


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: April 4, 2017

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2018 Budget Support Act of 2017”

REFERENCE: Draft bill provided to the Office of Revenue Analysis on April 4, 2017

Conclusion

Funds are sufficient in the proposed fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the Fiscal Year 2018 Budget Support Act of 2018.

The Mayor’s fiscal year 2018 budget proposes \$7.591 billion in Local funds spending, supported by \$7.591 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 \$8.587 billion.

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

The bill, the “Fiscal Year 2018 Budget Support Act of 2017,” is the legislative vehicle for adopting statutory changes needed to implement the Mayor’s proposed budget for the fiscal years 2018 through 2021 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) - Use of Official Vehicles During an Emergency Amendment Act of 2017

Background

The subtitle allows¹ the Mayor to authorize an officer or employee of the District of Columbia government to use an official vehicle during declared emergencies.² Officers or employees that assist the District in emergency situations can only use the vehicle to perform work-related duties, conduct official business, or travel between their residence and workplace. The subtitle also requires the Mayor to submit a list to Council that includes the names, title, agency, length of authorization and justification for use of each employee authorized to use vehicles during declared emergencies.

Financial Plan Impact

The Mayor's fiscal year 2018 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)(B) - Office of the Inspector General Operational Projects Fund Establishment Act of 2017

Background

This subtitle would establish the Office of Inspector General Operational Projects Fund to receive excess funds remaining in the Office of Inspector General's operating budget at the end of each fiscal year. The fund shall be used for capital or operating expenses related to supporting legislative mandates including: facilities upgrades, technology maintenance and upgrades, and training.

Financial Plan Impact

There is no impact to the proposed fiscal year 2018 budget and financial plan. Unspent funds of an agency are not included in the revenue estimates. However, designating such future unspent funds for a particular agency may reduce future growth in the District's fund balance.

Subtitle (I)(C) - Unjust Conviction and Imprisonment Compensation Amendment Act of 2017

Background

The subtitle limits³ the amount of compensation the District gives to people who were wrongfully convicted and sentenced for a felony offense. Compensation will be limited to:

- \$200,000 for each year of incarceration;
- \$40,000 for each year served on parole or probation, or as a registered sex offender; and

¹ By amending section 3602 of the Restrictions on the Use of Official Vehicles Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 50-204).

² Pursuant to section 5 of the District of Columbia Public Emergency Act of 1980, effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2304).

³ By amending The District of Columbia Unjust Imprisonment Act of 1980, effective March 5, 1981 (D.C. Law 3-143; D.C. Official Code § 2-421 *et seq.*)

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- A \$10,000 grant for housing, transportation, food, re-integrative services, and mental and physical health care.

Currently there are no limits on the compensation the District can give to people who were wrongly convicted and sentenced.

Financial Impact

In fiscal year 2016 the Office of Risk Management paid about \$30 million in wrongful imprisonment settlements. Limiting the compensation for people who are wrongly convicted and sentenced will reduce the money the District spends on wrongful imprisonments; however, the agency does not have an estimate of savings at this time.

Subtitle (I)(D) - D.C. Access System Amendment Act of 2017

Background

The subtitle adds the development and operations of the D.C. Access System (DCAS) to the statutory responsibilities⁴ of the Office of the Chief Technology Officer (OCTO). The subtitle directs that the DCAS system be an integrated system for health and human service programs and benefits including: the American Health Benefit Exchange, DC Health Link, Food Stamp Employment and Training, Health Care Alliance, Interim Disability Assistance, Medicaid, Program on Work Employment and Responsibility, Refugee Cash Assistance and General Assistance for Children, the SHOP Exchange, the Supplemental Nutrition Assistance Program and the Temporary Assistance for needy Families program.⁵

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. The fiscal year 2018 through fiscal year 2023 proposed capital improvement plan allocates⁶ \$27.7 million over the six-year plan for DCAS improvements. OCTO is the implementing agency for the capital project. OCTO does not have any operating funding in its budget for management and maintenance of the system. Operating funding is currently transferred to OCTO by three DCAS client agencies through an intra-district memorandum of understanding. This operating funding must continue to be transferred to OCTO from DCAS client agencies in order for OCTO to fulfill the requirements of the subtitle. Should any of the programs and systems not be included in an agreed upon MOU, the agency may not be able to meet all of the requirements of the subtitle.

Subtitle (I)(E) - Public-Private Partnerships Amendment Act of 2017

Background

The subtitle exempts District-owned property proposed to be included in a public-private partnership agreement from required land surplus and disposition approval processes.⁷ Currently, the Mayor must submit separate resolutions to Council to approve the disposition and to approve the proposed public-private partnership agreement. The subtitle eliminates the requirement for

⁴ D.C. Official Code § 1-1403.

⁵ D.C. Official Code § 31-3171.04(a)(2).

⁶ Project number MES23C in the fiscal year 2018 through fiscal year 2023 capital improvement plan.

⁷ D.C. Official Code § 10-801 et seq.

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disposition and surplus resolutions for such properties. However, Council must approve public-private partnership agreements, including any disposition components.

Financial Plan Impact

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

Subtitle (I)(F) – Classification Clarification Amendment Act of 2017

Background

The subtitle reduces⁸ from 60 days to 30 days the notification period for changes to the District employee job classification system.⁹ It also removes the requirement that the Mayor¹⁰ hold a public hearing on proposed changes to the job classification system.

Financial Impact

Changing the notification dates and removing the public hearing requirement for changes to the job classification system will not impact the budget and financial plan.

Subtitle (I)(G) – Deferred Compensation Program Enrollment Act of 2017

Background

The bill requires¹¹ the Department of Human Resources (DCHR) to automatically enroll new employees in the District government's 457 deferred compensation plan. When DCHR automatically enrolls the employee, it will defer five percent¹² of the employee's base salary, pre-tax, to the plan. The employee may then change his or her contribution level, or end enrollment in the plan, at any time. Currently, enrollment in the 457 plan is voluntary.

Financial Impact

The subtitle will not impact the District's budget since there will be no cost to implement it. DCHR can handle any additional work from the bill using its existing resources. The Office of the Chief Technology Officer will need to upgrade PeopleSoft to accommodate the auto-enrollment, but it can do so with its existing resources. The administrator of the District's 457 plan will not charge the District any fees for auto-enrolling customers.

⁸ By amending The District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code 1-601.01 et seq.)

⁹ The changes need to be published in the D.C. Register 30 days before they occur.

¹⁰ Or the Board of Education, or the Board of Trustees of the University of the District of Columbia.

¹¹ By amending Section 1117 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-611.17).

¹² The subtitle requires DCHR to defer at least 5 percent of the employee's salary into the plan, but in a letter to Council, the Mayor said DCHR will be deferring 5 percent of the employee's salary.

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Subtitle (I)(H) – Executive Service Pay Schedule Conformity Amendment Act of 2017

Background

This subtitle corrects¹³ a provision in the Fiscal Year 2017 Budget Support Act of 2016 that inadvertently limited the salaries of the directors of the Department of Behavioral Health and the Department of Health to an amount below the Executive Service pay schedule. Currently their salaries are capped at \$197,245 and \$200,335 respectively. The subtitle removes these caps. It is retroactive to July 20, 2016.

Financial Impact

Currently each director has an annual salary of \$201,574, which is above the caps in the D.C. Code. The subtitle aligns the D.C. Code with current practice.

¹³ By amending Section 1052(b)(3)(A) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 et seq.)

TITLE II- ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) - Historic Only Permit Fee Reduction Amendment Act of 2017

Background

Several types of minor building repairs or improvements are exempt from permit requirements.¹⁴ However, if a structure is located in a historic district, or is a historically designated building, then some exemptions, such as brick pointing, do not apply.¹⁵

The subtitle lowers the cost of otherwise exempt permits for work done in historic districts to \$33. Currently, the fees for these permits vary, but average approximately \$300.

Financial Plan Impact

The subtitle will reduce general fund revenue by \$106,800 in fiscal year 2018 and \$427,200 in the four-year financial plan. This reduction assumes approximately 400 historic district permit fees per year will be charged the lower permit rate, reducing the revenue from an average of \$300 per permit to \$33 per permit.

Historic Only Permit Fee Reduction Amendment Act of 2017					
Reduced Permit Fee Revenues					
Fiscal Year 2018 – Fiscal Year 2021					
(\$000s)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Reduced Permit Fee Revenue	\$107	\$107	\$107	\$107	\$427

Subtitle (II)(B) – Government Employer-Assisted Housing Program Amendment Act of 2017

Background

The subtitle increases¹⁶ the maximum loan amount the District can provide employees through the Employer-Assisted Housing Program (EAHP). Currently employees can receive loans of up to \$10,000. The subtitle increases the maximum loan amount to \$20,000. Employees enrolled in EAHP must be first-time home buyers who are purchasing homes less than \$625,500.

Financial Impact

The Department of Housing and Community Development (DHCD) has budgeted \$1.1 million for the EAHP program in fiscal year 2018. This will be enough money to give 55 families loans of \$20,000. DHCD operates the program on a first-come, first-served basis, and it will only be able to provide this

¹⁴ See 12-A DCMR § 105.2 for the list of exemptions.

¹⁵ See 12-A DCMR § 105.2.5 for the work that is not exempt in historic districts.

¹⁶ By amending The Government Employer-Assisted Housing Amendment Act of 1999, effective May 9, 2000 (D.C. Law 13-96; D.C. Official Code § 42-2501 et seq.).

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benefit until funds are exhausted, since anti-deficiency laws¹⁷ prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

Subtitle (II)(C) – Housing Production Trust Fund Amendment Act of 2017

Background

The subtitle allows¹⁸ the Department of Housing and Community Development (DHCD) to use up to 5 percent of the Housing Production Trust Fund (HPTF) money it rolls over from one year to the next for administrative costs. This will be on top of the 10 percent of annual HPTF allocations it can currently reserve for administrative costs.

Financial Impact

The subtitle will not impact the budget and financial plan. It will simply shift the use of funds already allocated for the Housing Production Trust Fund.

The Mayor has included \$100 million in new allocations for the HPTF in fiscal year 2018. DHCD will be able to use 10 percent of this money for administrative costs. It will also be able to reserve 5 percent of any fund balance it rolls over from fiscal year 2017 for administrative costs. At the end of fiscal year 2016, the HPTF had a fund balance of around \$250 million.

Subtitle (II)(D) – Housing Preservation Fund Establishment Act of 2017

Background

The subtitle establishes a Housing Preservation Fund that will be managed by the Department of Housing and Community Development (DHCD). DHCD will use the fund to provide debt and/or equity to finance housing preservation activities, including:

- acquisition bridge loans;
- predevelopment expenses (earnest money deposits and third party reports such as architectural, engineering, title reports, or surveys);
- environmental remediation;
- critical repairs; and
- other activities necessary to preserve the affordability of housing units.

Projects that receive funding from the fund must execute an affordability covenant.

The fund will be non-lapsing.

Financial Impact

The Mayor’s proposed fiscal year 2018 budget includes a one-time allocation of \$10 million in local dollars for the fund.

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

¹⁸ Section 3(b)(10) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(b)(10)).

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Subtitle (II)(E) - St. Elizabeths East Campus Redevelopment Fund Establishment Act of 2017

Background

Events DC is constructing an Entertainment and Sports Arena (ESA) on a portion¹⁹ of the St. Elizabeths East Campus, which is owned by the District. The District and Events DC are finalizing a ground lease with a term of 19 years. The ESA will be the new home arena for the Washington Mystics,²⁰ a practice facility for the Washington Wizards,²¹ and a venue hosting a number of other concerts, tournaments, and community events.

The subtitle establishes the St. Elizabeths East Campus Redevelopment Fund into which the District will deposit any possessory interest²² and sales taxes²³ generated from the ESA site, up to a maximum of \$855,000 annually in fiscal year 2018 through fiscal year 2021. Beginning on October 1, 2021 through the last year that the Events DC ground lease from the District is in effect, the District will deposit all possessory interest and sales taxes generated from the ESA site into the Fund. The Office of the Deputy Mayor for Planning and Economic Development can use the Fund's resources to pay for any maintenance, operation, or construction activities on the entire St. Elizabeths East Campus redevelopment site, including the issuance of grants to support these activities.

The subtitle also abates any possessory interest taxes exceeding \$855,000 annually in fiscal year 2018 through fiscal year 2021.

Financial Plan Impact

The subtitle directs the District to deposit any possessory interest or sales taxes from the ESA site to the St. Elizabeths East Campus Redevelopment Fund up to \$855,000 annually over the proposed financial plan period and with no cap thereafter.²⁴ The proposed fiscal year 2018 through fiscal year 2021 budget and financial plan includes a reduction of \$855,000 to the District's local fund and an increase of \$855,000 into the new dedicated Fund annually²⁵. The subtitle also abates any possessory interest taxes exceeding \$855,000 annually during the financial plan period, but the site is not expected to exceed that amount over that time period and the abatement does not have a cost.

¹⁹ The ESA site encompasses approximately 76,716 square feet located on land known for tax assessment purposes as Lot 815 and a portion of Lot 819 in Square 5868 S. The land is also designated under the District Zoning Code as Parcel StE-12 and a portion of StE-9.

²⁰ <http://mystics.wnba.com/>

²¹ <http://www.nba.com/wizards/>

²² D. C. Official Code § 47-1005.01.

²³ D. C. Official Code § 47-2002.

²⁴ The dedication of taxes to the Fund will end with the tax year in which the ground lease with Events DC terminates.

²⁵ The ESA site is projected to generate more than \$855,000 in combined possessory interest and sales taxes but transfers to the dedicated Fund will be limited to this amount during fiscal years 2018 – 2021.

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St. Elizabeths East Campus Redevelopment Fund Establishment Act of 2017					
Local Fund Impact					
Fiscal Year 2018 – Fiscal Year 2021					
(\$000s)					
	FY 2018	FY 2019^a	FY 2020	FY 2021	Total
ESA Site Taxes					
Possessory Interest Taxes	\$0	\$855	\$803	\$755	\$2,477
Sales Taxes	\$0	\$297	\$582	\$664	\$1,543
Total Site Taxes	\$0	\$1,152	\$1,385	\$1,419	\$4,020
Transfer to Redevelopment Fund	\$0	(\$855)	(\$855)	(\$855)	(\$2,565)
Net Taxes Retained in Local Fund	\$0	\$297	\$530	\$564	\$1,391
St. Elizabeths East Campus Redevelopment Fund Impact					
Revenue Transfer from Local	\$0	\$855	\$855	\$855	\$2,565

Table Notes

^a ESA occupancy and operations are not expected until fiscal year 2019.

Subtitle (II)(F) - Deputy Mayor for Planning and Economic Development Limited Grant-Making Authority Amendment Act of 2017

Background

The subtitle expands the Deputy Mayor for Planning and Economic Development's (DMPED) authority to issue grants to include grants to Qualified High Technology Companies,²⁶ real estate projects developed on disposed District properties, and other business development initiatives. Any grants to these additional entities 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 issue grants to Events DC in addition to bilateral agreements.

Financial Plan Impact

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

Subtitle (II)(G) - Land Disposition Transparency Amendment Act of 2017

Background

The Land Disposition Transparency and Clarification Amendment Act of 2016²⁷ ("Act") recently increased the requirements the Mayor must meet before the Mayor may designate a District-owned property as surplus property and dispose of it. The Act's changes included requirements to:

- provide public notice and hold public hearings that inform the Mayor's decision that the property is no longer necessary for public uses;

²⁶ New E-Conomy Transformation Act of 2000, effective April 3, 2001 (D.C. Law 13-256; D.C. Official Code § 47-1817.01(5)).

²⁷ Enacted February 17, 2017 (D.C. Act 21-685; D.C. Official Code § 10-801).

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- allow the public to provide suggested uses for the property; and
- inform the public about related development activities that are located off-site from the proposed real property disposition.

The subtitle exempts from the new notice and public hearing requirements specific property dispositions that were in process prior to the Act's passage. The subtitle requires the Mayor to hold at least one hearing to inform the public about why the Mayor previously determined the property was no longer required for public purposes. The exempt properties include:

- Franklin School (Ward 2);
- Grimke School (Ward 1);
- Parcel 42 (Ward 6);
- Water Front Station II (Ward 6);
- Crummell School (Ward 5);
- Truxton Circle (Ward 5);
- MLK Gateway (Ward 8);
- 1125 Spring Road, N.W. (Ward 4);
- 200 K Street, N.W. (Parking Deck) (Ward 6); and
- Northwest One (New Communities) (Ward 6).

The subtitle also clarifies that the Mayor must provide assurances that the business terms provided in the Land Disposition Agreement submitted to Council with a disposition resolution are consistent with those in the executed term sheet or Memorandum of Understanding between the Mayor and the proposed development entity.

Financial Plan Impact

The subtitle allows properties that were in various stages of the disposition process to move forward under the previous requirements. The Mayor must still hold at least one hearing to inform the public about the finding that the property was no longer necessary for public purposes. The proposed fiscal year 2018 through fiscal year 2021 budget and financial plan includes any costs associated with the public notice requirements for these sites.

Subtitle (II)(H) – Marion S. Barry Summer Youth Employment Program Amendment Act of 2017

Background

The subtitle allows²⁸ up to 1,000 youth aged 22 to 24 years to enroll in the Summer Youth Employment Program and provides that the youth will be paid the minimum wage.

Financial Impact

The Department of Employment Services has incorporated the cost of the subtitle into its four-year budget and financial plan. The cost of employing 1,000 22 to 24 year-olds at minimum wage will be about \$2.5 million in fiscal year 2018, and the cost will rise to about \$2.9 million by fiscal year 2021. The cost increases are due to the scheduled increases in D.C.'s minimum wage. The minimum wage is currently \$11.50 per hour, and it will increase to \$13.25 on July 1, 2018, \$14.00 on July 1, 2019,

²⁸ By amending Section 2(a)(1) of the Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241).

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and \$15.00 on July 1, 2020. After 2020, the minimum wage will increase by a cost-of-living adjustment based on the Consumer Price Index.

Cost of Employing 1,000 22 to 24 Year-Olds in the Marion Barry Summer Youth Employment Program, FY 2018 - FY 2021					
	FY 2018	FY 2019	FY 2020	FY 2021	Four-Year Total
Cost of paying 1,000 22-24 year olds minimum wage	\$2,462,494	\$2,602,977	\$2,783,829	\$2,870,218	\$10,719,518

Assumptions

- Youth are employed for 30 hours a week for six weeks.
- The minimum wage is set at the following hourly rates: \$11.50 starting July 1, 2016; \$12.50 starting July 1, 2017; \$13.25 starting July 1, 2018; \$14.00 starting July 1, 2019; \$15.00 starting July 1, 2020; and \$15.38 starting July 1, 2021. This assumes a 2.5 percent increase in the Consumer Price Index between 2020 and 2021.
- The Social Security FICA rate is 6.2 percent.
- The Medicare FICA rate is 1.45 percent.

Subtitle (II)(I) - Business License Technology Fee Reauthorization Amendment Act of 2017

Background

The subtitle approves²⁹ the continued collection by the Department of Consumer and Regulatory Affairs (DCRA) of a 10 percent fee on the cost of each basic business license³⁰, and retroactively approves the fee collection that has occurred since 2013.

The fee was established in 2010³¹ to pay for enhancing the basic business licensing information technology system at DCRA, and was set to expire on October 1, 2013. In August 2013, a DCRA rulemaking³², approved by Council in February 2014, extended the fee. However, DCRA did not publish the final rulemaking until January 2017. Despite the gap in time between Council approval and publishing the final rulemaking, the fee has continued to be collected after the 2013 expiration date. The subtitle retroactively authorizes the collection during that gap.

Financial Plan Impact

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

²⁹ By amending Section 500.4 of Chapter 5 (Basic Business License Schedule of Fees) of Title 17 of the District of Columbia Municipal Regulations.

³⁰ See D.C. Official Code § 47-2851.01, et seq. for more on Basic Business Licenses.

³¹ Fiscal Year 2011 Budget Support Act of 2010, effective September 24, 2010 (D.C. Law 18-223; 57 DCR 6242).

³² As published in the *D.C. Register* on August 9, 2013 (60 DCR 11636).

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) - DFS Laboratory Fund Establishment Act of 2017

Background

The Department of Forensic Sciences (DFS) leads the District's collection, examination, and reporting activities for physical evidence from criminal investigations and testing of toxins, organisms, and other public health threats. DFS can perform these activities for both District and Federal agencies.

The subtitle establishes the DFS Laboratory Fund as a non-lapsing, special purpose revenue fund into which DFS will deposit payments from the United States Department of Homeland Security (DHS) for participating in DHS' detection and preparation efforts for a biological attack, as well as other fees DFS may generate. Potential fees include those in the proposed DFS Laboratory Testing and Expert Witness Fees Establishment Act of 2017.³³ DFS can use the Fund's resources to support materials, research, staff, training, or equipment for the DFS laboratories.

Financial Plan Impact

DFS receives funds from DHS for participating in its BioWatch program,³⁴ but the level of funds DHS sends to DFS can vary annually depending on DHS' availability of funds. The proposed fiscal year 2018 budget does not project any level of funding from this source, but when the funds are received, DFS will deposit them into the DFS Laboratory Fund. DFS also does not presently charge other fees for services, but once fee schedules are established and services are requested, these fees will be deposited into the Fund.

Subtitle (III)(B) - DFS Laboratory Testing and Expert Witness Fees Establishment Act of 2017

Background

The Department of Forensic Sciences (DFS) has the capacity to provide environmental testing services to external entities. The subtitle authorizes DFS to establish a fee schedule, through the rulemaking process, and charge fees for the provision of those services. DFS may consider bulk service requests and a requestor's ability to pay in developing its fee schedule.

DFS also employs a number of scientists, chemists, technicians, and examiners who may be able to provide expert witness testimony in a criminal case in another jurisdiction. The subtitle authorizes DFS to establish a fee schedule, through the rulemaking process, and charge fees to another jurisdiction for the use of DFS personnel to provide expert testimony. The fees must reasonably approximate the cost of providing the expert testimony.

³³ This Act authorizes DFS to establish new fees and are proposed in Subtitle (III)(B) of the Fiscal Year 2018 Budget Support Act of 2017.

³⁴ <https://www.dhs.gov/biowatch-program>

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Financial Plan Impact

DFS' proposed fiscal year 2018 budget does not project any fee revenues from providing environmental testing or expert witness testimony services because DFS has not established the fee schedules. DFS will deposit any fees, once established, into the DFS Laboratory Fund.³⁵

Subtitle (III)(C) - Chief Medical Examiner Amendment Act of 2017

Background

The subtitle designates the Office of the Chief Medical Examiner (OCME) as the lead District agency for mass fatality management and incident response. OCME must also develop a mass fatality management response plan. The subtitle defines a mass fatality incident as any situation that results in more human remains to be investigated, recovered, and examined than can be managed with local resources or processed under routine conditions.

Financial Plan Impact

OCME currently acts and is recognized as the lead mass fatality management and incident response agency in the District and the necessary funds are included in the proposed fiscal year 2018 through 2021 budget and financial plan. OCME has current staff that performs mass fatality management functions and the agency receives federal grant funds³⁶ to support these efforts. OCME has also developed and continues to develop mass fatality management response plans with District agencies and other non-governmental organizations such as hospitals.

Subtitle (III)(D) - Affordable Emergency Transportation and Pre-Hospital Medical Services Amendment Act of 2017

Background

The subtitle requires a health insurer, hospital, medical service corporation, or health maintenance organization to reimburse the District for the cost of emergency ambulance and pre-hospital medical services at the rates established by the District.³⁷ Currently, these entities reimburse the District at their own reimbursement rates that do not cover the full amount the District billed for the services. The remaining unreimbursed portion of the bill is either paid by the patient or another insurance or payment provider, or the obligation goes unpaid. The requirement to pay at District rates applies to services provided by the District's emergency medical personnel or by a District contractor providing those services on the District's behalf.

The subtitle also establishes the Fire and Emergency Medical Services Department EMS Reform Fund to enhance the delivery of emergency medical services in the District. The Fund will collect any new revenues received as a result of this Act's implementation, as well as any ambulance fees collected in excess of fiscal year 2016 amounts.

³⁵ The Fund's establishment is proposed in the DFS Laboratory Fund Establishment Act of 2017 (Fiscal Year 2018 Budget Support Act of 2017, Subtitle (III)(A)).

³⁶ OCME receives grant funds from the Urban Areas Security Initiatives through the U.S. Department of Homeland Security.

³⁷ As authorized by the Revenue Act of 1978, effective April 19, 1977 (D.C. Law 1-124; D.C. Official Code § 5-416(a)).

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Financial Plan Impact

The Fire and Emergency Medical Services Department currently bills patients for the ambulance fees not covered by an insurer or similar organization, but approximately 32 percent of charges still go uncollected.³⁸ The subtitle's implementation will result in insurers and other similar organizations paying a larger share of the cost of delivering emergency ambulance and pre-hospital medical services than they do today.³⁹ The new Fund will capture the additional revenue generated by the subtitle's implementation totaling approximately \$983,000 annually.

Subtitle (III)(E) - Emergency and Non-Emergency Telephone Calling Systems Fund Amendment Act of 2017

Background

The subtitle imposes a 50-cent per room, per night tax on hotel⁴⁰ room and suite stays in the District. The District will deposit the tax proceeds into the Emergency and Non-Emergency Number Telephone Calling Systems Fund⁴¹ to support the Office of Unified Communication's 911 system. The 911 system includes all the 911 emergency and 311 non-emergency call center operations and related technology.

Financial Plan Impact

The new 50-cent per room, per night hotel tax will generate approximately \$4.2 million in fiscal year 2018 and \$17.7 million over the four-year financial plan period. The District will dedicate these taxes to the Emergency and Non-Emergency Number Telephone Calling Systems Fund.

Emergency and Non-Emergency Telephone Calling Systems Fund Amendment Act of 2017					
New Hotel Tax Revenue					
Fiscal Year 2018 – Fiscal Year 2021					
(\$000s)					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
50-Cent Hotel Tax	\$4,246	\$4,352	\$4,474	\$4,599	\$17,671

Subtitle (III)(F) - Retired Police Officer Redeployment Amendment Act of 2017

Background

The Metropolitan Police Department (MPD) currently rehires retired police officers as fully sworn officers with no impact on their retirement benefits. These officers are paid on the Police Service pay schedule as an officer⁴² and are not eligible for longevity pay. The Omnibus Public Safety and Justice

³⁸ Historical charges are approximately \$7.8 million annually, while collections are approximately \$5.3 million annually.

³⁹ Privately-insured patients will still be responsible for copays, deductibles, and other payments required by their insurance provider.

⁴⁰ The subtitle defines a hotel as any building or part of a building in which rooms or suites are reserved for transient guests on a daily basis.

⁴¹ The Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1802).

⁴² The pay grade and step is class 1, step 5.

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Amendment Act⁴³ expanded the retired police officer rehire program to include pay opportunities at the detective⁴⁴ and sergeant⁴⁵ levels of the Police Service pay schedule for eligible retirees. The detective and sergeant programs will sunset on October 12, 2019.

The subtitle changes the sunset date of the detective and sergeant programs from October 12, 2019 to three years after the effective date of this Act. The subtitle also limits a retired officer's tenure to five years after MPD has rehired the officer.

Financial Plan Impact

MPD rehires retired officers into existing budgeted positions that are included in the proposed fiscal year 2018 budget. MPD's budget can accommodate the extended sunset provision and the five year limit for rehired officers.

Subtitle (III)(G) - Neighborhood Engagement Achieves Results Amendment Act of 2017

Background

The Neighborhood Engagement Achieves Results Act⁴⁶ established a new Office of Neighborhood Safety and Engagement (ONSE) within the Office of the Deputy Mayor for Public Safety and Justice. ONSE would run an intervention program to recruit approximately 50 individuals who might be at high risk for criminal activity and offer mental or behavioral health services to discourage criminal activity. ONSE would provide a stipend to participants to ensure ongoing engagement in the intervention program. The Act also established a Neighborhood Safety and Engagement Fund⁴⁷ which is funded through appropriations, grants, and donations and used to pay the stipend program and any ONSE administrative expenses.

The subtitle amends ONSE's activities to consolidate three existing programs. ONSE will no longer implement a stipend-based intervention program, but will manage the existing Community Stabilization Program,⁴⁸ the Safer, Stronger DC Community Partnerships Program,⁴⁹ and the Roving Leaders Program.⁵⁰ These programs fulfill ONSE's duties of coordinating the District's violence prevention strategy, identifying and engaging individuals who might be at high risk for criminal activity, identifying high crime neighborhoods, and coordinating with District agencies and nonprofits to provide youth outreach and employment opportunities for individuals in high crime neighborhoods or who are at high risk for criminal activity. ONSE will also collaborate with District agencies and nonprofits to provide wrap-around services to crime victims and their families.

The subtitle also amends the Fund's uses to include grants to community organizations.

⁴³ Enacted January 6, 2017 (D.C. Act 21-603; 64 DCR 168).

⁴⁴ The pay grade and step is class 3, step 4.

⁴⁵ The pay grade and step is class 4, step 3.

⁴⁶ Effective June 30, 2016 (D.C. Law 21-125; 63 DCR 10570).

⁴⁷ D.C. Official Code § 7-2413.

⁴⁸ The Community Stabilization Program is currently a Deputy Mayor for Public Safety and Justice program.

⁴⁹ The Safer, Stronger DC Community Partnerships Program is currently a Deputy Mayor for Health and Human Services program.

⁵⁰ The Roving Leaders Program is currently a Department of Parks and Recreation program.

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The ONSE was not funded in the original Act and the subtitle repeals the clause⁵¹ subjecting this provision to funding availability.

Financial Plan Impact

ONSE will not increase costs in the proposed budget and financial plan, but rather combine three existing programs and their associated budget totaling approximately \$5.7 million. Implementation of budgeted activities can occur through memoranda of understanding with the affected agencies.

⁵¹ The ONSE establishment was subject to its inclusion in an approved budget and financial plan.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) – Uniform per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2017

Background

This subtitle sets⁵² the base level funding for the Uniform per Student Funding Formula (UPSFF) at \$9,827. This is a one and a half percent increase over the fiscal year 2017 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.

This subtitle increases two add-on weights: The Level 4, Special Education Residential is increased by 0.107 over the fiscal year 2017 weight; and the Level 4, Special Education Extended School Year is increased by 0.002 over the fiscal year 2017 weight.

This subtitle increases⁵³ the annual non-residential facilities allotment for public charter schools from \$3,124 per student to \$3,193 per student in fiscal year 2018, \$3,263 in fiscal year 2019, \$3,335 in fiscal year 2020, and \$3,408 in fiscal year 2021. This is a 2.2 percent increase each fiscal year.

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 2018
Pre-Kindergarten 3	1.34	\$13,168
Pre-Kindergarten 4	1.30	\$12,775
Kindergarten	1.30	\$12,775
Grades 1-5	1.00	\$9,827
Grades 6-8	1.08	\$10,613
Grades 9-12	1.22	\$11,989
Alternative program	1.44	\$14,151
Special education school	1.17	\$11,498
Adult	0.89	\$8,746

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special	Eight hours or less per week of specialized services.	0.97	\$9,532
Level 2: Special	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$11,793

⁵² By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 et seq.).

⁵³ By amending D.C. Official Code § 38-2908.

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Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$19,360
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	\$34,297
Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per student basis for Blackman Jones compliance.	0.069	\$678
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	\$875
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	\$16,411

General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$4,815
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,152

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	\$3,616

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.337	\$13,139
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	\$28,411
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	\$28,411
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	\$6,565

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/program needs for students who require extended school year services in their IEPs.	0.063	\$619
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	\$2,231
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$4,825

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 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	\$4,825

Financial Plan Impact

The proposed one and a half percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed fiscal year 2018 budget includes approximately \$1.44 billion for instructional budgets; \$778,062,850 for the District of Columbia Public Schools and \$661,827,236 for the public charter schools.

The fiscal impact of increasing the non-residential facilities allotment for public charter schools is incorporated into the proposed fiscal year 2018 through 2021 budget and financial plan. Charter schools will receive \$144,336,862 for facilities allowances in fiscal year 2018, bringing the collective public charter school local budget to \$806,482,683.

Subtitle (IV)(B) – Child and Youth, Safety and Health Omnibus Amendment Act of 2017

Background

This subtitle adds⁵⁴ private, licensed children and youth service providers to the list of youth services providers required to perform criminal background checks on applicants under consideration for paid employment or volunteer service.

Financial Plan Impact

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

Subtitle (IV)(C) – Child Development Facilities Regulation Fund Amendment Act of 2017

Background

This subtitle creates⁵⁵ a non-lapsing Child Development Facilities Fund for the Office of the State Superintendent of Education (OSSE) to use to recover the cost of regulating child development facilities and to enforce monitoring of child development facilities. Revenue generated from licensure fees and fines will be designated for deposit into the fund. Fund availability is subject to authorization in an approved budget and financial plan.

⁵⁴ By amending section 202(3) of the Child and Youth, Safety and Health Omnibus Amendment Act of 2004, effective April 13, 2005 (D.C. Law 15-353; D.C. Official Code § 4-1501.02).

⁵⁵ By amending The Child Development Facilities Regulation Act of 1998, effective April 13, 1999 (D.C. Law 12-530; D.C. Code § 7-2031 et seq.).

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Financial Plan Impact

OSSE currently collects licensure fees and fines throughout the year and transfers them to the General Fund at the end of the fiscal year. Child development facility licensure fee and fine revenue is not included in baseline revenue estimates for Local Funds, so there is no fiscal impact to deposit them into a special purpose revenue fund. OSSE expects to collect an estimated \$110,000 in licensing fees and fines during fiscal year 2018 and \$440,000 over the four-year financial plan.

Subtitle (IV)(D) – Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Technical Clarification Amendment Act of 2017

Background

This subtitle changes⁵⁶ the name of the “Blackman Jones Compliance” Uniform per Student Funding Formula weight to “Special Education Compliance”.

Financial Plan Impact

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

Subtitle (IV)(E) – Public Charter School Assets and Facilities Preservation Amendment Act of 2017

Background

This subtitle changes⁵⁷ how the District distributes the assets of closed public charter schools. The Office of the State Superintendent for Education will control the disposition of closed public charter school assets and must distribute them for educational purposes. The subtitle permits assets, including cash, to be directly transferred from a closing charter school to a charter school acquiring students from the closed school.

Financial Plan Impact

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

Subtitle (IV)(F) – Academic Certification and Testing Fund Clarifying Technical Amendment Act of 2017

Background

This subtitle changes⁵⁸ the Academic Certification and Testing Fund from a non-lapsing fund into a lapsing fund. The Office of the State Superintendent of Education currently deposits fees collected for state academic credential certifications, general educational development testing, and any other state-level education functions.

⁵⁶ By amending section 106(c) of Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; DC Code § 38-2905(c)).

⁵⁷ By amending section 2213a of the District of Columbia School Reform Act of 1995, effective March 14, 2007 (D.C. Law 16-268; D.C. Official Code § 38-1802.13a),

⁵⁸ By amending section 3b(c)(1) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(c)(1)).

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Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. Any unspent funds will revert to the General Fund balance at the conclusion of the fiscal year.

Subtitle (IV)(G) – Postsecondary and Career Grant Making Authority Amendment Act of 2017

Background

This subtitle provides⁵⁹ the Office of the State Superintendent for Education (OSSE) with the authority to administer grant programs aimed at helping District residents to earn their secondary and postsecondary credentials and successfully transition to college and careers.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. Changing the purposes for which OSSE may make grants does not have a financial impact.

Subtitle (IV)(H) – Healthy Tots Amendment Act of 2017

Background

This subtitle extends⁶⁰ the deadline for childcare providers to comply with the Healthy Tots Act by one year. The new deadline is September 30, 2018.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. Funds are budgeted to provide meal subsidies to providers that are compliant with the Act. Extending the deadline will give noncompliant providers the ability to file a hardship waiver with the Office of the State Superintendent for Education for one more year.

Subtitle (IV)(I) – At-Risk Definition Amendment Act of 2017

Background

This subtitle makes a technical change⁶¹ to the definition of the at-risk weight in the Uniform per Student Funding Formula (UPSFF). Students certified to receive Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP) benefits will be considered “at-risk” students. Current law requires that students qualify to receive TANF or SNAP and does not require students to be certified.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. The definition change does not affect the number of students qualifying for the at-risk weight.

⁵⁹ By amending section 3(b) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(b)).

⁶⁰ By amending section 4073a(c) of the Healthy Tots Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 38-282.01(c) et seq.).

⁶¹ By amending section 102 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901(2A)).

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Subtitle (IV)(J) – Per Capita District of Columbia Public School and Public Charter School Funding Amendment Act of 2017

Background

This subtitle removes⁶² the requirement for an independent audit of the enrollment calculations completed by the Office of the State Superintendent of Education (OSSE).

Financial Plan Impact

This subtitle eliminates the cost of contracting with an outside vendor to conduct an independent audit of OSSE's enrollment calculations. This will result in an expenditure reduction for OSSE since it will no longer have to pay a vendor to conduct audits. OSSE spent \$608,000 in fiscal year 2017 on a private contractor that audited the District's school enrollment. The fiscal year 2018 through fiscal year 2021 budget and financial plan accounts for this reduction in spending.

Subtitle (IV)(K - UDC Patricia R. Harris Facility Exclusive Use Amendment Act of 2017

Background

The subtitle repeals the exclusive use⁶³ of the Patricia R. Harris facility on South Dakota Avenue, N.E. by the University of the District of Columbia (UDC). In addition to managing and using the building, UDC leases the space to charter schools and District agencies. UDC and the Department of General Services are negotiating an agreement that would dispose of the building to the non-profit charter school incubator Building Hope. The third party will manage the building and collect rent from the occupants including UDC and District agencies that remain. Repealing the exclusive use provision in the law is necessary for the agreement to proceed.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Repealing the exclusive use does not have a fiscal impact. Before the third party agreement is approved, it must fit within available facilities budgets for UDC and the tenant District agencies.

Subtitle (IV)(L) - The Department of Parks and Recreation Parks Adoption and Sponsorship Amendment Act of 2017

Background

The subtitle authorizes the Department of Parks and Recreation (DPR) to enter into agreements with a business improvement district (BID) that allow the BID to enter into contracts with a third party to generate revenue⁶⁴ to support the maintenance and operations of a park within the BID's boundaries. The subtitle also allows DPR to issue grants to a BID for maintenance and operations of a park.

⁶² By amending section 2402 of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1804.02).

⁶³ By amending Section 500.4 of Chapter 5 (Basic Business License Schedule of Fees) of Title 17 of the District of Columbia Municipal Regulations.

⁶⁴ Examples of revenue generating initiatives include permits or concessions.

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Financial Plan Impact

There will be no impact on the proposed budget and financial plan to allow DPR to enter into such agreements. The BID would directly receive any revenues generated and would dedicate such revenues to support the maintenance and operations of the park, subject to the DPR agreement. The subtitle also allows DPR to issue grants to BIDs, but DPR may only issue grants if those costs have been included in an approved budget and financial plan.

TITLE V- HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – Temporary Assistance for Needy Families Amendment Act of 2017

Background

The subtitle restructures⁶⁵ the way TANF benefit amounts are set for families. Previously, eligible families were given the full cash benefit as long as they had received TANF benefits for 60 months or less. Families that had received benefits for more than 60 months received a reduced benefit⁶⁶, though this reduced benefit was scheduled to sunset after FY 2017. The new policy in the subtitle bases a family’s benefit amount on the parent’s level of compliance with his or her individual responsibility plan, meaning the length of time a family has received benefits will no longer be a factor in the family’s benefit amount.

Under the new policy, all families will receive at least half of the full benefit, regardless of how long they have received benefits. The Department of Human Services is calling this half of the benefit, which is guaranteed, the “child grant”. The remaining half of the benefit, or the “parent grant”, will depend on the parent’s compliance with his or her individual responsibility plan (IRP). If a parent is in full compliance with his or her IRP, he or she will receive the full amount of the parent grant. At the first level of sanction, the parent will receive 80 percent of the parent grant; at the second level of sanction, he or she will receive 50 percent of the parent grant; and at the third level of sanction, he or she will receive 0 percent of the parent grant.

Financial Impact

The total cost of TANF cash benefits under the new policy in the subtitle will be \$63.9 million in FY 2018, and cost will grow to \$86.7 million by FY 2021. DHS has incorporated the costs of the subtitle into its budget and financial plan.

Total Cost of TANF Cash Benefits, FY 2018 - FY 2021, under the Temporary Assistance for Needy Families Time Limit Elimination Amendment Act of 2017 (Dollars in Millions)

	FY 2018	FY 2019	FY 2020	FY 2021	Total
Total	\$63.90	\$82.10	\$84.40	\$86.70	\$317.00

Assumptions:

- The new policy will go into effect in April 2018.
- The average full benefit per family in FY18 is \$465 per month. This amount is scheduled to increase by 11.8 percent in FY19, and by 2.8 percent in FY20 and FY21.
- About 10,700 families receiving benefits will be eligible for sanctions. Families who have received benefits for more than 60 months will be more likely to be sanctioned and more likely to be at higher levels of sanction than other families.
- An additional 3,900 families will receive benefits but will not be eligible for sanctions because they are enrolled in POWER, are non-citizens, or have an exemption.

There will be around 10,700 families receiving benefits that are eligible for sanctions, according to DHS. DHS projects that the average monthly full-benefit for these families in FY 2018 will be around

⁶⁵ 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.*)

⁶⁶ Though there were some exceptions; the “clock was stopped” for some families, depending on their circumstances. Also, people enrolled in POWER were exempt from the time limit.

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\$465 per month. Families who are sanctioned will still receive between \$233 and \$419 a month, on average, depending on their level of sanction. DHS expects families that have received benefits for more than 60 months will be more likely to be sanctioned and more likely to be at higher levels of sanction than other families.⁶⁷ Benefit levels are scheduled to increase by 11.8 percent in FY 2019, and 2.8 percent⁶⁸ in FY 2020 and FY 2021.

Projected Average Monthly TANF Benefit Amounts in FY 2018, Based on Level of Sanction			
	Total Benefit	Child Grant	Parent Grant
Not Sanctioned	\$465	\$233	\$233
Sanction Level 1 (80% of parent grant)	\$419	\$233	\$186
Sanction Level 2 (50% of parent grant)	\$349	\$233	\$116
Sanction Level 3 (0% of parent grant)	\$233	\$233	\$0

Note: Numbers may not add due to rounding.

An additional 3,900 families who receive benefits will not be eligible for sanctions because they are enrolled in POWER⁶⁹, are non-citizens, or have other exemptions.

Subtitle (V)(B) – Behavioral Health Improvement Amendment Act of 2017

Background

This subtitle makes several changes to statutes administered by the Department of Behavioral Health (DBH).

This subtitle provides⁷⁰ the Office of Administrative Hearings (OAH) with statutory jurisdiction over DBH cases including those involving nursing homes and long term care facilities.⁷¹ OAH currently takes provider certification and group home licensure cases via a memorandum of understanding with DBH. OAH also accepts appeals from consumers who are being involuntarily discharged from group homes. By granting OAH statutory jurisdiction over DBH, an MOU will no longer be required. The subtitle clarifies that only grievances that meet the definition of contested cases may be appealed to OAH.

When personnel at St. Elizabeths seek to involuntarily medicate a consumer who lacks capacity to consent and presents a risk of harm if not medicated, the decision is reviewed by an impartial panel. Currently, review panels must be external to the entire provider organization, meaning that St. Elizabeths and other local psychiatric hospital departments must externally contract to involuntary

⁶⁷ DHS estimates the following sanction levels for the caseload that is 60 months and under: 65 percent not sanctioned; 20 percent level one sanction; 10 percent level two sanction; 5 percent level three sanction. It estimates the following sanction levels for the caseload over 60 months: 50 percent not sanctioned; 30 percent level one sanction; 13 percent level two sanction; 7 percent level three sanction.

⁶⁸ This is the increase in the consumer price index that the Office of Revenue Analysis projects for FY 2020 and FY 2021.

⁶⁹ Program on Work Employment and Responsibility.

⁷⁰ By amending section 103 of the Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76, D.C. Official Code § 2-1831.03).

⁷¹ By amending The Nursing Home and Community Residence Facility Residents' Protections Act of 1985, effective April 18, 1986 (D.C. Law 6-108, D.C. Official Code § 44-1001.01 *et seq.*).

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medicate individuals. This subtitle changes⁷² the composition of the involuntary medication review panel to allow local hospitals to assign impartial clinicians to panels. The clinicians selected for the panel cannot be involved in the specific patient's care.

This subtitle also permits⁷³ hospital physicians to involuntarily admit an individual to the hospital where the physician practices medicine. Under current law, a hospital physician cannot involuntarily admit an individual to the physician's hospital where he or she works. The subtitle will align the district with federal standards regarding involuntary commitment of mentally ill individuals.

Finally, this subtitle requires⁷⁴ that individuals committed to the DBH as sexual psychopaths pay for their costs of treatment. This provision allows DBH to bill federal programs for individuals committed to Saint Elizabeths under this statute.

Financial Plan Impact

Transferring statutory jurisdiction over DBH cases to OAH will not require any additional resources. OAH currently has jurisdiction over DBH cases through an MOU. This subtitle formalizes this relationship in the D.C. Code.

St. Elizabeths will save over \$160,000 in fiscal year 2018 and \$664,000 over the four-year financial plan by allowing in-house involuntary medication review panels rather than contracting with external consultants. The fiscal year 2018 through fiscal year 2021 budget and financial plan accounts for this reduction in spending.

There is no impact to the budget and financial plan to allow physicians to involuntarily admit individuals to hospitals where the physician practices medicine.

Requiring committed sexual psychopaths to cover the cost of treatment at Saint Elizabeths will reduce costs to the District. The District will be able to receive federal reimbursement for the costs of treating these individuals. At this time, DBH is unable to estimate how much it will save by implementing a reimbursement program.

Subtitle (V)(C) - Medical Assistance Program Relief Amendment Act of 2017

Background

This subtitle changes⁷⁵ the State Plan Amendment (SPA) review process by no longer requiring Council approval of SPA rate changes.

⁷² By amending The Mental Health Service Delivery Reform Act of 2001, effective December 18, 2001 (D.C. Law 14-56; D.C. Official Code § 7-1231.01 *et seq.*).

⁷³ By amending section 21-582(a) of Title 21 of the District of Columbia Official Code

⁷⁴ By amending section 6 of An Act To Provide for the Treatment of Sexual Psychopaths in the District of Columbia, effective June 25, 1948 (62 Stat. 347; D.C. Official Code § 22-3808).

⁷⁵ 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)) to repeal subsection (a)(2).

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Financial Plan Impact

Discontinuing legislative approval of proposed SPA rate changes does not have a fiscal impact; however, it would eliminate some analytical review of these proposals, including legal sufficiency review and fiscal impact analysis.

Anti-deficiency laws⁷⁶ prohibit District officers and employees from exceeding agency appropriations in any fiscal year, so DHCF would still need to budget and appropriate funds required to implement the amendments and waivers or absorb future costs in its budget and financial plan. The Agency Fiscal Officer would still need to certify that funds are sufficient for implementation.

Subtitle (V)(D) - Department of Health Care Finance Establishment Amendment Act of 2017

Background

This subtitle broadens⁷⁷ DHCF's authority to issue rules through the rulemaking process. DHCF currently has rulemaking power only for the medical assistance program. Expanding DHCF's rulemaking authority will allow it to issue rules for all of its programs.

Financial Plan Impact

Broadening DHCF's rulemaking authority does not impact the District's budget and financial plan.

Subtitle (V)(E) - Animal Control Act of 1979 Amendment Act of 2017

Background

This subtitle makes several changes⁷⁸ to the District's animal control policies and procedures. Specifically, the subtitle:

- Gives⁷⁹ the Mayor rulemaking authority to regulate the keeping of dogs, fowls, and other animals;
- Establishes a definition for common cage birds⁸⁰ to clarify the prohibition against keeping fowl;
- Allows animal control officers to issue citations for loose animals;
- Require cats to be vaccinated for rabies and distemper;
- Requires only cats and dogs to be spayed or neutered rather than all animals;
- Requires cats to be licensed;
- Prohibits changing the natural color of all animals;
- Allows for the adoption of ferrets;

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

⁷⁷ By amending The Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 et seq.).

⁷⁸ By amending The District of Columbia Animal Control Act of 1979, effective October 18, 1979 (D.C. Law 3-30; D.C. Official Code §8-1801 et seq.).

⁷⁹ By amending Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et seq.).

⁸⁰ Common cage birds are small birds typically kept in a cage in a home such as a parakeet, parrot, cockatiel, canary, and cockatoo. The term does not include birds typically kept in a coop such as pigeons, doves, or fowl, including chickens, geese, ducks, guinea fowl, and peafowl.

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- Prohibits individuals from herding, driving, conducting, or allowing horses, ponies, mules, goats, sheep, swine, cattle, or large quadruped birds to run at large unless a person is licensed to operate a horse-drawn carriage;
- Prohibits exposed animal excrement on private property after 24-hours;
- Prohibits the chaining, tying, or tethering of animals to a fixed or stationary object on public space;
- Reduces the number of animals that can be kept without obtaining an animal hobby permit from seven to five; and,
- Allows civil fines, penalties and fees for violations of animal control laws.

Financial Plan Impact

DOH may collect additional revenues from requiring cats to be licensed; however, we do not anticipate a substantial amount of revenue collection from this subtitle.

Subtitle (V)(F) - Medical Marijuana Program Fund Establishment Amendment Act of 2017

Background

This subtitle establishes⁸¹ a non-lapsing Medical Marijuana Program Fund administered by DOH. The subtitle authorizes the fund to collect annual appropriations, fees, penalties, fines, and unexpended balance (as of September 30, 2017) in the agency's existing special purpose revenue fund for medical marijuana fees. Establishing a new non-lapsing Medical Marijuana Program Fund will allow the Department to charge all costs of administering the Medical Marijuana Program against the fee revenue as required by the law.

Financial Plan Impact

DOH already collects fees, penalties and fines associated with the Medical Marijuana Program in a special purpose revenue fund, and budgets for program expenses using this fund. This subtitle will create a new, non-lapsing special purpose revenue fund separate from other DOH licenses and fees. The proposed fiscal year 2018 budget and financial plan for DOH incorporates approximately \$557,000 in fiscal year 2018 and \$2.3 million over the proposed four-year budget and financial plan period of fee revenue and expenses for the medical marijuana program. Implementation of the subtitle will shift such revenue and expenses to the new Medical Marijuana Program Fund but does not have any impact on the budget or financial plan.

Medical Marijuana Program Fund Establishment Amendment Act of 2017					
(000's)					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
Total^(a)	\$557	\$568	\$579	\$591	\$2,295

Table Notes

^a Assumes a two percent growth rate to account for inflation.

⁸¹ By amending section 11 of the Legalization of Marijuana for Medical Treatment Initiative of 1998, effective July 27, 2010 (D.C. Law 18-210; D.C. Official Code § 7-1671.10).

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Subtitle (V)(G) - Child and Family Services Agency Reporting Requirements Amendment Act of 2017

Background

The subtitle pushes back⁸² the due dates of several reports the Child and Family Services Agency (CFSA) is required to submit to Council each year. The purpose of the subtitle is to give CFSA staff more time to collect end-of-year-data and analyze it for the reports.

Financial Impact

The subtitle will not impact CFSA's budget or staffing needs.

⁸² By amending Section 374(b)(3) of the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1303.74(b)(3)); the Newborn Safe Haven Amendment Act, effective May 27, 2010 (D.C. Law 18-158; D.C. Official Code § 4-1451.07); the Grandparent Caregivers Pilot Program Establishment Act of 2005, effective March 8, 2006 (D.C. Law 16-69; D.C. Official Code § 4-251.05) ; and Section 384(b)(1)(D) of the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1303.74(b)(1)(D)).

TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) - Product Stewardship Program Amendment Act of 2017

Background

The District Department of Energy and Environment (DOEE) implements two product stewardship programs; the electronics recycling program⁸³ and the paint recycling program.⁸⁴

The subtitle establishes the Product Stewardship Fund as a non-lapsing, special purpose revenue fund into which DOEE will deposit registration and shortfall fees associated with the electronic recycling program and permit fees associated with the paint stewardship program. DOEE will expend the funds to support administration of the two product stewardship programs.

Financial Plan Impact

DOEE began implementing the two programs and collecting fees at the beginning of calendar year 2017. DOEE charged paint stewardship program participants a fee to review their paint stewardship program plans and then will charge an annual fee to cover ongoing plan reviews and enforcement.⁸⁵ DOEE charges electronic equipment manufacturers an annual registration fee and a shortfall fee if the manufacturer does not reuse or recycle the manufacturer’s minimum collection share based on the manufacturer’s average annual equipment sales.⁸⁶ DOEE will collect approximately \$115,000 in fiscal year 2017 and \$364,000 over the proposed four-year budget and financial plan period.

Product Stewardship Program Amendment Act of 2017 New Special Purpose Revenue Fiscal Year 2017 – Fiscal Year 2021						
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018-FY 2021 Total
Paint Stewardship	\$50,000 ^a	\$26,000	\$26,000	\$26,000	\$26,000	\$104,000
Electronics Recycling	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$260,000
Total	\$115,000	\$91,000	\$91,000	\$91,000	\$91,000	\$364,000

Table Notes

a. Fees are higher in the first year of the program due to charge for DOEE to review program plans.

⁸³ 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.).

⁸⁴ Paint Stewardship Act of 2014, effective March 11, 2015 (D.C. Law 20-205, D.C. Official Code § 8-233.01 et seq.).

⁸⁵ Paint Stewardship Act of 2014, effective March 11, 2015 (D.C. Law 20-205; D.C. Official Code § 8-233.04).

⁸⁶ Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 8-1041.05(b))

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Subtitle (VI)(B) - Solar for All Program Expansion Act of 2017

Background

The Department of Energy and Environment (DOEE) manages the Solar for All Program⁸⁷ to increase access to solar energy among seniors, low-income households, small businesses, and non-profits in the District. The program currently has a goal of reducing at least 100,000 low-income households’ energy bills by 50 percent by 2032.

The subtitle changes the stated goal of the program to more broadly provide the benefits of solar energy to at least 100,000 low-income individuals in the District by December 31, 2032.

Financial Plan Impact

DOEE’s proposed budget incorporates the costs associated with the Solar for All Program through the resources of the Renewable Energy Development Fund.⁸⁸ DOEE plans to spend nearly \$20 million on the Program through 2032, but the agency is unable to identify sufficient low-income households receiving electric bills to achieve the Program’s stated goals. This subtitle ensures that the goal of the Program aligns with the planned Program expenditures.

Subtitle (VI)(C) - LIHEAP Heat and Eat Amendment Act of 2017

Background

The Department of Human Services (DHS) manages the District’s Supplemental Nutrition Assistance Program (SNAP) which provides income-eligible residents with financial assistance to purchase groceries. For the determination of SNAP benefit levels, SNAP beneficiaries are allowed to deduct from their income either actual home energy costs or a standard utility allowance (SUA). The District also implements a Heat and Eat program which automatically provides all SNAP recipients with \$20.01 in Low Income Housing Energy Assistance Program (LIHEAP)⁸⁹ benefits. This benefit level allows the recipient to claim the SUA in order to maximize SNAP benefits

The subtitle clarifies that only those SNAP recipients who don’t otherwise qualify for the SUA will receive the \$20.01 in LIHEAP benefits.

Financial Plan Impact

All SNAP recipients receive the \$20.01 LIHEAP benefit to qualify for the SUA, but not all recipients rely on the SUA to maximize their SNAP benefits. The subtitle allows DOEE to retain the Heat and Eat payments for SNAP recipients who do not need them in the larger LIHEAP funding pool. DHS will need to update its system in fiscal year 2018 to accommodate this change, at a cost of \$250,000. DHS will use a portion of the budgeted Heat and Eat program allotment to pay for this update. DOEE will use the Heat and Eat savings to provide more assistance to eligible LIHEAP beneficiaries, but savings are not anticipated until after DHS completes its system update which is projected to be the end of fiscal year 2018.

⁸⁷ Renewable Portfolio Standard Expansion Amendment Act of 2016, effective October 8, 2016 (D.C. Law 21-154; D.C. Official Code § 8-1774.16).

⁸⁸ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436).

⁸⁹ The Department of Energy and Environment manages LIHEAP which provides financial assistance for low income residents to pay their heating and cooling bills.

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Subtitle (VI)(D) - Air Quality Program Amendment Act of 2017

Background

The subtitle establishes the Air Quality Construction Permits Fund as a non-lapsing special purpose revenue fund within the Department of Energy and Environment (DOEE). DOEE will deposit fees, fines, or other revenues generated through implementation and enforcement of the Air Pollution Control Act.⁹⁰ DOEE will expend the Fund's resources to administer the agency's air quality programs, including air pollutant permitting and air quality monitoring and assessment.

Financial Plan Impact

DOEE used to exist as a department under the Department of Health. The Fund currently exists under this legacy authority and there is no cost to establish the Fund under DOEE's authority. The budget and financial plan includes \$85,000 in annual revenues for the Fund.

Subtitle (VI)(E) - Soil Erosion and Sediment Control Program Amendment Act of 2017

Background

The subtitle establishes the Soil Erosion and Sediment Control Fund as a non-lapsing special purpose revenue fund within the Department of Energy and Environment (DOEE). DOEE will deposit fees and other revenues generated through the agency's reviews of construction and grading plans for erosion and sediment control. DOEE will expend the Fund's resources to administer the agency's soil erosion and sediment control programs.

Financial Plan Impact

DOEE used to exist as a department under the Department of Health. The Fund currently exists under this legacy authority and there is no cost to establish the Fund under DOEE's authority. The budget and financial plan includes approximately \$1.25 million in annual revenues for the Fund.

Subtitle (VI)(F) - Stormwater Management Program Amendment Act of 2017

Background

The subtitle establishes the Stormwater Fees Fund as a non-lapsing special purpose revenue fund within the Department of Energy and Environment (DOEE). DOEE will deposit fees and other revenues generated through the agency's reviews of construction and grading plans for stormwater management. DOEE will expend the Fund's resources to administer the agency's water protection programs, including floodplain management and water quality testing.

The subtitle also ensures that fees and revenues deposited into the fund in fiscal year 2017, but unspent at the end of the fiscal year, do not revert to the District's General Fund.

Financial Plan Impact

DOEE used to exist as a department under the Department of Health. The Fund currently exists under this legacy authority and there is no cost to establish the Fund under DOEE's authority. The budget and financial plan includes approximately \$11.1 million in annual revenues for the Fund.

⁹⁰ Effective March 15, 1985 (D.C. Law 5-165; D.C. Official Code § 8-101.01 et seq.).

Subtitle (VI)(G) - Wetland Fund Amendment Act of 2017

Background

The Department of Energy and Environment (DOEE) protects the quality of the District's waterways and wetlands under the Water Pollution Control Act.⁹¹ DOEE allows construction entities who want to dredge and fill in wetlands or underwater lands to enter into settlement agreements in lieu of replacing the habitat on-site or off-site. DOEE deposits those payments into the Wetland Fund.⁹² DOEE uses the Fund's resources to restore, create, and enhance wetlands and waterways in the District. DOEE carries forward any unused payment revenues to the subsequent fiscal year to pay accrued liabilities and to fund a reserve operating balance of 10 percent of revenues carried forward. The remaining balance is transferred to the District's General Fund.

The subtitle makes the entire Fund non-lapsing by eliminating the 10 percent reserve operating balance retention and the subsequent transfer to the General Fund.

Financial Plan Impact

DOEE has not transferred funds to the General Fund historically, so the subtitle has no negative impact on local fund revenues. The budget and financial plan includes \$1,000 in fiscal year 2018 revenues for the Fund, but because the revenues derive from settlements, actual collections are unpredictable.

Subtitle (VI)(H) - Private Sponsorship of DC Circulator and Streetcar Amendment Act of 2017

Background

The District Department of Transportation (DDOT) manages two intra-District transit options for residents and visitors – the DC Circulator and DC Streetcar programs. The DC Circulator program launched in 2005 and now operates six bus lines in the District. The DC Streetcar program began passenger operations in early 2016 on a 2.4 mile line along H Street, N.E. and Benning Road, N.E.

The subtitle authorizes DDOT's Project Delivery Administration to enter into private sponsorship agreements for the vehicles, equipment, and facilities used in the DC Circulator and DC Streetcar programs. A private sponsor can include its logo, slogan, or other indication of sponsorship on vehicles, facilities, websites, or social media. The subtitle requires any agreement to be submitted to Council for 30-day period of passive review. Any sponsorship revenues will be deposited into the DC Circulator Fund⁹³ and the DC Streetcar Fund⁹⁴ respectively.

Financial Plan Impact

The subtitle authorizes DDOT to enter into a sponsorship agreement for the DC Circulator program and the DC Streetcar program, but no such agreements have been executed at this time. The proposed fiscal year 2018 through fiscal year 2021 budget and financial plan does not include sponsorship revenues for either program's special purpose revenue funds.

⁹¹ Water Pollution Control Act of 1984, effective March 16, 1985 (D.C. Law 5-188; D.C. Code § 8-103.01 et seq.).

⁹² D.C. Official Code § 8-103.09(d).

⁹³ District Department of Transportation DC Circulator Amendment Act of 2006, effective March 6, 2007 (D.C. Law 16-255; D.C. Official Code § 50-921.33).

⁹⁴ District Department of Transportation DC Streetcar Amendment Act of 2012, effective January 18, 2013 (D.C. Law 19-268; D.C. Official Code § 50-921.73).

Subtitle (VI)(I) - Automated Traffic Enforcement System Fund Establishment Act of 2017

Background

The subtitle establishes the Automated Traffic Enforcement Fund as a new special purpose revenue fund under the control of the Department of Motor Vehicles (DMV). DMV will deposit revenues into the Fund⁹⁵ from the Metropolitan Police Department's (MPD) automated traffic enforcement system. The MPD program includes cameras that detect moving violations such as speeding and running a red light. DMV will use the Fund's resources to support the automated traffic enforcement system's ticket processing, adjudication, hearing, information technology, and support staff costs.

Financial Plan Impact

The subtitle establishes a new special purpose fund to fund the costs associated with issuing, processing, and adjudicating automated traffic enforcement system issued violations. DMV estimates the cost to be approximately \$6 million in fiscal year 2018 and \$24.8 million over the proposed four-year financial plan period. DMV currently pays for these costs out of local fund resources, and most automatic traffic fine revenue has gone to local funds.⁹⁶ The proposed fiscal year 2018 budget includes a reduction of \$6 million in local fund resources and a corresponding increase of \$6 million in the Automated Traffic Enforcement Fund.

Subtitle (VI)(J) - Moving Violation Enforcement Fund Establishment Act of 2017

Background

The subtitle establishes the Moving Violation Enforcement Fund as a new special purpose revenue fund under the control of the Department of Motor Vehicles (DMV). DMV will deposit revenues into the Fund⁹⁷ from the issuance of moving violations to motorists in the District. DMV will use the Fund's resources to support the ticket processing, adjudication, hearing, information technology, and support staff costs associated with moving violations.

Financial Plan Impact

The subtitle establishes a new special purpose fund to fund the costs associated with issuing, processing, and adjudicating moving violations. DMV estimates the cost to be approximately \$314,000 in fiscal year 2018 and \$1.3 million over the proposed four-year financial plan period. DMV currently pays for these costs out of local fund resources and all moving violation revenue has gone to local funds. The proposed fiscal year 2018 budget includes a reduction of \$314,000 in local fund resources and a corresponding increase of \$314,000 in the Moving Violation Enforcement Fund.

⁹⁵ The Act prescribes the formula DMV will use to calculate the automated traffic enforcement revenues that need to be deposited into the Fund.

⁹⁶ \$500,000 of automated traffic enforcement system revenues are dedicated to the Vision Zero Fund as authorized in the Vision Zero Pedestrian and Bicycle Safety Fund Establishment Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 50-921.20).

⁹⁷ The Act prescribes the formula DMV will use to calculate the moving violation revenues that need to be deposited into the Fund.

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Subtitle (VI)(K) - Parking, Standing, Stopping and Pedestrian Violation Enforcement Fund Establishment Act of 2017

Background

The subtitle establishes the Parking, Standing, Stopping and Pedestrian Violation Enforcement Fund as a new special purpose revenue fund under the control of the Department of Motor Vehicles (DMV). DMV will deposit revenues into the Fund⁹⁸ from the issuance of parking, standing, stopping, and pedestrian violations to motorists and pedestrians in the District. DMV will use the Fund's resources to support the ticket processing, adjudication, hearing, information technology, and support staff costs associated with parking, standing, stopping, and pedestrian violations.

Financial Plan Impact

The subtitle establishes a new special purpose fund to fund the costs associated with issuing, processing, and adjudicating parking, standing, stopping, and pedestrian violations. DMV estimates the cost to be approximately \$6 million in fiscal year 2018 and \$24.5 million over the proposed four-year financial plan period. DMV currently pays for these costs out of local fund resources and all parking, standing, stopping, and pedestrian violation revenue has gone to local funds. The proposed fiscal year 2018 budget includes a reduction of \$6 million in local fund resources and a corresponding increase of \$6 million in the Parking, Standing, Stopping and Pedestrian Enforcement Fund.

⁹⁸ The Act prescribes the formula DMV will use to calculate the parking, standing, stopping, and pedestrian violation revenues that need to be deposited into the Fund.

TITLE VII- FINANCE AND REVENUE

Subtitle (VII)(A) - Subject to Appropriation Amendment Act of 2017

Background

The subtitle authorizes expenditures for the following laws, which passed subject to appropriations:

- Death With Dignity Act of 2016⁹⁹
- Washington Metrorail Safety Commission Establishment Act 2016¹⁰⁰
- District of Columbia State Athletics Consolidation Act of 2016¹⁰¹
- Medical Marijuana Omnibus Amendment Act of 2016¹⁰²
- Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016¹⁰³
- Fair Credit in Employment Amendment Act of 2016¹⁰⁴
- Bicycle and Pedestrian Safety Amendment Act of 2016¹⁰⁵
- Youth Suicide Prevention and School Climate Survey Amendment Act of 2016¹⁰⁶
- Continuing Care Retirement Community Exemption Amendment Act of 2016¹⁰⁷
- Carcinogenic Flame Retardant Prohibition Amendment Act of 2016¹⁰⁸
- Health-Care Decisions Amendment Act of 2015¹⁰⁹
- Building Service Employees Minimum Work Week Act of 2016¹¹⁰

Financial Plan Impact

Repealing the subject to appropriations provisions of the above-mentioned laws authorizes additional expenditures of approximately \$2.6 million in fiscal year 2018 and \$11 million over the four-year financial plan period. Various agency budgets are impacted. Funding for the Washington Metrorail Safety Commission Establishment Act of 2016 is included in the budget under the Washington Metropolitan Area Transit Authority (Agency KE0). The remaining costs are funded in the proposed Nondepartmental Agency fiscal year 2018 budget and the proposed fiscal years 2019 through 2021 financial plan, and the Mayor can allocate such funding to the impacted agencies for the purposes of costs associated with these bills.

⁹⁹ D.C. Law 21-182, effective February 18, 2017.

¹⁰⁰ D.C. Act 21-666, Projected Law Date April 7, 2017.

¹⁰¹ D.C. Act 21-681, Projected Law Date April 7, 2017.

¹⁰² D.C. Law 21-209, effective February 18, 2017.

¹⁰³ D.C. Law 21-213, effective February 18, 2017.

¹⁰⁴ D.C. Act 21-673, Projected Law Date April 7, 2017.

¹⁰⁵ D.C. Law 21-155, effective October 8, 2016.

¹⁰⁶ D.C. Law 21-120, effective June 17, 2016.

¹⁰⁷ D.C. Act 21-649, Projected Law Date April 28, 2017.

¹⁰⁸ D.C. Law 21-108, effective May 12, 2016.

¹⁰⁹ D.C. Law 21-72, effective February 27, 2016.

¹¹⁰ D.C. Law 21-157, effective October 8, 2016.

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Subject to Appropriations Amendment Act of 2017, Increased Expenditures Fiscal Year 2018 - Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Death With Dignity Act of 2016 ^(a)	\$0	\$0	\$0	\$0	\$0
Washington Metrorail Safety Commission Establishment Act 2016	\$750	\$1,200	\$1,200	\$1,200	\$4,350
District of Columbia State Athletics Consolidation Act of 2016 ^(b)	\$0	\$0	\$0	\$0	\$0
Medical Marijuana Omnibus Amendment Act of 2016	\$392	\$371	\$380	\$389	\$1,532
Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016	\$413	\$413	\$413	\$413	\$1,652
Fair Credit History Screening Act of 2016	\$124	\$118	\$122	\$125	\$489
Bicycle and Pedestrian Safety Act of 2016	\$35	\$35	\$36	\$37	\$108
Youth Suicide Prevention and School Climate Survey Act of 2016	\$106	\$110	\$96	\$0	\$312
Carcinogenic Flame Retardant Prohibition Amendment Act of 2016	\$116	\$119	\$122	\$122	\$227
Health Care Decisions Amendment Act of 2015	\$200	\$75	\$75	\$75	\$425
Building Services Employees Minimum Work Week Act of 2016	\$457	\$501	\$513	\$528	\$1,999
Total Program Expenditure	\$2,593	\$2,942	\$2,957	\$2,889	\$11,094

^(a) The Department of Health will absorb the cost of the law within its proposed resources.

^(b) The Office of the State Superintendent will absorb the cost of the law within its proposed resources.

In addition, funding for the Continuing Care Retirement Community Exemption Amendment Act of 2016 has been incorporated in the budget and financial plan as a reduction of local fund revenue:

Subject to Appropriations Amendment Act of 2017, Revenue Impact Fiscal Year 2018 - Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Continuing Care Retirement Community Exemption Amendment Act of 2016	(\$726)	(\$1,469)	(\$1,505)	(\$1,554)	(\$5,254)

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Subtitle (VII)(B) - Prior Budget Act Amendments of 2017

Background

The subtitle amends prior year Budget Support Acts¹¹¹ to:

- Eliminate the sunset provision on the Kids Ride Free program¹¹²; the program was set to expire at the end of fiscal year 2017
- Change reporting requirements to Council on the programs and operations of the Office of Aging from quarterly to twice per year.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The Kids Ride Free Program budget is funded at \$19.4 million in fiscal year 2018, so the repeal of the sunset has no fiscal impact.

Subtitle (VII)(C) - Our Lady of Perpetual Help Equitable Real Property Tax Relief Act of 2017

Background

The subtitle forgives all unpaid real property taxes, interest, penalties and charges assessed on approximately 5,700 square feet of vacant land owned by the Archdiocese of Washington.¹¹³ The Office of Tax and Revenue deemed the land tax-exempt beginning February 2017.

Financial Plan Impact

The subtitle will reduce property tax revenue by \$69,000, the amount of unpaid taxes, penalties and interest on the property.

Reduced revenue due to Our Lady of Perpetual Help Equitable Real Property Tax Relief Act of 2017					
Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Reduced Real Property Tax Revenue	\$69	\$0	\$0	\$0	\$69

Subtitle (VII)(D) - International Spy Museum Tax Abatement Act of 2017

Background

The subtitle partially abates property taxes owed on the property¹¹⁴ currently owned by the International Spy Museum, so long as the organization is developing or operating the Museum on that site. The abatement provides for a \$30,000 abatement retroactive to fiscal year 2017. In fiscal year 2018, the property is abated to the extent that the tax owed exceeds \$115,000. In fiscal years

¹¹¹ By amending § 7022(c) of the Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; 63 DCR 12932), and § 1042 of the Fiscal Year 2016 Budget Support Act of 2015, effective October 22, 2015 (D.C. Law 21-36; 62 DCR 10905).

¹¹² Fiscal Year 2016 Budget Support Act of 2015, § 6193, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 35-233(h)(6)).

¹¹³ The subject land is known for tax assessment purposes as Parcel 226, Lot 37, and is adjacent to the Our Lady of Perpetual Help Catholic Church located at 1600 Morris Rd SE, Washington, DC 20020.

¹¹⁴ Known for assessment and taxation purposes as Lot 7006, Square 387.

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2019, 2020 and 2021, the property is abated to the extent that the tax owed exceeds \$200,000. There is no limit to the abatement beginning in fiscal year 2022.

Financial Plan Impact

The subtitle will reduce real property revenues in the budget and financial plan as outlined in the chart below. Beginning in fiscal year 2022, which is outside of the financial plan, revenue losses will increase by at least an additional \$200,000 annually.

International Spy Museum Tax Abatement Act of 2017					
Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Reduced Real Property Tax Revenue	\$30	\$372	\$830	\$869	\$2,101

Subtitle (VII)(E) - Revised Revenue Contingency List

Background

The subtitle directs all new revenue, whether from current fiscal year 2017 or any future fiscal year, identified in the June 2017 and September 2017 revenue estimates, whether one-time or recurring, to be divided equally between the Workforce Investments and Non-Departmental accounts. The allocation to Workforce Investments will be available for workforce costs associated with union negotiations and the Non-Departmental allocation will be available for any loss of federal funding that occurs in the fiscal year 2018 budget.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. The subtitle addresses potential revenues above those certified in the proposed budget and financial plans. Inclusion (or exclusion) of this subtitle does not affect the resources available for the proposed budget. It is important to note all additional revenue will be directed to be used for only two general purposes, so this may reduce flexibility to address other needs that may arise.

Subtitle (VII)(F) - Supermarket Tax Incentives Clarification Act of 2017

Background

The subtitle makes Square 2960 in Ward 4 an eligible location for supermarket tax incentives.¹¹⁵

Financial Plan Impact

The subtitle is estimated to add an additional supermarket to those eligible for real property, personal property and construction materials sales tax exemptions. The additional exemptions will reduce tax revenue by \$120,000 in fiscal year 2018 and approximately \$1.2 million over the four-year budget and financial plan.

¹¹⁵ See D.C. Official Code 47-3802.

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Supermarket Tax Incentives Clarification Act of 2017					
Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Reduced Real and Personal Property Tax Revenue	\$0	\$0	\$404	\$412	\$816
Reduced Sales/Use Tax Revenue	\$120	\$238	\$0	\$0	\$358
TOTAL REVENUE REDUCTION	\$120	\$238	\$404	\$412	\$1,174

TITLE VIII – CAPITAL BUDGET

Subtitle (VIII)(A) – Fiscal Year 2018 Capital Project Reallocation Approval Act of 2017

Background

The subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately \$62.4 million in bond balances¹¹⁶ from capital projects with slow activity to public school modernization projects with insufficient bond balances to cover expenditures. The reallocation does not change project costs or authorized budget amounts; rather, 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 proceeds in escrow (at a low interest rate), improve cash flow, and reduce future borrowing. 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 General Services	Hill E Relocation of Government Fac. & Function	\$500,000
	Electronic Security Communications Standardization	\$2,000,000
Office on Aging	Senior Centers	\$6,451
D.C. Public Library	DCPL Information Technology Modernization	\$253,015
Deputy Mayor for Planning and Economic Development	Saint Elizabeths E Campus Infrastructure	\$4,852,856
	Economic Development Pool	\$51,869
Metropolitan Police Department	Specialized Vehicles	\$1,758,961
Department of Corrections	General Renovations - DC Jail	\$1,643,027
D.C. Public Schools	Johnson Middle School Renovation/Modernization	\$464,841
	Johnson Middle School Renovation/Modernization	\$4,320,962
	Cardozo High School	\$3
Office of the State Superintendent of Education	Evans Campus	\$2,000,000
Department of Parks and Recreation	Urban Agriculture	\$152,746
	Urban Agriculture	\$250,000
	Square 238 DPR Facility	\$500,000
	Edgewood Recreation Center	\$11,000,000
	Hearst Park Pool	\$500,000
	Therapeutic Recreation Center	\$500,000
Department of Health Care Finance	Predictive Analytic System	\$125,000
	Case Management System	\$125,000
District Department of Transportation	Local Roadside Improvements	\$5,432,000
	Local Street Parking Studies	\$466,108
	Local Street Parking Studies	\$500,000
	Local Street Parking Studies	\$533,892

¹¹⁶ There can be balances currently held, or from approved and pending, but not yet issued, bonds.

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	Great Streets Initiative	\$1,331,583
	Great Streets Initiative	\$1,574,147
	Materials Testing Lab	\$315,762
	Materials Testing Lab	\$684,238
	Planning and Management System	\$429,393
	Streetscapes	\$1,000,000
	Circulator	\$4,307,439
	Circulator	\$1,692,561
	Prevention of Flooding in Bloomingdale/Ledroit Park	\$1,592,000
	Trails	\$420,714
	Trails	\$500,000
	Trails	\$1,079,286
	Traffic Operations Center	\$500,000
	Street Restoration & Rehabilitation	\$664,745
	Street Restoration & Rehabilitation	\$1,335,255
Department of Energy and Environment	Stormwater Management	\$1,000,000
	Sustainable DC Fund	\$1,157,257
Department of Behavioral Health	Avatar Upgrade	\$169,704
Office of the Chief Technology Officer	DC GIS Capital Investment	\$176,640
	DC GIS Capital Investment	\$300,000
	Data Management and Publication Platform	\$159,921
	Data Management and Publication Platform	\$1,608,954
	Procurement System	\$2,155,882
	Enterprise Computing Device Management	\$350,000
Grand Total		\$62,442,212

Subtitle (VIII)(A) - Projects that will use financing

TABLE B

Owner Agency Name	Project Title	Total
D.C. Public Schools	DC Public School Modernization/Renovations	\$62,442,212

The reallocated proceeds come from the following bond issuances:

Bond Issuance Series	Total
2012C I.T.	\$2,000,000
2014C G.O.	\$10,980,196
2015A G.O.	\$12,235,667
2016A G.O.	\$34,900,763
2016D G.O.	\$2,325,586
Grand Total	\$62,442,212

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Financial Plan Impact

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

Subtitle (VIII)(B) - Capital Project Review and Reconciliation Amendment Act of 2017

Background

The subtitle allows the Chief Financial Officer (CFO) to transfer, upon 30 days written notice to a department or agency, unexpended balance in capital projects for which no funds have been expended, encumbered or pre-encumbered for two consecutive years. Agencies would be allowed to keep such balances from project balances of greater than \$250,000 in their capital projects upon certification to the Mayor, Council, and CFO that it intends to use such funds within 18 months and submittal of a satisfactory status report within 180 days of certification. Agencies with project balances less than \$250,000 who receive written notice from the CFO must either provide a spending plan for those balances or release the funds.

Financial Plan Impact

The subtitle does not make a change to the District’s budget or financial plan. It will increase future flexibility of the Mayor to reprogram capital budget authority away from dormant projects.

Subtitle (VIII)(C) - Anti-Deficiency Act Clarification Amendment Act of 2017

Background

The subtitle clarifies¹¹⁷ the District Anti-Deficiency Act concerning what level of overspending constitutes a violation with respect to capital projects. For capital projects, overspending by five percent of the project’s budget will trigger anti-deficiency review, as will overspending of \$1 million or more, regardless of the percentage. Currently, the statute only states a percentage of operating budget.

The subtitle also updates the D.C. Official Code to clarify that changes to enacted budgets require agency heads to submit revised project spending plans to the Chief Financial Officer and require the CFO’s quarterly reports to the Council and Mayor to report separately on each agency’s operating expenditures and capital project expenditures.

Financial Plan Impact

The subtitle makes a clarification to District law and has no impact on the budget or financial plan.

Subtitle (VIII)(D) - DDOT Director Local Streets Projects Clarification Act of 2017

Background

Since fiscal year 2012, capital projects funded through the District of Columbia Highway Trust Fund have been regarded as a “Master” project associated with several “Related Projects.” For such capital projects, the District Department of Transportation may not spend directly from the capital projects,

¹¹⁷ By amending D.C. Official Code §§ 47-355.02, 47-355.04, and 47-355.05.

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but must submit requests to the Office of Budget and Planning to allocate funds for Related Projects before obligating and spending funds. The subtitle extends¹¹⁸ such procedures to Master local street projects created in the fiscal year 2018 budget or thereafter.

Financial Plan Impact

The subtitle changes budgeting procedures for certain transportation capital projects and has no impact on the budget or financial plan.

Subtitle (VIII)(E) - District of Columbia Highway Trust Fund Clarification Act of 2017

Background

This subtitle amends¹¹⁹ the Highway Trust Fund Establishment Act of 1996¹²⁰ to clarify when monies in the Highway Trust Fund may be used to comply with the local match needed for the Federal Transit Administration formula grants.

Financial Plan Impact

The subtitle makes a clarification to District law and has no impact on the budget or financial plan.

Subtitle (VIII)(F) - Reverse Paygo Reprogramming Clarification Act of 2017

Background

The District funds a portion of its capital budget through pay-as-you-go or cash funding (Paygo). The subtitle amends¹²¹ District law regarding reprogramming procedures to define “Reverse Paygo” as the movement of Paygo capital budget back to the operating budget, and clarifies the definition of “project” for Reverse Paygo reprogrammings.

Financial Plan Impact

The subtitle makes a clarification to District law and has no impact on the budget or financial plan.

¹¹⁸ By amending § 50-921.02 of the D.C. Official Code.

¹¹⁹ By amending § 9-111.01 of the D.C. Official Code.

¹²⁰ Effective April 9, 1997 (D.C. Law 11-184; D.C. Official Code § 9-111.01 et seq.).

¹²¹ By amending § 47-361 of the D.C. Official Code.

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

Subtitle (IX)(A) - Designated Fund Transfer Act of 2017

Background

The subtitle allows the District to use the certified fund balance available in 18 funds as a source of revenue in Fiscal Years 2017 through 2019. The subtitle uses balances totaling \$77 million from one local fund, one dedicated revenue fund, and 16 special purpose funds. The affected funds and transfer amounts are listed in the chart below:

Fund	Balance Transfer
Commodity Cost Reserve Fund ¹²²	\$5,000,000
Establishment of Healthy DC and Health Care Expansion Fund ¹²³	\$11,589,623
Recorder of Deeds Automation and Infrastructure Improvement Fund ¹²⁴	\$920,173
Litigation Support Fund ¹²⁵	\$617,179
Appraisal Education Fund ¹²⁶	\$1,578,354
Occupations and Professions Licensure Special Account ¹²⁷	\$288,657
Professional Engineers Fund ¹²⁸	\$643,180
Green Building Fund ¹²⁹	\$218,771
Corporate Recordation Fund ¹³⁰	\$1,572,054
Vending Regulation Fund ¹³¹	\$149,674
Department of Housing and Community Development Unified Fund ¹³²	\$765,545
Industrial Revenue Bond Special Account ¹³³	\$1,893,807
Economic Development Special Account ¹³⁴	\$1,106,193
Student Residency Verification Fund ¹³⁵	\$300,000
State Health Planning and Development Fund ¹³⁶	\$192,000
Interim Disability Assistance Fund ¹³⁷	\$500,000
District Department of Transportation Enterprise Fund for Transportation Initiatives ¹³⁸	\$825,298
WMATA Operations Fund ¹³⁹	\$48,777,018
TOTAL	\$76,937,526

¹²² D.C. Official Code § 47-368.04.

¹²³ D.C. Official Code § 31-3514.02.

¹²⁴ D.C. Official Code § 42-1211.

¹²⁵ D.C. Official Code § 1-301.81.

¹²⁶ D.C. Official Code § 47-2853.154.

¹²⁷ D.C. Official Code § 47-2853.11, § 47-2839, and § 47-2839.01.

¹²⁸ D.C. Official Code § 47-2886.13.

¹²⁹ D.C. Official Code § 6-1451.05 and § 6-1451.08.

¹³⁰ D.C. Official Code § 29-102.13 and § 47-2855.05.

¹³¹ D.C. Official Code § 37-131.07.

¹³² D.C. Official Code § 42-2857.01.

¹³³ D.C. Official Code § 47-131.

¹³⁴ D.C. Official Code § 2-1225.21.

¹³⁵ D.C. Official Code § 38-312.

¹³⁶ D.C. Official Code § 44-420.01.

¹³⁷ D.C. Official Code § 4-204.07.

¹³⁸ D.C. Official Code § 50-921.13.

¹³⁹ D.C. Official Code § 1-325.311.

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Financial Plan Impact

The proposed budget and financial plan includes \$13 million of fund balance use in Fiscal Year 2017, \$35.7 million in fiscal year 2018, and \$28.1 million in fiscal year 2019. This subtitle shall apply as of September 30, 2017.