


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: March 20, 2019

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

REFERENCE: Draft bill provided to the Office of Revenue Analysis on March 19, 2019

Conclusion

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

The District’s proposed fiscal year 2020 budget includes \$8.5806 billion in Local fund spending supported by \$8.5811 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, are \$9.8747 billion.

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

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

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TITLE I - GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Lease Contingency Fund Amendment Act of 2019

Background

The subtitle creates a non-lapsing local fund called the Lease Contingency Fund (Fund) within the Department of General Services to pay for unplanned costs associated with District real property leases. The subtitle allows the Fund to be funded with appropriations or reprogrammings.

Financial Plan Impact

The subtitle does not impact the proposed budget and financial plan. As proposed, the Fund does not have any appropriations at the start of fiscal year 2020.

Subtitle (I)(B) – Let Our Vows Endure Amendment Act of 2019

Background

The Clerk of the Superior Court of the District of Columbia issues marriage licenses, licenses officiants, and receives marriage certifications from officiants in the District. The Clerk charges fees for services, produces certified copies of marriage licenses, and keeps all records of its transactions.

The subtitle extends some of the Clerk’s authorities to the Mayor. These include the authority for the Mayor or her or his designee to license an officiant or temporary officiant, determine an applicant’s eligibility for marriage in the District, provide the appropriate forms and recordkeeping, and accept marriage license applications and certificates. The subtitle requires the Mayor to transmit any marriage licenses issued and marriage certifications returned by an officiant to the Clerk of the Superior Court within five business days.

The Mayor’s authority is applicable only during periods of time when the Clerk of the Superior Court is not issuing licenses due to a total or partial federal government shutdown.

This authority was granted to the Mayor for 90 days beginning on January 11, 2019.¹

Financial Plan Impact

The District’s Office of the Secretary created marriage and officiant licensing forms, record-keeping processes, and record transmitting procedures to the Clerk of the Superior Court in fiscal year 2019 under the emergency authorization. Under that authorization, the Mayor issued 187 marriage certificates and received 44 civil ceremony requests. The Mayor can implement the subtitle for any total or partial federal government shutdown on a permanent basis with resources included in the proposed budget and financial plan.

The Mayor will not charge fees for these services, nor issue penalties when an officiant marriage certification is not timely returned,² so there are no revenue implications associated with the subtitle’s granting of these authorities to the Mayor.

¹ Let Our Vows Endure Emergency Amendment Act of 2019, enacted January 11, 2019 (D.C. Act 23-1; 66 DCR 600).

² An officiant must return a marriage license within ten days of the marriage rites.

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

Background

The subtitle authorizes the deposit of appropriated funding into the Captive Trust Fund³.

Financial Plan Impact

The subtitle has no impact on the proposed four-year financial plan, as it authorizes but does not require any appropriated funding.

TITLE II - ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Expedited Building Permit Review Program Fund Amendment Act of 2019

Background

Fees for expedited review of building permit applications are deposited in the Expedited Building Permit Review Program Fund⁴ (Fund) within the Department of Consumer and Regulatory Affairs (DCRA). For construction projects totaling 50,000 square feet or less, the fee for DCRA review is \$50,000 per day. For projects between 50,000 and 99,999 square feet, an additional 50 cents per square foot above 50,000 square feet is charged per day. For projects over 100,000 square feet, the fee is \$75,000 per day.⁵ The Fund may be used to pay for the costs of the expedited building permit review program. Any revenue above the cost of administering the program are directed to local funds at the end of the year.

The subtitle makes the Fund non-lapsing and expands the allowed use of the Fund to include any DCRA building permit review costs.

Financial Plan Impact

The subtitle does not impact the proposed budget and financial plan. Expanding the use of the Fund does not have an impact because total expenditures must remain within the appropriated budget of the Fund. Any unspent revenue will remain in the Fund and no longer go to the unrestricted fund balance of the General Fund at the end of the year. This does not have an impact because the unspent revenue from the Fund is not required to balance the current financial plan.

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

Background

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

³ D.C. Official Code § 1-307.91.

⁴ D.C. Official Code § 6-1405.05. Expedited Building Permit Review Program Fund.

⁵ Three levels of accelerated review permits were created by DCRA rulemaking on September 26, 2017.

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

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

Financial Plan Impact

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

Subtitle (II)(C) – Bryant Street Tax Increment Financing Amendment Act of 2019

Background

In 2017, the Council enacted the Bryant Street Tax Increment Financing Act of 2016⁶ that established a Tax Increment Financing (TIF) area in the District’s Edgewood neighborhood. The TIF area is north of Rhode Island Avenue, N.E. and along the western edge of the Metropolitan Branch Trail.⁷ The District will issue up to \$24 million in debt against incremental sales and property tax revenues in the TIF area to support a mixed-use development project by MRP Rhode Island Avenue Investors LLC. The Mayor’s authority to issue TIF bonds for the project sunseted on March 1, 2019.

The subtitle extends the Mayor’s authority to issue bonds until March 1, 2020. The subtitle also defines refunding bonds separate from the TIF bonds so that the Mayor is not restricted by the sunset date for the purpose of issuing bonds to refund the TIF bonds.

Financial Plan Impact

The developer experienced unexpected project delays when the approved planned unit development was appealed.⁸ The subtitle’s sunset extension until March 1, 2020 allows the District to issue the TIF bonds when the developer is closer to meeting the required benchmarks for receiving the District’s TIF bond proceeds. There are no costs associated with the subtitle’s implementation.

⁶ Effective April 7, 2017 (D.C. Law 21-262; D.C. Official Code § 2-1217.37a et seq.).

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

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

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Subtitle (II)(D) – Chemonics Tax Abatement Act of 2019

Background

Under current law⁹ Chemonics International is provided a real property tax abatement over an eight-year period beginning October 1, 2022, with a maximum annual value of \$650,000. The subtitle extends the tax abatement for Chemonics International by one year to October 1, 2031.

Financial Plan Impact

The subtitle has no impact on the proposed four-year financial plan. The extension adds a year to the abatement outside the financial plan, extending the abatement to nine years and increasing the total value of the abatement from \$5.2 million to \$5.85 million.

Subtitle (II)(E) – Creative and Open Space Modernization Tax Rebate Amendment Act of 2019

Background

The Creative and Open Space Modernization tax rebate program¹⁰ provides rebates for Qualified High Technology Companies¹¹ that make improvements to their leased spaces. The Deputy Mayor for Planning and Economic Development (DMPED) reviews applications for the rebates and pays approved rebates from DMPED’s Economic Development Special Account.¹² The rebates cannot exceed \$1 million for a single company per fiscal year, and the total of all rebates for all tenants cannot exceed \$3 million per fiscal year.

The subtitle changes the definition of a qualified occupant improvement to include work done by the property owner or landlord on the eligible premises¹³, not just work done by the eligible company.

Financial Plan Impact

The subtitle has no impact on the proposed four-year financial plan. The program’s cap of \$3 million in rebates is unchanged.

Subtitle (II)(F) – Deputy Mayor for Planning and Economic Development Grant Making Authority Amendment Act of 2019

Background

The subtitle expands the local fund grant-making authority of the Deputy Mayor for Planning and Economic Development (DMPED) to include the D.C. Chamber of Commerce. Any DMPED grants must be used to support the business and economic development goals of the District.

⁹ Local Jobs and Tax Incentive Amendment Act of 2018 (D.C. Act 22-639, 66 DCR 2030), projected law date May 2, 2019.

¹⁰ D.C. Official Code § 47-4665. For more information on the program and application procedures visit DMPED’s webpage on the program: <https://dmped.dc.gov/cosm>.

¹¹ As defined in D.C. Official Code § 47-1817.01(5), Qualified High Technology Companies are for-profit entities with two or more employees in the District that derive at least 51 percent of gross revenue from a long list of specific high technology products and services.

¹² D.C. Official Code § 2-1225.21. Economic Development Special Account.

¹³ Eligible premises include nonresidential, interior portions of an eligible building that is used as an office by a qualified entity under a lease, sublease or purchase and sale agreement.

Financial Plan Impact

DMPED has contracted with the D.C. Chamber of Commerce for approximately \$420,000 in each of the last two fiscal years for efforts to support the District’s business and economic development goals. DMPED expects to grant a similar amount in fiscal year 2020, which is included in the proposed fiscal year 2020 budget. The subtitle gives DMPED the authority to issue grants using this local funding.

Subtitle (II)(G) – Great Streets Grant Authority Abatement Act of 2019

Background

The District established the H Street, N.E. Retail Priority Area¹⁴ and dedicated resources to support retail developers in the corridor through the H Street Retail Priority Area Grant Fund¹⁵ (Fund). In fiscal year 2016,¹⁶ the Fund’s mission was expanded to include grants supporting revitalization programs in other retail priority¹⁷ areas in the District. The authority to issue grants to other retail priority areas expired on September 30, 2018.

The subtitle reinstates the Deputy Mayor for Planning and Economic Development’s (DMPED) authority to issue grants from the Fund to all retail priority areas until September 30, 2020.

Financial Plan Impact

The Fund is non-lapsing and has approximately \$2.4 million available to support grants in retail priority areas. The subtitle reinstates DMPED’s authority to issue grants, but the proposed budget does not include any additional funding for grants.

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

Background

The New Communities Initiative was developed to revitalize severely distressed subsidized housing and redevelop four District neighborhoods: Barry Farm,¹⁸ Northwest One,¹⁹ Park Morton,²⁰ and Lincoln Heights.²¹ The District financially assists private developers in creating mixed-use properties and mixed-income communities. The District used the Housing Production Trust Fund to support

¹⁴ H Street, N.E., Retail Priority Area Incentive Act of 2010, effective April 8, 2011 (D.C. Law 18-354; D.C. Official Code § 1-325.171 et seq.).

¹⁵ D.C. Official Code § 1-325.172.

¹⁶ Retail Priority Area Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-325.172(c)(3)).

¹⁷ Retail Incentive Act of 2004, effective September 8, 2004 (D.C. Law 15-185; D.C. Official Code § 2-1217.73).

¹⁸ Barry Farm/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006, effective December 19, 2006 (Resolution 16-922; 54 DCR 35).

¹⁹ Northwest One/Sursum Corda Affordable Housing Protection, Preservation and Production Act of 2006, effective November 16, 2006 (D.C. Law 16-188; 53 DCR 6750).

²⁰ Park Morton Redevelopment Initiative Plan Approval Resolution of 2008, effective February 29, 2008 (Resolution 17-538; 55 DCR 1881).

²¹ Lincoln Heights/Richardson Dwellings New Communities Revitalization Plan Approval Resolution of 2006, effective December 19, 2006 (Resolution 16-923; 54 DCR 38).

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debt for New Communities Initiative projects, but the Council ended that practice effective May 2013 in favor of the issuance of income tax secured bonds.²²

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

Financial Plan Impact

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

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

Background

In fiscal year 2016,²³ the District merged the Office of Cable Television and the Office of Motion Picture and Television Development. The merger inadvertently left the newly combined Office of Cable Television, Film, Music, and Entertainment (OCTFME) without the statutory authority to administer the Film, Television, and Entertainment Rebate Fund and to issue motion picture and television production permits. The subtitle updates the statute to affirm OCTFME’s authority to perform these functions. The subtitle makes several other technical statutory changes associated with the merger of the two offices.

The subtitle also clarifies the application requirements for a production rebate, including the requirement that a production company must indicate its direct District expenditures.²⁴

Financial Plan Impact

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

Subtitle (II)(I) – Cultural Plan Cultural Facilities Fund Act of 2019

Background

The subtitle creates the non-lapsing Cultural Facilities Fund (Fund) administered by the Mayor to provide grants and loans to cultural organizations²⁵ for the purpose of purchasing, leasing, or renovating a facility used for cultural productions. The Fund is to be funded with appropriations and

²² Fiscal Year 2014 Budget Support Technical Clarification Amendment Act of 2013, effective June 26, 2014 (D.C. Law 20-117; D.C. Official Code § 42-2812.03(e)).

²³ Entertainment and Media Production and Development Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 34-1251.01 et seq.).

²⁴ The subtitle defines direct District expenditures as production expenditures made in the District and personnel expenditures made to District residents.

²⁵ Cultural organizations are defined as an entity primarily devoted to the production or presentation of visual, theatrical, musical, dance, folk, literary, or media arts.

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repayments of loans made by the Fund. The Mayor is authorized to enter into an agreement with a Community Development Financial Institution (CDFI)²⁶ to administer the Fund. For grants, the Mayor may provide one dollar in matching funds for every three dollars provided to a cultural organization by a CDFI.

Financial Plan Impact

The subtitle is funded with \$5 million in local appropriations in the proposed fiscal year 2020 budget.

Subtitle (II)(K) – Cultural Innovation and Entrepreneurship Fund Act of 2019

Background

The subtitle creates the non-lapsing Cultural Innovation and Entrepreneurship Fund (Fund) administered by the Mayor to provide grants and loans to cultural organizations²⁷ and individual cultural creators²⁸ for the purpose of supporting operating expenses and capital expenses other than the costs of a physical facility or equipment affixed to a facility. The Fund is to be funded with appropriations and repayments of loans made by the Fund. The Mayor is authorized to enter into an agreement with a Community Development Financial Institution (CDFI)²⁹ to administer the Fund. For grants, the Mayor may provide one dollar in matching funds for every two dollars provided to a cultural organization or an individual cultural creator by a CDFI.

Financial Plan Impact

The subtitle is funded with \$2 million in local appropriations in the proposed fiscal year 2020 budget.

Subtitle (II)(L) – Department of Consumer and Regulatory Affairs Special Purpose Revenue Fund Flexibility Amendment Act of 2019

Background

The subtitle expands³⁰ the use of several special purpose revenue funds administered by the Department of Consumer and Regulatory Affairs so that money in the funds can now be used for services and improvements in any part of the agency, not just those related to the fund. The funds affected are the:

- Nuisance Abatement Fund;
- Basic Business License Fund;
- Green Building Fund;
- Corporate Recordation Fund; and

²⁶ As defined by section 103(5) of the Riegle Community Development and Regulatory Improvement Act of 1994, approved September 23, 1994 (108 Stat. 2163; 12 U.S.C. § 4702(5)).

²⁷ Cultural organizations are defined as an entity primarily devoted to the production or presentation of visual, theatrical, musical, dance, folk, literary or media arts.

²⁸ Individual cultural creators are defined as sole proprietor whose business is devoted to the production, presentation, or administration of visual, theatrical, musical, dance, folk, literary, or media arts.

²⁹ As defined by section 103(5) of the Riegle Community Development and Regulatory Improvement Act of 1994, approved September 23, 1994 (108 Stat. 2163; 12 U.S.C. § 4702(5)).

³⁰ By amending the following sections of the D.C. Official Code: § 42–3131.01, § 47–2851.13, § 6–1451.07, § 29–102.13, and § 37–131.07.

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- Vending Regulation Fund.

Financial Plan Impact

The subtitle does not have an impact on the District’s proposed budget and financial plan. It expands the allowable uses of several funds but does not affect the revenue sources for the funds, the fund types, or fund characteristics. Additionally, the funds remain non-lapsing.

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

Background

The subtitle removes³¹ the requirement that the Chief Tenant Advocate’s salary, which comes from the Excepted Service salary schedule, be equivalent to that of a Grade 15 employee on the District schedule (also known as the career service pay schedule). Instead, the subtitle allows the Mayor to set the salary of the Chief Tenant Advocate, allowing the Chief Tenant Advocate to have a salary higher than that of a Grade 15 career service employee.

Financial Plan Impact

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

Subtitle (II)(N) - Summer Youth Employment Program Supervisor Wage Range Amendment Act of 2019

Background

Youth participants in the Mayor Marion S. Barry Summer Youth Employment Program who are classified as supervisors must currently be paid an hourly wage between \$9.25 and \$13. This subtitle increases³² the maximum allowed wage for these supervisors to the District’s minimum wage³³. The District’s minimum wage is currently \$13.25 an hour and is scheduled to increase to \$14 an hour on July 1, 2019 and \$15 an hour on July 1, 2020. Beginning July 1, 2021, the minimum wage will increase annually by the increase in the Consumer Price Index for the Metropolitan Statistical Area.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan. While the subtitle allows the Department of Employment Services to pay higher wages, pay will still be limited by available funding.

³¹ By amending Section 2066(c)(1) of the Office of the Chief Tenant Advocate Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.06(c)(1)).

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

³³ Per D.C. Official Code § 32-1003

Subtitle (II)(O) - Workforce Housing Production and Preservation Fund Establishment Act of 2019

Background

This subtitle creates a non-lapsing fund called the Workforce Housing Production and Preservation Fund. The fund will be used to provide grants, loans, and other forms of financial assistance to support the construction of new workforce housing and the rehabilitation and preservation of existing workforce housing. Workforce housing is defined as for-sale or rental housing affordable to a household earning between 60 percent and 120 percent of the Area Median Income.

Each property that benefits from the fund must have a covenant with respect to affordability, the terms and conditions of which will be determined by the Mayor.

The fund will receive revenue from the following sources:

- Amounts appropriated to the fund;
- Repayments of principal and interest on loans and other forms of financial assistance provided from the fund;
- Proceeds realized from the liquidation of security interests held by the District under terms of assistance provided from the fund;
- Revenue, receipts, and fees derived from the operation of the fund; and
- Interest earned from the deposit or investment of monies from the fund.

Financial Plan Impact

The proposed fiscal year 2020 budget includes \$20 million for the fund. This money will support the construction, rehabilitation, and preservation of workforce housing as well as the cost of administering the fund.

TITLE III - PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) - Criminal Code Reform Commission Term Extension Amendment Act of 2019

Background

In fiscal year 2017, the Criminal Code Reform Commission (Commission) was created as a separate commission by removing the criminal code review component from the Sentencing and Criminal Code Revision Commission.³⁴ The Commission is scheduled to deliver its final criminal code reform recommendations by September 30, 2019. The Commission will then cease its activities on October 1, 2019.

The subtitle extends the due date of the Commission's report to March 31, 2020 and sunsets the Commission's activities on April 1, 2020.

³⁴ Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 et seq.).

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Financial Plan Impact

The Commission’s activities are funded at approximately \$367,000 in the proposed fiscal year 2020 budget. The Commission will terminate on April 1, 2020.

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

Background

The Metropolitan Police Department (MPD) currently rehires retired police officers as fully sworn officers with no impact on their retirement benefits. These officers are paid on the Police Service pay schedule as officers³⁵ and are not eligible for longevity pay. The Omnibus Public Safety and Justice Amendment Act³⁶ expanded the retired police officer rehire program to include pay opportunities at the detective³⁷ and sergeant³⁸ levels of the Police Service pay schedule for eligible retirees. The detective and sergeant programs will sunset on October 1, 2019, but officers rehired prior to that date can remain rehired for no more than three years from the date of rehire.

The subtitle changes the sunset date of the detective and sergeant programs from October 1, 2019 to October 1, 2025. The subtitle also extends a rehired police officer’s tenure under this part of the program from no more than three years to no more than five years.

Financial Plan Impact

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

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

Background

The subtitle imposes an 80-cent³⁹ 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.

³⁵ The pay grade and step is class 1, step 5.

³⁶ Effective April 22, 2017 (D.C. Law 21-280; D.C. Official Code § 5-761(h)).

³⁷ The pay grade and step is class 3, step 4.

³⁸ The pay grade and step is class 4, step 3.

³⁹ The bill requires the rate to be adjusted annually based on the Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria, DC-MD-VA-WV Metropolitan Statistical Area.

⁴⁰ The subtitle defines a hotel as any building or part of a building in which not less than thirty rooms or suites are reserved for transient guests on a daily basis.

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).

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Financial Plan Impact

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

Emergency and Non-Emergency Number Telephone Calling Systems Funding Amendment Act of 2019 New Hotel Tax Revenue Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
80-Cent Hotel Tax	\$7,229	\$7,606	\$8,003	\$8,420	\$31,258

Subtitle (III)(D) – Criminal Justice Coordinating Council Membership Amendment Act of 2019

Background

The Criminal Justice Coordinating Council (CJCC) serves as a forum for District and federal officials to improve the administration of criminal justice in the District. The CJCC identifies issues, proposes solutions, and facilitates cooperation among the District’s criminal justice services providers. The subtitle adds the director of the Office of Victim Services and Justice Grants (OVSJG) to the CJCC’s membership.

Financial Plan Impact

Neither CJCC nor OVSJG require additional budgeted resources to facilitate the OVSJG director’s membership on CJCC.

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

Background

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

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

Financial Plan Impact

The Crime Victims Compensation Program is managed by the DC Superior Court, which is operated by the federal government, and is funded through fines and fees collected by the court. These fees are

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deposited into the Crime Victims Compensation Fund (Fund).⁴² The subtitle allows the court to compensate victims for funeral and burial expenses at a higher amount. The District's proposed budget and financial plan does not include any additional funding for the court's program, so any increased expenditures on funerals or burials from the Fund would reduce available resources for other compensation efforts. The court paid, on average, \$7.6 million in total compensation payments annually over the 2013 to 2017 time period, assisting an average of 13,000 crime victims per year.

Subtitle (III)(F) – Department of Forensic Sciences Services and Fees Clarification Amendment Act of 2019

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. In fiscal year 2018, the Council granted DFS the authority to charge fees for performing environmental testing services and providing expert witness testimony.

The subtitle expands DFS' duties to include public health laboratory services for the District generally, at the request of District agencies, other governmental jurisdictions, hospitals, or other health-related entities. The subtitle authorizes DFS to charge fees for these public health laboratory services and to deposit them into the Department of Forensic Sciences Laboratory Fund (Fund).⁴³

Financial Plan Impact

DFS' proposed fiscal year 2020 budget does not project any fee revenue from providing public health laboratory services because DFS has not established a fee schedule. Once fees are established and collected, DFS will deposit them into the Fund.

Subtitle (III)(G) – Information Sharing for Program Evaluation and Improvement Authorization Amendment Act of 2019

Background

The subtitle allows⁴⁴ the Department of Youth Rehabilitation Services (DYRS) to share criminal justice and law enforcement data about adults and youth with the Office of the City Administrator and the Deputy Mayor for Public Safety and Justice for the purposes of program design, administration and evaluation.

Financial Plan Impact

The subtitle has no fiscal impact. DYRS does not need additional resources in order to share this data.

⁴² Victims of Violent Crime Compensation Act of 1996, effective April 9, 1997 (D.C. Law 11-243; D.C. Official Code § 4-515).

⁴³ Department of Forensic Sciences Establishment Amendment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 5-1501.06a).

⁴⁴ By amending Section 106 of the Department of Youth Rehabilitation Services Establishment Act of 2004, effective April 12, 2005 (D.C. Law 15-335; D.C. Official Code § 2-1515.06), adding a new subsection (b-1).

**Subtitle (III)(H) – Office of Neighborhood Safety and Engagement Fund Authority
Clarification Amendment Act of 2019**

Background

The Neighborhood Engagement Achieves Results Amendment Act of 2016⁴⁵ established initiatives and programs to address violent crime in the District, including the establishment of the Office of Neighborhood Safety and Engagement (ONSE). ONSE coordinates the District’s violence prevention strategy, identifies and engages individuals who might be at high risk for criminal activity, identifies high crime neighborhoods, and coordinates with District agencies and nonprofits to provide youth outreach and employment opportunities for individuals in high crime neighborhoods or who are at high risk for criminal activity. ONSE also collaborates with District agencies and nonprofits to provide wrap-around services to crime victims and their families.

In fiscal year 2019, the Mayor transferred a portion⁴⁶ of the Department of Parks and Recreation’s (DPR) Roving Leaders Program to ONSE.⁴⁷ The Roving Leaders Program performs outreach to youth and youth groups to prevent, neutralize, and control hostile behaviors through the development of positive relationships between youth and outreach workers. The subtitle authorizes the Mayor to transfer the entire Roving Leaders Program to ONSE.

The subtitle also expands the eligible expenditures from the Neighborhood Safety and Engagement Fund (Fund)⁴⁸ to include food and non-alcoholic beverage purchases for members of the public and District government employees participating in ONSE programs and activities.

Financial Plan Impact

The proposed fiscal year 2020 through fiscal year 2023 budget and financial plan includes the transfer of the remaining twenty-seven employees in DPR’s Roving Leaders Program to ONSE. The transfer includes the associated \$1.96 million in funding required to operate the Roving Leaders Program at ONSE.

One source of the Fund’s resources is all funds appropriated for ONSE’s budget. The proposed fiscal year 2020 budget for ONSE is approximately \$8.8 million. The proposed budget does not include any additional funding for food and beverage expenditures, but it allows ONSE to expend its proposed resources on this additional activity.

⁴⁵ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-1251 D.C. Official Code § 7-2411 et seq.).

⁴⁶ The fiscal year 2019 budget transferred ten employees from DPR to ONSE.

⁴⁷ Neighborhood Engagement Achieves Results Amendment Act of 2019, effective (D.C. Law 22- ; D.C. Official Code § 7-2411(a)(3)).

⁴⁸ D.C. Official Code § 7-2413.

TITLE IV - PUBLIC EDUCATION

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

Background

This subtitle sets⁴⁹ the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$10,891. This is a 2.2 percent increase over the fiscal year 2019 base amount. Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per-pupil funding at that level or for these services.

The 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 2020
Pre-Kindergarten 3	1.34	\$14,594
Pre-Kindergarten 4	1.30	\$14,158
Kindergarten	1.30	\$14,158
Grades 1-5	1.00	\$10,891
Grades 6-8	1.08	\$11,762
Grades 9-12	1.22	\$13,287
Alternative program	1.44	\$15,683
Special education school	1.17	\$12,742
Adult	0.89	\$9,693

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$10,564
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$13,069
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$21,455

⁴⁹ By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 et seq.).

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 4: Special Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	\$38,010
Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	\$1,078
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	\$969
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$18,188

General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$5,337
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.224	\$2,440

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.	0.37	\$4,030

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.	1.34	\$14,594
Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.89	\$31,475
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	\$31,475
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$7,275

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	\$686
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	\$2,472

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 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$5,347
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	\$5,347

Financial Plan Impact

The proposed 2.2 percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed fiscal year 2020 budget includes approximately \$1.64 billion for instructional budgets; \$894.97 million for the District of Columbia Public Schools, and \$747.35 million for the public charter schools. Charter schools will receive \$150.64 million for facilities allowances in fiscal year 2020, bringing the collective public charter school local budget to \$898.49 million.

Subtitle (IV)(B) – Out of School Time Fund Establishment Amendment Act of 2019

Background

This subtitle establishes⁵⁰ an Out of School Time Fund (Fund) to be administered by the Office of Out of School Time Grants and Youth Outcomes (OST). OST may charge individuals and organizations a fee to participate in OST youth development trainings to offset training costs. The subtitle also changes the date by which OST must submit its annual report to Council.

Financial Plan Impact

This subtitle does not have a financial impact because no revenue has been certified. Any revenue collected from OST fees is designated to provide technical assistance, training and capacity building.

⁵⁰ By amending The Office of Out of School Time Grants and Youth Outcomes Establishment Act of 2016, effective April 7, 2017 (D.C. Law 21-261; D.C. Official Code § 2-1555.01 et seq.).

Subtitle (IV)(C) – Community Schools Incentive Initiative Advisory Committee Membership Amendment Act of 2019

Background

This subtitle adds⁵¹ the directors of the Children and Family Services Agency (CFSA) and the Department of Behavioral Health (DBH) as voting members of the Community Schools Advisory Committee. The Advisory Committee advises the Mayor on the Community Schools program and evaluates program performance and outcomes.

Financial Plan Impact

This subtitle does not have a financial impact. The directors of CFSA and DBH can participate in Advisory Committee functions without additional resources.

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

Background

This subtitle requires⁵² that any delinquent non-resident tuition recovered by Office of the Chief Financial Officer’s Central Collections Unit (CCU) be deposited into the Office of the State Superintendent of Education’s (OSSE) Student Residency Verification Fund rather than into the Delinquent Debt Fund. OSSE’s Student Residency Verification Fund receives revenue from tuition payments made by parents who are not District residents but send their children to a public school. The Fund also collects fines imposed on non-resident families who send their children to public schools.

Financial Impact

OSSE already collects non-resident tuition payments in the Student Residency Verification Fund. The subtitle allows late tuition payments recovered by the CCU to be collected and deposited into the Fund. The CCU expects OSSE to refer a very small number of non-resident tuition delinquencies to it for collection and will absorb the additional work within its proposed budget.

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

Background

This subtitle provides⁵³ the Office of Administrative Hearings (OAH) with the authority to hear appeals of compliance actions the Office of the State Superintendent of Education (OSSE) takes against charter schools or other organizations to which OSSE has issued grants.

Financial Plan Impact

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

⁵¹ By amending section 403(c) of the Community Schools Incentive Act of 2012, effective June 19, 2012 (D.C. Law 19-142, D.C. Official Code § 38-754.03(c)).

⁵² By amending The Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.01 et seq.).

⁵³ By amending Section 6(b-22)(3) of the Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03(b-22)(3)).

Subtitle (IV)(F) – Public Charter School Closure Conditions Amendment Act of 2019

Background

This subtitle authorizes⁵⁴ the Public Charter School Board to impose interim operational and administrative conditions on a charter school when the Board revokes a school’s charter or declines to renew a school’s charter.

Financial Plan Impact

This subtitle does not have a financial impact. Charter schools receive funding based on the UPSFF; any conditions imposed on a charter school must be funded from the school’s available funding.

Subtitle (IV)(G) – Child Care Payment Assistance Act of 2019

Background

This subtitle updates⁵⁵ the laws that govern the District’s Subsidized Child Care Program to conform with current practice. The subtitle also aligns local law with the federal law⁵⁶ and updates statutory language to be consistent with current eligibility provisions, use of federal and local funds, and methods for payment. Specifically, the updates address:

- Child eligibility requirements for subsidized child care;
- Parent co-payment requirements;
- Eligibility guidelines for participating child development facilities;
- Requirements for in-home or relative child care;
- Child care provider payments;
- The Quality Improvement Network;
- Shared services business alliances; and
- Rulemaking authority.

Financial Plan Impact

This subtitle does not have an impact on the District’s proposed budget and financial plan. The subtitle codifies the current Subsidized Child Care Program at the Office of the State Superintendent of Education.

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

Background

The subtitle gives the Deputy Mayor for Education (DME) the authority to issue the following grants in fiscal year 2020:

⁵⁴ By amending The District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321-107; D.C. Official Code § 38-1800.01 et seq.).

⁵⁵ By repealing The Day Care Policy Act of 1979, effective September 19, 1979 (D.C. Law 3-16 D.C. Official Code § 4-401 et seq.) and by amending The Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01 et seq.).

⁵⁶ Specifically, the reauthorization of the Child Care Development Block Grant Act in 2014.

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- Grants not to exceed \$375,000 to organizations to provide technical assistance, training, coaching, or support for educators in their understanding of the science of learning and how to support students experiencing toxic stress or trauma;
- Grants not to exceed \$250,000 to organizations to provide technical assistance, training, or stipends to increase the number of home visits by public school teachers; and
- A grant in an amount not to exceed \$300,000, for a study of the Uniform Per Student Funding Formula as recommended by the February 1, 2019, report of the Uniform Per Student Funding Formula Working Group.

Financial Plan Impact

The proposed fiscal year 2020 budget for the DME includes \$925,000 for these grants. The DME will administer the grants using existing staff.

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

Background

This subtitle establishes within the Office of the State Superintendent of Education (OSSE) a non-lapsing Special Education Compliance Fund (Fund) to support compliance with federal and local special education laws and regulations. The subtitle requires that \$12.4 million be deposited into the fund in fiscal year 2020. The Fund is subject to the availability of funding in subsequent fiscal years.

Financial Impact

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

TITLE V - HEALTH AND HUMAN SERVICES

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

Background

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

Financial Plan Impact

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

SUBTITLE (V)(B) – Parks Adoption and Sponsorship Amendment Act of 2019

Background

The Department of Parks and Recreation (DPR) partners with Friends of Parks groups (Friends Groups) that are organized around the stewardship of DPR parks, recreation centers, community gardens, and dog parks. The Friends Groups advocate for and raise money for the maintenance of the

buildings and grounds of selected parks. The subtitle authorizes DPR to enter into written agreements with Friends Groups to help maintain and operate DPR parks, and to enter into contracts with third parties to provide concessions and programs.

The subtitle also extends this DPR authority to cover any parks that a Business Improvement District corporation (BID)⁵⁷ wishes to support. Current law⁵⁸ only authorizes DPR to enter into these agreements with the BIDs for Franklin Square Park, Yards Park, Canal Park, and parks within the NoMA Improvement Association BID.⁵⁹ The BID or Friends group must provide semiannually accounting of all revenue generated under agreements.

Financial Plan Impact

The costs of entering into and monitoring the agreements is included in the proposed budget and financial plan. The subtitle does not impact the District’s revenues. BIDs and Friend Groups must directly receive any revenues generated (through concession sales, for example) and are required to dedicate those revenues to support the maintenance and operations of the park, subject to the agreement with DPR. The subtitle also allows DPR to issue grants to Friend Groups and additional BIDs, but DPR may only issue grants if those costs have been included in an approved budget and financial plan.

Subtitle (V)(C) – Commission on the Arts and Humanities Funding Structure Amendment Act of 2019

Background

The subtitle repeals the dedication of sales tax revenue to the Commission on the Arts and Humanities (CAH). Currently, five percent of sales tax revenue that is not pledged to bonds, notes or tax increment finance Districts is dedicated to CAH⁶⁰.

Financial Plan Impact

By removing the dedication, the subtitle makes \$30.5 million in sales tax revenue available in the General Fund in the proposed fiscal year 2020 budget and reduces dedicated taxes by the same amount. CAH is locally funded in the proposed budget and financial plan.

Fiscal Impact of Subtitle (V)(C) Commission on the Arts and Humanities Funding Structure Amendment Act of 2109 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Sales tax revenue available in General Fund by reducing dedicated sales tax revenues	\$30,503	\$31,947	\$33,185	\$34,438	\$130,073

⁵⁷ Business Improvement Districts Act of 1996, effective May 29, 1996 (D.C. Law 11-134; D.C. Official Code § 2-1215.02(4)).

⁵⁸ DPR Parks Adoption and Sponsorship Amendment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 10-304).

⁵⁹ NoMa Improvement Association Business Improvement District Amendment Act of 2006, effective March 8, 2007(D.C. Law 16-245; D.C. Official Code § 2-1215.57).

⁶⁰ D.C. Official Code § 47-2002(d).

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

Background

This subtitle allows⁶¹ consumer members of the Interagency Council on Homelessness (ICH) to receive a stipend of \$50 or less for each Council meeting, including committee and working group meetings.

Financial Impact

There is no funding in the proposed fiscal year 2020 budget earmarked for these stipends but the subtitle does not require their payment. ICH estimates it would cost \$21,600 in fiscal year 2020 to provide consumer members with a \$50 stipend for each meeting they attend.⁶² If additional funding is provided to the Deputy Mayor for Health and Human Services (which provides funding for ICH) through a reprogramming or subsequent budget act, the subtitle allows the stipends to be paid.

Subtitle (V)(E) – Redetermining Homeless Services Eligibility Clarification Amendment Act of 2019

Background

The subtitle will allow⁶³ the Department of Human Services (DHS) to exit people from short-term shelter more quickly when they are no longer eligible for that shelter. This may occur when a family is no longer using an assigned room or when an individual no longer qualifies for family shelter and needs to be transferred to a shelter for individuals. Currently it takes at least 19 days to transfer or exit people in these situations. With the subtitle in effect these exits and transfers will take three to nine days.

Financial Plan Impact

Based on data from past experience, DHS believes the subtitle will allow 25 to 30 families to exit or transfer from short-term shelter in motels 15 days earlier than they would have under current law. This could produce savings for DHS since shelter in motel rooms currently costs \$135 per room per night; however, savings from this subtitle could be offset if more families than expected seek short-term shelter, which has caused spending pressures for DHS in the past.

⁶¹ By amending Section 1108(c-2) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-611.08(c-2)).

⁶² Assuming 12 people on the youth and adult boards, with an average of three qualifying meetings per month per person.

⁶³ By amending The Homeless Services Reform Act of 2005, effective October 22, 2005 (D.C. Law 16-35; D.C. Official Code § 4-751.01 et seq.)

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

Background

The subtitle gives⁶⁴ the Mayor’s Office of Veterans Affairs (MOVA) the authority to issue grants that support services for veterans, family members of veterans, survivors, and military and veteran caregivers.

Financial Impact

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

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

Background

The subtitle transfers⁶⁵ Adult Protective Services from the Department of Human Services (DHS) to the Department of Aging and Community Living (DACL).

Financial Impact

In the proposed fiscal year 2020 budget DHS transfers the following funding for Adult Protective Services to DACL:

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

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

Background

The subtitle allows the Mayor to award grants to non-profit organizations to support the establishment and operation of Families First DC centers in District neighborhoods. Ten neighborhood-based centers known as Family Success Centers will offer access to District and private-sector services and resources, with the goal of reducing social, economic, and health disparities among District residents and creating stronger, more resilient families and supportive environments for children.

⁶⁴ By amending Section 403 of the Office of Veterans Affairs Establishment Act of 2001, effective October 3, 2001 (D.C. Law 14-28, D.C. Official Code § 49-1003).

⁶⁵ By amending Section 2(6) of the Adult Protective Services Act of 1984, effective March 14, 1985 (D.C. Law 5-156; D.C. Official Code § 7-1901(6)).

Financial Impact

The proposed fiscal year 2020 budget includes \$4,741,986 in recurring funding in the budget of the Child and Family Services Agency (CFSA) for the Families First DC program. CFSA will manage the program with three FTEs: one program manager and two program analysts, whose positions will, altogether, cost around \$342,000 a year. CFSA will also receive \$4,400,000 in non-personnel services funding to award grants for staffing and programming at each of the ten Family Success Centers.

Funding for Families First DC included in proposed FY 2020 budget					
	FY 2020	FY 2021	FY 2022	FY 2023	Four-Year Total
Grants for staff and programming at 10 centers	\$4,400,000	\$4,477,000	\$4,555,348	\$4,635,066	\$18,067,414
CFSA Staff, 3 FTEs: 1 Program Manager, 2 Program Analysts	\$341,986	\$347,971	\$354,060	\$360,256	\$1,404,273
TOTAL	\$4,741,986	\$4,824,971	\$4,909,408	\$4,995,322	\$19,471,687

TITLE VI - TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) – Capitol Riverfront Half Street, SE, Improvement Grant Authorization Act of 2019

Background

This subtitle authorizes the Director of the District Department of Transportation (DDOT) to issue grants⁶⁶ supporting improvements to Half Street, S.E. located between M Street, S.E. and N Street, S.E. The Director can issue grants to the Capitol Riverfront Business Improvement District (BID)⁶⁷ or an owner of real property adjacent to this segment of Half Street, S.E.

Financial Plan Impact

In fiscal year 2019, the District budgeted \$2.2 million in capital funds⁶⁸ to improve this segment of Half Street, N.E. The subtitle authorizes DDOT to issue grants to either the Capitol Riverfront BID or adjacent property owners. DDOT expects to issue a one-time grant to one of the eligible entities using the budgeted \$2.2 million.

⁶⁶ This includes grants in excess of \$1 million.

⁶⁷ Capitol Riverfront Business Improvement District Amendment Act of 2007, effective October 18, 2007 (D.C. Law 17-27; D.C. Official Code § 2-1215.58).

⁶⁸ District capital project: Half Street (HAF19).

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

Background

The District Department of Transportation (DDOT) groups the District’s capital infrastructure needs funded through the District of Columbia Highway Trust Fund and local funds⁶⁹ as “Master” capital projects with several “Related Projects.” DDOT is not authorized to spend directly from the Master capital projects but must request the Office of Budget and Planning (OBP) to allocate funds for the Related Projects before obligating and spending those funds. DDOT was also authorized to request OBP to transfer any unspent fund balances from completed Related Projects back to the relevant Master local capital project through January 31, 2019.

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

Financial Plan Impact

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

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

Background

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

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

Financial Plan Impact

DFHV decisions are not currently appealed to OAH and eliminating this statutory reference aligns the statute with current DFHV practices. There is no impact on the proposed budget and financial plan.

⁶⁹ Fiscal Year 2018 BSA.

Subtitle (VI)(D) – Department of For-Hire Vehicles Consumer Service Fund Reporting Amendment Act of 2019

Background

The Department of For-Hire Vehicles (DFHV) deposits most of the revenues it collects into the Public Vehicles-for-Hire Consumer Service Fund (Fund).⁷⁰ These revenues include all passenger surcharges, public, licensing and registration fees, and approximately one-sixth of the gross receipts tax collected from private for-hire vehicle operators.⁷¹ Currently, DFHV submits monthly reports to Council indicating the Fund’s revenues.

The subtitle amends the monthly report to make it an annual report due by November 15th of each year.

Financial Plan Impact

The subtitle changes the frequency with which DFHV needs to report Fund revenues to Council and there is no impact on the proposed budget and financial plan.

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

Background

The subtitle expands the Mayor’s authority to mail a motor vehicle notice of infraction to a violator when the violator leaves the site of the violation before the enforcement officer can personally serve or affix the violation to the vehicle. Currently, the Mayor can only mail a notice of infraction detected by an automated traffic enforcement device.⁷²

Financial Plan Impact

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

Subtitle (VI)(F) – Student, Youth, and Learner Transit Subsidies Act of 2019

Background

The subtitle expands⁷³ the Kids Ride Free program to include travel during the summer for educational and other purposes, including participation in the Summer Youth Employment Program

⁷⁰ Taxicab Service Improvement Amendment Act of 2012, effective October 22, 2012 (D.C. Law 19-184; D.C. Official Code § 50-301.20).

⁷¹ Vehicle-For-Hire Innovation Amendment Act of 2014, effective March 10, 2015 (D.C. Law 20-197; D.C. Official Code § 50-301.31(b)(11)).

⁷² District of Columbia Traffic Adjudication Act of 1978, effective September 12, 1978 (D.C. Law 2-104; D.C. Official Code § 50-2303(c-1)).

⁷³ By repealing and replacing The School Transit Subsidy Act of 1978, effective March 6, 1979 (D.C. Law 2-152; D.C. Official Code § 35-231 et seq.)

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(SYEP). SYEP participants who have access to subsidized transit fares through Kids Ride Free will no longer be eligible for the SYEP transit subsidy and must use their Kids Ride Free card for transportation to and from SYEP activities.

SYEP participants range in age from 14 to 24 years, and those enrolled in primary or secondary school, or another program eligible for a Kids Ride Free subsidy, should have access to a Kids Ride Free card. Older participants not enrolled in school who are ineligible for Kids Ride Free will receive a transit subsidy through the SYEP.

The subtitle makes other changes to the D.C. Code to streamline the Code and align it with current practice, such as:

- Removing the requirement that the District charge private school students a separate monthly fee to use Metrorail, making Kids Ride Free cards available to both public and private school students. This allows the program to use the same student card and inventory system for both public and private schools. The separate monthly fee for private school students previously did not generate significant revenue but added administrative complexity.
- Authorizing the Mayor to impose a card replacement fee.
- Removing outdated provisions to match the program’s modern operations (for example, removing references to student fare products that WMATA no longer sells or accepts).

Financial Plan Impact

The subtitle will save approximately \$362,000 in the proposed fiscal year 2020 budget, according to the Department of Employment Services, since SYEP participants with access to a Kids Ride Free card will no longer need an SYEP transit subsidy. The savings will be used for other purposes.

Charging a card replacement fee is unlikely to produce significant savings, according to the District Department of Transportation. The intent of the fee is to encourage students to keep better track of their cards and not lose them.

Overall spending on Kids Ride Free and other transit subsidy programs for students, youth, and adult learners will be limited to available funding. The law does not require the Mayor to implement or spend money on any of these transit subsidy programs; program implementation, structure, and funding are up to the Mayor.

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

Background

In late 2018, the Council passed the CleanEnergy DC Omnibus Amendment Act (Act).⁷⁴ The Act is intended to protect the environment by setting more aggressive renewable energy goals, encouraging reductions in energy use through increased sustainable energy surcharges,⁷⁵ improving building efficiency, developing more business participation in energy efficiency fields, and encouraging consumer choices to reduce emissions in the transportation sector.

The Act includes a more aggressive Renewable Portfolio Standard and increases the sustainable energy surcharge to generate more District revenues from utility providers or to cause more power

⁷⁴ Enacted January 18, 2019 (D.C. Act 22-583; 66 DCR 1344).

⁷⁵ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10(b)).

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to be generated with renewable sources. The Act also develops a new Building Energy Performance Standard Program and requires District agencies to conduct studies and plans to reduce energy usage related to buildings and transportation.

The subtitle repeals the subject to appropriations funding clause allowing the law to be implemented with the proposed fiscal year 2020 budget. In doing so, the more aggressive Renewable Portfolio Standards will go into effect; the sustainable energy surcharges on electricity, natural gas, and home fuel oil will increase; the Department of Energy and Environment (DOEE) will develop the Building Energy Performance Standard Program and the Department of Motor Vehicles (DMV) will adjust the vehicle excise tax⁷⁶ to be more favorable to more fuel-efficient vehicles. The latter provision includes a full exemption from the excise tax for all electric vehicles.

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

Financial Plan Impact

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

The charts below outline the costs associated with the Act’s implementation and the more detailed impact on the SETF.⁷⁷

CleanEnergy Implementation Amendment Act of 2019 Implementation Costs Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
DISTRICT ENERGY COSTS					
Solar Compliance	\$0	\$1,000	\$1,190	\$1,300	\$3,490
SETF Assessments	\$742	\$698	\$661	\$621	\$2,722
Total Energy Costs	\$742	\$1,698	\$1,851	\$1,921	\$6,212
BUILDING PERFORMANCE PROGRAM					
DOEE Personnel	\$650	\$674	\$698	\$750	\$2,772
DOEE Startup Costs	\$164	\$0	\$0	\$0	\$164
DOEE Ongoing Costs	\$386	\$398	\$410	\$422	\$1,616
Total DOEE Costs	\$1,200	\$1,072	\$1,108	\$1,172	\$4,552
STUDIES AND PLANS					
Building Performance Study	\$250	\$0	\$0	\$0	\$250
DGS Strategic Energy Management Plan	\$250	\$0	\$0	\$0	\$250

⁷⁶ District of Columbia Traffic Act, 1925, approved March 3, 1925 (43 Stat. 1121; D.C. Official Code § 50-2201.03(j)).

⁷⁷ D.C. Official Code § 8-1774.10.

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CleanEnergy Implementation Amendment Act of 2019					
Implementation Costs					
Fiscal Year 2020 – Fiscal Year 2023					
(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
DDOT Clean Vehicle Transition Study	\$250	\$0	\$0	\$0	\$250
Total Studies and Plans Costs	\$750	\$0	\$0	\$0	\$750
TRANSPORTATION INITIATIVES					
DMV Personnel	\$68	\$71	\$74	\$76	\$289
DMV System Update	\$150	\$0	\$0	\$0	\$150
Electric Vehicle Excise Tax Exemption	\$132	\$132	\$132	\$132	\$528
Total Transportation Costs	\$350	\$203	\$206	\$208	\$967
NEW SETF COMMITMENTS					
Green Finance Authority Transfers	\$15,000	\$15,000	\$10,000	\$10,000	\$50,000
30% Allocation for Low-Income, Certified Business Enterprises, and Overall Act Implementation	\$7,130	\$6,766	\$6,456	\$6,119	\$26,470
Affordable Housing Programs	\$0	\$0	\$3,000	\$3,000	\$6,000
Total SETF Commitments	\$22,130	\$21,766	\$19,456	\$19,119	\$82,470
TOTAL IMPLMENTATION COSTS	\$25,172	\$24,739	\$22,621	\$22,420	\$94,951

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

Table Notes

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

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

Background

In fiscal year 2019,⁷⁸ the Mayor launched two financial assistance programs to help District residents and District non-profit organizations pay their DC Water impervious area charges.⁷⁹ To be eligible, a District resident’s income must not exceed 100 percent of the Area Median Income and a non-profit must show it experiences significant hardship due to the impervious area charge. The Mayor allocated \$7 million in fiscal year 2019 for these programs and required that at least \$4 million of that funding be available for the non-profit organization program.

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

Financial Plan Impact

The Mayor funded the District resident and non-profit organization financial assistance programs with \$7 million in fiscal year 2019. The subtitle requires the Mayor to deposit any of these funds that remain unspent at the end of fiscal year 2019 into the Fund. The proposed fiscal year 2020 budget and financial plan includes an additional \$4 million annually in resources for the Fund. The District Department of the Energy and the Environment transfers this funding to DC Water, which bills water customers for the impervious area charge.

TITLE VII – FINANCE AND REVENUE

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

Background

The Fiscal Year 2019 Budget Support Act⁸⁰ lowered the cap⁸¹ on assessment growth to five percent annually for homestead-qualified residents over the age of 65, or with a permanent disability, and with a household adjusted gross income of less than \$125,000. The subtitle clarifies that the five percent cap applies to qualified senior and disabled residents living in a cooperative housing association⁸². The clarification applies as of October 1, 2018.

Financial Plan Impact

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

⁷⁸ District of Columbia Water and Sewer Authority Rate Increase Mitigation Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 34-2202.16b).

⁷⁹ Stormwater Permit Compliance Amendment Act of 2019, effective June 13, 2001 (D.C. Law 13-311; D.C. Official Code § 34-2202.16).

⁸⁰ Section 2007 of D.C. Law 22-168, effective October 30, 2018.

⁸¹ D.C. Official Code § 47-864(b).

⁸² D.C. Official Code § 29-901 et seq.

Subtitle (VII)(B) – Extension of and Increase to the Keep Child Care Affordable Tax Credit Amendment Act of 2019

Background

The subtitle permanently extends the Early Learning Tax Credit Amendment Act of 2018⁸³. The credit previously applied only to tax year 2018. It provides a refundable income tax credit up to \$1,000 per eligible child age 3 and under for taxpayers who have enrolled their child, and incurred spending, at a licensed child development facility in the District. To be eligible, a taxpayer must have taxable income of less than \$750,000 and must not currently be receiving child care subsidies under the Office of the State Superintendent of Education Subsidy Program. The subtitle increases the maximum credit available according to inflation, beginning in fiscal year 2021.

Financial Plan Impact

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

Fiscal Impact of Subtitle (VII)(B) Extension of the Early Learning Tax Credit Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced individual income tax revenue	\$2,514	\$2,574	\$2,636	\$2,699	\$10,423

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

Background

The subtitle increases the maximum per taxpayer Schedule H real property tax credit⁸⁴ from \$1,000 to \$1,200. It also raises the income eligibility threshold for the credit by \$15,000 for non-seniors and applies a different credit calculation formula for the higher income threshold. Currently, the Schedule H credit equals the amount of property tax paid (or 20 percent of rent paid) above three percent of a filer’s Adjusted Gross Income (“AGI”), if the filer’s AGI is less than \$25,000. If the filer’s AGI is between \$25,000 and \$50,000, the credit equals the amount of property tax paid (or 20 percent of rent paid) above four percent of a filer’s AGI. Tax filers with AGI above \$50,000 are not eligible.

The subtitle adjusts the second threshold to allow for filers with AGI between \$25,000 to \$51,999 to receive a credit if property tax paid (or 20 percent of rent paid) is more than four percent of a filer’s AGI. It also adds a third threshold for filers with AGI between \$52,000 and \$65,000 to receive a credit if property tax paid (or 20 percent of rent paid) is more than five percent of a filer’s AGI. Tax filers with AGI above \$65,000 will not be eligible (unless the filer is a senior).

Lastly, the maximum AGI for seniors is increased from \$60,000 to \$80,000. The credit for senior claimants is calculated as the amount of property tax paid (or 20 percent of rent paid) above three percent of a filer’s AGI.

⁸³ D.C. Official Code 47-1806.15.

⁸⁴ D.C. Official Code 47-1806.06.

Financial Plan Impact

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

Fiscal Impact of Subtitle (VII)(C) Keep Housing Affordable Increased Property Tax Relief Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced individual income tax revenue	\$5,273	\$5,484	\$5,704	\$5,932	\$22,393

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

Background

The subtitle increases the deed transfer⁸⁵ and deed recordation⁸⁶ tax rates for mixed-use and commercial real estate transactions valued at \$2 million or higher. Both tax rates will increase to 2.5 percent for these properties; currently both rates are 1.45 percent.

A deed that evidences a transfer of an economic interest in mixed-use or commercial property at \$2 million or above will be taxed at a rate of 5 percent. Currently those transfers are taxed at 2.9 percent.

Financial Plan Impact

The subtitle will increase deed recordation and transfer tax revenue over the proposed budget and financial plan per the chart below. Fifteen percent of all deed recordation⁸⁷ and transfer⁸⁸ tax revenue is dedicated to the Housing Production Trust Fund.⁸⁹

Fiscal Impact of Subtitle (VII)(D) Deed Recordation and Transfer Taxes Amendment Act of 2019 Fiscal Year 2019 – Fiscal Year 2023 (\$000s)						
	FY 2019	FY 2021	FY 2022	FY 2023	FY 2023	Total
Increased deed recordation and transfer tax revenue to general fund	\$9,166	\$77,956	\$95,302	\$98,152	\$101,002	\$381,576
Increased deed recordation and transfer tax revenue dedicated to Housing Production Trust Fund	\$1,395	\$12,879	\$15,778	\$16,281	\$16,784	\$63,117
TOTAL	\$10,561	\$90,834	\$111,080	\$114,433	\$117,786	\$444,694

⁸⁵ D.C. Official Code § 42-1103.

⁸⁶ D.C. Official Code § 47-903.

⁸⁷ D.C. Official Code § 42-1103 (a-4).

⁸⁸ D.C. Official Code § 47-903 (a-4).

⁸⁹ D.C. Official Code [§ 42-2802](#) Housing Production Trust Fund.

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

Background

Fiscal year 2019 revenues generated by the 2018 Internet Sales Tax law were dedicated⁹⁰ to the Commission on Arts and Humanities. The subtitle repeals the fiscal year 2019 dedication to CAH.

Financial Plan Impact

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

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

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

Background

The subtitle maintains the current class 2 commercial rate of \$1.89 per \$100 value on properties with an assessed value greater than \$10 million. Under current law⁹¹, any new sales tax revenue generated by the Internet Sales Tax bill is to be used to lower the Class 2 commercial property tax rate on properties with an assessed value greater than \$10 million until the rate reaches \$1.85 per \$100 of assessed property value. The subtitle repeals this rate reduction trigger.

Financial Plan Impact

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

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

⁹⁰ D.C. Act 22-584, Internet Sales Tax Amendment Act of 2018, projected law date March 28, 2019. (66 DCR 1362).

⁹¹ D.C. Act 22-584, Internet Sales Tax Amendment Act of 2018, projected law date March 28, 2019.(66 DCR 1362).

Subtitle (VII)(G) – Diaper Sales Tax Exemption Implementation Amendment Act of 2019

Background

The subtitle exempts diapers and incontinence products⁹² from the District’s six percent sales tax⁹³ and fully funds the Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016.⁹⁴ The section of the law exempting feminine hygiene products was authorized and funded in fiscal year 2019.⁹⁵

Financial Plan Impact

The subtitle will reduce sales tax revenue collections per the chart below.

Fiscal Impact of Subtitle (VII)(G) Diaper Sales Tax Exemption Implementation Act of 2019 Fiscal Year 2020 – Fiscal Year 2023 (\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Reduced sales tax revenue	\$4,506	\$4,660	\$4,921	\$5,120	\$19,207

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

Background

The recent law⁹⁶ authorizing sports wagering dedicated all excise tax revenue from private sports gaming wagering to three different sources. The first \$200,000 is dedicated to the Department of Behavioral Health (DBH) for prevention and treatment of gambling addiction, and the remaining revenue is divided equally between funding the Birth-to-Three for All DC Amendment Act of 2018⁹⁷ and the Neighborhood Safety and Engagement Fund⁹⁸.

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

Financial Plan Impact

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

⁹² Diapers are defined as any absorbent incontinence product, washable or disposable, worn by someone, regardless of age, who cannot control bladder or bowel movements.

⁹³ D.C. Official Code § 47-2002.

⁹⁴ Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-201; 63 DCR 15041).

⁹⁵ Fiscal Year 2019 Budget Support Act of 2018 (D.C. Law 22-168 Effective from Oct 30, 2018, 65 DCR 13694)

⁹⁶ Sports Wagering Lottery Amendment Act of 2018, projected law date May 23, 2019 (D.C. Act 22-594; 66 DCR 1402).

⁹⁷ D.C. Law 22-179, effective October 30, 2018.

⁹⁸ D.C. Official Code § 7-2413.

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

Subtitle (VII)(I) – Subject-to-Appropriations Repeals and Delays Act of 2019

Background

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

- Performing Arts Promotion Amendment Act of 2018⁹⁹
- Revised Uniform Law on Notarial Acts Act of 2018¹⁰⁰
- OAH Jurisdiction Expansion Amendment Act of 2018¹⁰¹
- Daytime School Parking Zone Act of 2018¹⁰²
- Opioid Overdose Treatment and prevention Act of 2018¹⁰³
- Access to Treatment for Anaphylaxis Act of 2018¹⁰⁴
- Study of Long-Term Care Facilities and Long-Term Care Services Act of 2018¹⁰⁵
- Rhode Island Avenue (RIA) Tax Increment Financing Act of 2018¹⁰⁶

The Senior Dental Services Program Act of 2018¹⁰⁷ has been funded for fiscal year 2020 but will be subject to appropriations beginning fiscal year 2021.

Under Subtitle (VII)(F) of this bill, the Diaper Sales Tax Exemption Implementation Amendment Act of 2019¹⁰⁸ is also fully authorized and funded in the budget and financial plan.

Under Subtitle (VI)(G) of this bill, the CleanEnergy DC Omnibus Amendment Act of 2018¹⁰⁹ is also fully authorized and funded in the budget and financial plan.

⁹⁹ D.C. Act 22-634, enacted February 6, 2018.

¹⁰⁰ D.C. Law 22-189, effective December 4, 2018.

¹⁰¹ D.C. Law 22-112, effective April 19, 2018.

¹⁰² D.C. Law 22-226, effective February 22, 2019.

¹⁰³ D.C. Act 22-617, enacted January 30, 2019.

¹⁰⁴ D.C. Law 22-207, effective February 22, 2019.

¹⁰⁵ D.C. Law 22-238, effective March 13, 2019.

¹⁰⁶ D.C. Act 22-589, projected law date March 28, 2019.

¹⁰⁷ D.C. Law 22-108, effective June 5, 2018.

¹⁰⁸ Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-201; 63 DCR 15041).

¹⁰⁹ Enacted February 18, 2019 (D.C. Act 22-583; 66 DCR 1344).

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Financial Plan Impact

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

Fiscal Impact of Subtitle (VII)(I)					
Subject-to-Appropriations Repeals and Delays Act of 2019					
Fiscal Year 2020 – Fiscal Year 2023					
(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Performing Arts Promotion Amendment Act of 2018 <i>(Revenue Reduction)</i>	\$375	\$375	\$375	\$375	\$1,500
Revised Uniform Law on Notarial Acts Act of 2018 <i>(Funded in the Office of Notary Commissions and Authentications within the Office of the Secretary)</i>	\$80	\$0	\$0	\$0	\$80
OAH Jurisdiction Expansion Amendment Act of 2018 <i>(Funded in OAH)</i>	\$125	\$127	\$130	\$132	\$514
Daytime School Parking Zone Act of 2018 <i>(Funded in DDOT)</i>	\$89	\$90	\$92	\$93	\$364
Opioid Overdose Treatment and prevention Act of 2018 <i>(Funded in DHCF)</i>	\$83	\$83	\$83	\$83	\$332
Access to Treatment for Anaphylaxis Act of 2018 <i>(Funded in DOH)</i>	\$201	\$205	\$209	\$213	\$828
Study of Long-Term Care Facilities and Long-Term Care Services Act of 2018 <i>(Funded in DOH)</i>	\$118	\$0	\$0	\$0	\$118
Senior Dental Services Program Act of 2018 <i>(Funded in DOH)</i>	\$500	\$0	\$0	\$0	\$500
Rhode Island Avenue Tax Increment Financing Act of 2018 <i>(Funded in DMPED)</i>	\$2,721	\$0	\$0	\$0	\$2,721

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

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

Background

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

Fund Name	Amount
Recorder of Deeds Automation and Infrastructure Improvement Fund ¹¹⁰	\$500,000
Litigation Support Fund ¹¹¹	\$1,601,990
DC Jobs Trust Fund ¹¹²	\$61,280
Basic Business License Fund ¹¹³	\$815,000
Corporate Recordation Fund ¹¹⁴	\$2,855,190
Economic Development Special Account ¹¹⁵	\$2,390,000
Board of Medicine Fund ¹¹⁶	\$7,225
State Health Planning and Development Agency Hospital User Fee Fund ¹¹⁷	\$33,691
Intermediate Care Facilities for Persons with Intellectual Disabilities Fees ¹¹⁸	\$44,281

¹¹⁰ D.C. Official Code §42-1214
¹¹¹ D.C. Official Code §1-301.86b
¹¹² D.C. Official Code §2-219.04c
¹¹³ D.C. Official Code §47-2851.13
¹¹⁴ D.C. Official Code §29-102.13
¹¹⁵ D.C. Official Code §2-1225.21
¹¹⁶ D.C. Official Code §7-731
¹¹⁷ D.C. Official Code §44-420.01
¹¹⁸ D.C. Official Code §7-731

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2020 Budget Support Act of 2019," based on the draft bill provided to the Office of Revenue Analysis on March 19, 2019

Medicaid Collections-Third Party Liability ¹¹⁹	\$467,924
Health Benefits Plans Members Bill of Rights ¹²⁰	\$9,079
Alcoholic Beverage Regulation Administration Fund ¹²¹	\$76,613

Financial Plan Impact

The proposed budget and financial plan includes \$8.862 million of fund balance use from the above-named special funds.

¹¹⁹ D.C. Official Code §4-803

¹²⁰ D.C. Official Code §1-204.24d

¹²¹ D.C. Official Code §25-210