

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:** November 21, 2017

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

**REFERENCE:** Bill 22-172, Committee Print provided to the Office of Revenue  
Analysis on November 15, 2017

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**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 Fund<sup>1</sup> (“Fund”) was established<sup>2</sup> 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.

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<sup>1</sup> D.C. Official Code § 1-325.222.

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

The Honorable Phil Mendelson

FIS: "City Innovation Fund Re-establishment Amendment Act of 2017," Committee Print provided to the Office of Revenue Analysis on November 15, 2017

### 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 analyst<sup>3</sup> 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.<sup>4</sup>

<b>Fiscal Impact of Bill 22-172</b>					
<b>City Innovation Fund Re-Establishment Amendment Act of 2017</b>					
<b>FY 2018 – FY 2021, (\$ thousands)</b>					
	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Four-Year Total</b>
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
<b>Total Fiscal Impact</b>	<b>\$15,083</b>	<b>\$15,086</b>	<b>\$15,088</b>	<b>\$15,091</b>	<b>\$60,348</b>

<sup>3</sup> The program analyst will be a grade 12.

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