

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: January 9, 2018

SUBJECT: Fiscal Impact Statement – City Innovation Fund Re-establishment
Amendment Act of 2017

REFERENCE: Bill 22-127, Committee Print provided to the Office of Revenue
Analysis on November 15, 2017

Conclusion

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost approximately \$15 million in fiscal year 2018 and \$60 million over the four-year budget and financial plan.

Background

The Innovation Fund¹ (“Fund”) was established² in fiscal year 2014 with a total budget of \$15 million, to provide subgrants to nonprofit organizations in education, job training, health, services for seniors, arts, public safety, and environment. The Community Foundation for the National Capital Region (“CFNCR”) was statutorily selected as the grant management entity. The last of the original \$15 million in funding was committed to a final round of subgrants at the beginning of fiscal year 2018. No additional funding was budgeted for fiscal year 2018.

The bill changes the name of the fund to the City Innovation Fund, and updates the name of the grant management entity to the Greater Washington Community Foundation, the new name of CFNCR. The bill increases the maximum amount of a subgrant from \$100,000 to \$200,000, and directs that the Fund be managed by the Deputy Mayor for Health and Human Services. Lastly, the bill requires the \$15 million to be budgeted in the Fund annually, subject to appropriations in an approved budget and financial plan.

¹ D.C. Official Code § 1-325.222.

² See The Fiscal Year 2014 Budget Support Act of 2013, effective December 24, 2013 (D.C. Law 20-61, 60 DCR 12472).

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 through fiscal year 2021 budget and financial plan to implement the bill. The bill will cost \$15 million in fiscal year 2018 and \$60 million over the four-year budget and financial plan for grant and administration funding for the Greater Washington Community Foundation. The required grant funding is subject to appropriations in an approved budget and financial plan.

Additionally, the Deputy Mayor for Health and Human Services requires a program analyst³ to manage the responsibilities in the current Agreement for Grant Administration with GWCF. Among the duties outlined in the agreement, the Mayor must review and approve the Semi-Annual Reports from GWCF, as well as the Closeout Report, within 60 days of receipt. The Mayor may also conduct evaluations and perform on-site monitoring of the GWCF's performance, at a frequency the Mayor deems appropriate.⁴

Fiscal Impact of Bill 22-172 City Innovation Fund Re-Establishment Amendment Act of 2017 FY 2018 – FY 2021, (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four-Year Total
Required Grant Funding to Greater Washington Community Foundation	\$15,000	\$15,000	\$15,000	\$15,000	\$60,000
1 FTE (Grade 12, Program Analyst) in Office of Deputy Mayor for Health and Human Services	\$83	\$86	\$88	\$91	\$348
Total Fiscal Impact	\$15,083	\$15,086	\$15,088	\$15,091	\$60,348

³ The program analyst will be a grade 12.

⁴ As outlined in the Agreement for Grant Administration between the District of Columbia and the Greater Washington Community Foundation, signed October 3, 2017.