Impact

The subtitle is a clarification and does not have a fiscal impact.

Subtitle (VII)(L) – Real Property Assessment Appointment Clarification Amendment Act of 2015

Background

The subtitle repeals the establishment of an Office of Public Advocate for Assessments and Taxation, which created an advocate position for taxpayers. The office and position had not been funded to date. However, a more recent law¹³⁸ created and funded the Office of the Real Property Tax Ombudsman, with a similar function.

Financial Plan Impact

The subtitle does not have a fiscal impact, as the office and position were never funded.

Subtitle (VII)(M) – Southwest Business Improvement District Clarification Amendment Act of 2015

Background

The subtitle lowers the required Southwest Business Improvement District tax by 30 percent for developments larger than five acres that are required to contribute to the maintenance and improvement of roadways and sidewalks adjacent to the property.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(N) – Standard Deduction Withholding Clarification Amendment Act of 2015

Background

The subtitle makes permanent temporary legislation¹³⁹ requiring employers to exclude standard deductions from their withholding calculations.

Financial Plan Impact

The requirement is current law, and therefore the subtitle does not have a fiscal impact.

¹³⁶ Section 7012 of Fiscal Year 2015 Budget Support Act of 2014, effective February 26, 2015 (D.C. Law 20-155; 61 DCR 9990) amended D.C. Official Code § 47-1810.02(g)(3) to define market of sales.

¹³⁷ Section 6089 of Fiscal Year 2015 Budget Support Act of 2014.

¹³⁸ Residential Real Property Equity and Transparency Act of 2013, effective December 4, 2014 (D.C. Law 20-141, 61 DCR 12686).

¹³⁹ Standard Deduction Withholding Clarification Emergency Act of 2014, effective March 7, 2015 (D.C. Law 20-0176; 62 DCR 3805), expires October 18, 2015.

Subtitle (VII)(O) – Unified Economic Development Clarification Amendment Act of 2015

Background

At present, the Chief Financial Officer is required to submit a summary of economic development initiatives that are part of the Mayor's proposed annual proposed budget and financial plan. The Chief Financial Officer also is required to prepare a Unified Economic Development Budget Report¹⁴⁰ by December 31 each year summarizing economic development activity for the prior fiscal year.

The subtitle transfers the responsibility from the Chief Financial Officer to the Mayor for preparing a summary of economic development initiatives in the proposed budget. The subtitle also changes the date the Report must be published from December 31 to March 1. This will allow data from the Comprehensive Annual Financial Report to be included in the report.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(P) – Combined Reporting Clarification Amendment Act of 2015

Background

The subtitle provides a reference for the list of specific jurisdictions in the definition of a tax haven under District's combined reporting statutes. It also requires the Council to review and update the list of tax haven jurisdictions biennially or as needed.

Financial Plan Impact

Linking a specific set of jurisdictions to the definition tax havens in the District's Official Code improves the Office of Tax and Revenue's ability to enforce the requirements of combined reporting requirements. The subtitle will increase business income tax revenues by \$3.7 million in FY 2017 and \$10.6 million in the fiscal years 2016 through 2019 budget and financial plan.

Fiscal impact of Subtitle (VII)(P) Combined Reporting Clarification Act of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Additional business tax revenue	\$0	\$3,738	\$3,551	\$3,410	\$10,698

Source: Estimate by the Office of Revenue Analysis **Notes on estimation:** Estimate based on a methodology developed by the United States Public Interest Research Group, available at <http://www.uspirg.org/reports/usp/closing-billion-dollar-loophole>. The estimate presented in the study is adjusted for TY 2012 Corporate income collections and District law changes that were not fully incorporated into the assumptions of the study.

¹⁴⁰ D.C. Official Code § 2-1208.02

Subtitle (VII)(Q) – Union Market District TIF Inducement Act of 2015

Background

The subtitle declares support for, but does not guarantee, tax increment financing for a project known as the Union Market development project.¹⁴¹ Edens Realty, Inc., the project developer, has requested the District consider issuing Tax Increment Financing bonds of \$90 million. The subtitle does not approve Tax Increment Financing, but instead expresses an intent to support the project and Tax Increment Financing if feasible.

Financial Plan Impact

The subtitle does not have a fiscal impact. Authority to issue under the Tax Increment Financing Authorization Act of 1998 expired on January 1, 2014 per D.C. Official Code § 2-1217.02 (b). As such, Council would need to approve the Tax Increment Financing issuance through an Act and not just a Resolution.

Subtitle (VII)(R) – Real Property Tax Transfer Deferral Amendment Act of 2015

Background

A senior citizen meeting certain eligibility criteria¹⁴² may apply to defer property taxes on his or her home, up to 25 percent of the home's value. Under current law, the deferral ends one year after the death of the owner. After that, the new owner will be responsible for all deferred taxes, and has five days to pay them.

The subtitle extends the due date from five to 90 days following a transfer that occurs because of the death of an eligible owner. Additionally, if the property is subject to an inheritance or probate proceeding at the time of transfer, the bill allows payment of deferred taxes and interest to be made up to a year following a transfer, or two years following the death of an eligible owner.

Financial Plan Impact

The change may delay some collections, but the amounts are expected to be small and negligible.

Subtitle (VII)(S) – National Cherry Blossom Festival Fundraising Match Act of 2015

Background

The subtitle directs \$250,000 in fiscal year 2016 from the Non-Departmental Agency to the Washington Convention and Sports Authority to administer a matching grant program to support the National Cherry Blossom Festival. The matching grant will be provided to non-profit entities dollar-for-dollar, but only for amounts the non-profit raises above the first \$750,000 by March 31, 2016.

¹⁴¹ The project is defined in the subtitle as "retail, residential and office space on parcels, lots, and squares, within and abutting the boundary of the Florida Avenue Market, as set forth in the Florida Avenue Market Small Area Plan, dated 2009, approved October 6, 2009 (Res. 18-257; 56 DCR 8401)."

¹⁴² Among the criteria, the residence must be at least 50 percent owned by the senior, and the household adjusted gross income must be less than \$50,000.

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Financial Plan Impact

The FY 2016 budget for the Washington Convention and Sports Authority already accounts for this matching grant.

Subtitle (VII)(T) – Tregaron Conservancy Tax Exemption and Relief Amendment Act of 2015

Background

The subtitle exempts a parcel of land being transferred from a private owner to the Tregaron Conservancy from real property recordation and transfer taxes.

Financial Plan Impact

The subtitle reduces real property, recordation, and transfer taxes per the chart below.

Fiscal impact of Subtitle (VII)(T) Tregaron Conservancy Tax Exemption and Relief Amendment Act of 2015						
FY 2015 – FY 2019 (\$ thousands)						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Reduction of real property tax revenue	\$2	\$6	\$6	\$6	\$6	\$26
Reduction of deed and transfer tax revenue	\$18	\$0	\$0	\$0	\$0	\$18
Total reduction in revenue	\$20	\$6	\$6	\$6	\$6	\$44

Source: Estimate by the Office of Revenue Analysis **Notes on estimation methodology:** The estimate is based on FY 2015 and FY 2016 tax assessments for the property. Out-years are expected to grow by an average of 4 percent from 2016 to 2019.

Subtitle (VII)(U) – Retail Service Station Transfer Tax Act of 2015

Background

The subtitle eliminates the additional 5 percent tax that is currently levied¹⁴³ on the transfer of gas stations, and tax the transfer at the same rate as other commercial properties: 1.45 percent.

Financial Plan Impact

The subtitle will decrease transfer tax revenues by \$253,000 in FY 2016 and \$1.0 million in the FY 2016 through FY 2019 budget and financial plan.

Fiscal impact of Subtitle (VII)(U) Retail Service Station Transfer Tax Act of 2015					
FY 2016-FY 2019 (\$ thousands)					
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2016 – FY 2019
Reduction in transfer tax revenue	\$253	\$253	\$253	\$253	\$1,014

Source: Table notes: Estimate by the Office of Revenue Analysis **Notes on estimation methodology:** The estimate is based on recent history of similar transactions from the DC Recorder of Deeds.

¹⁴³ D.C. Official Code § 47-903(a-5).

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Subtitle (VII)(V)- IPW Fund, Destination DC Marketing Fund, and WMATA Momentum Fund Amendment Act of 2015

Background

Current law directs a transfer of \$3.5 million of expected settlement funding from the District of Columbia Court of Appeals in *District of Columbia v. Expedia, Inc.*, et al. to the IPW Fund¹⁴⁴ which would be used to support the IPW conference—an international travel conference and trade show—that is taking place in the District in 2017. The subtitle reduces the transfer to the IPW Fund to \$2 million of the expected settlement, and directs another \$1.5 million to the IPW Fund from any additional but unspecified litigation recoveries.

The subtitle also directs all recoveries from a settlement by the Superior Court of the District of Columbia in *United States ex rel. Mills v. Compass Group North America et al.* to be directed to the WMATA Momentum Fund.¹⁴⁵

Financial Plan Impact

The subtitle does not have a fiscal impact. The District has not yet received any settlement funds from either of these two court cases. The subtitle directs funds from potential settlement receipts, but these revenues would have to be received and certified first, and then appropriated before they can be spent.

Subtitle (VII)(W)- Public Space Revenue Clarification Amendment Act of 2015

Background

The subtitle clarifies that the public space fees dedicated to the Local Transportation Fund¹⁴⁶ are public rights-of-way fees.¹⁴⁷ The subtitle further clarifies that rights-of-way fees include rail lines, and electric, gas, water, sewer, and communication utilities.

Financial Plan Impact

The subtitle does not have a fiscal impact. Only the rights-of-way fees as defined in the subtitle are directed to the Local Transportation Fund and this clarification ensures that the District's Official Code aligns with current practice.

¹⁴⁴ D.C. Official Code § 1-325.291

¹⁴⁵ D.C. Official Code § 1-325.241

¹⁴⁶ Fiscal Year 2011 Supplemental Budget Support Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 9-111.01a).

¹⁴⁷ Fiscal Year 1997 Budget Support Act of 1996, effective April 9, 1997 (D.C. Law 11-198; D.C. Official Code § 10-1141.01).

TITLE VIII- CAPITAL BUDGET

Subtitle (VIII)(A) – Fiscal Year 2016 Capital Project Reallocation Approval Act of 2015

Background

The proposed subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately \$165 million in currently held general obligation or income tax revenue bond balances from the capital projects with slow activity to ten projects with insufficient bond balances to cover expenditures. The reallocation does not change costs or authorized budget amounts, but it directs capital funds in hand to projects that are most likely to spend them. In this way, the District can make better use of the bonds held in escrow (at a low interest rate), avoid some future borrowing, and improve cash flow. The two tables that follow show the sources and uses of these funds.

Subtitle (VIII)(A) – Projects that will serve as source of financing		
TABLE A		
Agency (owner)	Project Title	Total
Commission On Arts and Humanities	Arts & Humanities Grants & Projects	\$4,775,798
D.C. Public Library	Library Improvements	\$12,460
Department Behavioral Health	Construct New Saint Elizabeth Hospital In-Patient	\$5,759,993
Department of Corrections	HVAC Replacement	\$210,299
Department of General Services	One Judiciary Square Roof	\$566,687
Department of Parks and Recreation	Barry Farm Recreation Center	\$177,483
	Congress Heights Modernization	\$26,761
Department of Public Works	Upgrade to DPW Fueling Sites	\$76,427
Deputy Mayor for Education	Language Immersion MS/HS Facility Grant	\$3,000,000
Deputy Mayor for Planning and Economic Development	Economic Development Pool	\$347,460
	New Communities	\$8,000,000
	St Elizabeths Infrastructure	\$41,196,793
District Department of Transportation	11th Street Bridge Park	\$2,003,643
	Advanced Design and Planning	\$1,532,146
	Alley Maintenance	\$555,981
	H Street/Benning/K Street Streetcar Line	\$36,011,922
	Non-Participating Highway Trust Fund Support	\$11,911,610
District of Columbia Public Schools	Cardozo HS Modernization	\$12,304,374
	Challenger Center For Space Education	\$1,500,000
	Drew Elementary School Modernization/Renovation	\$511,155
	Dunbar Senior High School Modernization	\$4,243,657
Fire and Emergency Management Services	Emergency Communication Systems	\$16,841
	Engine Company 23 Renovation	\$2,886,745
Metropolitan Police Department	Tactical Village Training Facility	\$738,768
Office of Municipal Planning	District Public Plans and Studies	\$10,067,919
Office of the Chief Financial Officer	SOAR Modernization	\$10,000,000
	SOAR Replacement	\$1,713,177
Special Education Transportation	Special Education Transportation Center	\$4,840,628
TOTAL		\$164,988,727

Subtitle (VIII)(A) – Projects that will use financing		
TABLE B		
Agency (owner)	Project Title	Total
D.C. Public Library	Northeast Library	\$547,780
Department of Corrections	Inmate Processing Center	\$4,500,000
District of Columbia Public Schools	Ballou Senior High School	\$27,986,000
	Brookland Middle School Modernization	\$8,500,000
	Modernizations & Renovations	\$50,864,967
	Roosevelt Senior High School	\$20,223,161
Office on Aging	Washington Center for Aging Services Renovation	\$409,442
University of the District of Columbia	Renovation of University Facilities	\$20,000,000
WMATA	WMATA Capital Improvement Plan Contribution	\$21,550,905
	WMATA Fund - PRIIA	\$10,406,472
TOTAL		\$164,988,727

Financial Plan Impact

The proposal is incorporated into the proposed fiscal years 2016 through 2021 Capital Improvements Plan. The reallocation would neither increase nor decrease the budget authority for any one of the capital budget projects cited in the legislation. It will reallocate available balances to where they are needed, making more efficient use of District resources.

Subtitle (VIII)(B) – McMillan Redevelopment Proceeds Amendment Act of 2015

Background

In 2014, the District disposed of the McMillan Sand Filtration Site and approved its use for commercial and residential development.¹⁴⁸ As part of the Land Development Agreements between the District and the developer for the site, Vision McMillan Partners, LLC, the District will sell the property to the developer and use the proceeds to prepare the site for development. Under current law, any proceeds from the sale would revert to the General Fund and would not automatically be dedicated to this development. The proposed subtitle dedicates the proceeds from the sale to the McMillan project.¹⁴⁹

Financial Plan Impact

The estimated sales price for the McMillan site is \$27 million. The project’s funding plan had already incorporated the use of the proceeds from the land sale. The subtitle makes the required changes to District laws so the proceeds can be dedicated to the McMillan project.

¹⁴⁸ The District approved four public resolutions (R20-704, R20-705, R20-706, and R20-707) to approve the disposition of the property and the development of commercial, residential, and multi-family units. These resolutions are effective beginning December 2, 2014.

¹⁴⁹ The capital fund account associated with the McMillan Site Redevelopment is EB0-AMS11C.

Subtitle (VIII)(C) – Department of Transportation Capital Budget Allocation Authority Amendment Act of 2015

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.).¹⁵⁰ This is because at the time the city sends its budget request 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 must first identify the projects (known as "Related Projects") under each master project, and then request from the Office of Budget and Planning that appropriations under each master project is allocated to each of these Related Projects.¹⁵¹ The subtitle clarifies that the individual budgets of related projects are those that appear in District Department of Transportation's approved Transportation Improvement Program.

Financial Plan Impact

The subtitle is a clarification that links related project budgets to the Transportation Improvements Program. There is no fiscal impact associated with this change.

Subtitle (XIII)(D) – Pay-as-you-go Capital Account Amendment Act of 2015

Background

Under current law, each year beginning 2016 the proposed budget for the following fiscal year will allocate into the Paygo Capital Account a quarter of the increases in the District's local fund revenue. The increment is measured as the change in projected revenues from the February revenue certification letter from the revenues for the same fiscal year in the previous February's certification letter.¹⁵² The subtitle pushes this requirement to 2019.

Under current law, the first budget to show the transfer to Paygo Capital Account would be the FY 2017 through FY 2020 Budget and Financial Plan, submitted to the U.S. Congress in the summer of 2016. Under the proposed legislation, the first time the Paygo Capital Account could receive these funds would be under the FY 2020 through FY 2023 Budget and Financial Plan.

Financial Plan Impact

Delaying the implementation of the required Paygo Capital Account by three years will eliminate the planned transfers to the Paygo Capital Account for Fiscal Years 2017 through 2019. Under current law, the Paygo Capital Account would have received \$55 million to \$56 million each year between FY 2017 and FY 2019. Under the proposal, these amounts will remain available for any use.

¹⁵⁰ These are projects the Federal Government must approve for the Highway Trust Fund monies.

¹⁵¹ D.C. Official Code § 50-921.02(e).

¹⁵² Required as per D.C. Official Code § 47-392.02(f)(2).

Transfers to Paygo Capital Account from 25 percent of revenue increases from February to February FY 2016 through FY 2021, in \$ millions							
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
Current Law	\$0	\$55,917	\$55,077	\$56,672	\$59,908	\$61,825	\$289,398
Proposal	\$0	\$0	\$0	\$0	\$59,908	\$61,825	\$121,732
Difference	\$0	(\$55,917)	(\$55,077)	(\$56,672)	\$0	\$0	(\$167,666)

Subtitle (XIII)(E) – Capital Project Review and Reconciliation Amendment Act of 2015

Background

Under current law, the Office of the Chief Financial Officer can move any funds from capital projects with a balance of less than \$250,000 if the project has been dormant and did not spend any money for three consecutive years.¹⁵³ The law also allows a notification process, initiated by the agency, for projects that have been dormant for 3 years with a balance of \$250,000 or greater. If the agency fails to notify the Office of the Chief Financial Officer within 30-days at the end of the three-year period, the Office of the Chief Financial Officer can move the remaining budget to the Capital Project Support Fund.¹⁵⁴ The District can then reprogram these monies to other projects.

The subtitle makes four modifications to current law:

First, it requires the Office of the Chief Financial Officer to provide a 30-day notification to agencies with dormant capital projects. Under current law, the agency initiates the notification requirement. The agencies are allowed to keep these funds if they submit a spending plan that explains how the funds could be used in the following 18 months, but with this modification, they would have 30 days to articulate these plans.

Second, it directs the surplus funds from dormant capital projects with a fund balance of \$250,000 or more to the Alley Rehabilitation Project. Under current law, these funds are deposited into the Capital Project Support Fund.

Third, the proposed subtitle would extend the OCFO the authority to do the same for capital projects that are funded through memoranda of understanding, supported by Intra-District Transfers of budget advances. Upon the expiration of a memorandum of understanding, the Office of the Chief Financial Officer will allow party agencies 60 days to reconcile accounts and another 30 days to reconcile capital expenditures to the advanced capital project budget and make accounting adjustments necessary to close the account. If at the end of this period, there are surplus or unused capital funds, they will be transferred to the Alley Rehabilitation Project and be made available for reprogramming to authorized capital projects.

¹⁵³ D.C. Official Code § 1-325.151.

¹⁵⁴ This account is established by D.C. Official Code and it holds two accounts: The Bond Account which holds surplus from projects funded by bond financing, and the Non-Bond Account which holds all surplus funds financed by non-bond monies including those from the Local Street Maintenance Fund, Master Equipment Lease/Purchase financing, Sale of Assets and Pay-as-You-Go capital funding, but excluding federal grants and Federal Highway Trust Fund. It is currently held in project SA311C – the WMATA Fund project.

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Fourth, the Office of the Chief Financial Officer would be authorized to immediately transfer to the Alley Rehabilitation Project surplus funds with an unexpended balance of \$250,000 or less. Current law already allowed these transfers, but into the Capital Project Support Fund.

Financial Plan Impact

The proposed changes will allow the District to better use its capital funds by promptly removing them from dormant projects. Rather than waiting for agency action, the Office of the Chief Financial Officer will be able to initiate the process by sending a 30-day notice. Under the provision, projects funded through memoranda of understanding will now be included. Depositing these surplus funds in the Alley Rehabilitation Project rather than the Capital Project Support Fund does not have a fiscal impact. Under either scenario, monies can be reprogrammed to projects.

The subtitle will allow the District to better use its capital funds, but potential reallocations are not fully known at this time, and therefore they are not included in the FY 2016 through FY 2021 Capital Improvement Plan.

Subtitle (XIII)(F) – Fiscal Year 2016 Capital Rescission Act of 2015

Background

The proposed subtitle directs the Office of the Chief Financial Officer to rescind or adjust current capital project allotments to various projects in the following way:

Capital Rescissions and Adjustments Authorized by Fiscal Year 2016 Capital Rescission Act of 2015 (Rescissions in parenthesis)				
Owner Agency	Project No	Project Title	Bond Financing	Paygo
Department of Consumer and Regulatory Affairs	EB301C	Vacant Property Inspection and Abatement	(\$25,016)	
Department of Corrections	CEV01C	DOC Elevator Refurbishment	(\$800,000)	
Department of General Services	A0502CC	Ward 6 Senior Wellness Center	(\$200)	
Department of Health Care Finance	HI101C	District Operated Health Information	(\$1,456,147)	
	MPM02C	District MMIS Upgrade	(\$7,364)	
Department of Parks and Recreation	IVYCTC	Ivy City Community Center	(\$1,925,000)	
	QA501C	Stoddert Recreation Center	(\$16,482)	
	RG001C	General Improvements	(\$622,279)	
Department of Transportation	AD310C	Sherman Street	(\$522)	
	BR005C	H Street Bridge	\$20,000,000	
	BR101C	Pedestrian Bridge	(\$4,000,000)	
	ED202C	Banneker Overlook Steps		\$500,000
	EDL18C	New York Avenue Streetscapes	\$2,725,000	
	SA306C	H St/Benning/K St. Line	(\$31,000,197)	
	SR097C	Ivy City Streetscapes	\$350,000	
Deputy Mayor for Planning and Economic Development	AWR01C	Saint Elizabeths E Campus Infrastructure	(\$2,500,000)	
	EB008C	New Communities	(\$10,000,000)	
	EB409C	WASA New Facility	\$6,000,000	
District of Columbia Public Library	LB2CEC	Library Improvements	(\$5,953)	

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Capital Rescissions and Adjustments Authorized by Fiscal Year 2016 Capital Rescission Act of 2015				
(Rescissions in parenthesis)				
Owner Agency	Project No	Project Title	Bond Financing	Paygo
District of Columbia Public Schools	GI010C	Special Education Classrooms	(\$500,000)	
	MJ138C	Janney Elementary School Modernization/Renovation	(\$907)	
	NJ837C	McKinley High School Modernization/Renovation	(\$20,000)	
	NX437C	Anacostia High School Modernization/Renovation	(\$32,800)	
	PK337C	Martin Luther King Elementary School Modernization	(\$1,000,000)	
	SK120C	Athletic Facilities Improvement	(\$1,000,000)	
	SK1ASC	Anne Goding/Sherwood Recreation Center (Playground)	(\$55,000)	
	T2241C	Student Information System-Public Charter School		(\$500,000)
	YY105C	Prospect Elementary School Modernization/Renovation	(\$2,963,250)	
	YY141C	Brookland Elementary School Modernization/Renovation	(\$10,268)	
	YY142C	Bruce Monroe at Parkview Elementary School Modernization	\$5,762,565	
	YY146C	Lasalle Elementary School Modernization/Renovation	(\$75,143)	
	YY150C	Nalle Elementary School Modernization/Renovation	(\$28,329)	
	YY168C	Ludlow-Taylor Elementary School Modernization/Renovation	(\$100,000)	
	YY1MRC	Marie Reed Elementary School Modernization/Renovation	\$3,500,000	
Equipment Lease - Capital	ITI05C	Master Equipment Lease - FA Police	(\$7,887)	
	MLP01C	Master Equipment Lease - DC Library	(\$2,805)	
	MLP02C	Master Equipment Lease - DC Library	(\$62)	
	MLP03C	Master Equipment Lease - DC Library	(\$621)	
Fire and Emergency Medical Services	LB637C	E-15 Complete Modernization/Renovation	(\$71)	
Metropolitan Police Department	IT101C	Information Technology Initiative	(\$3,936)	
Office of Planning	PLN37C	District Public Plans and Studies	(\$280,946)	
Office of the Chief Technology Officer	ZA143C	DC GIS Capital Investment	(\$67,627)	
Office of the Secretary	AB102C	Archives	(\$1,000,000)	
University of the District of Columbia	UG706C	Renovation of University Facilities	\$7,500,000	
TOTAL RESCISSION			(\$13,671,247)	\$0

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Financial Plan Impact

The \$13.7 million rescinded by this subtitle will allow the District to reduce its planned borrowing in the fall of 2015. The proposed Capital Improvements Plan makes use of \$ 3.7 million of the rescinded budget in FY 2016, and the remainder of \$10 million in FY 2018.

Subtitle (XIII)(G) – 11th Street Bridge Park Funding Limitations Act of 2015

Background

The subtitle prohibits the use of public funds allocated to the construction of the 11th Street Bridge Park (Project number ED0D5C) until the District raises at least half of the total projected construction costs from private sources.

Financial Plan Impact

The estimated construction cost of the project is \$28.5 million. The project has \$3.1 million budget authority for FY 2015 and the proposed FY 2016 through FY 2021 Capital Improvement Plan allocates additional budget authority of \$1.35 million in FY 2016 and \$5 million in FY 2019. However, under this provision, the District cannot begin awarding or spending these monies until it raises \$14.25 million of private funding for the project.

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

Subtitle (IX)(A) –Special Fund Amendment Act of 2015

Background

The subtitle expands the uses of the Council Technology Projects Fund to include any expenditure, capital or operating, necessary to maintain and upgrade the Council’s technology infrastructure. It also makes the Secretary to the Council responsible for administering the fund. Under current law, the Council’s Chief Technology Officer is responsible for this fund.

Financial Plan Impact

Expanding the potential uses of the Council Technology Projects Fund does not have a fiscal impact. The Fund exists in legislation, but is not yet set up and has no projected revenues for fiscal year 2016

Subtitle (IX)(B) – Designated Fund Transfer Act of 2015

Background

The subtitle would allow the District to use the balances of various funds as a source of revenue in Fiscal Years 2016 through 2018. The subtitle would use the balances of one budget reserve, three dedicated revenue funds (all under Department of Health Care Finance), and 21 special purpose funds, and one enterprise fund totaling \$91.4 million.

Fiscal Impact of Subtitle (IX)(B) – Designated Fund Transfer Act of 2015		
Agency	Fund Name	Fiscal Year 2015 Amount
GENERAL FUND COMPONENTS		
Budget Reserves:		
Office of Planning	Historic Landmark District Protection Fund	\$1,250,000
	Subtotal	\$1,250,000
Dedicated Taxes		
Department of Health Care Finance	Healthy DC Fund	\$22,991,412
	Nursing Homes Quality of Care Fund	\$4,078,020
	Stevie Sellows	\$2,522,743
	Subtotal	\$29,592,175
Special Purpose Fund Restrictions		
Department of Consumer and Regulatory Affairs	Board of Engineers Fund	\$500,000
	Corporate Recordation Fund	\$500,000
	OPLA - Special Account	\$500,000
Department of Corrections	Correction Reimbursement-Juveniles	\$922,547
	Correction Trustee Reimbursement	\$4,170,231
Department of Health	Pharmaceutical Protection Fund	\$2,841,368
	State Health Planning and Development Fund	\$1,764,017
Department of Health Care Finance	Medicaid Collections-3rd Party Liability	\$3,905,187
Department of Insurance, Securities, and Banking	Securities and Banking Regulatory Trust Fund	\$9,509,627
Department of Motor Vehicles	Motor Vehicle Inspection Station	\$3,478,223
Department of Public Works	Solid Waste Disposal Cost Recovery	\$202,511
	Supercan Program	\$175,004

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Fiscal Impact of Subtitle (IX)(B) – Designated Fund Transfer Act of 2015		
Agency	Fund Name	Fiscal Year 2015 Amount
District Department of the Environment	Energy Assistance Trust Fund	\$500,000
	Municipal Aggregation Program	\$329,665
	Soil Erosion and Sediment Control	\$1,233,451
	Sustainable Energy Trust Fund	\$3,500,000
	Wetland and Stream Mitigation	\$1,000
Office of Cable Television	Cable Franchise Fees	\$5,500,000
Office of the Chief Financial Officer	Office of Finance and Treasury Central Collection Unit	\$13,000,000
Pay-as-you-go Capital Fund	Right-of-Way Revenues	\$3,296,805
Taxicab Commission	Public Vehicles-for-Hire Consumer Service Fund	\$1,938,003
	Subtotal	\$57,767,639
Total General Fund		\$88,609,814
Enterprise and Other Funds:		
Tax Increment Financing Program	Tax Increment Financing	\$2,750,000
Total Enterprise and Other Funds		\$2,750,000
GRAND TOTAL		\$91,359,814

Financial Plan Impact

The proposed budget and financial plan includes \$47.1 million of fund balance use in Fiscal Year 2016, \$39.7 million in fiscal year 2017, and \$1.7 million in fiscal year 2018.