

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 21, 2016

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2017 Budget Support Act of 2016”

REFERENCE: Bill 21-669, Amendment in the Nature of a Substitute circulated on June 20, 2016

Conclusion

Funds are sufficient in the proposed fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the Fiscal Year 2017 Budget Support Act of 2016.

The District’s fiscal year 2017 budget proposes \$7.295 billion in local funds spending, supported by \$7.295 billion of local resources, with an operating margin of \$0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to local funds is of \$8.210 billion.

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

The bill, the “Fiscal Year 2017 Budget Support Act of 2016,” is the legislative vehicle for adopting statutory changes needed to implement the Mayor’s proposed budget for the fiscal years 2017 through 2020 budget and financial plan period. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I- GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Bonus and Special Pay Act of 2016

Background

The subtitle allows a District agency to pay bonuses or special awards to its employees if the agency adopts a performance-based rewards program approved by the District of Columbia Human Resources Department (DCHR).¹ The program must adhere to the following limitations:

- Bonus and award payment is restricted to the fourth quarter of the fiscal year;
- A bonus or award is considered a one-time payment;
- Only individual employees can receive a bonuses or an award;
- The award must be based on performance;
- The performance evaluation must take place within ninety days of the payment;
- The agency must provide a written justification for the bonus;
- The bonus or award cannot exceed 10 percent of the employee's base salary;
- The employee cannot receive more than one bonus or award payment in a calendar year;
- and
- Subordinate executive agency heads are ineligible for bonuses or awards.

Agencies can make a bonus or award payment that is not based on performance including retirement awards, bonuses or income allowances for difficult-to-fill positions, awards funded by private grants or donations, safe driving awards, and others. Public school employees who provide services to students and employees of the Office of the Attorney General are also allowed to receive bonus and award payments.

Beginning in fiscal year 2011, the District banned the payment of bonuses and special awards.

Financial Plan Impact

The proposed budget does set aside any funds for bonus or special award pay. Agencies can make bonus or award payments only if they have sufficient funds and have a Performance Based Rewards Program approved by DCHR.

Subtitle (I)(B) – BEGA Lobbyist Fee and Nominee Review Period Amendment Act of 2016

Background

The District requires lobbyists to register with the District and pay an annual fee of \$250. Persons who lobby only for nonprofit organizations can pay a reduced fee of \$50. The subtitle defines² non-

¹ This applies to Executive agency and independent agency Programs.

² By amending section 227(b)(2) of 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 § 1-1162.27).

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profit organizations as tax-exempt organizations that fall under the federal definition³ of a nonprofit organization.

Financial Plan Impact

The subtitle offers a narrower definition of nonprofit organization, which would exclude approximately 40 organizations whose lobbyists had in the past paid the lower registration fee, but will now have to pay the full fee.

Subtitle (I)(C) – Employees' Compensation Fund Clarification Amendment Act of 2016

Background

District's Employees' Compensation Fund⁴ pays injured District government workers for lost wages, medical services, and return-to-work services. The subtitle makes permanent temporary legislation⁵ that allowed payment of administrative expenses from the Employees Compensation Fund, retroactive to October 1, 2008.

Financial Plan Impact

This subtitle codifies existing practice and does not have a fiscal impact.

Subtitle (I)(D) – Captive Insurance Agency Amendment Act of 2016

Background

The subtitle exempts insurance companies from paying insurance premium taxes on insurance products they have sold to the District government. To claim the exemption, the District's broker must submit a statement identifying the portion of an insurance coverage allocated to the District government.

The subtitle also allows the Chief Risk Officer to purchase any type of insurance deemed appropriate for the District. Currently, the Chief Risk Officer may only purchase property insurance. The subtitle also makes a technical change to ensure that the Office of Risk Management can continue to purchase insurance utilizing the Captive Insurance Fund.

Financial Plan Impact

The subtitle will reduce insurance premium tax revenue⁶ by \$42,000 every year.

³ Section 501(c)(3) of the Internal Revenue Code of 1986, approved October 22, 1986 (68A Stat. 163; 26 U.S.C. § 501(c)(3)).

⁴ This Fund is administered by the Public Sector Workers' Compensation Program, authorized by Section 2342 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-623.42).

⁵ Employees' Compensation Fund Clarification Temporary Act of 2015, effective from March 9, 2016 (D.C. Law 21-86; D.C. Official Code § 1-623.42).

⁶ D.C. Official Code § 47-2608(1A)(A) charges a tax of two percent of all policy and membership fees, net of premium receipts, received by insurance companies for policies in the District.

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Subtitle (I)(E) – Public-Private Partnerships Amendment Act of 2016

Background

In 2015, the District launched the Office of Public-Private Partnerships⁷ to seek public-private partnership opportunities and receive unsolicited proposals from members of the community. The Office solicits and evaluates all potential public-private partnership contracts in the District; it also has the sole authority to award them.

The subtitle exempts the Office's contracting activities from bonding and security requirements that apply to other District contracts.⁸ The Mayor may establish separate surety and bonding requirements for public-private partnerships.

The Office receives fees for the reviewing of pre-qualification applications and unsolicited proposals from entities interested in establishing a public-private partnerships with the District.⁹ The subtitle expands the allowable uses of these fees to cover any activities within the Office's jurisdiction.

Financial Plan Impact

Exempting the Office of Public-Private Partnership from bonding and security requirements, and expanding the allowable use of fees the Office charges do not have a fiscal impact.

Subtitle (I)(F) – Office of the Inspector General Budget Process Clarification Amendment Act of 2016

Background

Current law requires the Mayor to submit the budget of the Office of Inspector General to Council, without any revisions to what OIG has requested. The Mayor and the Council can make recommendations to the OIG budget request, but cannot make any modifications.¹⁰ The subtitle authorizes the Mayor to recommend changes to the Council and permits the Council to make changes. The provision is retroactive to March 24, 2016.

Financial Plan Impact

Reassigning the ultimate authority on the amount of OIG's budget from OIG to the Mayor and the Council does not have a fiscal impact. Regardless of how the OIG budget is determined, the overall District budget must be balanced.

⁷ The Public-Private Partnerships Act of 2014, effective March 11, 2015 (D.C. Law 20-228; D.C. Official Code § 2-271 et seq.).

⁸ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-357.01 et. seq.).

⁹ Fees are deposited into the non-lapsing, Public-Private Partnership Administrative Fund (D.C. Law 20-228; D.C. Official Code § 2-272.04).

¹⁰ D.C. Official Code § 1-301.115a(a)(2)(A).

Subtitle (I)(G) – Use of Official Vehicles During an Emergency Amendment Act of 2016

Background

Current law prohibits District employees from using a government vehicle except when performing official duties. The law authorizes the Mayor, Chairman of the Council, and employees of certain agencies¹¹ who reside in the District and are on-call 24-hours a day to use government vehicles for travel between their workplaces and places of residence.

The subtitle expands allowable use of government vehicles when an emergency has been declared.¹² Under an emergency, the Mayor would be able to allow official or employee of the District of Columbia government—and not just those who are residents or are on-call 24 hours a day—the use of government vehicles to conduct official business or for travel between their workplaces and places of residence. The permission to do so cannot go beyond the end of the declared emergency.

The Mayor must report to the Council no later than thirty days following the end of the declared emergency to which employees this privilege was extended, for how long, and the justification.

Financial Plan Impact

The Mayor's fiscal year 2017 budget request does not include any adjustments for this subtitle, but allowing the use of government vehicles would only incrementally increase costs such as gas and maintenance if an emergency was declared.

Subtitle (I)(H) – Ballot Access Modernization Amendment Act of 2016

Background

This subtitle authorizes¹³ the collection of electronic signatures for candidate nominations, referenda, initiatives, and recalls. The District of Columbia Board of Elections must implement a pilot program for a mobile application for collecting electronic signatures by October 1, 2017, and make the mobile application available beginning November 2018 general elections.

The subtitle also repeals a municipal regulation that caps the number of signatures the Board would accept from a candidate to two times the minimum number of signatures required for that office.¹⁴

Financial Plan Impact

To implement this subtitle, the District of Columbia Board of Elections will need to purchase and maintain a mobile software application. This software and its associated licensing fees is estimated

¹¹ Agencies include the Metropolitan Police Department, Fire and Emergency Medical Services Department, Office of the Chief Medical Examiner, Homeland Security and Emergency Management Agency, and the Department of Corrections.

¹² District of Columbia Public Emergency Act of 1980, effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2304).

¹³ By amending Section 2604(1) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective October 1, 1987 (D.C. Law 7-27, D.C. Official Code § 1-626.04(1)).

¹⁴ The subtitle repeals subsection 1603.8 of Chapter 16 of Title 3.

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to cost \$30,000 in fiscal year 2017 and \$5,000 annually following its launch. Council transferred funds to the Board of Elections in the fiscal year 2017 in order to implement this subtitle. Other provisions of the subtitle do not have a fiscal impact.

Subtitle (I)(I) – Mayor’s Office of Community Affairs Limited Grant-making Amendment Act of 2016

Background

The subtitle authorizes the Mayor’s Office of Community Affairs to issue a grant of up to \$75,405 in fiscal year 2017 for research, reports, and outreach that promote housing initiatives for the Caribbean population of need.

Financial Plan Impact

The necessary funds are included in the fiscal year 2017 budget.

Subtitle (I)(I) – New Columbia Statehood Commission Discretionary Fund Amendment Act of 2016

Background

The subtitle authorizes the New Columbia Statehood Commission to spend, at its discretion, up to \$12,000 in fiscal year 2016 and up to \$24,000 annually beginning in fiscal year 2017 out of the New Columbia Statehood Fund.¹⁵

Financial Plan Impact

The subtitle will allow the Commission to spend a portion of the money in the New Columbia Statehood Fund on items that would not normally be allowed (such as travel or catering). These expenditures are capped at \$12,000 in fiscal year 2016 and \$24,000 each year thereafter. The New Columbia Statehood Fund has a current fund balance of \$89,000 and generates approximately \$30,000 annually.

Subtitle (I)(K) – Public Defender Service Creditable Service Clarification Amendment Act of 2016

Background

This subtitle clarifies the creditable service calculation for a small number (fewer than 10) of employees of the Public Defender Service for the District of Columbia hired between 1987 and 1991. Under one interpretation, current law would prevent the very limited number of employees from accessing the amount of pension funds they are eligible to receive under other interpretations of the law. The bill clarifies the statute to eliminate conflicting interpretations. This provision is effective retroactively to October 1, 1987.

¹⁵ The Commission’s determination of a necessary expenditure is sufficient justification for that expenditure.

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Financial Plan Impact

The pensions for the employees covered under this subtitle are fully funded. Employees covered by this subtitle may access their pension funds at no additional cost to the District.

Subtitle (I)(L) – Equity in Survivor Benefits Clarification Amendment Act of 2016

Background

The subtitle allows the Mayor to disregard a court order related to the payment of survivor retirement benefits if that order is issued after an employee's or a retiree's death.

Financial Plan Impact

The District of Columbia Retirement Board does not currently comply with posthumous court orders, but recent court cases¹⁶ has made it evident that this should be explicitly stated in the D.C. Code. There are no costs associated with the subtitle's implementation.

Subtitle (I)(M) – Archives Eminent Domain Authority Act of 2016

Background

The subtitle authorizes the Mayor to utilize his or her powers of eminent domain to acquire property located in the Brentwood neighborhood of Northeast Washington to construct a new building for the District of Columbia Office of Public Records and Archives ("Archives"). A private trash transfer station currently occupies the proposed site. The site is composed of five different properties along W Street, N.E.¹⁷ and the properties are assessed at \$5.5 million, combined.

Financial Plan Impact

The project to build a new Archives has a budget of \$64.2 million over the fiscal year 2017 to fiscal year 2022 capital plan. These funds are sufficient to proceed with the proposed taking of the properties. If the acquiring of the properties cost more than planned, then the District might have to change the scope of the planned development of the Archives. This will not be known until the Department of General Services acquires the property and evaluates its condition.

Subtitle (I)(N) – Advisory Neighborhood Commissions Access to Sign-Language Interpreters Amendment Act of 2016

Background

The subtitle creates¹⁸ a one-year pilot program in the Office of the Advisory Neighborhood Commissions that provides sign-language interpreters, upon request, for Advisory Neighborhood Commis-

¹⁶ Rivera v. Lew, 949 F. Supp. 2d 266 (D.D.C. 2013); Rivera v. Lew, 99 A.3d 269 (D.C. App. 2014); and Rivera v. Lew, No. 11-1305 (D.C. Cir.).

¹⁷ The properties are known for tax purposes as Square 3942, Lots 36, 41, and 802 and Parcels 143/107 and 143/110.

¹⁸ By amending Section 18 of the Advisory Neighborhood Commissions Act of 1975, effective June 27, 2000 (D.C. Law 13-135; D.C. Official Code § 1-309.15).

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sion meetings and subcommittee meetings. The Office must fulfill requests for interpreters as long as funding is available.

Financial Plan Impact

Council has budgeted \$25,000 in one-time money in FY 2017 to fund the program. All of the money will go toward hiring the interpreters; the Office of the Advisory Neighborhood Commissions can manage the program without any additional resources.

Subtitle (I)(O) – Constituent Services Expenditures Limit Amendment Act of 2016

Background

Councilmembers can establish a constituent services program to assist residents with emergency, informational, charitable, scientific, educational, medical, or recreational services. Contributions to a constituent services program are capped at \$40,000 annually, as are program expenditures.

The subtitle increases the allowed annual level of expenditures from a constituent services program from \$40,000 to \$60,000.

Financial Plan Impact

Increasing the expenditure limit to \$60,000 will not impose any costs on the District. Funds are received from outside contributions or from the Councilmember him or herself. The subtitle does not increase the amount that can be raised annually for a constituent services fund.

Subtitle (I)(P) – Universal Paid Leave Implementation Fund Act of 2016

Background

The District Council is considering a bill—Bill 21-414, Universal Paid Leave Act of 2015—that would require that District businesses provide paid family and temporary disability benefits to their employees. The subtitle creates a Universal Paid Leave Implementation Fund and deposits in it approximately \$20 million of local funds in fiscal year 2016. The funds will be used to pay for the implementation of the universal paid leave provisions should the District adopt Bill 21-415.

Financial Plan Impact

The funds are identified in the fiscal year 2016 budget.

TITLE II- ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) - Creative and Open Space Modernization Amendment Act of 2016

Background

Last year, the District approved a new tax incentive for Qualified High Technology Companies that that make improvements to their leased space to begin in 2017.¹⁹ The authorized tax rebate is capped at \$3 million per year. No single entity can receive more than \$1 million per year.

This subtitle opens the rebate to companies that might not be otherwise eligible to become a Qualified High Technology. The two such groups are companies that are not eligible to become a Qualified High Technology Company because they are located in the Ballpark TIF area²⁰ and companies engaged in the sale or advertising of original media content produced in the District in a space with a production permit.

The subtitle prescribes a certification structure for eligibility so the Office of Tax and Revenue can administer the rebates. It also clarifies that the rebates will be funded from the Economic Development Special Account.²¹

Financial Plan Impact

Changing eligibility criteria for an existing rebate does not have a fiscal impact. In fiscal year 2017, the rebate will be paid for from the Economic Development Special Account. The Special Account generates \$5 to \$6 million in annual revenues and can absorb this impact.²²

Subtitle (II)(B) - Inaugural Celebration Amendment Act of 2016

Background

The subtitle designates 2017 Presidential Inaugural week as January 14 to January 22, 2017. During the inaugural period, licensed establishments can remain open for 24 hours and serve alcoholic beverages until 4 a.m.

Financial Plan Impact

The subtitle will increase sales tax revenue by \$84,452 in fiscal year 2017 only.

¹⁹ Subtitle (II)(R) – Creative and Open Space Modernization Act of 2015 of Fiscal Year 2016 Budget Support Act of 2015.

²⁰ D.C. Official Code § 2-1217.12.

²¹ D.C. Official Code § 2-1225.21(d-1).

²² 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.

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Subtitle (II)(C) - Reimbursable Detail Subsidy Program Amendment Act of 2016

Background

The subtitle permits pub crawl²³ organizers to participate in the reimbursable detail subsidy program.²⁴ The program reimburses the Metropolitan Police Department half of the total cost incurred by alcoholic beverage licensees for police officers working details during approved hours. The licensees themselves cover the remaining half of the costs.

Financial Plan Impact

The program receives approximately \$1.17 million annually as dedicated transfers from sales tax receipts, and there is no obligation to spend more than what is allocated to the program.

Subtitle (II)(D) - Walter Reed Development Omnibus Amendment Act of 2016

Background

The subtitle exempts grants from the Walter Reed Redevelopment Fund from competitive offer requirements.²⁵ The Redevelopment Fund will hold the possessory interest payments the developer will pay on the lease once it takes over the property. The Office of the Deputy Mayor for Planning and Economic Development intends to grant the funding solely to the site developer to support construction, maintenance, and operations at Walter Reed.

Financial Plan Impact

The possessory interest from the site is expected to be \$6 million for year. The subtitle will not change this amount; it will ensure that as intended by the Land Development Agreement, the developer will receive these funds.

Subtitle (II)(E) - Deputy Mayor for Planning and Economic Development Limited Grant-Making Authority Amendment Act of 2016

Background

The subtitle expands the Deputy Mayor for Planning and Economic Development's (DMPED) authority to issue grants to include the New Communities Initiative²⁶ projects, the Washington Convention Center Marketing Fund,²⁷ and the Washington DC Economic Partnership. These grants will be exempt from the competitive bidding requirement for grants over \$50,000; DMPED can also issue them without any public notice. The subtitle also allows DMPED to transfer funds to Events DC through a bilateral agreement.²⁸

²³ 23 DCMR § 712.

²⁴ D.C. Official Code § 25-798.

²⁵ D.C. Act 21-349, Expires on Jun 21, 2016.

²⁶ As defined in D.C. Official Code § 42-2802(b)(11).

²⁷ Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.08a).

²⁸ The bill specifies this as a memorandum of agreement or a memorandum understanding.

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Financial Plan Impact

Exemptions from grant-making processes do not have a fiscal impact. DMPED can only issue grants or make loans up to its budgeted resources.

Subtitle (II)(F) – Office of Cable Television, Film, Music and Entertainment Clarification Amendment Act of 2016

Background

The subtitle eliminates the Film DC Special Account Fund²⁹ under the Office of Cable Television, Film, Music and Entertainment, and shifts the revenue it received from film permits³⁰ to the agency's Special Fund.

Financial Plan Impact

The subtitle directs film fee revenue, an estimated \$95,000 in fiscal year 2017, to a different special purpose fund within the same agency, but the total resources will not change.

Subtitle (II)(G) – DMPED Procurement Exemption Clarification Amendment Act of 2016

Background

Current law exempts contracts related to the National Capital Revitalization Corporation from the District of Columbia Procurement Practices Act of 1985.³¹ However, the 1985 Act was replaced with the Procurement Practices Reform Act of 2010 so the code references are now incorrect.³² The subtitle ensures these exemptions³³ apply to the planned development at the McMillan Reservoir site, which was among the assets of the National Capital Revitalization Corporation.³⁴

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(H) – Business Improvement Districts Charter Renewal Amendment Act of 2016

Background

The subtitle allows Business Improvement Districts to submit required five-year plans to the Mayor on behalf of members. Recent law unintentionally requires individual BID members approve BID Plans. The subtitle also repeals the sunset provision of the act³⁵ that created Business Improvement Districts. The act was set to expire this year.

²⁹ D.C. Official Code § 2-1204.11e.

³⁰ D.C. Official Code § 2-1204.11d. Film fees are paid for occupation of a public space for film and television productions.

³¹ Effective February 21, 1986 (D.C. Law 6-85; D.C. Official Code § 2-301.01 et seq.).

³² Effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.01 et seq.).

³³ The specific exemptions are for Source Selection and Contract Formation, Types of Contracts, Procurement of Construction Projects and Related Services, Contract performance and payment of bonds in construction contracts, and Green procurement.

³⁴ Located in Square 3128.

³⁵ BID Act of 1996.

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Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (II)(I) Protecting Pregnant Workers Fairness Amendment Act of 2016

Background

Current law³⁶ requires employers to make reasonable accommodations for employees experiencing limitations due to pregnancy, childbirth, breastfeeding, or related medical conditions. The subtitle requires employers to also make reasonable accommodations for pre-birth complications.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (II)(J) Accrued Sick and Safe Leave Amendment Act of 2016

Background

The subtitle exempts construction industry employees covered by a collective bargaining agreement from the mandatory sick leave laws of the District.³⁷

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (II)(K) – Adult Career Pathways Implementation Amendment Act of 2016

Background

The subtitle allows alternative sources of funding to be used for the Adult Career Pathways Program. Currently, the program is funded only from the Unemployment and Workforce Development Administrative Fund.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (II)(L) – Unemployment Benefits Modernization Amendment Act of 2016

Background

The subtitle increases the maximum weekly unemployment benefit from \$359 per week to \$425 per week, beginning in fiscal year 2017. Beginning January 1, 2018 the Director of the Department of Employment Services will annually recommend the maximum weekly benefit, which will become

³⁶ Protecting Pregnant Workers Fairness Act of 2014, effective March 3, 2015 (D.C. Law 20-168; D.C. Official Code § 32-1231.01).

³⁷ Accrued Sick and Safe Leave Act of 2008, effective May 13, 2008 (D.C. Law 17-152; D.C. Official Code § 32-131.06(b)).

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the maximum weekly benefit unless Council passes a resolution disapproving the Director's recommendation.

The subtitle also increases the amount that unemployment benefit one can receive when holding a part-time job. Currently, any benefits part time workers receive in excess of \$20 per week is reduced by 80 percent of their weekly part time earnings. The subtitle will reduce benefits in excess of \$50 per week by 66 percent of a recipient's weekly part time earnings.

Lastly, the subtitle standardizes the maximum benefits an individual can receive to 26 times their weekly benefit amount. Currently, this maximum is limited 26 times their weekly benefit if it is greater than half the wages they earned in the base period.

Financial Plan Impact

The subtitle will increase expenditures in the Unemployment Insurance Trust Fund and the Unemployment Compensation Fund, both managed by the Department of Employment Services. The Unemployment Trust Fund is not a part of the District's budget. It holds the unemployment taxes paid by employers and is used to pay unemployment benefits. The District does not pay unemployment taxes; rather it reimburses the Trust Fund for all benefits paid to recipient's who were District government employees. The Unemployment Compensation Fund holds the budget for the reimbursed amounts.

The exact amount of increase in expenditures cannot be estimated reliably since it will depend on not just the characteristics of claimants but also economic conditions. In fiscal year 2014, 17,000 claimants were paid the maximum weekly wage for an average of 16 weeks. A similar number of beneficiaries receiving the maximum benefit in fiscal year 2017, with the proposed increase to the maximum weekly benefits, will increase the Trust Fund benefit payments by approximately \$18 million. The proposed benefit increases to beneficiaries who hold a part time job is estimated to increase benefit payments by an additional \$3 million.

The Trust Fund is designed to increase unemployment taxes on employers if the ratio of the Trust Fund balance to the wage base gets low enough. The added expenditures to the fund increases the likelihood that an increase in unemployment taxes could be triggered under certain economic conditions, but the increase is not expected to be large enough for this to occur in the current financial period.

The increase in benefits will likely decrease the reserve Average High Cost Multiple—an actuarial metric of adequacy that measures how many years of benefits the fund balance could pay.³⁸ The U.S. Department of Labor recommends the Average High Cost Multiple to remain above 1—that is the fund balance can pay for at least one year of benefits. The proposed benefit increases will likely not cause the District's multiple to go below this level (assuming economic conditions remain similar).

The increase in former District government employee benefits could be absorbed in the Unemployment Compensation Fund. The fiscal year 2017 budget for this fund is \$6.8 million, the same as fiscal year 2016 and in fiscal year 2016, the expected spending from the Compensation Fund is approximately \$5.1 million.

³⁸ Average High Cost Multiple is defined as the reserve ratio divided by the average cost rate of three high cost years in the state's recent history.

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Subtitle (II)(M) – TOPA Application-Assistance Pilot Program Amendment Act of 2016

Background

The subtitle creates³⁹ a one-year pilot program in fiscal year 2017. The program, which will be run by the Department of Housing and Community Development, will provide up to \$45,000 to low- to moderate-income tenant organizations so tenant organizations can hire lawyers or other experts to help them prepare to apply for the First Right Purchase Assistance Program. If a tenant organization receives money from the program and then successfully purchases its property, it must repay DHCD.

Only tenant organizations in buildings of five or more units are eligible to apply for assistance.

Financial Impact

Council is using the unbudgeted balance from DHCD's Unified Fund—around \$544,000—to fund the program. Around \$53,000 of this money will go towards a 0.5 FTE who will administer the program.

Subtitle (II)(N) – Retail Priority Area Amendment Act of 2016

Background

The subtitle extends through fiscal year 2017 the use of up to \$4 million in grants from the H Street Retail Priority Area Grant Fund⁴⁰ to support revitalization programs associated with the Great Streets program.⁴¹ Under current law, this authorization expires on September 30, 2016. The subtitle also requires that rather than a single payment, the grants be divided into three or four disbursements and the grantee must validate that the money was used for allowable expenditures of grant funds.⁴² This expenditure verification is extended to grants and loans under the Great Streets revitalization programs.⁴³

The subtitle also expands the Connecticut Avenue Retail Priority Area from Macomb Street, N.W. south to Calvert Street, N.W. and the Tenleytown Retail Priority Area from Tenley Circle, N.W. south to R Street, N.W.

Financial Plan Impact

The available grants from the Fund for revitalization programs remains capped at \$4 million. The Fund is budgeted to spend \$8.25 million in fiscal year 2017. There are also no additional funds for the expanded retail priority areas and the newly eligible businesses will compete with existing businesses for those funds that are included in budget.

³⁹ By amending The Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3401.01 et seq.)

⁴⁰ H Street, N.E., Retail Priority Area Incentive Act of 2010, effective April 8, 2011 (D.C. Law 18-354; D.C. Official Code § 1-325.172).

⁴¹ Great Streets Neighborhood Retail Priority Area Amendment Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 2-1217.73).

⁴² This cannot delay the subsequent grant disbursement, except for the final allotment.

⁴³ Great Streets Neighborhood Retail Priority Area Amendment Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 2-1217.73b).

Subtitle (II)(O) – Workforce Investment Council Membership Clarification Act of 2016

Background

The subtitle requires that the two members of the Workforce Investment Council are members of the Council of the District of Columbia appointed by the Chairman of the Council of the District of Columbia. The composition of the Council must continue to meet the requirements of Section 154 of the federal act establishing the Councils.⁴⁴

Financial Plan Impact

This subtitle has no fiscal impact.

Subtitle (II)(P) – Commission on the Arts and Humanities Competitive Grants Act of 2016

Background

The subtitle requires the Commission on the Arts and Humanities to provide the following grants:

- 1) No more than \$1 million to support a children's museum in the Central Business District;
- 2) No more than \$200,000 for a literary enrichment program in the public schools;
- 3) No more than \$50,000 for orchestral performances with community engagement activities;
- 4) No more than \$1 million to support a theater in the Central Business District operated by a non-profit organization; and,
- 5) No more than \$250,000 to support an organization dedicated to preserving the history of African American involvement in the American Civil War.

Financial Impact

The proposed fiscal year 2017 budget for the Commission on the Arts and Humanities includes the \$2.5 million to pay for these grants.

Subtitle (II)(Q) – Workers' Compensation Lien Reconciliation Amendment Act of 2016

Background

A person who receives a monetary award for an injury must repay the workers' compensation and health care benefits received, but the insurers must proportionally share the cost of the litigation that led to the award.⁴⁵ The subtitle clarifies that this applies whether the award is through a judgment or a settlement.

Financial Plan Impact

This subtitle has no fiscal impact.

⁴⁴ Section 154, Workforce Innovation and Opportunity Act, approved July 22, 2014 (128 Stat. 1440; 29 U.S.C. § 3111).

⁴⁵ Health Care Benefits Lien Reduction Act of 2015, effective May 12, 2016 (D.C. Law 21-110; 63 DCR 4322), and Workers Compensation Lien Reconciliation Act of 2016, effective May 12, 2016 (D.C. Law 21-111; 63 DCR 4324).

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Subtitle (II)(R) – National Cherry Blossom Festival Fundraising Match Act of 2016

Background

The subtitle directs \$300,000 to the Washington Convention and Sports Authority to provide a \$300,000 matching grant to a nonprofit organization that produces events raising \$750,000 in corporate donations to support the National Cherry Blossom Festival.

Financial Impact

The \$300,000 in funding will be dedicated from the non-departmental appropriation in the fiscal year 2017 budget.

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Placement of Orders with Governmental Entities Amendment Act of 2016

Background

The subtitle allows the District⁴⁶ to contract with the Metropolitan Washington Council of Governments for the provision or receipt of materials, supplies, equipment, work, or services of any kind. With this change, the District can enter into a memorandum of understanding with agencies outside of the District government.

Financial Plan Impact

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

Subtitle (III)(B) – Reciprocal Agreements for Mutual Aid Amendment Act of 2016

Background

The subtitle expands⁴⁷ the Mayor's authority to make Fire and Emergency Medical Services personnel and equipment available to neighboring jurisdictions, local or regional authorities, and inter-governmental organizations. This will allow Fire and Emergency Medical Services to provide fire officers to serve as Fire Liaisons at the Washington Metropolitan Area Transit Authority Rail Operations Control Center. Current law limits the service area for Fire and Emergency Medical Services to the District. The Rail Operations Control Center is in Landover, Maryland, and the Washington Metropolitan Area Transit Authority provides service in both Virginia and Maryland.

Financial Plan Impact

The proposed budget for Fire and Emergency Medical Services includes four full-time staff members who will work as fire liaisons at the Rail Operations Control Center. The District will not pay the salaries of these four liaisons; they will be paid through a memorandum of understanding with Washington Metropolitan Area Transit Authority and Metropolitan Washington Council of Governments.

Subtitle (III)(C) – Executive Service Pay Schedule Amendment Act of 2016

Background

The subtitle codifies the current Chancellor of the District of Columbia Schools' salary at \$292,520, provides her with the potential for bonuses,⁴⁸ and separation pay equivalent to 24 weeks of her base salary

⁴⁶ By amending section 1 of An Act To grant additional powers to the Commissioners of the District of Columbia, and for other purposes, approved December 20, 1944 (58 Stat. 819; D.C. Official Code § 1-301.01).

⁴⁷ The subtitle amends Section 1 of An Act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes, approved August 14, 1950 (64 Stat. 441; D.C. Official Code § 5-414).

⁴⁸ A recognition and renewal bonus of 5 percent of her annual salary and a performance bonus of up to 10 percent of her annual salary (for school year 2016-2017 performance).

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compensation.⁴⁹ Her salary is outside of the range⁵⁰ of the Executive Service pay schedule, but the codified salary only applies to the current Chancellor, and not to any future chancellors.⁵¹

The subtitle codifies the current Director of the District of Columbia Department of Behavioral Health, at the current Director of the District of Columbia Department of Health at \$200,335, and the current Director of the Department of General Services at \$221,450. All adjustments are retroactive to the initial hiring dates for these directors. These codified salaries will not be the basis for compensation for any future directors in these three departments.

The subtitle eliminates the executive pay schedule for public safety officials' requirement to have a medical or advanced health-related degree and recodifies the Chief of the Metropolitan Police Department's salary at a level of \$253,817. The Chief's salary is within the pay scale's range,⁵² but the subtitle ensures that the codified salary is not the basis for any future chief of the department.⁵³

The bill also eliminates the statutorily established salaries of \$203,125 for the Director of the Department of Forensic Sciences and \$206,000 for the Deputy Chief Medical Examiner. The proposed changes are effective retroactive to January 1, 2015.

Financial Plan Impact

The Chief of Police and the Chancellor are paid the salaries proposed in this subtitle and the amounts are included in the budget.⁵⁴ The Chancellor is not guaranteed a bonus, and funding is not included in the budget. If the Mayor were to pay the Chancellor, funds would need to be identified. The District would make a separation payment of roughly \$135,000 if the Chancellor's contract is terminated. All other directors already receive the codified salaries, and have been paid at these levels since they were hired as directors.

Subtitle (III)(D) – Anatomical Board Repeal Amendment Act of 2016

Background

This subtitle eliminates⁵⁵ the now-obsolete Anatomical Board. The Office of the Chief Medical Examiner performs these duties.

Financial Plan Impact

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

⁴⁹ Unless the separation is due to criminal conduct, gross dereliction of duty, or gross misconduct. If she were to die while in office, her estate would receive 1/12th of her base salary.

⁵⁰ The pay schedule ranges from a minimum of \$93,162 (level 1 minimum) to a maximum of \$195,703 (level 5 maximum) across five pay levels.

⁵¹ This provision is effective for any chancellor who takes office after February 24, 2012.

⁵² The pay schedule ranges from a minimum of \$169,744 (level 1 minimum) to a maximum of \$353,423 (level 4 maximum) across four pay levels.

⁵³ This provision is effective for any chief who takes office after February 24, 2012.

⁵⁴ An amendment to D.C. Official Code § 1-610.52(b)(2) to increase the chancellor's salary was approved by the D.C. Council on February 2, 2016 (Chancellor of the District of Columbia Public Schools Salary and Benefits Approval Resolution of 2016, effective February 2, 2016 (Resolution 21-403; 63 DCR 1873).

⁵⁵ By repealing An Act for the promotion of anatomical science and to prevent the desecration of graves in the District of Columbia, approved April 29, 1902 (32 Stat.173; D.C. Official Code § 3-201 et seq.).

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Subtitle (III)(E) – Fire and Emergency Medical Services Department Chief Officers Service Longevity Amendment Act of 2016

Background

This subtitle adjusts⁵⁶ the salary schedules for higher-ranking uniformed members who are not covered by collective bargaining. Under the subtitle, Assistant Fire Chiefs, Deputy Fire Chiefs, and Battalion Fire Chiefs will be eligible for longevity pay which would equal to 5 percent of his or her scheduled salary at the end of 15 years of service, 10 percent at 20 years of service, 15 percent at 25 years of service, and 20 percent at 30 years of service. At present, these officials receive longevity pay, but it is calculated not based on their current salary, but on the Step 1 level salary in their current grade.

The uniformed personnel who are members of the union already receive longevity pay based on their scheduled salaries.

Financial Plan Impact

Fire and Emergency Medical Services has 46 ranking officials who are not members of the union. The estimated salary increase for this group is approximately \$138,000 and the proposed FEMS budget can absorb this increase.

This subtitle will increase the retirement payments to these officials, but the incremental salary increase still falls within the actuarial assumptions used to calculate liabilities and therefore will not alter projected annual contributions to the Retirement Fund.

Subtitle (III)(F) - Fire and Emergency Medical Services Presumptive Disability Implementation Amendment Act of 2016

Background

Fire and Emergency Medical Services Employee Presumptive Disability Amendment Act of 2012 created a presumption of a performance of duty injury, illness, or death for three categories of illnesses. Under that law, the District would cover the full cost of any medical treatment related to a performance of duty (POD) injury or illness. The illnesses covered under D.C. Law 19-331 include:

- Cancer: breast; pancreatic; rectal; testicular; throat; or ovarian cancers or leukemia;
- Chronic Diseases: heart disease; hypertension; or respiratory disease; and;
- Communicable Diseases: hepatitis; meningococcal meningitis; tuberculosis; or human immunodeficiency virus (HIV).

A sworn Fire and Emergency Medical Services member ("member") is presumed to have suffered from one of these illnesses in the line of duty if he or she is diagnosed with the illness, the member

⁵⁶ By amending section 401(a)(3) of the District of Columbia Police and Firemen's Salary Act of 1958, approved August 1, 1958 (72 Stat. 484; D.C. Official Code § 5-544.01(a)(3)).

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underwent a pre-employment physical that did not indicate any sign of the illness,⁵⁷ and the member had agreed to receive a physical examination every year. Additionally, if the POD injury or illness renders the firefighter unable to perform his or her duties or causes the firefighter's death, then the firefighter or his or her estate would be eligible for early retirement benefits. The subtitle clarifies the physical exam pre-screening requirements for a member to qualify for the cancer disability presumption.

The 2012 Act has not been funded, and therefore it has not yet been implemented by the District. The subtitle repeals⁵⁸ the subject to appropriations clause for only the presumption of disability from death from cancer, and is effective beginning October 1, 2016. The chronic disease and communicable disease presumption of disability or death remain unfunded and are subject to appropriations.

Financial Plan Impact

Implementation of the cancer disability and death presumption of disability will increase District's expenditures by \$1.6 million in fiscal year 2017 and \$6.8 million over four year financial plan period. Council has transferred funds to Fire and Emergency Medical Services to cover the cost of this subtitle.

Fiscal Impact of Subtitle III(F) Fire and Emergency Medical Services Presumptive Disability Implementation Amendment Act of 2016 FY 2017- FY2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Four-year total
Cancer Treatment Cost	\$562,872	\$601,041	\$631,766	\$656,809	\$2,452,488
FPC Additional FTE Cost	\$178,877	\$184,243	\$189,770	\$195,463	\$748,353
Retirement Plan Cost Increase	\$825,000	\$849,750	\$875,243	\$901,500	\$3,451,492
Total	\$1,566,749	\$1,635,034	\$1,696,779	\$1,753,772	\$6,652,334

Table Notes: Cancer treatment estimate includes treatment costs for 5 cancer diagnosis a year and costs of advanced screening for about 100 employees.

Subtitle (III)(G) - Fire and Emergency Medical Services Apparatus Maintenance Requirements and Training Program Establishment Amendment Act of 2016

Background

The subtitle requires the Fire and Emergency Medical Services Chief to establish a pilot civilian technical services program at the University of the District of Columbia Community College. The program, mainly targeting D.C. residents, but open to anyone interested in working for the Field Infrastructure and Inventory Management programs within FEMS, will provide instruction on the technical maintenance of emergency vehicles, apparatus, and devices.

⁵⁷ The bill defines a pre-employment physical as the physical exam required under the Omnibus Public Safety Agency Reform Act of 2004, is conducted prior to making any claims, is conducted at and as prescribed by the Policy and Fire Clinic.

⁵⁸ By amending Subtitle D of the Fire and Police Medical Leave and Limited Duty Amendment Act of 2004, effective May 1, 2013 (D.C. Law 19-311; D.C. Official Code § 5-651 et seq.).

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The subtitle also requires Fire and Emergency Medical Services to comply with the National Fire Protection Association's apparatus certification and preventative maintenance schedule.

Financial Plan Impact

The proposed pilot training program with the University of the District of Columbia Community College is estimated to cost of \$197,000 in fiscal year 2017. Council transferred funds to Fire and Emergency Medical Services to cover the cost of this program.

Fire and Emergency Medical Services is already compliant with the National Fire Protection Association's apparatus certification and preventative maintenance standards. The agency can absorb any increase in maintenance costs as a result of this subtitle.

Subtitle (III)(H) - Emergency Medical Services Transport Contract Authority Amendment Act of 2016

Background

This subtitle authorizes Fire and Emergency Medical Services to contract with a private party for basic life support transport until September 30, 2019. At present FEMS has this authority, but it will expire on September 11, 2016.⁵⁹ The subtitle also requires third-party ambulance vendors to file a quarterly report with the District Council on the performance of their fleet.

Finally, the subtitle extends indemnification for the District to claims arising from third-party contractor's actions or inactions under the contract.

Financial Plan Impact

Extending FEMS current authority to contract with a third-party service provider does not have a cost. The reporting requirements on private ambulance service providers do not impact the District government's budget and financial plan.

Subtitle (III)(I) - Integrated Health Care Task Force Establishment Amendment Act of 2016

Background

The subtitle establishes a Pilot Integrated Health Care Task Force to address gaps in emergency medical service delivery. The Task Force must transmit a report to Council by September 30, 2018 detailing its findings.

Financial Plan Impact

This subtitle does not have a fiscal impact. Members of the Task Force will serve without compensation.

⁵⁹ Emergency Medical Services Contract Authority Temporary Amendment Act of 2015, effective January 29, 2016 (D.C. Law 21-55, 62 DCR 15597).

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Subtitle (III)(I) - Office of the Attorney General Litigation Support Fund and Authority Clarification Amendment Act of 2016

Background

The subtitle raises⁶⁰ the monetary cap on the Litigation Support Fund from \$1.5 million to \$3 million. Any money the District recovers through claims or litigation brought by the Attorney General is deposited into the Fund. The Fund is used to support the Office's expenses as it litigates cases.

The subtitle gives permanent independent personnel⁶¹ and procurement⁶² authority to the Office of the Attorney General. The Office received this authority through emergency legislation, but it expired on April 5, 2016.⁶³

The subtitle contains provisions that require independent agencies to notify the Office of the Attorney General of pending actions in which the independent agency is named or seeking to participate as *amicus curiae*.

The subtitle adds⁶⁴ the Attorney General to the list of elected officials allowed to designate one employee while on leave to knowingly solicit, accept, or receive political contributions.

Financial Plan Impact

While the subtitle allows the Attorney General to deposit an additional \$1.5 million from claim recoveries into the Litigation Support Fund, we do not know with certainty when the District would receive its next settlement. As a result we cannot reliably estimate the revenues for the Litigation Support Fund.

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.

Allowing the Attorney General to designate one employee to solicit, accept, or receive political contributions does not have a financial impact. Likewise, requiring independent agencies to notify the Attorney General of pending actions does not have a fiscal impact.

⁶⁰ By amending the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-301.81 et seq.).

⁶¹ By amending Section 404 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-604.04).

⁶² Pursuant to Section 1106 of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 1-371; D.C. Official Code § 2-361.06).

⁶³ Office of the Attorney General Personnel and Procurement Clarification Emergency Amendment Act of 2015, enacted on Jan 6, 2016 (D.C. Act 21-254; 63 DCR 518).

⁶⁴ By amending Section 3(b) of the Prohibition on Government Employee Engagement in Political Activity Act of 2010, effective March 31, 2011 (D.C. Law 18-335; D.C. Official Code § 1-1171.02(b)).

Subtitle (III)(K) - Public Safety Technical Amendments Act of 2016

Background

This subtitle makes two technical amendments to the Neighborhood Engagement Achieves Results Amendment Act of 2016.⁶⁵ The first clarifies the annual report of the Office on Neighborhood Safety and Engagement is not exempt from Freedom of Information Act requirements. The second clarifies language regarding objects considered to be obstructing a driver's view. The subtitle also establishes rulemaking authority for the Office of Human Rights to implement the provisions of the Fair Criminal Record Screening Act of 2014.⁶⁶

Financial Plan Impact

This subtitle does not have a fiscal impact.

Subtitle (III)(L) - Cardiopulmonary Resuscitation Application Establishment Amendment Act of 2016

Background

This subtitle requires the Office of Unified Communications to establish an emergency medical mobile application to assist trained users in providing cardiopulmonary resuscitation.

Financial Plan Impact

Procuring and maintain a cardiopulmonary resuscitation application will cost \$50,000 in fiscal year 2017 and \$200,000 over the course of the fiscal year 2017 through fiscal year 2020 financial plan. Council transferred funds to the Office of Unified Communications to implement this subtitle.

Subtitle (III)(M) - Criminal Code Reform Commission Establishment Act of 2016

Background

This subtitle establishes a separate agency for developing comprehensive recommendations for criminal code reform. This responsibility is currently under the Sentencing and Criminal Code Revision Commission. The newly-created Commission will prepare recommendations for criminal code reform, in consultation with an advisory group of stakeholders. The Commission will submit its recommendations to the Mayor and the Council no later than October 1, 2018.

Financial Plan Impact

The Commission will operate for two years and will cost \$593,000 in fiscal year 2017 and \$610,880 in fiscal year 2018. Council transferred funds to cover the cost of the newly created Commission.

⁶⁵ Neighborhood Engagement Achieves Results Amendment Act of 2016, enacted March 26, 2016 (D.C. Act 21-356; 63 DCR 4659).

⁶⁶ Fair Criminal Record Screening Act of 2014, effective December 17, 2014 (D.C. Law 20-152; 62 DCR 1253).

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Subtitle (III)(N) – Department of Corrections Inmate and Returning Citizen Assistance Act of 2016

Background

This subtitle requires that no less than \$125,000 of the Justice Grants Administration funds be awarded to an organization that assists inmates at the DC Jail or Correctional Treatment Facility and recently released inmates.

Financial Plan Impact

The Justice Grants Administration budget contains \$125,000 that will be made available to satisfy the requirements under this subtitle.

TITLE IV – PUBLIC EDUCATION

Subtitle (IV)(A) –Funding for Public Schools and Public Charter Schools Amendment Act of 2016

Background

The proposed subtitle sets the base level funding for the Uniform per Student Funding Formula (UPSFF) at \$9,682. This is a two percent increase over the fiscal year 2016 base amount.

Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per-pupil funding at that level or for these services. The subtitle proposes no changes to the UPSFF weightings. The following tables show the foundation level funding at each grade level and the various add-ons:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2017
Pre-Kindergarten 3	1.34	\$12,974
Pre-Kindergarten 4	1.30	\$12,587
Kindergarten	1.30	\$12,587
Grades 1-5	1.00	\$9,682
Grades 6-8	1.08	\$10,457
Grades 9-12	1.22	\$11,812
Alternative program	1.44	\$13,942
Special education school	1.17	\$11,328
Adult	0.89	\$8,617

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	\$9,392
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$11,618
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$19,074
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	\$33,790
Blackman Jones Compliance	Weighting provided in addition to special education level add-on weightings on a per student basis Blackman Jones compliance.	0.069	\$668
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	\$862
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$16,169

General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$4,744

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General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,120

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.368	\$3,563
Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.337	\$12,945
Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$27,991
Level 4: Special Education – Residential	Additional funding to support the after-hours level 4 special education needs of limited and non-English proficient students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$27,991
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$6,468

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Special Education Level 1 ESY	Additional funding to support the summer school/ or program need for students who require ESY services in their IEPs.	0.063	\$610
Special Education Level 2 ESY	Additional funding to support the summer school/ or program need for students who require ESY services in their IEPs.	0.227	\$2,198
Special Education Level 3 ESY	Additional funding to support the summer school/ or program need for students who require ESY services in their IEPs.	0.491	\$4,754
Special Education Level 4 ESY	Additional funding to support the summer school/ or program need for students who require ESY services in their IEPs.	0.491	\$4,754

Financial Plan Impact

The proposed 2 percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed budget and financial plan include approximately \$1.4 billion for instructional budgets; \$756,389,181 for the District of Columbia Public Schools and \$593,423,943 for the public charter schools.⁶⁷

⁶⁷ Charter schools will also receive \$130,293,309 for facilities allowances, bringing the collective local budget to \$723,717,252.

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Subtitle (IV) (B) - DCPS Contracting and Spending Flexibility Amendment Act of 2016

Background

The subtitle allows public schools to shift non-personnel budget across different object classes for up to \$10,000 per fiscal year without a reprogramming request.⁶⁸ District agencies must allocate their non-personal expenditures to specific object classes such as supplies and materials, contractual services, utilities, rent, and other fixed costs. School budgets follow this practice, too. Under current practices, any time a school chooses to spend their non-personal funds differently from what is approved in the budget, DCPS must request a budget reprogramming from the Office of the Chief Financial Officer (OCFO). In fiscal year 2015, the OCFO processed over 5,000 such reprogramming requests. Under the subtitle, schools can shift these funds without submitting a reprogramming request, but they would have to follow OCFO rules.

The subtitle also authorizes DCPS to spend appropriated funds to pay for DCPS-sponsored student travel, including the cost of transportation, lodging, meals, and admission fees for students and adult chaperones.

Financial Plan Impact

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

Subtitle (IV) (C) – Classroom Animal for Educational Purposes Amendment Act of 2016

Background

This subtitle allows⁶⁹ schools to have animals in the classroom for educational and instructional purposes.

Financial Plan Impact

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

Subtitle (IV) (D) – Healthy Tots Amendment Act of 2016

Background

The Healthy Tots Program provides local subsidies to child development facilities⁷⁰ that participating in the United States Department of Agriculture's Child and Adult Care Food Program (CACFP)⁷¹ and commit to serving food that meet various nutritional standards. If more than half the children in a licensed facility are eligible to participate in CACFP, the facility must meet the Healthy Tots nu-

⁶⁸ The bill amends D.C. Official Code § 47-361 to redefine reprogramming within each school's non-personnel budget as a reallocation for up to \$10,000 in a fiscal year.

⁶⁹ By amending Section 9(h) of the Animal Control Act of 1979, effective October 18, 1979 (D.C. Law 3-30; D.C. Official Code § 8-1808(h)).

⁷⁰ Child development facilities are defined in the bill as "a community-based center, home, or other structure that provides care and other services, supervision and guidance for infants, toddlers, and preschoolers on a regular basis, regardless of its designated name." It does not include a public or private school-sponsored or school-run child development center or program.

⁷¹ CACFP is authorized by Section 17 of the National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975, approved October 7, 1975 (Pub. L. 94-105; 42 U.S.C. § 1766).

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tritional standards and participate in the program. Such facilities can seek exemptions from the Office of the State Superintendent of Education (OSSE), but OSSE's authority to grant exemptions expires on September 30, 2016.

The Healthy Tots Act of 2014 defines the term "eligible child" in two ways: as someone who is eligible for subsidized child care and as someone eligible for free and reduced meals. The subtitle eliminates this inconsistency⁷² by including only one definition in the Act: subsidized child care.

This subtitle also extends OSSE's authority to grant an exemption to facilities that must otherwise comply by law to September 30, 2017.

Financial Plan Impact

Updating the code to correct a conflict within the law does not have a financial impact. Extending the deadline will delay the subsidies the District would have paid these providers by one year.

Subtitle (IV) (E) – National External Diploma Program Amendment Act of 2016

Background

This subtitle authorizes⁷³ the Office of the State Superintendent of Education to retroactively recognize the National External Diploma Program diplomas awarded between January 1, 1980 and February 5, 2016.

Financial Plan Impact

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

Subtitle (IV) (F) – Foster Care Extended Eligibility Amendment Act of 2016

Background

This subtitle expands⁷⁴ the childcare subsidy program to cover:

- children with a parent under 21 years of age who is either in foster care or a ward of the District, and is either working or enrolled in a verified job training or education program;
- children in foster care placement with a foster parent who is not working but receives some form of verifiable income such as social security or disability; and
- children in foster care placement with a foster parent who is not working but enrolled in a verified job training or education program.

In the last two cases, the foster parent must demonstrate that the childcare is in the best interest of the children.

This subtitle makes permanent current law that will expire on October 8, 2016.⁷⁵

⁷² By amending The Healthy Tots Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 38-281 et seq.).

⁷³ By amending Section 7b of the State Education Office Establishment Act of 2000, effective June 12, 2007 (D.C. Law 13-17-9; D.C. Official Code § 38-2608).

⁷⁴ By amending Section 5a(a) of the Day Care Policy Act of 1979, effective April 13, 1999 (D.C. Law 12-216; D.C. Official Code § 4-404.01(a)).

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Financial Plan Impact

The Office of State Superintendent of Education expects that approximately 20 more children could qualify for child care subsidies under the expanded definition.

Subtitle (IV) (G) – Public Charter School Advance Payment Adjustment Amendment Act of 2016

Background

The District transfers public charter schools their formula funds in four quarterly payments beginning July 15, when schools receive 35 percent of their annual instructional budgets. This subtitle adjusts⁷⁶ the public quarterly payment amounts for schools in their first year of operation to 45 percent of their total payment.

The payment schedule and amounts will be the following:

Payment schedules and amounts, as a share of total payment, under Title IV (G)		
Payment date	Existing Schools	New Schools
July 15	35 percent	45 percent
October 25	25 percent	25 percent
January 15	20 percent	15 percent
April 15	20 percent	15 percent
TOTAL	100 percent	100 percent

Financial Plan Impact

Increasing the first payment for newly opened schools could change the cash flow of the District as well as its end of fiscal year reserves, but because the law applies to new schools only for the first year of their operation, this impact will be small.

Subtitle (IV) (H) – My School DC EdFest Sponsorship and Advertising and Common Lottery Board Amendment Act of 2016

Background

The District pays for the EdFest school fair using monies in the Common Lottery Fund. This subtitle directs⁷⁷ funds received through EdFest sponsorships and advertisements to this fund. Additionally the Fund must be used to continually improve the common lottery system.

Financial Plan Impact

⁷⁵ The Foster Care Extended Eligibility Emergency and Temporary Amendment Acts of 2016, effective from February 26, 2016 (D.C. Law 21-70; 63 DCR 2328).

⁷⁶ By amending Section 107b 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 § 38-2906.02).

⁷⁷ By amending the My School DC EdFest Sponsorship and Advertising Act of 2015, effective October 22, 2015 (D.C. Law 21-36; 62 DCR 10905).

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Directing sponsorship and advertisement revenue will allow the District to use these funds to pay for EdFest and improvements to the common lottery system.

Subtitle (IV) (I) – School Immunization Requirements Enforcement Period Amendment Act of 2016

Background

This subtitle increases⁷⁸ the number of allowable days a student can attend school while waiting for immunizations to 20 days instead of the current limit of 10 days.

Financial Plan Impact

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

Subtitle (IV) (J) – Public Charter At-Risk and Limited English Proficient Payment Amendment Act of 2016

Background

This subtitle incorporates⁷⁹ the at-risk student funding formula add-on into the quarterly payments distributed to public charter schools. The subtitle also guarantees charter schools full payment of the annual Uniform per Student Funding Formula at-risk or limited English proficiency add-on amounts if a school identifies a student under these add-on categories after the October 5 school enrollment audit. The school's two remaining quarterly payments would be adjusted to include the add-on funding for these students.

Financial Plan Impact

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

Subtitle (IV) (K) - Higher Education Licensure Commission Clarification Amendment Act of 2016

Background

This subtitle provides⁸⁰ a waiver from an existing naming prohibition for educational institutions providing online instruction to residents of the District through an online presence that is authorized to operate under a reciprocity agreement.

Financial Plan Impact

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

⁷⁸ By amending Section 6 of the Immunization of School Students Act of 1979, effective September 28, 1979 (D.C. Law 3-20; D.C. Official Code § 38-505).

⁷⁹ By amending Section 107b of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective April 12, 2005 (D.C. Law 15-384; D.C. Official Code § 38-2906.02).

⁸⁰ By amending the Education Licensure Commission Act of 1976, effective April 6, 1977 (D.C. Law 1-104; D.C. Official Code § 38-1301 et seq.).

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Subtitle (IV) (L) - Traffic Control Investigation for New Schools Amendment Act of 2016

Background

This subtitle requires⁸¹ the District Department of Transportation to complete traffic control investigations at newly opened DCPS and public charter schools no later than 60 days after the first day of class.

Financial Plan Impact

The District Department of Transportation can meet this deadline with its existing resources.

Subtitle (IV) (M) - Excess School Facilities Existing Tenant Preference Amendment Act of 2016

Background

This subtitle establishes⁸² two additional preferences for the right of refusal for excess school facilities: where the existing tenant is a nonprofit elementary or secondary school incorporated in the District or is a community-based, nonprofit arts education organization incorporated in the District, whose programming includes youth classes. The tenant must have continuously occupied all or substantially all of the excess school facility or property since December 30, 2008 to receive the preference

Financial Plan Impact

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

Subtitle (IV) (N) - Education Ombudsman and Office of the Student Advocate Amendment Act of 2016

Background

This subtitle changes the annual reporting requirements and responsibilities of the Education Ombudsman⁸³ and Student Advocate⁸⁴. Under current law, both the Ombudsman and Advocate must report on the work of the office within 90 days of the end of the school year. The subtitle gives both offices an additional 30 days (120 total days) to publish this annual report.

Financial Plan Impact

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

⁸¹ By amending Section 2 of the School Proximity Traffic Calming Act of 2000, effective May 23, 2000 (D.C. Law 13-111; D.C. Official Code § 38-3101).

⁸² By amending Section 2209(b)(1) of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1802.09(b)(1)).

⁸³ By amending Section 604(a)(15) of the Public Education Reform Amendment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-353(15)).

⁸⁴ By amending Section 204 of the Parent and Student Empowerment Amendment Act of 2013, effective February 22, 2014 (D.C. Law 20-76; D.C. Official Code § 38-373).

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Subtitle (IV) (O) - Education Reporting Requirements Act of 2016

Background

This subtitle establishes a number of reporting requirements for the Office of the State Superintendent of Education, the Public Charter School Board, the Deputy Mayor for Education, and the District of Columbia Public Schools.

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) (P) - University of the District of Columbia Fundraising Match Amendment Act of 2016

Background

This subtitle allocates up to \$1.5 million from the fiscal year 2017 Non-Departmental Agency budget to the University of the District of Columbia to match private donations received by January 1, 2017. These funds will support the University of the District of Columbia's effort to meet accreditation standards and implement its strategic plan. The subtitle also requires that, of the funds transferred, two-thirds be deposited in the University's endowment fund.

Financial Plan Impact

The Non-Departmental Agency budget includes \$1.5 million that is set aside for the fundraising match program.

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TITLE V- HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – Temporary Assistance for Needy Families Time Limit Exemption and POWER Expansion Amendment Act of 2016

Background

The subtitle extends⁸⁵ through the end of fiscal year 2017 partial benefits for families enrolled in the District's Temporary Assistance for Needy Families (TANF) program for more than 60 months. Under current law, these partial benefits are scheduled to end at the end of fiscal year 2016. Families receiving partial benefits will not get the 15.3 percent cost-of-living increase that families receiving full benefits will get on October 1, 2016.

Financial Impact

The partial TANF benefits through FY 2017 will cost the Department of Human Services (DHS) \$11.16 million. DHS is paying for this with \$4 million of local money from the TANF employment program; a \$6.06 million enhancement; and \$1.1 million of local money that was originally budgeted for cost-of-living increases but will no longer be needed.⁸⁶

We estimate that around 6,200 families will qualify for partial benefits in FY 2017 and the average benefit will be about \$150 per month.

Subtitle (V)(B) – Department of Healthcare Finance and Department of Disability Services Medical Assistance Program Amendment Act of 2016

Background

Under current law the Department of Health Care Finance (DHCF) and the Department of Disability Services (DDS) 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 the federal Centers for Medicaid and Medicare Services (CMS). This subtitle would waive⁸⁷ Council review for initiatives that change the:

- Intermediate Care Facilities for Individuals with Developmental Disabilities reimbursement methodology;
- payment methodology for hospital services;
- payment methodology for nursing homes;
- payment methodology for the Disproportionate Share Hospital program;
- health homes program;
- Elderly and Individuals with Physical Disabilities waiver program and conforming changes to the state plan;

⁸⁵ By amending the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-201.01 et seq.).

⁸⁶ DHS will be able to use federal money to cover a portion of the cost-of-living increase in fiscal year 17, which DHS had not anticipated being able to do. This frees up some local funds for fiscal year 17.

⁸⁷ 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; DC Official Code § 1-307.02(a)).

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- payment methodology for prescription drugs; or
- number of participants in the Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities program.

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.

District anti-deficiency laws⁸⁸ prohibit District officers and employees from exceeding agency appropriations in any fiscal year, so DDCF and DDS 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) – Contribution to Cost of Supports Fund Amendment Act of 2016

Background

The Department on Disability Services (DDS) pays for supports (rent, food, clothing, medical costs, and other items and services) for approximately 960 persons with development disabilities who live in the community and receive services through the Medicaid Home and Community-Based Services Waiver. People in this waiver program who receive Social Security benefits must contribute a portion of their Social Security benefits towards their supports. This subtitle requires⁸⁹ people who have other sources of income besides Social Security to also contribute a portion of their other income towards supports. The money DDS collects will go into a new fund, the Contribution to Costs of Support Fund.

Financial Plan Impact

DDS expects to collect about \$200,000 a year in the Contribution to Costs of Support Fund, though the exact fund balance will depend on the number of people in the waiver program who receive income from employment. DDS has enough money in its fiscal year 2017 budget to pay for supports for people in the waiver program even if it is not able to collect the \$200,000 as expected.

Subtitle (V)(D) – Persons with Intellectual and Developmental Disabilities Rent Increase Relief Amendment Act of 2016

Background

The subtitle limits⁹⁰ annual rent increases to 5 percent for housing units occupied by people with developmental disabilities who receive services from the District through the Medicaid Home and Community-Based Services Waiver. Currently, about 960 people a year fall into this category.

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

⁸⁹ By amending the Developmental Disabilities Service Management Reform Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-264; D.C. Official Code § 7-761.01 et seq.).

⁹⁰ By amending the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; DC Official Code § 42-3501.01 et seq.).

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Financial Plan Impact

The Department on Disability Services (DDS) administers this waiver program, and this subtitle will save DDS money if landlords had planned to increase rents for these housing units by more than 5 percent. But, because we cannot reliably predict landlords' actions, we do not have an exact estimate of savings.

The fiscal year 2017 budget includes enough money to pay rent for these 960 people even if the rent increases are not capped. DDS's entire residential budget in fiscal year 2017 is about \$26 million. This is a decrease from the fiscal year 2016 budget of \$27 million, but DDS decreased the budget because of programmatic changes, not anticipated savings from legislation in the Budget Support Act.

Any money that DDS budgeted for rent that it does not spend in fiscal year 2017 will be rolled over to the next fiscal year.

Subtitle (V)(E) – Commission on Health Equity Amendment Act of 2016

Background

The subtitle establishes⁹¹ a Commission on Health Equity, which will recommend ways to address health inequities in the District. The Commission will consist of nine voting members, six of whom will be appointed by the Mayor and three of whom will be appointed by D.C. Council. The Commission will work closely with the Department of Health's Office of Violence Prevention and Health Equity.

Financial Plan Impact

Establishing the Commission will not impact the District's budget or financial plan. The members of the Commission will be volunteers and the Department of Health can handle any work associated with the Commission using its current resources.

Subtitle (V)(F) – Teen Pregnancy Prevention Fund Amendment Act of 2016

Background

The subtitle transfers⁹² the responsibility of administering the Teen Pregnancy Prevention Fund from the DC Campaign to Prevent Teen Pregnancy to the Department of Health (DOH) for fiscal year 2017. The administrator of the Fund grants money to non-profits that work to prevent teen pregnancy.

Financial Plan Impact

Transferring the administration of the Teen Pregnancy Prevention Fund to DOH will not impact the budget or financial plan. DOH can administer the fund using its current staff and resources.

⁹¹ By amending Sections 2 through 4 of the Commission on Health Disparities Establishment Act of 2014, effective March 10, 2015 (D.C. Law 20-192; D.C. Official Code § 7-755.01 - § 7-755.04).

⁹² By amending the Teen Pregnancy Prevention Fund Establishment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 1-325.321 et seq.).

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Unlike the DC Campaign to Prevent Teen Pregnancy, DOH does not need to use any of the money in the Fund to cover administrative costs. All of the money in the Fund will go towards grants. The Campaign used 10 percent of the money in the Fund for administration costs.

The Fund will begin fiscal year 2017 empty. The proposed budget does not include any money for the fund in the fiscal year 2017 budget, and no money will be rolled over from fiscal year 2016.

Subtitle (V)(G) – Medicaid Hospital Outpatient Supplemental Payment Act of 2016

Background

The subtitle extends for another year the District's tax on hospitals' outpatient gross patient revenue. The tax will now end on September 30, 2017. It was set to expire on September 30, 2016.

The money from the tax will go into the Hospital Provider Fee Fund, which the Department of Health Care Finance will use to give supplemental Medicaid payments to hospitals for outpatient services. The tax will sunset on September 30, 2017, but any remaining funds will remain in the Hospital Provider Fee Fund for future use, and not revert to the General 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 the Department of Healthcare Finance to cover the costs of managing the Fund.

Financial Plan Impact

The District plans to set the tax at a rate of 0.174 percent to generate about \$6.7 million in revenue in fiscal year 2017. The \$6.7 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 \$15.3 million.⁹³ The providers will receive the supplemental payments quarterly by the 15th day after the end of the quarter.

Fiscal Impact of Subtitle (V)(G) – Medicaid Hospital Outpatient Supplemental Payment Act of 2016			
Estimated FY 2017 dedicated tax revenues			
	Dedicated Tax (local funds)	Federal Medicaid Match	Total Resources
Sources of funds for making maximum allowable payments to providers	\$6,709,025	\$15,304,392	\$22,013,417

Source: Department of Health Care Finance, cost estimation model

Subtitle (V)(H) – Medicaid Hospital Inpatient Rate Supplement Act of 2016

Background

The subtitle extends for another year the District's tax on hospitals' inpatient gross patient revenue. The tax will now end on September 30, 2017. It was set to expire on September 30, 2016.

⁹³ The federal government pays 70 percent of the District's Medicaid costs.

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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, 2017, but any remaining funds will remain in the Hospital Fund for future use, and not revert to the General Fund. The tax will be set at a rate that allows the District to reimburse hospitals for 98 percent of their inpatient costs for District Medicaid recipients. Without the tax the District would be able to reimburse hospitals for only 86 percent of their inpatient costs.

Specialty hospitals will be excluded from the tax. In order to exclude these hospitals, the Department of Healthcare Finance will need to get a waiver from the Center for Medicare and Medicaid Services (CMS). The Department of Healthcare 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 fiscal year 2017. The \$10.4 million will cover the local costs to the District of paying 98 percent, as opposed to 86 percent, of hospitals' Medicaid inpatient costs. The federal government will also give the District about \$24.3 million to cover its portion of the costs associated with a payment rate of 98 percent.⁹⁴ The District will transfer the federal money to 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)(H) – Medicaid Hospital Inpatient Rate Supplement Act of 2016			
Estimated FY 2017 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

Subtitle (V)(I) – Program on Work, Employment, and Responsibility Amendment Act of 2016

Background

The subtitle removes⁹⁵ eligibility for the Program on Work Employment and Responsibility (POWER) for single parents with a baby under 6 months.

Financial Plan Impact

The Department of Human Services had planned to spend \$2.6 million to extend POWER benefits to single parents with babies in fiscal year 2017. Removing POWER eligibility for this group frees up this money. The Mayor used the \$2.6 million to close a gap in her proposed fiscal year 2017 budget.

⁹⁴ The federal government pays 70 percent of all the District's Medicaid costs.

⁹⁵ By amending the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-201.01 et seq.)

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Subtitle (V)(I) – Expansion and Coordination of Youth Services Act of 2016

Background

The subtitle establishes a Youth Services Coordination Task Force within the Office of the Deputy Mayor for Health and Human Services. The task force will study the establishment of a single network of service providers for District youth. By March 17, 2017, the task force must provide to the Mayor and Council a report with its findings and recommendations.

Financial Plan Impact

The subtitle has no fiscal impact. The Office of the Deputy Mayor for Health and Human Services does not need additional resources to oversee the task force.

Subtitle (V)(K) – Supporting Normalcy, Empowering Foster Children, and Encouraging Placement with Siblings Amendment Act of 2016

Background

The legislation makes the following changes⁹⁶ to the District's foster care system:

- Requires transition planning for foster children to begin at age 14;
- Allows children 14 years and older to help form their plan for foster care and choose up to two adults to be members of their case planning team;
- Requires the Child and Family Services Agency (CFSA) to provide annual credit reports free-of-charge to children once they turn 14;
- Defines the "reasonable and prudent parent standard" as "careful and sensible parental decisions ... in the best interests of a child," and requires foster parents and group homes to use the reasonable and prudent parent standard; and
- Expands the definition of a sibling to include siblings who no longer live with a biological parent.⁹⁷ This will allow CFSA to use a broader definition of a sibling when placing foster children with kin.

Financial Plan Impact

The subtitle has no fiscal impact. CFSA can implement the legislation without additional resources.

The District will not have to pay for the credit reports since federal law requires credit reporting companies to provide free credit reports to consumers once a year.⁹⁸

The federal government is requiring⁹⁹ states to adopt the expanded definition of a sibling. States that do not adopt this definition will lose their Title IV-E funding.

⁹⁶ By amending the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.01 et seq.).

⁹⁷ Due to the termination of parental rights or the death of a parent.

⁹⁸ See Fair Credit Reporting Act, 15 U.S.C. 1681 et seq., available at:

<http://www.consumer.ftc.gov/articles/0155-free-credit-reports> (last accessed February 3, 2016).

⁹⁹ Through Section 209 of the Preventing Sex Trafficking and Strengthening Families Act (P.L. 113-183).

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Subtitle (V)(L) – Not-For-Profit Hospital Corporation Certificate of Need Exemption Amendment Act of 2016

Background

The subtitle exempts¹⁰⁰ from the certificate-of-need requirement, for one year, the operation of an ambulatory care clinic by the Not-For-Profit Hospital Corporation in the Bellevue neighborhood of Ward 8.

Financial Plan Impact

The subtitle has no fiscal impact. The Not-For-Profit Hospital Corporation is exempt from fees the Department of Health charges for certificates of need.

Subtitle (V)(M) – Department of Health Functions Clarification Amendment Act of 2016

Background

The subtitle authorizes¹⁰¹ the Department of Health, in fiscal year 2017, to issue grants to community organizations for:

- Mobile, vehicle-based farm stands with regularly scheduled stops (\$50,000);
- Delivering fresh produce to small retailers and corner store owners that operate in underserved communities (\$250,000);
- A farmers market subsidy program (\$1,200,000);
- Programs designed to support teen peer educators who provide sexual health information and condoms to youth (\$150,000);
- Programs designed to promote healthy development in girls attending public schools in grades 8-12 located in areas of the city possessing the highest rates of teen pregnancy and highest enrollment in state-funded health programs in the District (\$500,000); and
- Oral health literacy and awareness programming at nonprofit pediatric dental clinics (\$100,000).

Financial Plan Impact

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

¹⁰⁰ By amending Section 8(b) of the Health Services Planning Program Re-establishment Act of 1996, effective April 9, 1997 (D.C. Law 11-191; D.C. Official Code § 44-407(b)).

¹⁰¹ By amending Section 4907a of the Department of Health Functions Clarification Act of 2001, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 7-736.01).

**Subtitle (V)(N) – District of Columbia Housing Authority Rehabilitation and Maintenance
Fund Amendment Act of 2016**

Background

The subtitle establishes¹⁰² the DCHA Rehabilitation and Maintenance Fund, a non-lapsing special purpose fund that will be administered by the DC Housing Authority. DCHA will use money in the fund to maintain, repair, and rehabilitate public housing.

The subtitle lists three funding sources for the Rehabilitation and Maintenance Fund: a one-time deposit of \$15 million that was originally allocated in fiscal year 2016 for DCHA's Local Rent Supplement Program; annual appropriations; and funds in the Local Rent Supplement Program that remain unspent at the end of each fiscal year.

Financial Plan Impact

The fund will start off fiscal year 2017 with a balance of \$15 million. This money was originally budgeted in fiscal year 2016 for DCHA's Local Rent Supplement Program, but DCHA projects that this money will remain unspent at the end of fiscal year 2016 since fewer rental units came online than the agency had expected. The fiscal year 2016 budget for the Local Rent Supplement Program was \$48.2 million.

Subtitle (V)(O) – Local Rent Supplement Amendment Act of 2016

Background

This subtitle allows¹⁰³ District agencies to refer a person aged 62 and older to the Local Rent Supplement Program if the person is: a returning citizen¹⁰⁴, an LGBTQ individual¹⁰⁵, or a person with a disability¹⁰⁶. The Local Rent Supplement Program, run by the DC Housing Authority, provides rent vouchers to low-income families.

Financial Plan Impact

The subtitle has no fiscal impact. Though the subtitle allows the Mayor to refer specific groups of people to the voucher program, it does not change the number of vouchers that DCHA will issue.

¹⁰² By amending Section 3 of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-202).

¹⁰³ By amending Section 26c of the District of Columbia Housing Authority Act of 1999, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 6-228).

¹⁰⁴ Within the meaning of section 2(5) of the Office on Ex-Offender Affairs Commission on Re-Entry and Ex-Offender Affairs Establishment Act of 2006, effective March 8, 2007 (D.C. Law 16-243; D.C. Official Code § 24-1301(5)).

¹⁰⁵ Within the meaning of section 2(2) of 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(2)).

¹⁰⁶ As defined in section 3(1)(A) of the Americans with Disabilities Act of 1990, approved July 26, 1990 (104 Stat. 329; 42 U.S.C. § 12102(1)(A)).

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Subtitle (V)(P) – Flexible Rent Subsidy Pilot Establishment Act of 2016

Background

The subtitle requires¹⁰⁷ the Department of Human Services to establish the Flexible Rent Subsidy Pilot Program. The program will provide rent subsidies to families eligible to receive Continuum of Care services¹⁰⁸. The annual subsidy for each family must be less than the maximum annual amount that may be provided to a household by voucher.¹⁰⁹

The legislation expires on September 30, 2021.

Financial Plan Impact

Council has included \$4 million in the fiscal year 2017 through fiscal year 2020 budget and financial plan to fund this program, with \$1 million allocated to each of the four fiscal years. Currently this money is budgeted for non-personnel services, but the Department of Human Services expects to reprogram about \$80,000 a year to go towards personnel services.

Subtitle (VI)(Q) – Vital Records Fees Amendment Act of 2016

Background

The Department of Health's (DOH) Vital Records Office assists residents and former residents with copies of birth certificates, death certificates, adoption documents, and any amendments to these vital records. DOH charges fees for these documents. For example, a walk-in birth certificate request costs \$23.

The subtitle establishes the Vital Records Fees Fund as a lapsing, special purpose revenue fund that will capture fee revenues from the vital records office's document services. The subtitle also waives the fee for a birth certificate for an individual who is experiencing homelessness.

Financial Plan Impact

The Department of Health generates approximately \$2.5 million annually in revenue from its services that will now be dedicated to the Vital Records Fees Fund. In 2012,¹¹⁰ the Council dedicated these funds to the General Fund when up until that point, the Chief Financial Officer accounted for them separately. However, these revenues are not currently included in the budget or financial plan.

The provision to waive the fee for persons experiencing homelessness will reduce the Fund's revenues \$58,000 in fiscal year 2017 and \$250,000 over the four-year financial plan period. DOH will work with the Department of Human Services and its service providers to validate homeless indi-

¹⁰⁷ By amending The Homeless Services Reform Act of 2005, effective October 22, 2005 (D.C. Law 16-35; D.C. Official Code § 4-751.01 et seq.)

¹⁰⁸ Continuum of Care services are for people who are homeless or at risk of becoming homeless.

¹⁰⁹ Pursuant to section 26c of the District of Columbia Housing Authority Act of 1999, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 6-228).

¹¹⁰ Section 9066 of the Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011 (D.C. Law 19-21; 58 DCR 6226).

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viduals who are eligible for the fee waiver.¹¹¹ DOH will spend \$5,000 of the Fund's resources to upgrade its systems to accommodate the homeless vouchers and waive the fees.

Vital Records Fees Amendment Act of 2016 Net Impact on the Vital Records Fees Fund Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Total
Fund Revenues	\$2,500,000	\$2,550,000	\$2,601,000	\$2,653,000	\$10,304,000
Homeless Fee Waiver	(\$58,000)	(\$61,000)	(\$64,000)	(\$67,000)	(\$250,000)
Implementation Costs	(\$5,000)	\$0	\$0	\$0	(\$5,000)
Net Fiscal Impact	\$2,437,000	\$2,489,000	\$2,537,000	\$2,586,000	\$10,049,000

¹¹¹ This process will be similar to that used by the Department of Motor Vehicles who accept a voucher from a Department of Human Services' service provider.

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TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) - Wildlife Protection Enforcement Amendment Act of 2016

Background

The Wildlife Protection Act¹¹² provides the standards for nuisance wildlife abatement in the District and the Department of Energy and Environment (DOEE) licenses and regulates wildlife control operators¹¹³ who provide abatement services. At present DOEE cannot fine operators who are not compliant with the Act. The subtitle grants DOEE this enforcement authority. It also allows DOEE to charge fees to cover the costs of its services, such as inspections or document reviews.

Financial Plan Impact

No approved or proposed service fee or fine structure exists to allow for a reliable estimate of potential revenues at this time.

Subtitle (VI)(B) - Air Quality Rulemaking Amendment Act of 2016

Background

The Department of Energy and Environment (DOEE) enforces federal and District air quality laws through emission permits. It also monitors pollutant levels to ensure permit holders adhere to emissions standards.

The subtitle makes clear that DOEE has authority to issue fees and fines to enforce the Air Pollution Control Act.¹¹⁴ It also expands DOEE's authority to charge fees to cover the costs of services, such as document reviews, to cover the entire Act and any rules issued pursuant to the Act.

Financial Plan Impact

DOEE's authority to issue fees and fines was inadvertently removed in 2014¹¹⁵ and this subtitle reinstates that authority. Expanding reimbursements for cost of services to cover the entire Act could increase General Fund revenue but as there is no program in place, the amounts cannot be estimated at this time.

¹¹² Effective March 8, 2011 (D.C. Law 18-289; D.C. Official Code §8-2201 et seq.).

¹¹³ A person who is licensed to harass, repel, evict, exclude, possess, transport, liberate, reunite, rehome, take, euthanize, or kill wildlife.

¹¹⁴ Effective March 15, 1985 (D.C. Law 5-165; D.C. Official Code §8-101.01 et seq.).

¹¹⁵ Air Quality Amendment Act of 2014, effective September 9, 2014 (D.C. Law 20-135; D.C. Official Code § 8-101.06).

Subtitle (VI)(C) - Energy Innovation and Savings Amendment Act of 2016

Background

Businesses that occupy commercial property in the District must keep their doors and windows closed when the air condition system is operating.¹¹⁶ Current law exempts restaurants, hotels, and small stores from these restrictions; the law also makes exceptions for ingress and egress of people, delivery of goods (including through loading docks), and emergencies. The subtitle eliminates the exceptions for restaurants, hotels, and small stores, but implements a new, narrower exception for when the doors and windows of a hotel or restaurant are open to a seating area where food or beverages are served. The subtitle also allows the Mayor to issue rules regarding commercial property energy conservation.

The subtitle also permanently exempts¹¹⁷ the administrator contract associated with the Energy Efficiency Loan Program from District Procurement Practices Reform Act of 2010.¹¹⁸ The loan program, known as DC PACE, allows a property owner to voluntarily opt-in to receive public financing for energy efficiency improvement projects; financing that is paid back through a special tax assessment on the property.

Financial Plan Impact

There are no costs associated with eliminating broad exemptions for commercial property energy conservation and replacing them with a more narrowly focused exemption.

The DC PACE program administrator is a no-cost contract whereby the administrator is compensated only through increased participation in the program. There are no costs associated with the procurement practices exemption.

Subtitle (VI)(D) - Product Stewardship Program Amendment Act of 2016

Background

The Department of Energy and Environment (DOEE) runs an electronics product recycling program.¹¹⁹ The subtitle delays various application and compliance deadlines for that program.

- Deadline for a manufacturer to apply for registration with the District: from January 1, 2016 to December 31, 2016,
- Deadline for a manufacture to register its products with the District and label those products with the manufacturer's identifying information: from January 1, 2016 to June 1, 2017,
- Deadline to begin diversion of electronic waste: from January 1, 2016 to January 1, 2017,
- Deadline for manufacturers to provide point-of-sale information on electronic recycling: from January 1, 2017 to January 1, 2018,

¹¹⁶ The Energy Innovation and Savings Amendment Act of 2012, effective March 19, 2013 (D.C. Law 19-252; D.C. Official Code § 8-1772.01 et seq.).

¹¹⁷ The contract was slated to be subject to procurement rules five years after the effective date of the initial contract.

¹¹⁸ Effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code 2-351.01 et seq.).

¹¹⁹ Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 1041.01 et seq.).

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- Deadline for the first annual report to the Council on the program's implementation and goal achievement progress: from March 1, 2017 to June 1, 2018, and
- Deadline to report to Council on the effectiveness of the program in progressing toward achieving 80 percent electronic waste diversion from landfills by 2032.

The subtitle eliminates the requirement for a disposable plastic carryout bag to display the phrase "Please Recycle This Bag." The subtitle also adds new definitions for compostable and recyclable to the restrictions on disposable food service wares.¹²⁰

Financial Plan Impact

DOEE is still developing the electronic recycling program, so delaying application deadlines does not have a fiscal impact. There is also no fiscal impact to amending the disposable carryout bag law or adding new definitions to the disposable food service ware law.

Subtitle (VI)(E) - Clean and Affordable Energy Amendment Act of 2016

Background

The Department of Energy and Environment (DOEE) contracts with a Sustainable Energy Utility (SEU) to run programs that promote and support sustainable energy use in the District. The SEU is not a regulated utility, but rather a private firm that receives a one-year contract from the District. D.C. law requires this contract to include minimum performance benchmarks the SEU must meet such as reducing energy consumption, increasing renewable energy capacity, efficiency, and green jobs in the District.

At the end of each contract year, the Sustainable Energy Utility Advisory Board evaluates the SEU's performance,¹²¹ and must report its findings to the Council within thirty days after the conclusion of the contract year. The subtitle extends the Board's timeline to report to Council from thirty days to ninety days.

The subtitle also extends the allowance for the use of Sustainable Energy Trust Fund (SETF)¹²² resources for the Low Income Home Energy Assistance Program (LIHEAP) to fiscal year 2017 by \$1.2 million.

Financial Plan Impact

There is no cost to the extension. The Board must use in its report the results of an independent evaluation, measurement, and verification of the contractor's performance.¹²³ The Board requests this extension so it would have sufficient time to review those independent results.

¹²⁰ Sustainable DC Omnibus Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-142; D.C. Official Code § 8-1531).

¹²¹ As a part of this review, the Board provides DDOE recommendations on the performance benchmarks for DOEE to include in the future contracts. Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.01).

¹²² Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10).

¹²³ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.05).

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The fiscal year 2017 budget realizes \$1.211 million from SETF unobligated fund balance to fund the LIHEAP extension.

Subtitle (VI)(F) - Streetcar Authorization Amendment Act of 2016

Background

Under current law, the District Department of Transportation's authority to plan and operate a Streetcar program expires on September 30, 2015.¹²⁴ The subtitle repeals the sunset provision.

The subtitle also repeals a dedication¹²⁵ of Pay-as-you-go capital funding to support the Integrated Premium Transit System.¹²⁶ The dedication was scheduled to begin in fiscal year 2019 and end in fiscal year 2045.

Financial Plan Impact

The subtitle is a technical correction. The DC Streetcar began operations on February 27, 2016, so the sunset is no longer necessary.

Subtitle (VI)(G) - Publication of Safety Enhancement Recommendations Amendment Act of 2016

Background

Current law requires the District Department of Transportation (DDOT) to provide a safety justification for the placement of traffic control officers and to publish a list of the ten most dangerous intersections with traffic control officers.

The subtitle requires DDOT to publish annually beginning on January 1, 2017 the list of the ten most dangerous intersections and any infrastructure or enforcement enhancement recommendations for implementation at each intersection.

Financial Plan Impact

No additional resources are required to implement this subtitle. DDOT identifies dangerous intersections for traffic control officer placement and can publish those locations and any enhancement recommendations on its website.

Subtitle (VI)(H) - BID Parking Abatement Fund Amendment Act of 2016

Background

In 2016, the Council established the Bid Parking Abatement Fund,¹²⁷ which allows the District Department of Transportation (DDOT) to offset the costs of the exclusive reservation of parking me-

¹²⁴ Section 5 of the 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, note).

¹²⁵ D.C. Official Code § 47-392.02(f)(6).

¹²⁶ The Integrated Premium Transit system means the system composed of the DC Streetcar, any District-operated bus system, and any facilities related to either program.

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ters associated with a Business Improvement District's (BID) request to close a street or part of a street. BIDs request street closures for events like street festivals through the public space permitting process where they must pay for exclusive use of the metered spaces in addition to any other required permit or occupancy fees. The subtitle makes the Fund permanent, with annual resources of \$120,000.

Financial Plan Impact

The proposed budget and financial plan includes \$120,000 annually in General Fund resources to fund the BID Parking Abatement Fund. DDOT will manage the Fund and offset public space permit parking meter costs for eligible permit applicants.

Subtitle (VI)(I) – Community Renewable Energy Credit Rate Clarification Amendment Act of 2016

Background

Community Renewable Energy Facilities ("CREFs") are entities that generate electricity from renewable sources and put excess energy back into the local electricity grid. Subscribers to a CREF are entitled to a credit on their electric bill against electricity supply and transmission charges, based on an agreed upon portion of the CREF electricity output.

The bill will allow a residential CREF subscriber to receive credit against distribution charges, taxes, fees, and surcharges on their electricity bill, in addition to already permitted supply and transmission charges. The credit for commercial subscribers will remain the same.

Financial Plan Impact

The subtitle will cost \$336,000 in fiscal year 2017 and \$1.5 million over the fiscal year 2017 through 2020 financial plan period. Providing a credit against taxes, fees, and surcharges that would otherwise be due to the District will reduce District revenues. Additionally, the proposed subtitle will indirectly increase District expenditures. The electric utility (PEPCO) will see a reduction in distribution charge revenue and will likely pursue action before the Public Service Commission to meet its regulated rate of return by increasing the distribution rate imposed on other ratepayers. As the District government is one of those ratepayers, a rate increase will increase the District's electric bill.

Community Renewable Energy Credit Rate Clarification Amendment Act of 2016					
Implementation Costs					
Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	TOTAL
Reduced General Fund and Special Purpose Revenue ^(a)	\$285,000	\$314,000	\$345,000	\$380,000	\$1,324,000
Increased electricity costs for the District Government ^(b)	\$51,000	\$53,000	\$55,000	\$57,000	\$216,000
TOTAL	\$336,000	\$367,000	\$400,000	\$437,000	\$1,540,000

Table Notes

^(a) Assumes 15 MW of CREF production capacity, or 26 million kilowatt hours per year. ^(b) The District government accounts for approximately 5.88 percent of PEPCO's total commercial sector electricity distribution.

¹²⁷ Fiscal Year 2016 Budget Support Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-325.341).

Subtitle (VI)(J) – Competitive Grants Act of 2016

Background

The subtitle provides \$885,000 for four grants to two District agencies. The Department of Energy and Environment will receive \$250,000 to evaluate the costs and benefits of a publically owned electric utility, \$200,000 to provide a non-profit with resources to engage unemployed youth in Anacostia River improvement and cleanup efforts, and \$300,000 to study aircraft noise resulting from arriving and departing flights at Ronald Reagan Washington National Airport and to make noise abatement recommendations. The Department of Small and Local Business Development will receive \$135,000 to fund a clean team on Wisconsin Avenue, N.W. from Davis Street, N.W. to R Street, N.W.

Financial Plan Impact

The fiscal year 2017 budget provides \$885,000 to the two relevant agencies for the proposed grants.

Subtitle (VI)(K) – Compost Drop-Off Program Act of 2016

Background

The subtitle requires the Department of Public Works (DPW) to establish a pilot program to collect compost. The program must run weekly at eight locations—one in each ward. If DPW determines that special equipment is needed to participate in the program, DPW must sell it to residents at cost or provide it for free to resident participants in federal assistance programs.

DPW is currently undergoing a composting feasibility study for a more comprehensive citywide program.¹²⁸

Financial Plan Impact

DPW will need to identify eight locations throughout the city to hold weekly compost collections. It will cost approximately \$24,000 in fiscal year 2017 to purchase materials and equipment needed to both host the collections and contain compostable materials. Staffing and contracting costs for the composting program will cost \$191,000 in fiscal year 2017 and \$800,000 over the four-year financial plan period.

Compost Drop-Off Program Act of 2016 Implementation Costs Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Total
Start-up Materials	\$24,000	\$0	\$0	\$0	\$24,000
Personnel	\$87,000	\$90,000	\$93,000	\$96,000	\$366,000
Collection and Composting	\$104,000	\$107,000	\$110,000	\$113,000	\$434,000
Total	\$215,000	\$197,000	\$203,000	\$209,000	\$824,000

¹²⁸ As required by the Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 8-1031.03(c)).

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Subtitle (VI)(L) – Environmental Literacy Program Amendment Act of 2016

Background

In 2016, the Office of the State Superintendent of Education (OSSE) launched a one-year pilot environmental program designed to place environmental specialist in eight public and public charter elementary schools to help maintain school gardens and enhance environmental literacy among students.

The subtitle makes the program permanent. School officials will be able to design their own environmental literacy program with an Environmental Literacy Leadership Cadre. The Cadre will be teachers at the participating schools who will implement OSSE's Environmental Literacy Plan,¹²⁹ care for their schools' gardens, and implement composting and recycling programs. Cadre teachers will receive a stipend. OSSE can also issue grants to non-profit community organizations to support the Cadre's efforts at the participating schools.

Financial Plan Impact

OSSE will hire an additional staff member to develop the Cadre and implement the grant program. It will also need money for the teacher stipends and any grants to community organizations to enhance the Cadre's activities. Implementation will cost \$727,000 in fiscal year 2017 and \$2.9 million over the four-year financial plan period. The fiscal year 2017 through fiscal year 2020 budget and financial plan includes the required funds to implement this subtitle.

Environmental Literacy Program Amendment Act of 2016					
Implementation Costs					
Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Total
Personnel	\$57,000	\$59,000	\$61,000	\$63,000	\$240,000
Stipends and Grants	\$670,000	\$670,000	\$670,000	\$670,000	\$2,680,000
Total	\$727,000	\$729,000	\$731,000	\$733,000	\$2,920,000

Subtitle (VI)(M) – Self-Service Exhaust Emissions Testing Pilot Program Amendment Act of 2016

Background

The Department of Motor Vehicles (DMV) requires biennial vehicle emissions tests for every registered passenger vehicle¹³⁰ in the District. The inspection fee is \$35.

The subtitle requires DMV to implement a self-service emissions testing pilot program. The emissions testing kiosk should be available 24-hours per day, seven days per week. DMV will establish the vehicle eligibility requirements for the self-service testing. DMV is required to report to Council on the pilot program's progress by March 30, 2018 and the program will expire on September 30, 2018.

¹²⁹ Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-825.02(b)).

¹³⁰ Other vehicles are inspected at different intervals. For example, taxicabs and commercial vehicles are inspected annually and non-WMATA buses are inspected every six months.

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Financial Plan Impact

DMV will buy, install and maintain a self-service testing kiosk; none currently exist in the District. This will cost \$300,000 in fiscal year 2017 and \$350,000 over the four-year financial plan period. The pilot program is expected to launch in late fiscal year 2017 with one kiosk and will last until the program authorization sunsets at the end of fiscal year 2018.

Self-Service Exhaust Emissions Testing Pilot Program Amendment Act of 2016					
Implementation Costs					
Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	Total
Acquisition and Installation Costs	\$250,000	\$0	\$0	\$0	\$250,000
Licensing and Maintenance Costs	\$50,000	\$50,000	\$0	\$0	\$100,000
Total	\$300,000	\$50,000	\$0	\$0	\$350,000

Subtitle (VI)(N) – Civic Associations Public Space Permit Fee Waiver Amendment Act of 2016

Background

Current law authorizes the Mayor to exempt a Business Improvement District from the payment of public space permit fees charged by the District Department of Transportation. Fees can be waived for projects that serve a public benefit, do not impose costs on the District government, and do not involve commercial sponsorships. The subtitle extends this fee waiver to civic associations.¹³¹

Financial Plan Impact

Civic associations often request permits for things like banners, public displays, or other public events. Many neighborhoods in the District have their own civic associations and they, in aggregate, pay public space permit fees of approximately \$15,000 annually. The fiscal year 2017 through fiscal year 2020 budget and financial plan accounts for an annual General Fund revenue reduction of \$15,000.

Subtitle (VI)(O) – Kingman Island and Heritage Island Planning and Feasibility Study Act of 2016

Background

The subtitle requires the Department of Energy and Environment (DOEE) to undertake a feasibility study for a nature center and other recreational and environmental programs on Kingman Island and Heritage Island, which are located along the Anacostia River in Ward 7. The study should review any previous nature center designs or architectural drawings; cost estimates for supporting amenities and infrastructure related to educational, recreational, or environmental programming; facility maintenance costs; partnership opportunities; and facility management options. DOEE should consult with the Deputy Mayor for Planning and Economic Development, Department of Parks and Recreation, Department of Transportation, local non-profit groups, and nearby residents. The study should be completed by May 1, 2017.

¹³¹ The subtitle defines a civic association as a non-profit entity comprised of residents in the community within which the public space is situated and that operates primarily for the improvement of the community.

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Financial Plan Impact

The Council Committee on Health and Human Services identified \$200,000 in the fiscal year 2017 budget to support the feasibility study. DOEE can implement the subtitle with those resources.

Subtitle (VI)(P) – Local Food Economy Study Act of 2016

Background

The subtitle requires the Office of Planning to contact a study on the local food economy. The study should focus on obstacles and opportunities for new and existing businesses; opportunities for job growth and workforce development; areas with a well-developed food economy; areas with a poorly developed food economy; and opportunities for government investments to enhance the local food economy.

Financial Plan Impact

The fiscal year 2017 budget includes \$200,000 to fund this study.

Subtitle (VI)(Q) – Personal Delivery Device Pilot Act of 2016

Background

The subtitle requires the District Department of Transportation (DDOT) to implement a personal delivery device pilot program. Personal delivery devices are mostly autonomous robots that operate in public space and deliver goods from a store or other central location to a resident or business. An applicant for the pilot can have no more than five devices¹³² and must pay a \$250 application fee.

The pilot program will operate from September 15, 2016 through December 31, 2017; however, an applicant's registration is valid for one year or until December 31, 2017, whichever is first. DDOT can revoke a participant's registration at any time if it fails to meet the program's requirements.

Financial Plan Impact

There are very few companies that operate these personal delivery devices and the pilot will be limited to five devices per participant in an area outside of the central business district. DDOT does not require any additional resources in the budget to implement the subtitle due to the limited nature of the pilot.

¹³² Devices must weigh under 50 pounds and travel at speeds of 10 miles per hour or less.

TITLE VII– FINANCE AND REVENUE

Subtitle (VII)(A) – Subject to Appropriations Amendment Act of 2016

Background

The subtitle repeals subject to appropriations clauses for the following laws:

- 1) Access to Emergency Epinephrine in Schools Amendment Act of 2015;¹³³
- 2) Injured Worker Fair Pay Amendment Act of 2015;¹³⁴
- 3) Vault Tax Clarification Amendment Act of 2011;¹³⁵
- 4) Notice Requirements for Historic Properties Amendment Act of 2014;¹³⁶
- 5) Higher Education Tax Exemption Act of 2015;¹³⁷
- 6) Made in DC Program Establishment Act of 2016;¹³⁸
- 7) Repeal of Outdated and Unnecessary Audit Mandates Amendment Act of 2016;¹³⁹
- 8) Campaign Finance Reform and Transparency Amendment Act of 2013;¹⁴⁰
- 9) Voter Registration Access and Ballot Modernization Amendment Act of 2013;¹⁴¹
- 10) Transportation Reorganization Amendment Act of 2015;¹⁴²
- 11) Tree Canopy Protection Amendment Act of 2015;¹⁴³
- 12) Title II of The Trash Compactor Tax Incentive Amendment Act of 2013¹⁴⁴ for fiscal year 2017 only. The subtitle limits grants under this section of the law to \$1 million. The remainder of the law remains subject to appropriations;
- 13) New Issue Bond Program Tax Exemption Amendment Act of 2011;¹⁴⁵
- 14) Sustainable DC Omnibus Act of 2014.¹⁴⁶ The subtitle makes Title III, Subsection A effective retroactive to October 1, 2015;
- 15) Sustainable Solid Waste Management Amendment Act of 2014;¹⁴⁷
- 16) Food Policy Council and Director Establishment Act of 2014.¹⁴⁸ The subtitle makes Section 5 of the law effective retroactive to October 1, 2015;
- 17) Primary Date Alteration Amendment Act of 2014;¹⁴⁹

¹³³ Effective March 9, 2015 (D.C. Law 21-77; 63 DCR 756).

¹³⁴ Effective December 15, 2015 (D.C. Law 21-39; 62 DCR 13744).

¹³⁵ Effective January 12, 2012 (D.C. Law 19-78; 58 DCR 10102).

¹³⁶ Effective April 30, 2015 (D.C. Law 20-249; 62 DCR 1512).

¹³⁷ Effective May 12, 2016 (D.C. Law 21-113; 63 DCR 4328).

¹³⁸ Enacted on May 3, 2016 (D.C. Act 21-388; 63 DCR 7141).

¹³⁹ Enacted on May 10, 2016 (D.C. Act 21-392; 63 DCR 7589).

¹⁴⁰ Effective February 22, 2014 (D.C. Law 20-79; 61 DCR 153).

¹⁴¹ Effective February 26, 2015 (D.C. Law 20-158; 61 DCR 10730).

¹⁴² Enacted on May 4, 2016 (D.C. Act 21-378; 63 DCR 7076).

¹⁴³ Enacted on May 4, 2016 (D.C. Act 21-386; 63 DCR 7134).

¹⁴⁴ Effective March 11, 2015 (D.C. Law 20-223; 62 DCR 227).

¹⁴⁵ Effective December 31, 2011 (D.C. Law 19-60; 58 DCR 9169).

¹⁴⁶ Effective December 17, 2014 (D.C. Law 20-142; 62 DCR 1243).

¹⁴⁷ Effective February 26, 2015 (D.C. Law 20-154; 62 DCR 3600).

¹⁴⁸ Effective March 10, 2015 (D.C. Law 20-191; 62 DCR 3820).

¹⁴⁹ Effective May 2, 2015 (D.C. Law 20-273; 62 DCR 1938).

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- 18) St. Matthew's Evangelical Lutheran Church Community Garden Equitable Real Property Tax Relief Act of 2014.¹⁵⁰ The subtitle amends Section 2 of the law to require that the property is used as a community garden to obtain the refund.

Financial Impact

All the repeals have been accounted for in the proposed budget and financial plan.

Subtitle (VII)(B) – Omnibus Budget Support Clarification Amendment Act of 2016

Background

The subtitle makes five changes to last year's Budget Support Act:¹⁵¹

- It pushes the deadline for submitting a cultural plan from December 15, 2016 to April 30, 2017.
- It eliminates the statutory requirement that the District Department of Transportation enforce parking meters in Premium Demand Parking Meter Rate Zones from 7:00 a.m. until midnight. This is already current law; the proposal makes it permanent.
- It eliminates the spending cap on the Kids Ride Free program,¹⁵² and changes the program's expiration date from fiscal year 2016 to fiscal year 2017.
- It clarifies that the Alley Rehabilitation Project will continue to hold the balances from dormant projects, unless the dormant project was backed by Master Lease financing.
- Updates the capital recession table to correct incorrectly referenced projects.

Additionally, the bill permanently codifies various changes to the District law that are authorized by emergency or temporary¹⁵³ legislation only. All the provisions below are already current law but will expire on October 9, 2016.

- All the money received through the Expedia settlement would be captured in the WMATA Momentum Support Fund, renamed as the WMATA Operating Support Fund.¹⁵⁴
- Changing the date by which the District will calculate the interest on unpaid vault rent using the 1 1/2 % percent per month rate from June 30 to September 15 of 2015.¹⁵⁵
- Substitute teachers and substitute aides will not be covered under the District's sick leave requirements.¹⁵⁶
- The Mayor will submit a report on the employment outcomes of youth who participated in the summer youth program for 2015 only; in 2016, the District's Auditor will evaluate multiple years of outcome data on the employability of youth after participating in the summer youth program.¹⁵⁷

¹⁵⁰ Effective March 10, 2015 (D.C. Law 20-200; 62 DCR 3829).

¹⁵¹ The Fiscal Year 2016 Budget Support Act of 2015, effective October 22, 2015 (D.C. Law 21-36; 62 DCR 10905).

¹⁵² D.C. Official Code § 35-233(h)(6).

¹⁵³ The Fiscal Year 2016 Budget Support Clarification Emergency Amendment Act of 2015 (D.C. Act 21-164, 62 DCR 13734) ("2016 Technical Amendments Act").

¹⁵⁴ The bill amends Section 7154 of the IPW Fund, Destination DC Marketing Fund, and WMATA Momentum Support Fund Establishment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 1-325.311). The emergency provision was adopted through the 2016 Technical Amendments Act

¹⁵⁵ D.C. Official Code § 10-1103.07(d)(1)

¹⁵⁶ D.C. Official Code § 32-241(g)

¹⁵⁷ D.C. Official Code § 32-241(g)

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- Transit subsidies for youth up to age 22 are only for youth who are District residents.¹⁵⁸
- The Board of Review for Anti-Deficiency Violations will receive back the authority to review anti-deficiency allegations; the New Columbia Statehood Initiative and Omnibus Boards and Commissions Reform Act of 2014 inadvertently eliminated this authority.¹⁵⁹
- A notice of tax delinquency on real property will no longer need to be delivered by the U.S. Postal Service.¹⁶⁰
- The reference for the list of specific jurisdictions in the definition of a tax haven under District's combined reporting statutes will not be included in statute.¹⁶¹
- In adjusting standard deduction amounts for cost-of-living increases, the District will use the inflationary change between the current year and the last year the standard deduction had been changed.¹⁶²
- The personal exemption phase-out will begin at \$150,000 (as the Council had intended) and not \$152,000 (as codified in statute).¹⁶³
- Parking meter rates will be \$2.30 per hour for all meters,¹⁶⁴ except those located in performance parking zones as designated by District Department of Transportation.

Finally, the bill modifies the District code:

- Incorporates into the corporate tax¹⁶⁵ and unincorporated business tax¹⁶⁶ sections of the D.C. Official Code the correct numbers for triggered tax rates, which are 9.4 percent, 9.2 percent and 9 percent. These sections of the code inadvertently omitted the middle trigger of 9.2 percent.

Financial Plan Impact

Permanently codifying temporary legislation does not have a fiscal impact. All other amendments to the D.C. Official Code this subtitle proposes are technical, and do not have any fiscal impact as well.

¹⁵⁸ Official Code § 35-233(h).

¹⁵⁹ Effective May 2, 2013 (D.C. Law 20-271; 62 DCR 6642). The temporary changes were made by Section 12 of the of the 2016 Technical Amendments Act.

¹⁶⁰ The bill amends sections 47-1341 and 47-1353.01(a) of the D.C. Official Code. The temporary changes were made by Section 13 of the of the 2016 Technical Amendments Act.

¹⁶¹ D.C. Official Code § 2-1208.02. The temporary changes were made by Section 14 of the of the 2016 Technical Amendments Act.

¹⁶² Fiscal Year 2015 Budget Support Act of 2014 adopted this policy as a part of the tax reforms the District implemented. The subtitle amends D.C. Official Code § 47-1801.04. The temporary changes were made by Section 15 of the of the 2016 Technical Amendments Act.

¹⁶³ D.C. Official Code § 47-1806.02(h-1)(1). The temporary changes were made by Section 16 of the of the 2016 Technical Amendments Act.

¹⁶⁴ The bill amends 18 DCMR § 2404. The temporary changes were made by Section 19 of the of the 2016 Technical Amendments Act.

¹⁶⁵ D.C. Official Code § 47-1807.02(a)

¹⁶⁶ D.C. Official Code § 47-1808.03(a)(6).

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Subtitle (VII)(C) – Combined Reporting Amendment Act of 2016

Background

In fiscal year 2011, when District adopted combined reporting requirements, it adopted accounting rules that would allow publicly traded companies to take a deduction in the future for the restate-ment of deferred tax assets and liabilities that they now had to recognize in their financial state-ments.¹⁶⁷ Under these rules, companies would be able to take deductions starting fiscal year 2016 for seven years.¹⁶⁸ The proposed subtitle delays the deductions by an additional five years, so com-panies will not be able to take these deductions until fiscal year 2021.

Financial Impact

Delaying FAS 109 credits will increase corporate income tax collections by \$3.7 million in fiscal year 2016, and by \$7.4 million annually beginning fiscal year 2017. The full impact of the delay over the four-year budget and financial plan period is \$29.8 million. The fiscal impact of the subtitle is in-corporated into the proposed budget and financial plan.

Estimated Fiscal Impact of Subtitle VII (C) – Combined Reporting Amendment Act of 2016 FY 2016 and FY 2017-FY 2020 (\$ thousands)						
	Current fiscal year	Proposed Budget and Financial Plan Period				Budget and financial plan impact
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
Increase in corpo- rate franchise taxes	\$3,721	\$7,443	\$7,443	\$7,443	\$7,443	\$29,772

Source: Office of Revenue Analysis

Subtitle (VII)(D) – Franchise Tax Return Due Date Amendment Act of 2016

Background

The subtitle changes due dates for C-corporation income tax returns from March 15 to April 15, which is the federal due date. The federal corporate return is required in order to complete the Dis-trict return, so the change is needed to give corporations sufficient time to complete both returns.

Financial Plan Impact

The subtitle does not have a fiscal impact.

¹⁶⁷ According to the Statement of Financial Accounting Standards #109 (FAS 109), the effects of income taxes resulting from transactions occurring in the current and preceding years must be reported on an entity's fi-nancial statement for current and future years. This includes accounting for certain deferred tax liabilities and assets to reflect the future tax consequences of events that have been recognized in a corporation's finan-cial statement or tax return (See Massachusetts Technical Information Release 09-8).

¹⁶⁸ D.C. Official code Section 47-1810.08(b).

Subtitle (VII)(E) – College Savings Program Amendment Act of 2016

Background

The subtitle changes the due date for the annual report of the College Savings program from December 31 to May 31.¹⁶⁹ Program and financial data is not typically available until April or May, so this gives the Office of the Chief Financial Officer more time to compile the report.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(F) – Lottery Amendment Act of 2016

Background

The subtitle amends the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia¹⁷⁰ to conform to federal legislation that transferred the functions and personnel of the District of Columbia Lottery from the Lottery Control Board to the Office of the Chief Financial Officer in 2006.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(G) – Office of Inspector General Audit Amendment Act of 2016

Background

The subtitle changes the due date for the Highway Trust Fund Forecast to May 31st from the current date of March 15th.¹⁷¹ This delay gives the Office of the Inspector General additional time to review information that isn't typically available until February each year.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(H) – Parkside Parcel E and J Mixed-Income Apartments Tax Abatement Amendment Act of 2016

Background

The subtitle makes permanent a temporary law¹⁷² making changes to a 10-year real property tax abatement for the Parkside Parcel E and J Mixed-Income Apartments located on Lot 808 in Square

¹⁶⁹ Current law requires the Office of the Chief Financial Officer to submit this report within three months after the close of each fiscal year. D.C. Official Code § 47-4512.

¹⁷⁰ Effective March 10, 1981 (D.C. Law 3-172; D.C. Official Code § 3-1301 et seq.)

¹⁷¹ The bill amends the District of Columbia Emergency Highway Relief Act, approved August 4, 1995 (109 Stat. 257; D.C. Official Code § 9-109.02(e)).

¹⁷² Parkside Parcel E and J Mixed-Income Apartments Tax Abatement Temporary Amendment Act of 2015

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5041 in Square 5056.¹⁷³ The law removes the name of the owner from the code, so the abatement would be in effect no matter who owns the property. It also limits the abatement to \$300,000 per year per lot.

Financial Plan Impact

The property tax abatement is current law, and its fiscal effect is already incorporated into the budget and financial plan.

Subtitle (VII)(I) – Schedule H Consumer Price Index Amendment Act of 2016

Background

Current law requires Schedule H credits and eligible income levels be adjusted by the Consumer Price Index, but it does not specify how the adjustment would be rounded.¹⁷⁴ The subtitle specifies the rounding: the maximum credit amount will be rounded down to a multiple of \$25, and the eligible income amount down to a multiple of \$100. If the Consumer Price Index is negative, neither the credit nor the income threshold will decrease. The cost of living adjustments began in 2016.

Financial Plan Impact

The amendment is consistent with how the financial plan reflects the cost of living adjustments to the credit and income limits for Schedule H.

Subtitle (VII)(J) – Tax Sale Resource Center and Deed Clarification Amendment Act of 2016

Background

The subtitle repeals language in the District laws referencing the Tax Sale Resource Center and removes an outdated reference regarding tax deeds in the code. The Tax Sale Resource Center no longer operates. The correction is already in effect via temporary legislation.¹⁷⁵

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(K) – Tax Revision Implementation Amendment Act of 2016

Background

The subtitle allows the District to trigger tax reductions approved in the Fiscal Year 2015 Budget Support Act based on the Chief Financial Officer's September 2016 revenue certification.¹⁷⁶ The certified revenue must provide sufficient additional funding that would pay for any triggered tax cut through the financial plan period. If triggered, the tax change would be effective January 2017. Under current law, the next time tax reductions are required to be considered is when the Chief Fi-

¹⁷³ The subtitle amends D.C. Official Code § 47-4658, effective from March 9, 2016 (DC Act 21-0269 63 DC 792) and expires on October 20, 2016.

¹⁷⁴ D.C. Official Code § 47-1806.06.

¹⁷⁵ Tax Sale Resource Center Clarifying Temporary Act of 2016, approved April 19, 2016, temporarily removed this language; the subtitle would make it permanent.

¹⁷⁶ D.C. Official Code § 47- 181.

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nancial Officer releases the February 2017 revenue certification. If triggered, tax rate changes would be effective January 2018.

Financial Plan Impact

Allowing the District to trigger tax rate reductions in September 2016, as opposed to February 2017 would mean that if excess revenues are certified, the tax cuts could be effective beginning tax year 2017. The shift in timing does not have a fiscal impact since the tax cuts will be triggered only if excess recurrent 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.

Subtitle (VII)(L) – LIHTC Pilot Program Initiation Amendment Act of 2016

Background

The subtitle delays implementation of the Low Income Housing Tax Credit Pilot Program from tax year 2016 to tax year 2017.¹⁷⁷

Financial Plan Impact

Delaying the implementation of the Low Income Housing Tax Credit Pilot Program from tax year 2016 to tax year 2017 increases revenue from business income in fiscal year 2018 by \$500,000.

Subtitle (VII)(M) – Fiscal Stabilization Reserve Amendment Act of 2016

Background

The subtitle authorizes the Chief Financial Officer to use Fiscal Stabilization Reserve Account for cash flow needs, provided the funds are replenished in the same fiscal year.¹⁷⁸ If the money in this reserve is used for annual advances made to the District Columbia Public Schools and the District of Columbia Public Charter Schools, they must be replenished when the District's annual budget for the following fiscal year become effective.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(N) – Special Budget Provision Reform Act of 2016

Background

The subtitle eliminates statutory language¹⁷⁹ that permit the Mayor to transfer any special purpose revenue fund balances to the General Fund through a resolution and passive approval of the Council. Active approval of the Council will now be required to sweep remaining balances.

¹⁷⁷ D.C. Official Code § 47-4802(a)(2).

¹⁷⁸ D.C. Official Code § 47-392.02(j-1).

¹⁷⁹ D.C. Official Code § 47-368.01.

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The subtitle eliminates outdated statutory language¹⁸⁰ on fine and fee adjustments, which only applied to fiscal year 2003; it also eliminates the obsolete statutory language,¹⁸¹ which had established a revenue-contingent reduction of deed transfer and recordation taxes in 2005.

Financial Plan Impact

The subtitle does not have a fiscal impact.

Subtitle (VII)(O) – Vault Tax Expansion Amendment Act of 2016

Background

The subtitle exempts real property located at Square 287, Lot 812 from the vault tax.¹⁸²

Financial Plan Impact

The exemption would reduce vault tax revenue by \$38,000 in FY 2017 and \$158,000 in the four-year budget and financial plan.

Fiscal Impact of Vault Tax Expansion Amendment Act of 2016					
FY 2017 – FY 2020					
	FY2017	FY 2018	FY 2019	FY 2020	4-Year Total
Reduced vault tax revenue	\$ 38,000	\$ 39,000	\$ 40,000	\$ 41,000	\$ 158,000

Source: Office of Revenue Analysis

Subtitle (VII)(P) – Walker Jones/Northwest One Unity Health Center Tax Abatement Amendment Act of 2016

Background

The subtitle abates real property taxes for the Walker Jones/Northwest One Unity Health Center, located at 40 Patterson Street, NE (occupying a portion of Lot 253, Square 672). The District enacted a similar abatement in 2009,¹⁸³ but the city never funded it. The subtitle authorizes the abatement effective October 1, 2016 through September 30, 2021.

Financial Plan Impact

The subtitle will reduce real property tax revenue by \$190,831 in fiscal year 2017 and \$798,364 over the four-year financial plan.

¹⁸⁰ D.C. Official Code § 47-368.02.

¹⁸¹ D.C. Official Code § 47-368.03.

¹⁸² D.C. Official Code § 10-1103.04(d).

¹⁸³ Walker Jones/Northwest One Unity Health Center Tax Abatement Act of 2008, Effective March 25, 2009 (D.C. Law 17-351; 56 DCR 1113).

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Fiscal Impact for Walker Jones/Northwest One Unity Health Center Tax Abatement Amendment Act of 2016 Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	4-Year Total
Reduced real property tax revenue	\$ 190,831	\$ 196,555	\$ 202,452	\$ 208,525	\$ 798,364

Source: Office of Revenue Analysis

Subtitle (VII)(Q) – Jubilee Ontario Apartments Real Property Tax Abatement Amendment Act of 2016

Background

The Jubilee Ontario Apartments located at Square 2565, Lot 805 is an affordable housing property that is exempt from taxation for the portions of the property that are under residential use.¹⁸⁴ The subtitle will extend the tax exemption to the entire property, not just the residential portions. Currently, a day care center is operating in the non-residential portion of the site. The subtitle also forgives real property and deed recordation taxes¹⁸⁵ and related charges assessed against the property since March 27, 2015.

Financial Plan Impact

The subtitle will reduce property tax revenue by \$37,380 in FY 2017 and \$73,394 over the four-year financial plan.

Fiscal Impact for Jubilee Ontario Apartments Real Property Tax Abatement Amendment Act of 2016 Fiscal Year 2017 – Fiscal Year 2020					
	FY 2017	FY 2018	FY 2019	FY 2020	4-Year Total
Forgiveness of prior year charges	\$32,898	\$0	\$0	\$0	\$32,898
Reduced Real Property Tax Revenue	\$11,312	\$11,652	\$12,001	\$12,361	\$47,326
Total Reduced Revenue	\$44,210	\$11,662	\$11,001	\$12,361	\$80,224

Source: Office of Revenue Analysis

¹⁸⁴ Pursuant to D.C. Official Code § 47-1005.02.

¹⁸⁵ Per document number 2015028485, recorded March 27, 2015.

TITLE VIII – CAPITAL BUDGET

Subtitle (VIII)(A) – Fiscal Year 2017 Capital Project Reallocation Approval Act of 2016

Background

The proposed subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately \$180.8 million in currently held bond balances or from approved and pending, but not yet issued, bonds, from the capital projects with slow activity to 15 projects with insufficient bond balances to cover expenditures. The reallocation does not change costs or authorized budget amount, but it directs capital funds 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 below show the sources and uses of these funds.

Subtitle (VIII)(A) – Projects that will serve as source of financing		
TABLE A		
Owner Agency Name	Project Title	Total
Department of Behavioral Health	Integrated Care Applications Management	\$145,551
	St. Elizabeths Information Technology System	\$81,575
Department of Corrections	DOC Elevator Refurbishment	\$1,600,000
	Roof Refurbishment at DOC Facilities	\$2,008,089
Department of Employment Services	Unemployment Insurance Modernization Project	\$7,354,064
Department of General Services	Facility Condition Assessment	\$1,088,698
Department of Health Care Finance	District Operated Health Information System	\$3,145,040
	Medicaid Payment Management System	\$1,313,068
	MMIS System Upgrade	\$2,300,000
Department of Parks and Recreation	American with Disabilities Act Compliance	\$75,757
	Barry Farm Recreation Center	\$3,927,608
	Benning Park Recreation Center Rehabilitation	\$1,400,000
	Benning Stoddert Modernization	\$3,124,785
	Edgewood Recreation Center	\$14,000,000
	Fort Davis Recreation Center	\$2,000,000
	Fort Greble Recreation Center	\$1,000,000
	Friendship Park	\$880,968
	Hillcrest Recreation Center	\$1,500,000
	Ivy City Community Center	\$1,925,000
	Park Improvements - Project Management	\$393,520
Ward 2 Public Park Rehabilitation	\$334,244	
Department of Public Works	Upgrade to DPW Fueling Sites	\$76,846
Deputy Mayor for Planning and Economic Development	New Communities	\$9,000,000
	Saint Elizabeths East Campus Infrastructure	\$1,546,808
	Strand Theatre	\$1,000,000
District Department of Transportation	Equipment Acquisition	\$3,526,564
	Georgetown Streetscape Improvements	\$500,000
	Great Streets Initiative	\$292,359
	Pedestrian Bridge – Parkside	\$9,678,669
	Planning, Management, and Compliance	\$148,484
	Power Line Undergrounding	\$4,000,000
	Prevention of Flooding in Bloomingdale/Ledroit Park	\$1,508,674
	Railroad Bridges	\$10,340
	Rhode Island Avenue, NE Small Area Plan	\$599,509
	South Capitol Street/Frederick Douglass Bridge	\$40,000,000

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Subtitle (VIII)(A) – Projects that will serve as source of financing		
TABLE A		
Owner Agency Name	Project Title	Total
	Streetcars	\$43,409
	Traffic Operations Center	\$1,500,000
District of Columbia Public Library	Capitol View Library	\$4,500,000
	Cleveland Park Library	\$4,125,000
	Palisades Library	\$5,700,000
	Woodbridge Library	\$3,091,863
	District of Columbia Public Schools	Coolidge HS Modernization/Renovation
	Deal MS Modernization/Renovation	\$11,664
	Drew ES Modernization/Renovation	\$39,641
	Johnson MS Renovation/Modernization	\$2,886,000
	Maintenance Improvements	\$7,738,513
	Martin Luther King ES Modernization	\$538,150
	McKinley HS Modernization	\$11,442
	Moten ES Modernization	\$1,565,607
Fire and Emergency Management Services	Engine 22 Firehouse Replacement	\$3,000,000
	Engine 27 Major Renovation	\$2,000,000
	Engine 16 Renovation	\$2,268,528
Metropolitan Police Department	Automation of Report Generation and Purchase	\$300,000
	Specialized Vehicles	\$2,000,000
Office of the Chief Financial Officer	CFO Solve	\$569,613
Office of the Chief Technology Officer	Citywide Disk Based Backup Infrastructure	\$445,022
	DC Cable Net	\$83,199
	DC Government Citywide IT Security Program	\$1,500,000
	DC Government New Data Center Build-Out	\$3,000,000
	Transportation Infrastructure Modernization	\$581,460
Office of the Secretary	Archives	\$3,284,215
Office of the State Superintendent of Education	Single State-Wide Student Information System	\$1,800,000
Special Education Transportation	Bus Facility Upgrades	\$2,740,000
	DDOT GPS System	\$1,000,000
Grand Total		\$180,809,546

Subtitle (VIII)(A) – Projects that will use financing		
TABLE B		
Owner Agency Name	Project Title	Total
Department of Human Services	Case Management System	\$14,000,000
Department of Parks and Recreation	Edgewood Recreation Center	\$14,000,000
	Park Improvements	\$19,000,000
	Ridge Road Recreation Center	\$9,730,000
Deputy Mayor for Economic Development	McMillan Site Redevelopment	\$1,467,000
District Department of Transportation	Alley Rehabilitation	\$3,000,000
District of Columbia Public Schools	Ballou HS	\$20,100,000
	Brookland MS Modernization	\$8,200,000
	High School Labor - Program Management	\$5,000,000
	Major Repairs/Maintenance	\$6,100,000
	Roosevelt HS Modernization	\$15,500,000
Fire and Emergency Management Services	FEMS Scheduled Capital Improvements	\$2,275,000
Office of the State Superintendent of Education	Evans Campus	\$2,000,000
WMATA	WMATA CIP Contribution	\$40,437,546
	WMATA Fund - PRIAA	\$20,000,000
Grand Total		\$180,809,546

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The reallocated proceeds come from the following bond issuances:

Bond Issuance Series	Total
2010A	\$140,465
2012C I.T.	\$10,109,211
2013A G.O.	\$9,540,859
2013A GO	\$1,576,078
2014 A/B GO	\$25,054
2014C G.O.	\$37,240,108
2015A G.O.	\$429,148
Pending	\$121,748,623
Grand Total	\$180,809,546

Financial Plan Impact

The reallocation does not change the budget authority for any of these capital budget projects. The intent is to improve resource use by reallocating available bond balances to where they are needed.

Subtitle (XIII)(B) – Capital Project Review and Reconciliation Amendment Act of 2016

Background

Under current law, the Office of the Chief Financial Officer (OCFO) can remove any balance from dormant capital projects (projects that did not spend any money for three consecutive years).¹⁸⁶ The OCFO can transfer these funds to the Alley Rehabilitation Project and make them available for other capital projects.

The proposal clarifies that the Alley Rehabilitation Project will continue to hold the balances from dormant projects, unless the dormant project was backed by Master Lease financing. If that is the case, the money from the dormant project will be held at the WMATA Fund project (Project SA311C).¹⁸⁷

Financial Plan Impact

This is a technical amendment.

The District's Master Lease account is a revolving credit account with strict use limits. The bank requires the District to use this account only to buy items that can be recovered—that is, in case of default, items that can be repossessed and sold. The District may not use Master Lease credits to improve public space such as roads, sidewalks, or alleys since these are not recoverable assets. The District also cannot hold Master Lease funds, even temporarily, in a projects associated with such unrecoverable public use.

¹⁸⁶ D.C. Official Code § 1-325.151.

¹⁸⁷ The WMATA Fund (Project SA311C) holds the Capital Project Support Fund, which, before fiscal year 2016, held all dormant funds. One of the two accounts under the Capital Project Support Fund is 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 (excluding federal grants and Federal Highway Trust Fund).

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

Subtitle (IX)(A) – Fixed Cost Commodities Reserve Amendment Act of 2016

Background

The District has a Commodities Reserve Fund that it uses to pay for any unanticipated increases in consumption-driven commodity costs such as electricity, gas, water, postage, fuel, and fixed costs such as occupancy and rent.¹⁸⁸ The subtitle caps the size of this fund at \$5 million in any fiscal year. The subtitle also transfers \$19.4 million from the Commodities Reserve Fund to the local portion of the General Fund and recognizes it as fiscal year 2017 revenue.

Financial Plan Impact

The funds the subtitle transfers out of the Commodities Reserve Fund are used to balance the fiscal year 2017 budget.

¹⁸⁸ D.C. Official Code § 47-368.04.

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