


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: June 27, 2017

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

REFERENCE: Bill 22-244, Amendment in the Nature of a Substitute circulated on June 26, 2017

Conclusion

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

The Council’s fiscal year 2018 budget proposes \$7.63 billion in Local funds spending, supported by \$7.63 billion of local resources, with an operating margin of \$0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to Local funds is \$8.65 billion.

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

The bill, the “Fiscal Year 2018 Budget Support Act of 2017,” is the legislative vehicle for adopting statutory changes needed to implement the proposed budget for the fiscal years 2018 through 2021 budget and financial plan period. The following pages summarize the purpose and the impact of each subtitle.

Table of Contents

TITLE I - GOVERNMENT DIRECTION AND SUPPORT 6

 Subtitle (I)(A) – Executive Service Pay Schedule Conformity Amendment Act of 2017 6

 Subtitle (I)(B) – Unjust Conviction and Imprisonment Compensation Amendment Act of 2017 8

 Subtitle (I)(C) – Office of Administrative Hearings Payroll Adjustment and Clarification
 Amendment Act of 2017 7

 Subtitle (I)(D) – Office of Employee Appeals Member Compensation Amendment Act of 2017 8

 Subtitle (I)(E) – Unemployment Compensation for Domestic Violence Survivors Amendment
 Act of 2017 8

 Subtitle (I)(F) – Public Employee Relations Board Compensation Amendment Act of 2017 9

 Subtitle (I)(G) – Wage Theft Clarification Amendment Act of 2017 9

 Subtitle (I)(H) – Legislative Branch Performance Bonus Pay Amendment Act of 2017 9

 Subtitle (I)(I) – Fiscal Impact Statement for Council Actions Clarification Amendment Act of
 2017 9

 Subtitle (I)(J) – Auditor Legal Fund Elimination Amendment Act of 2017 10

 Subtitle (I)(K) – Compliance Unit Repeal Amendment Act of 2017 10

 Subtitle (I)(L) – Legislative Branch Employee Retirement Benefits Match Amendment Act of
 2017 10

 Subtitle (I)(M) – Surplus Property Fund Clarification Amendment Act of 2017 11

 Subtitle (I)(N) – Contract Appeals Board Rulemaking Amendment Act of 2017 12

 Subtitle (I)(O) – Street and Alley Designation Clarification Amendment Act of 2017 12

TITLE II- ECONOMIC DEVELOPMENT AND REGULATION 12

 Subtitle (II)(A) – Historic-Only Permit Fee Reduction Amendment Act of 2017 12

 Subtitle (II)(B) – Public Servants and First-Responders Housing Incentive Amendment Act of
 2017 13

 Subtitle (II)(C) – Housing Production Trust Fund Amendment Act of 2017 14

 Subtitle (II)(D) – Housing Preservation Fund Establishment Act of 2017 14

 Subtitle (II)(E) - St. Elizabeths East Campus Redevelopment Fund Establishment Act of 2017 15

 Subtitle (II)(F) - Land Disposition Transparency Amendment Act of 2017 16

 Subtitle (II)(G) – Marion S. Barry Summer Youth Employment Program Amendment Act of
 2017 17

 Subtitle (II)(H) - Business License Technology Fee Reauthorization Amendment Act of 2017 18

 Subtitle (II)(I) – Walter Reed Omnibus Amendment Act of 2017 18

 Subtitle (II)(J) - Publicly Accessible Rent Control Housing Clearinghouse Amendment Act of
 2017 19

 Subtitle (II)(K) - District of Columbia Housing Authority Rehabilitation and Maintenance Fund
 Administration Amendment Act of 2017 19

 Subtitle (II)(L) – Coalition for Non-Profit Housing and Economic Development Grants Act of
 2017 19

 Subtitle (II)(M) – Department of Small and Local Business Development Competitive Grants
 Act of 2017 20

 Subtitle (II)(N) - Ward 7 and Ward 8 Entrepreneur Grant Fund Establishment Act of 2017 20

 Subtitle (II)(O) - Georgia Avenue Retail Priority Area Amendment Act of 2017 21

 Subtitle (II)(P) - H Street, N.E., Retail Priority Area Clarification Amendment Act of 2017 21

 Subtitle (II)(Q) - Surplus and Disposition Notification Amendment Act of 2017 22

 Subtitle (II)(R) - Archives Location Prohibition Act of 2017 22

 Subtitle (II)(S) - Disposal of Abandoned and Deteriorated Property Amendment Act of 2017 23

Subtitle (II)(T) - Historic Preservation of Derelict District Properties Amendment Act of 2017	23
Subtitle (II)(U) - Local Rent Supplement Project-Based and Sponsor-Based Funding Amendment Act of 2017	23
Subtitle (II)(V) - Rental Unit Fee Amendment Act of 2017	24
Subtitle (II)(W) - DCRA Infraction Fine Increase Amendment Act of 2017	25
Subtitle (II)(X) - Purchase Card Program Budgeting Act of 2017	25
Subtitle (II)(Y) - Historic Portrait Archival Amendment Act of 2017	26
Subtitle (II)(Z) - DCRB Fair Credit in Employment Amendment Act of 2017	26
Subtitle (II)(AA) - Washington Metropolitan Area Transit Authority Safety Regulation Amendment Act of 2017	26
Subtitle (II)(BB) - Interior Design Regulation Amendment Act of 2017	27
Subtitle (II)(CC) - Protecting Pregnant Workers Fairness Amendment Act of 2017	27
TITLE III- PUBLIC SAFETY AND JUSTICE	28
Subtitle (III)(A) - Department of Forensic Sciences Establishment Amendment Act of 2017 ..	28
Subtitle (III)(B) - Chief Medical Examiner Amendment Act of 2017	28
Subtitle (III)(C) - Affordable Emergency Transportation and Pre-Hospital Medical Services Amendment Act of 2017	29
Subtitle (III)(D) - Neighborhood Engagement Achieves Results Amendment Act of 2017	30
Subtitle (III)(E) - Access to Justice Initiative Amendment Act of 2017	31
Subtitle (III)(F) - Expanding Access to Justice Amendment Act of 2017	31
Subtitle (III)(G) - Office of Open Government Budget Authority Amendment Act of 2017	32
Subtitle (III)(H) - Office of the Attorney General Litigation Support Fund and Attorney General Restitution Fund Amendment Act of 2017	33
Subtitle (III)(I) - Treatment Instead of Jail for Certain Non-Violent Drug Offenders Initiative Amendment Act of 2017	33
Subtitle (III)(J) - Leave and Retirement Modifications for Chief of Police Peter Newsham Emergency Amendment Act of 2017	34
Subtitle (III)(K) - Comprehensive Youth Justice Amendment Act of 2017	34
Subtitle (III)(L) - Emergency Medical Services Director Amendment Act of 2017	34
TITLE IV- PUBLIC EDUCATION	35
Subtitle (IV)(A) -Funding for Public Schools and Public Charter Schools Amendment Act of 2017	35
Subtitle (IV)(B) - Child and Youth, Safety and Health Omnibus Amendment Act of 2017	38
Subtitle (IV)(C) - Child Development Facilities Fund Amendment Act of 2017	39
Subtitle (IV)(D) - Public Charter School Assets and Facilities Preservation Amendment Act of 2017	39
Subtitle (IV)(E) - Academic Certification and Testing Fund Amendment Act of 2017	39
Subtitle (IV)(F) - Postsecondary and Career Grant-Making Authority Amendment Act of 2017	40
Subtitle (IV)(G) - Healthy Tots Amendment Act of 2017	40
Subtitle (IV)(H) - UDC Patricia R. Harris Facility Exclusive Use Amendment Act of 2017	40
Subtitle (IV)(I) - DPR Parks Adoption and Sponsorship Amendment Act of 2017	41
Subtitle (IV)(J) - My School DC Transfer Amendment Act of 2017	41
Subtitle (IV)(K) - Access to Quality Child Care Fund Establishment Act of 2017	42
Subtitle (IV)(L) - Special Education Enhancement Fund Amendment Act of 2017	42
Subtitle (IV)(M) - Office of the State Superintendent of Education Early Literacy Grant Program Amendment Act of 2017	42

Subtitle (IV)(N) - Office of Out of School Time Grants and Youth Outcomes Amendment Act of 2017.....	43
Subtitle (IV)(O) - Office of the State Superintendent of Education Reporting Requirements Amendment Act of 2017	43
Subtitle (IV)(P) – Per Capita District of Columbia Public School and Public Charter School Funding Amendment Act of 2017	43
TITLE V– HEALTH AND HUMAN SERVICES.....	44
Subtitle (V)(A) – TANF Child Benefit Protection Amendment Act of 2017	44
Subtitle (V)(B) – CFSA Reporting Requirements Amendment Act of 2017	45
Subtitle (V)(C) – Department of Health Care Finance Grant-Making Amendment Act of 2017.....	45
Subtitle (V)(D) – Medical Assistance Program Amendment Act of 2017	46
Subtitle (V)(E) – Early Childhood and School-Based Behavioral Health Comprehensive Plan Amendment Act of 2017	46
Subtitle (V)(F) – Medicaid Hospital Outpatient Supplemental Payment Act of 2017	47
Subtitle (V)(G) – Medicaid Hospital Inpatient Rate Supplement Act of 2017.....	47
Subtitle (V)(H) – East End Medical Center Act of 2017.....	48
TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT.....	48
Subtitle (VI)(A) - Product Stewardship Amendment Act of 2017	48
Subtitle (VI)(B) - Solar for All Program Amendment Act of 2017	49
Subtitle (VI)(C) - LIHEAP Heat and Eat Initiative Amendment Act of 2017.....	49
Subtitle (VI)(D) - Air Quality Construction Permits Fund Amendment Act of 2017.....	50
Subtitle (VI)(E) - Soil Erosion and Sediment Control Fund Amendment Act of 2017.....	50
Subtitle (VI)(F) - Stormwater Fees Fund Amendment Act of 2017	51
Subtitle (VI)(G) - Wetland Fund Amendment Act of 2017.....	51
Subtitle (VI)(H) - Private Sponsorship of DC Circulator and DC Streetcar Amendment Act of 2017.....	52
Subtitle (VI)(I) - Competitive Grants Act of 2017.....	52
Subtitle (VI)(J) - Crumb Rubber Artificial Turf Moratorium Act of 2017	53
Subtitle (VI)(K) – Energy Assistance Trust Fund Fee Amendment Act of 2017	53
Subtitle (VI)(L) – Healthy Schools Amendment Act of 2017	53
Subtitle (VI)(M) – Tree Canopy Protection Amendment Act of 2017	54
Subtitle (VI)(N) – Lead Exposure from Drinking Water in Child Development Facilities Prevention Amendment Act of 2017	54
TITLE VII – FINANCE AND REVENUE.....	55
Subtitle (VII)(A) - Subject to Appropriation Amendment Act of 2017	55
Subtitle (VII)(B) – Council Period 22 Rule 736 Amendment Act of 2017	60
Subtitle (VII)(C) - Prior Budget Support Act Clarification Amendment Act of 2017	60
Subtitle (VII)(D) - Our Lady of Perpetual Help Equitable Real Property Tax Relief Act of 2017	60
Subtitle (VII)(E) - International Spy Museum Tax Abatement Act of 2017	61
Subtitle (VII)(F) - Revised Revenue Contingency List Act of 2017	61
Subtitle (VII)(G) - Supermarket Tax Incentives Amendment Act of 2017	62
Subtitle (VII)(H) - Adult Learner Transit Subsidy Amendment Act of 2017.....	62
Subtitle (VII)(I) – Commission on the Arts and Humanities Grants Act of 2017.....	63
Subtitle (VII)(J) – First-Time Homebuyer Recordation Tax Benefit Amendment Act of 2017...	63
Subtitle (VII)(K) – Parking Sales Tax Clarification Amendment Act of 2017.....	64
Subtitle (VII)(L) – Public Space Rental Forgiveness Act of 2017	64
Subtitle (VII)(M) – Tax Reform Amendment Act of 2017	64
Subtitle (VII)(N) – Real Property Tax Appeals Amendment Act of 2017	65

Subtitle (VII)(O) – Hill East Community Garden Real Property Tax Relief Amendment Act of 2017.....	65
Subtitle (VII)(P) – Tax Increment Financing Reauthorization Amendment Act of 2017.....	65
Subtitle (VII)(Q) – Urban Farming and Food Security Amendment Act of 2017.....	65
Subtitle (VII)(R) – Washington Convention Authority Board of Directors Clarification Amendment Act of 2017	66
Subtitle (VII)(S) – Possessory Interest Clarification Amendment Act of 2017	66
Subtitle (VII)(T) – Hospitality Tax Dedication Amendment Act of 2017.....	66
Subtitle (VII)(U) – University of the District of Columbia Fundraising Match Act of 2017.....	67
Subtitle (VII)(V) - Fixed Cost Commodity Reserve Amendment Act of 2017	67
Subtitle (VII)(W) - Recorder of Deeds Automation Fund Clarification Amendment Act of 2017	67
Subtitle (VII)(X) - Events DC Grants Act of 2017	68
Subtitle (VII)(Y) - Women’s National Democratic Club Real Property Tax Exemption.....	68
Subtitle (VII)(Z) - Union Market District TIF Amendment Act of 2017.....	68
Subtitle (VII)(AA) - National Cherry Blossom Festival Fundraising Match Act of 2017	69
TITLE VIII – CAPITAL BUDGET	69
Subtitle (VIII)(A) – Fiscal Year 2018 Capital Project Financing Reallocation Approval Act of 2017.....	69
Subtitle (VIII)(B) - Capital Project Review and Reconciliation Amendment Act of 2017.....	71
Subtitle (VIII)(C) - Anti-Deficiency Act Clarification Amendment Act of 2017	72
Subtitle (VIII)(D) – Master Local Transportation Capital Projects Clarification Amendment Act of 2017.....	72
Subtitle (VIII)(E) - Reverse Paygo Reprogramming Amendment Act of 2017.....	72
Subtitle (VIII)(F) – Capital Infrastructure Preservation and Improvement Amendment Act of 2017.....	73
Subtitle (VIII)(G) – Local Transportation Revenue Amendment Act of 2017	73
TITLE IX – SPECIAL PURPOSE AND DEDICATED REVENUE FUND AMENDMENTS AND TRANSFERS.....	74
Subtitle (IX)(A) - Designated Fund Transfer Act of 2017.....	74
Subtitle (IX)(B) - Renewable Energy Development Fund Amendment Act.....	74

TITLE I - GOVERNMENT DIRECTION AND SUPPORT

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

Background

The subtitle makes¹ a number of changes to the pay of executives who are currently, or were at one point, paid outside of the executive service pay schedule.

It updates the compensation of the Chancellor of the District of Columbia Public Schools (DCPS) to reflect the new Chancellor's pay of \$280,000 a year. It also gives the Chancellor a performance bonus of up to 10 percent of his salary if he meets his 2017-2018 goals, and allows the Mayor to provide him with separation pay for up to 26 weeks if the Mayor terminates his contract, unless the termination is for cause². Finally, the subtitle exempts the DCPS Chancellor from restrictions³ on the use of chauffeurs that apply to executive branch employees.

The subtitle removes the former director the Department of General Services from the list of employees with pay outside of the executive service pay schedule.

It also removes the prohibition on pay increases like performance bonuses and cost of living increases for the Chancellor and the directors of the Department of Behavioral Health and Department of Health. This provision is retroactive to July 20, 2016 for the directors of the Department of Behavioral Health and the Department of Health.

The subtitle clarifies that compensation for the executives who are currently or were at one point paid outside of the executive pay schedule will not be used to determine the compensation for future employees holding the same positions.

Financial Plan Impact

The subtitle will not impact the budget and financial plan. The subtitle makes only two substantive changes to the D.C. Code. First, it increases the maximum number of weeks of severance pay the Chancellor can receive from 24 to 26. This has no fiscal impact since the Mayor can only provide severance pay if funds are available. Second, it allows the Chancellor and the directors of the Department of Behavioral Health and the Department of Health to receive pay increases for cost-of-living and performance (separate from the performance pay specifically available to the Chancellor for 2017-2018), but these increases will also only be awarded if funds are available. The cost of the other provisions in the subtitle have already been incorporated into the budget and financial plan since they align the D.C. Code with current practice.

¹ By amending Section 1052(b) 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 § 1-204 610.52(b)).

² Cause is defined in new paragraph 2(B) of the proposed act as being indicted for or convicted of any criminal offense, committing on-duty conduct that is reasonably known to be a violation of law or regulation, using public office for private gain, or committing an act that would warrant removal pursuant to Chapter 16 of Title 6B of the District of Columbia Municipal Regulations.

³ Listed in section 3602(b) of the Restrictions on the Use of Official Vehicles Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 50-204(b)).

Subtitle (I)(B) – Unjust Conviction and Imprisonment Compensation Amendment Act of 2017

Background

The subtitle limits⁴ the amount of compensation the District gives to people who were wrongfully convicted and sentenced for a felony offense. Compensation will be limited to:

- \$200,000 for each year of incarceration;
- \$40,000 for each year served on parole or probation, or as a registered sex offender;
- Reimbursement of child support payments due during time incarceration;
- A \$10,000 grant for housing, transportation, food, re-integrative services, and mental and physical health care;
- Automatic participation in the D.C. HealthCare Alliance or successor medical services system; and
- Tuition and fee reimbursement for education at the University of the District of Columbia, District of Columbia Community College, or other agreed upon training program.

In addition, the subtitle directs the Superior Court to award reasonable attorney's fees to petitioners meeting the requirements for compensation.

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

Financial Impact

In fiscal year 2016 the District paid about \$30 million in wrongful imprisonment settlements. Limiting the compensation for people who are wrongly convicted and sentenced is likely to reduce the District's costs for wrongful imprisonment settlements and judgments. The proposed fiscal year 2018 budget incorporates a reduction from the current services funding level for settlements and judgments based in part on the proposed subtitle. Given the unpredictable nature of cases against the District for wrongful imprisonment and other grievances, required funding for settlements and judgments may need to be adjusted in future budgets.

Subtitle (I)(C) – Office of Administrative Hearings Payroll Adjustment and Clarification Amendment Act of 2017

Background

This subtitle changes⁵ the name of several position titles within the Office of Administrative Hearings (OAH) to reflect current practice within the agency. The subtitle also changes the salary schedule for non-political positions that are classified as Excepted Services to Management Supervisory Service or Legal Service.

Financial Plan Impact

Council included funds in OAH's fiscal year 2018 budget to cover the cost of this subtitle. The subtitle increases salaries and fringe benefits for four OAH employees. The cost of implementing

⁴ By amending The District of Columbia Unjust Imprisonment Act of 1980, effective March 5, 1981 (D.C. Law 3-143; D.C. Official Code § 2-421 et seq.)

⁵ By amending The Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.01 et seq.).

this subtitle is \$41,400 in fiscal year 2018 and \$173,400 over the four-year financial plan. There is no cost to change the name of position titles within the agency.

Total Cost of the Office of Administrative Hearings Payroll Adjustment and Clarification Amendment Act of 2017					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
Salary	\$34,912	\$35,959	\$37,038	\$38,149	\$146,059
Fringe ^(a)	\$6,529	\$6,725	\$6,927	\$7,134	\$27,315
Total^(b)	\$41,441	\$42,684	\$43,965	\$45,284	\$173,374

(a) Assume a fringe benefit rate of 18.7 percent.

(b) Assumes three percent growth rate to account for salary step increases.

Subtitle (I)(D) – Office of Employee Appeals Member Compensation Amendment Act of 2017

Background

The subtitle increases the maximum stipend a member of the Office of Employee Appeals Board can receive from \$3,000 to \$6,000. The stipend for the Chair of the Board will increase from \$3,600 to \$7,200. There are five members on the Board, including the Chair.

Financial Impact

Increasing the stipend amounts will cost \$15,600 a year. These costs have been incorporated into the budget and financial plan.

Subtitle (I)(E) – Unemployment Compensation for Domestic Violence Survivors Amendment Act of 2017

Background

The subtitle allows⁶ self-insured employers, including the D.C. government, to charge unemployment claims due to domestic violence to the Unemployment Insurance Trust Fund instead of paying the claims themselves. In 2016, the Fund paid roughly 30,000 unemployment claims, and 15 claims in the city were due to domestic violence.⁷

Financial Plan Impact

The subtitle would increase payouts from the Unemployment Insurance Trust Fund, but only by a small amount, since historically few unemployment claims have been filed because of domestic violence. The increase in payouts can be covered by the Fund.

Because we expect the increase in payouts to be small, the subtitle will likely have minimal impact on the Fund’s Average High Cost Multiple—an actuarial metric of adequacy that measures how many years of benefits the fund balance could pay. The U.S. Department of Labor recommends the Average High Cost Multiple remain above 1—that is, the fund balance can pay for at least one year of benefits.

⁶ By amending Section 33 of Title II of the District of Columbia Unemployment Compensation Act, effective June 19, 2004 (D.C. Law 15-171; D.C. Official Code § 51-133).

⁷ According to the responses DOES provided Council for its 2017 oversight hearing.

Subtitle (I)(F) – Public Employee Relations Board Compensation Amendment Act of 2017

Background

The subtitle increases the maximum stipend a member of the Public Employee Relations Board can receive from \$3,000 to \$6,000. The stipend for the Chair of the Board will increase from \$3,600 to \$7,200. There are five members on the Board, including the Chair.

Financial Plan Impact

Increasing the stipend amounts will cost \$15,600 a year. These costs have been incorporated into the budget and financial plan.

Subtitle (I)(G) – Wage Theft Clarification Amendment Act of 2017

Background

The subtitle clarifies the District's wage theft laws⁸. It changes the law to say that employees affected by wage theft violations are eligible for "relief" instead of "restitution," in order to avoid potential misunderstandings of the word "restitution." It also clarifies the process for filing, appealing, and making payments for wage theft cases.

Financial Plan Impact

The subtitle does not impact the budget since it clarifies, but does not change, current practice.

Subtitle (I)(H) – Legislative Branch Performance Bonus Pay Amendment Act of 2017

Background

The subtitle amends the Bonus Pay and Special Awards Pay Act of 2016 to exclude the Council, the Office of the District of Columbia Auditor and the Office of Advisory Neighborhood Commissions (OANC) from the requirements to establish a Performance Based Rewards Program in order to make bonus or special awards payments to employees. Such requirements include limiting bonus payments to the fourth quarter of the fiscal year, limiting payments to once per year and capping the amount of such payments to 10 percent of an employee's salary.

Financial Plan Impact

Removing certain restrictions on bonus pay and special awards for employees of Council, the Auditor, and the OANC does not have a fiscal impact. These bodies can make bonus or award payments only if they have sufficient funds.

Subtitle (I)(I) – Fiscal Impact Statement for Council Actions Clarification Amendment Act of 2017

Background

All permanent bills and resolutions must have an accompanying fiscal impact statement prior to adoption by the Council, except for emergency declaration resolutions, ceremonial resolutions,

⁸ By amending An Act To provide for the payment and collection of wages in the District of Columbia, approved August 3, 1956 (70 Stat. 976; D.C. Official Code § 32-1301 et seq.).

confirmation resolutions, and sense of the Council resolutions.⁹ The subtitle adds two additional exceptions: appointment resolutions and resolutions that express simple determinations, decisions, or directions of the Council of a special or temporary character.¹⁰

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The additional excepted Council actions do not make programmatic changes or affect the budget. For example, a recent resolution approving a proposed Constitution and boundaries of the District had no effect of law. Under the subtitle, such resolutions would not require a fiscal impact statement.

Subtitle (I)(J) – Auditor Legal Fund Elimination Amendment Act of 2017

Background

The subtitle repeals the District of Columbia Auditor Legal Fund¹¹, which was established for the purpose of enforcing the Auditor's subpoena power. The Fund is no longer being used.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The fund is defunct and does not have any fund balance.

Subtitle (I)(K) – Compliance Unit Repeal Amendment Act of 2017

Background

The subtitle repeals the Auditor Compliance Unit¹², which was established to monitor and report on contractor compliance issues in real estate development transactions and agreements involving District subsidies to include living wage laws, and procuring goods and services from certified business enterprises. The Department of Small and Local Business Development will maintain its current oversight responsibilities.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. This staff of the Auditor Compliance Unit also perform other audits, and the staff time currently spent on certified business enterprise auditing will be used for other audits and functions.¹³ The Department of Small and Local Business Development operations are not affected.

Subtitle (I)(L) – Legislative Branch Employee Retirement Benefits Match Amendment Act of 2017

Background

⁹ D.C. Official Code § 1-301.47a.

¹⁰ These are among the delineated powers of Council under D.C. Official Code § 1-204.12(a).

¹¹ D.C. Official Code § 1-301.174.

¹² D.C. Official Code § 1-301.181.

¹³ The Auditor Compliance Unit was originally funded with five Senior Compliance Analysts at the DS-14 Grade level in fiscal year 2009.

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

The subtitle gives¹⁴ employees of the D.C. Council, D.C. Auditor, and Office of Advisory Neighborhood Commissions, who are enrolled in the 457 deferred compensation plan, a one-to-one match of up to 3 percent of their salary for their contributions to the plan.

Financial Plan Impact

The subtitle will cost around \$400,000 a year to implement, with costs growing each year as employee salaries grow. The cost of the subtitle has been incorporated into the budget and financial plan.

Most of the cost comes from matching employees' contributions to their 457 plans, but a small portion of the cost (about \$11,000 a year) comes from the income tax revenue lost when newly-enrolled employees who are D.C. residents make pre-tax contributions of their salary to the 457 plan.

Details of the cost estimate are below.

Cost of Implementing Subtitle (I)(L), FY 2018 to FY 2021					
	FY 2018	FY 2019	FY 2020	FY 2021	Four-year Total
Match for Council, Auditor, and OANC employees	\$ 392,509	\$ 404,285	\$ 416,413	\$ 428,906	\$ 1,642,113
Income tax revenue loss	\$ 10,533	\$ 10,849	\$ 11,175	\$ 11,510	\$ 44,068
TOTAL	\$ 403,043	\$ 415,134	\$ 427,588	\$ 440,416	\$ 1,686,181

Assumptions:

- Costs increase by 3 percent a year due to salary increases.
- With the new benefit, the average 457 participation rate across the three agencies will increase from 37 percent to 57 percent, though participation rates will vary by agency.
- All participants will defer at least 3 percent of their salary to receive the full match.
- There will be a small income tax revenue loss due to newly-enrolled D.C. employees who are D.C. residents deferring income into tax-protected plans.

Subtitle (I)(M) – Surplus Property Fund Clarification Amendment Act of 2017

Background

The subtitle clarifies that the Surplus Property Sales Fund¹⁵ may be used for all administrative costs related to the disposal of surplus property.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan, as it aligns with how the Office of Contracting and Procurement currently utilizes the fund.

¹⁴ By amending Section 2609(b) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective October 1, 1987 (D.C. Law 7-27; D.C. Official Code § 1-626.09(b)).

¹⁵ D.C. Official Code § 2-358.05(d).

Subtitle (I)(N) – Contract Appeals Board Rulemaking Amendment Act of 2017

Background

The subtitle grants authority to the Contract Appeals Board (CAB) to issue rules to carry out its section of the Procurement Practices Reform Act. Although CAB is an independent entity, under current law rulemaking authority is vested only in the Chief Procurement Officer.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The subtitle makes a clarifying change to ensure the Board may issue rules under its own authority.

Subtitle (I)(O) – Street and Alley Designation Clarification Amendment Act of 2017

Background

The subtitle clarifies definitions and notice requirements for street and alley designations and closures. First, the subtitle defines and the roles and responsibilities of an "initiator" of a closure or designation. To officially designate a street or alley, the initiator must fulfill a number of notice requirements prior to a hearing. If a Mayor or Councilmember initiates, the notifications do not apply. Symbolic naming of a street or alley do not have the same notice requirements. The subtitle also clarifies the number of surrounding residents that must be notified of a change to a street name.

Financial Plan Impact

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

TITLE II- ECONOMIC DEVELOPMENT AND REGULATION

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

Background

Several types of minor building repairs or improvements are exempt from permit requirements.¹⁶ However, if a structure is located in a historic district, or is a historically designated building, then some exemptions, such as brick pointing, do not apply.¹⁷

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

Financial Plan Impact

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

¹⁶ See 12-A DCMR § 105.2 for the list of exemptions.

¹⁷ See 12-A DCMR § 105.2.5 for the work that is not exempt in historic districts.

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

Subtitle (II)(B) – Public Servants and First-Responders Housing Incentive Amendment Act of 2017

Background

The subtitle increases¹⁸ the assistance the District government provides its employees through the Employer-Assisted Housing Program (EAHP). The program gives employees who are first-time homebuyers in the District deferred loans of up to \$10,000 and matching down payment funds of up to \$1,500 in order to purchase a home. The subtitle increases the program’s maximum loan amount to \$20,000 and increases the down payment contribution: for every \$2,500 a participating government employee makes for a down payment, the District will provide funds of \$1,000, up to \$5,000.

The subtitle gives additional assistance to District government employees who are first-responders¹⁹. First-responders will be eligible to receive an additional grant of up to \$10,000 for a home purchase, as long as they make a five-year service commitment.²⁰ First-responders will also be eligible for down payment assistance that is more generous than that for other employees: for every \$2,500 of employee down payment, the District will provide funds of \$1,500, up to \$15,000.

To be eligible for EAHP employees must purchase a home that costs no more than \$625,500.

Financial Impact

There is \$1.8 million in the EAHP budget for fiscal year 2018. The Department of Housing and Community Development operates the program on a first-come, first-served basis, and it will only be able to provide this benefit until funds are exhausted, since anti-deficiency laws²¹ prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

¹⁸ By amending The Government Employer-Assisted Housing Amendment Act of 1999, effective May 9, 2000 (D.C. Law 13-96; D.C. Official Code § 42-2501 et seq.).

¹⁹ Police officers, correctional officers, firefighters, paramedics, or emergency medical technicians, or people who have accepted offers of employment for one of these positions.

²⁰ If they break the commitment, the grant will convert to a loan, and the employee must repay the loan.

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

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

Background

The subtitle allows²² the Department of Housing and Community Development (DHCD) to use up to 15 percent of money deposited into the Housing Production Trust Fund (HPTF) each year to administer the fund. Currently DHCD can use up to 10 percent of money deposited into the fund for administration.

The subtitle also prohibits DHCD from using HPTF money for the four properties²³ in Historic Anacostia affected by the Historic Preservation of Derelict District Properties Act of 2016.

Financial Impact

Increasing the amount of HPTF money that DHCD can use to administer the fund will not impact the budget and financial plan; it will simply shift the use of funds already allocated for the HPTF.

Prohibiting DHCD from using HPTF money for the four properties in Historic Anacostia will also not adversely impact the budget and financial plan, though, according to DHCD, it will delay the rehabilitation of the properties unless DHCD is able to come up with another funding source.

The HPTF will receive \$100 million in new allocations in fiscal year 2018. At the end of fiscal year 2016, the HPTF had a fund balance of around \$250 million.

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

Background

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

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

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

The fund will be non-lapsing.

The subtitle also prohibits money from the fund to be used for the four properties²⁴ in Historic Anacostia affected by the Historic Preservation of Derelict District Properties Act of 2016.

²² Section 3(b)(10) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(b)(10)).

²³ Lot 814 in Square 5779, Lot 849 in Square 5799, Lot 884 in Square 5765, and Lot 811 in Square 5800.

²⁴ Lot 814 in Square 5779, Lot 849 in Square 5799, Lot 884 in Square 5765, and Lot 811 in Square 5800.

Financial Impact

In fiscal year 2018 the fund will receive a one-time allocation of \$10 million in local dollars.

Prohibiting money in the fund to be spent on the Historic Anacostia properties will not adversely impact the budget, but according to DHCD it will delay the rehabilitation of the properties unless DHCD is able to come up with another funding source.

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

Background

Events DC is constructing an Entertainment and Sports Arena (ESA) on a portion²⁵ of the St. Elizabeths East Campus, which is owned by the District. The District and Events DC are finalizing a ground lease with a term of 19 years. The ESA will be the new home arena for the Washington Mystics,²⁶ a practice facility for the Washington Wizards,²⁷ and a venue hosting a number of other concerts, tournaments, and community events.

The subtitle establishes the St. Elizabeths East Campus Redevelopment Fund into which the District will deposit any possessory interest²⁸ and sales taxes²⁹ generated from the ESA site, up to a maximum of \$855,000 annually in fiscal year 2018 through fiscal year 2021. Beginning on October 1, 2021 through the last year that the Events DC ground lease from the District is in effect, the District will deposit all possessory interest and sales taxes generated from the ESA site into the Fund. The Office of the Deputy Mayor for Planning and Economic Development can use the Fund's resources to pay for any maintenance, operation, or construction activities on the entire St. Elizabeths East Campus redevelopment site, including the issuance of grants to support these activities.

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

Financial Plan Impact

The subtitle directs the District to deposit any possessory interest or sales taxes from the ESA site to the St. Elizabeths East Campus Redevelopment Fund up to \$855,000 annually over the proposed financial plan period and with no cap thereafter.³⁰ The proposed fiscal year 2018 through fiscal year 2021 budget and financial plan includes a reduction of \$855,000 to the District's local fund and an increase of \$855,000 into the new dedicated Fund annually³¹. The subtitle also abates any possessory interest taxes exceeding \$855,000 annually during the financial plan period, but the site is not expected to exceed that amount over that time period and the abatement does not have a cost.

²⁵ The ESA site encompasses approximately 76,716 square feet located on land known for tax assessment purposes as Square 5868, Suffix S, Lot 838.

²⁶ <http://mystics.wnba.com/>

²⁷ <http://www.nba.com/wizards/>

²⁸ D. C. Official Code § 47-1005.01.

²⁹ D. C. Official Code § 47-2002.

³⁰ The dedication of taxes to the Fund will end with the tax year in which the ground lease with Events DC terminates.

³¹ The ESA site is projected to generate more than \$855,000 in combined possessory interest and sales taxes but transfers to the dedicated Fund will be limited to this amount during fiscal years 2018 – 2021.

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

Table Notes

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

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

Background

The Land Disposition Transparency and Clarification Amendment Act of 2016³² ("Act") recently increased the requirements the Mayor must meet before the Mayor may designate a District-owned property as surplus property and dispose of it. The Act's changes included requirements to:

- provide public notice and hold public hearings that inform the Mayor's decision that the property is no longer necessary for public uses;
- allow the public to provide suggested uses for the property; and
- inform the public about related development activities that are located off-site from the proposed real property disposition.

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

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

The subtitle also clarifies that the Mayor must provide assurances that the business terms provided in the Land Disposition Agreement submitted to Council with a disposition resolution are

³² Effective April 7, 2017 (D.C. Law 21-267; D.C. Official Code § 10-801).

consistent with those in the executed term sheet or Memorandum of Understanding between the Mayor and the proposed development entity.

Financial Plan Impact

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

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

Background

The subtitle allows³³ up to 900 youth aged 22 to 24 years to enroll in the Summer Youth Employment Program (SYEP). Additionally it clarifies that wages paid to participating youth aged 22 – 24 be at, but not exceed, the minimum wage, and the subtitle clarifies that registration for the SYEP must occur annually but not prior to certain dates.

Financial Impact

The Department of Employment Services has incorporated the cost of the subtitle into its four-year budget and financial plan. The cost of employing 900 22 to 24 year-olds at minimum wage will be about \$2.2 million in fiscal year 2018, and the cost will rise to about \$2.6 million by fiscal year 2021. The cost increases are due to the scheduled increases in D.C.’s minimum wage. The minimum wage is currently \$11.50 per hour, and it will increase to \$13.25 on July 1, 2018, \$14.00 on July 1, 2019, and \$15.00 on July 1, 2020. After 2020, the minimum wage will increase by a cost-of-living adjustment based on the Consumer Price Index.

Cost of Employing 900 22 to 24 Year-Olds in the Marion S. Barry Summer Youth Employment Program, FY 2018 - FY 2021					
	FY 2018	FY 2019	FY 2020	FY 2021	Four-Year Total
Cost of paying 900 22-24 year olds minimum wage	\$2,216,244	\$2,342,679	\$2,505,446	\$2,583,290	\$9,647,566

Assumptions

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

³³ By amending Section 2(a)(1) of the Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241).

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

Background

The subtitle approves³⁴ the continued collection by the Department of Consumer and Regulatory Affairs of a 10 percent fee on the cost of each basic business license³⁵, and retroactively approves the fee collection that has occurred since 2013.

The fee was established in 2010³⁶ to pay for enhancing the basic business licensing information technology system at DCRA, and was set to expire on October 1, 2013. In August 2013, a DCRA rulemaking³⁷, approved by Council in February 2014, extended the fee. However, DCRA did not publish the final rulemaking until January 2017. Despite the gap in time between Council approval and publishing the final rulemaking, the fee has continued to be collected after the 2013 expiration date. The subtitle retroactively authorizes the collection during that gap.

Financial Plan Impact

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

Subtitle (II)(I) - Walter Reed Omnibus Amendment Act of 2017

Background

The subtitle authorizes the District to provide easements within the Walter Read campus area³⁸ to utility providers supporting the redevelopment effort. Current law³⁹ limits easements to public utilities, but the developer will be working with a private microgrid⁴⁰ provider to build out some of the utility infrastructure on the campus.

Financial Plan Impact

This subtitle allows the District to provide the appropriate easements for the Walter Read redevelopment project and does not have an impact on the District's proposed budget and financial plan.

³⁴ By amending Section 500.4 of Chapter 5 (Basic Business License Schedule of Fees) of Title 17 of the District of Columbia Municipal Regulations.

³⁵ See D.C. Official Code § 47-2851.01, et seq. for more on Basic Business Licenses.

³⁶ Fiscal Year 2011 Budget Support Act of 2010, effective September 24, 2010 (D.C. Law 18-223; 57 DCR 6242).

³⁷ As published in the D.C. Register on August 9, 2013 (60 DCR 11636).

³⁸ The campus site is approximately 66.27 acres bounded by Fern Street, N.W. and Alaska Avenue, N.W. to the north, 16th Street, N.W. to the west, Aspen Street, N.W. to the south, and Georgia Avenue, N.W. to the east.

³⁹ Walter Reed Development Omnibus Act of 2016, effective May 18, 2016 (D.C. Law 21-119; D.C. Official Code § 2-1227.04).

⁴⁰ A microgrid is a local energy grid with control capability, which means it can disconnect from the traditional grid and operate autonomously (<https://energy.gov/articles/how-microgrids-work>).

Subtitle (II)(J) - Publicly Accessible Rent Control Housing Clearinghouse Amendment Act of 2017

Background

The subtitle requires⁴¹ the Office of the Tenant Advocate (OTA)⁴² to develop a demonstration project that establishes the initial framework of an online, searchable database of the city's rent-controlled apartment units. The database will contain all of the rent control documentation landlords are required to submit to the Department of Housing and Community Development, and this information will be searchable by the public.

OTA must complete the project in 2 years and can use contractors to complete it.

Financial Plan Impact

OTA is receiving \$500,000 in fiscal year 2018 to complete the demonstration project. Based on research of other complex, online databases⁴³, and conversations with the Office of the Chief Technology Officer, funding is sufficient to complete a demonstration project, but more funding will likely be needed to complete and maintain a full-scale, publicly accessible database.

Subtitle (II)(K) - District of Columbia Housing Authority Rehabilitation and Maintenance Fund Administration Amendment Act of 2017

Background

The subtitle clarifies⁴⁴ that the DCHA Rehabilitation and Maintenance Fund is administered by the Office of the Chief Financial Officer (OCFO), rather than the D.C. Housing Authority (DCHA). It also clarifies that DCHA must spend money on maintenance before it can get reimbursed by the OCFO from the fund. DCHA uses the fund to rehabilitate, maintain, and repair public housing units.

Financial Plan Impact

The subtitle does not impact the budget and financial plan since it aligns D.C. Code with current practice.

Subtitle (II)(L) - Coalition for Non-Profit Housing and Economic Development Grants Act of 2017

Background

The subtitle requires the Deputy Mayor for Planning and Economic Development (DMPED) to issue a grant to the Coalition for Non-Profit Housing and Economic Development (CNHED) for \$200,000 in fiscal year 2018. CNHED will use the grant to study spending levels of educational and medical

⁴¹ By amending Section 203a of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3502.03c).

⁴² With the assistance of and close consultation with the Department of Consumer and Regulatory Affairs, the Office of Tax and Revenue, the Rental Accommodations Division of the Department of Housing and Community Development (DHCD), the Housing Provider Ombudsman of DHCD, and the Office of the Chief Technology Officer.

⁴³ Such as District Department of Transportation's TOPS permitting system.

⁴⁴ By amending Section 3(c-1)(1) of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-202(c-1)(1)).

institutions that are part of the DC Anchor Partnership, further analyze priority purchasing categories, and any other support to launch the DC Anchor Partnership.

The DC Anchor Partnership is a partnership of anchor institutions that spend more than \$2 billion annually on goods and services. The partnership will identify deficiencies and opportunities for local, minority and women-owned businesses in successfully winning goods and services contracts from anchor institutions.

Financial Plan Impact

The proposed fiscal year 2018 budget includes \$200,000 to support DMPED's grant to CNHED to study and support the DC Anchor Partnership.

Subtitle (II)(M) - Department of Small and Local Business Development Competitive Grants Act of 2017

Background

All recipients of construction and non-construction contracts for government projects over \$250,000 must subcontract 35 percent of the dollar volume of the contract to a qualified small business enterprise (SBE) or a certified business enterprise (CBE) if there are not sufficient SBEs to satisfy the requirement. An agency may seek a waiver of the subcontracting requirement if there is insufficient market capacity for the goods and services that comprise the project. To receive a waiver, an agency must show to the Director of the Department of Small and Local Business Development (DSLBD) the number of qualified CBEs, the CBE market research completed, and any consideration of alternative methods for acquiring subcontracted work from CBEs.

The subtitle requires DSLBD to issue a grant not exceeding \$100,000 to study why insufficient market capacity of CBEs results in requests for waivers⁴⁵ of CBE requirements on government projects. DSLBD will have approximately nine months from the subtitle's effective date to complete the study and submit it to Council.

Financial Plan Impact

The proposed fiscal year 2018 budget includes \$100,000 to support the market capacity study. This funding is sufficient for DSLBD to successfully implement the subtitle.

Subtitle (II)(N) - Ward 7 and Ward 8 Entrepreneur Grant Fund Establishment Act of 2017

Background

The subtitle establishes the Ward 7 and Ward 8 Entrepreneur Grant Fund as a non-lapsing, special purpose revenue fund and funds it with \$300,000 in fiscal year 2018. The Fund's resources will be used to support the establishment or expansion of small businesses in Ward 7 and Ward 8. The businesses must be located in the designated wards, have fewer than five full-time employees, and more than half of the ownership must be residents of the designated wards. A single grant should not exceed \$10,000 and can be used for market research, product development, leasing equipment, and engineering design.

⁴⁵ Small, Local and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.51).

Financial Plan Impact

The proposed fiscal year 2018 budget includes \$300,000 to support these small business grants. The Department of Small and Local Business Development will manage the grants and has the necessary experience and personnel to implement the process.

Subtitle (II)(O) - Georgia Avenue Retail Priority Area Amendment Act of 2017

Background

The subtitle makes permanent⁴⁶ an expansion to the Georgia Avenue Retail Priority Area from an area around the Georgia Avenue-Petworth Metro Station to an area that now includes parts of neighborhoods north, such as Brightwood Park, Takoma, the eastern parts of 16th Street Heights, and the eastern parts of Brightwood.

Financial Plan Impact

This subtitle will increase the potential number of businesses that can compete for the over \$7.5 million that was included in the fiscal year 2018 budget for all retail priority area grants. Businesses in all thirteen retail priority areas in the District compete for grants from the same pot of funding and the fiscal year 2018 budget does not include or require any additional funding for the Georgia Avenue Retail Priority Area expansion.

Subtitle (II)(P) - H Street, N.E., Retail Priority Area Clarification Amendment Act of 2017

Background

The subtitle makes permanent⁴⁷ an expansion to the Bladensburg Road, N.E. Retail Priority Area. One section of the priority area that runs one block south of Benning Road, N.E. from 19th Street, N.E. to Oklahoma Avenue, N.E. will be expanded further south into the Kingman Park neighborhood by roughly another block or two. The remaining priority area encompasses an area around Bladensburg Road, N.E. from roughly Mt. Olivet Road, N.E. to Benning Road, N.E. and Benning Road, N.E. from roughly Bladensburg Road, N.E. to 19th Street, N.E. and is unchanged.

Financial Plan Impact

This subtitle will increase the potential number of businesses that can compete for the over \$7.5 million that was included in the fiscal year 2018 budget for all retail priority area grants. Businesses in all thirteen retail priority areas in the District compete for grants from the same pot of funding and the fiscal year 2018 budget does not include or require any additional funding for the Bladensburg Road, N.E. Retail Priority Area expansion.

⁴⁶ Georgia Avenue Retail Priority Area Emergency Amendment Act of 2016, enacted November 18, 2016 (D.C. Act 21-536; 63 DCR 14349).

⁴⁷ H Street, N.E. Retail Priority Area Emergency Amendment Act of 2016, enacted November 29, 2016 (D.C. Act 21-550; 63 DCR 15020).

Subtitle (II)(Q) - Surplus and Disposition Notification Amendment Act of 2017

Background

The subtitle requires the Department of General Services (DGS) to establish a portal on its website for residents to request email notifications related to surplus designations and property dispositions located within Advisory Neighborhood Commissions (ANC) selected by the individual. The notification should be sent within two days of the following events:

- Publication of a Mayor’s surplus property or property disposition public hearing;
- Introduction of a proposed surplus property or property disposition resolution to Council;
- Notice of a Council hearing on a proposed surplus property or property disposition resolution;
- Action taken by the Council on a proposed surplus property or property disposition resolution; and
- Introduction of a proposed resolution to extend the amount of time to dispose of District property and the action taken by Council on the proposed resolution.

Notifications must also be sent for the same events related to property surplus designations and property dispositions managed by the Deputy Mayor for Planning and Economic Development.

Financial Plan Impact

DGS will need to enhance its website to include a form or portal that allows residents to request notification for surplus property designation and property disposition related events in selected ANCs. The website enhancement will cost \$8,000 in fiscal year 2018 and \$17,000 over the four-year financial plan period. The proposed fiscal year 2018 through fiscal year 2021 budget and financial plan includes the funds necessary for this enhancement.

Surplus and Disposition Notification Amendment Act of 2017					
Implementation Costs					
Fiscal Year 2018 – Fiscal Year 2021					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
Website Enhancement	\$8,000	\$3,000	\$3,000	\$3,000	\$17,000

Subtitle (II)(R) - Archives Location Prohibition Act of 2017

Background

The subtitle prohibits the Mayor from expending any District funds on a new building for the District of Columbia Archives, District of Columbia Records Center, or any use by the Secretary of the District of Columbia at any structure located on the block bounded by R Street, N.E. on the south, 3rd Street, N.E. on the west, and Randolph Place, N.E. on the north,⁴⁸ which is a block in the Eckington neighborhood.

The Council, in 2016,⁴⁹ authorized the Mayor to utilize his or her powers of eminent domain to acquire property in the Brentwood neighborhood to construct a new Archives building.

⁴⁸ This block is known for tax and assessment purposes as Square 3574.

⁴⁹ Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 16-1311 (note)).

Financial Plan Impact

The Department of General Services has not finalized a plan or location to construct a new Archives or Records Center building, so the prohibition on using this site does not have an impact on the District's budget and financial plan.

Subtitle (II)(S) - Disposal of Abandoned and Deteriorated Property Amendment Act of 2017

Background

Before the Mayor disposes an abandoned or deteriorated property, the subtitle requires⁵⁰ her to hold a public hearing and transmit to Council a proposed resolution approving the disposal. Currently the Mayor must either hold a hearing or transmit a resolution, but does not have to do both.

Financial Plan Impact

The subtitle does not impact the budget or financial plan. The Department of Housing and Community Development can handle the additional work required by the subtitle using its existing resources.

Subtitle (II)(T) - Historic Preservation of Derelict District Properties Amendment Act of 2017

Background

The subtitle prohibits⁵¹ money from the Housing Production Trust Fund and the Housing Preservation Fund to be used for the four properties⁵² in Historic Anacostia affected by the Historic Preservation of Derelict District Properties Act of 2016.

Financial Impact

Prohibiting money in the funds to be spent on the Historic Anacostia properties will not adversely impact the budget, but it will delay the rehabilitation of the properties unless the Department is able to come up with another funding source, according to DHCD.

Subtitle (II)(U) - Local Rent Supplement Project-Based and Sponsor-Based Funding Amendment Act of 2017

Background

The District's fiscal year 2017 subsidy to the District of Columbia Housing Authority (DCHA) included \$17.866 million for project and sponsor-based vouchers through the Local Rent Supplement Program (LRSP), and the fiscal year 2018 proposed budget increases that amount to \$20.266 million. The vouchers allow housing providers to receive an operating subsidy when renting to households at incomes up to 30 percent of the area median. To date, approximately 43

⁵⁰ By amending Section 433(a)(1) of the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-3171.03(a)(1)).

⁵¹ By amending Section 2 of the Historic Preservation of Derelict District Properties Act of 2016, effective March 11, 2017 (D.C. Law 21-223; 64 DCR 182).

⁵² Lot 814 in Square 5779, Lot 849 in Square 5799, Lot 884 in Square 5765, and Lot 811 in Square 5800.

projects have been allocated vouchers through the Department of Housing and Community Development and DCHA typically enters into 15-year contracts to provide the rent supplements to these projects.

Because some of the awarded projects have been in the construction or pre-development phase, DCHA has not historically spent all of its LRSP budget on the vouchers. Beginning in fiscal year 2017, funds remaining in the LRSP at the end of the fiscal year are deposited in DCHA's Rehabilitation and Maintenance Fund for maintaining, repairing and rehabilitating public housing.⁵³

The subtitle requires the budget for the Housing Authority subsidy to include an additional \$1 million for project and sponsor-based vouchers beginning in fiscal year 2019 and each year thereafter. Additionally, the subtitle directs DCHA to issue in fiscal year 2018 a Notice of Funding Availability for the awarding of these additional funds planned for fiscal year 2019.

Financial Plan Impact

The proposed financial plan includes the \$1 million increase to the LRSP program under the Housing Authority Subsidy for each of fiscal years 2019, 2020 and 2021.

Requiring DCHA to make the fiscal year 2019 increase available in a fiscal year 2018 Notice of Funding Availability does not have a fiscal impact. Any awards of such funding are subject to appropriations. The intent of the subtitle is to reduce the delay between including LRSP voucher funding in the budget and having an online rental unit for which the budget may be spent.

Subtitle (II)(V) - Rental Unit Fee Amendment Act of 2017

Background

The subtitle increases⁵⁴ from \$21.50 to \$25 the annual fee housing providers must pay for each rental unit they own. The additional revenue will go into the Rental Unit Fee Fund, which will be administered by the Office of the Tenant Advocate and used to support the office's activities. The fund will be non-lapsing.

Financial Plan Impact

The fee increase will bring in additional revenue of about \$570,000 a year. This money will be deposited into the new Rental Unit Fee Fund, for use by the Office of the Tenant Advocate. During the first year of the fund's operation, fiscal year 2018, \$10,000 has been budgeted in the Department of Consumer and Regulatory Affairs (DCRA) so DCRA can update its IT system in order to collect the revenue and divert it into the new fund.

Projected Additional Revenue from the Rental Unit Fee Amendment Act of 2017				
	FY 2018	FY 2019	FY 2020	FY 2021
Total revenue with new \$25 fee	\$4,052,000	\$4,052,000	\$4,052,000	\$4,052,000
Total revenue with current \$21.50 fee	\$3,484,714	\$3,484,714	\$3,484,714	\$3,484,714

⁵³ Per the District of Columbia Housing Authority Rehabilitation and Maintenance Fund Amendment Act of 2016, enacted as part of the Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2015 (D.C. Law 21-160; 63 DCR 10775).

⁵⁴ By amending The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 et seq.)

Additional revenue from new fee	\$567,286	\$567,286	\$567,286	\$567,286
Cost of DCRA IT upgrade	(\$10,000)	\$0	\$0	\$0
Net new sources	\$557,286	\$567,286	\$567,286	\$567,286

Assumptions

- Revenue with the new fee is based on the fee being charged for 162,080 apartment units.
- Revenue with the \$21.50 fee is the revenue collected in fiscal year 2016.
- DCRA will need \$10,000 for an upgrade to its IT systems in order to collect the fee and deposit it into the new fund.

Subtitle (II)(W) - DCRA Infraction Fine Increase Amendment Act of 2017

Background

The subtitle doubles the fines for certain infractions issued by the Department of Consumer and Regulatory Affairs (DCRA) including those for: willful violations of housing regulations⁵⁵, failure to secure or repair an unsafe structure, attempting to repair after authorization period has expired, allowing a nuisance on land that affects public health comfort or safety, failure to maintain an office or agent in the District, working without a permit, exceeding scope of a permit, failure to remove hazardous materials, failure to comply with terms of a stop work order, removal of a posted stop work order, and failure to comply with a posted "unsafe to use" notice. The bill also increases all DCRA fines in accordance with the Consumer Price Index every two years beginning on January 1, 2018.

Financial Plan Impact

This subtitle will increase fine revenue per the chart below.

DCRA Infraction Fine Increase Amendment Act of 2017					
Fiscal Year 2018 – Fiscal Year 2021					
(\$000s)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Increased DCRA Infraction Fine revenue (to General Fund)	\$582	\$672	\$643	\$616	\$2,513

Subtitle (II)(X) - Purchase Card Program Budgeting Act of 2017

Background

The subtitle creates an intra-District paper agency for agency purchase card management to separate the budget from the budget of the Office of Contracting and Procurement.

Financial Plan Impact

This subtitle changes budgeting procedures, and has no impact on the budget and financial plan.

⁵⁵ DCMR 16-3305.1(a-d), 16-3305.1(q), 16-3306.1.1(a-f).

Subtitle (II)(Y) - Historic Portrait Archival Amendment Act of 2017

Background

The subtitle transfers custody of approximately 12 portraits to the Council from the Executive. The portraits are currently in the custody of the Office of the Secretary of the District of Columbia and in need of repair and restoration.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. As the subtitle transfers only legal custody, and does not require any other actions, there is no cost. If the Council chooses to restore the portraits, then funding will need to be identified.

Subtitle (II)(Z) - DCRB Fair Credit in Employment Amendment Act of 2017

Background

The subtitle allows the District of Columbia Retirement Board to use background checks when hiring. Currently, DCRB is subject to the Fair Credit in Employment Amendment Act of 2016 which bans using credit history reports when selecting candidates for hire.

Financial Plan Impact

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

Subtitle (II)(AA) - Washington Metropolitan Area Transit Authority Safety Regulation Amendment Act of 2017

Background

In 2016,⁵⁶ the District approved an interstate compact between the District, the State of Maryland, and the Commonwealth of Virginia to govern the jurisdictions' safety oversight of the Washington Metropolitan Area Transit Authority (WMATA) Metrorail system. The Metro Safety Commission (MSC) will replace the Tri-State Oversight Committee, which lacked enforcement authority, as the State Safety Oversight (SSO) agency for WMATA.

The subtitle authorizes the Mayor to transfer funds⁵⁷ to the Metropolitan Washington Council of Governments (COG) for the purposes of establishing the MSC as the new SSO. The subtitle also requires the Mayor to submit any agreements or proposals to form a new SSO beyond the one that is currently approved.

Financial Plan Impact

There are no costs associated with authorizing the Mayor to transfer the necessary funding to COG to establish the MSC. The proposed fiscal year 2018 through fiscal year 2021 budget and financial plan includes approximately \$4.4 million to fund the MSC.

⁵⁶ Metro Safety Commission Interstate Compact Establishment Act of 2016, effective April 7, 2017 (D.C. Law 21-250; 64 DCR 3971).

⁵⁷ The transfer can be a grant, contract, sub-grant, or other transfer option and can include the transfer of federal funds and the District's associated matching funds.

Subtitle (II)(BB) - Interior Design Regulation Amendment Act of 2017

Background

The subtitle is a permanent version of the Interior Design Regulation Emergency Amendment Act of 2017 and corrects a typographical error in the Professional Engineers Licensure and Regulation Clarification Act of 2016. The 2016 Act intended to remove conflicting language in the law governing licensure of professional engineers, however with the error architects and engineers became more limited in the types of projects they may certify. Without the emergency legislation and subtitle, the Department of Consumer and Regulatory Affairs (DCRA) would have required additional resources to determine which types of projects must be approved by architects and which must be approved by engineers. Additionally, the subtitle allows interior designers to approve plans for certain non-structural alterations and designs required for building permit applications.

Financial Plan Impact

The subtitle makes corrections in the code language which allows architects and engineers to continue their usual certification activities and DCRA to continue its usual practice of reviewing projects for building permits.

Allowing interior designers to approve plans for non-structural alterations has no impact to DCRA.

Subtitle (II)(CC) – Protecting Pregnant Workers Fairness Amendment Act of 2017

Background

In 2014,⁵⁸ the Council required employers in the District to make reasonable accommodations⁵⁹ for employees experiencing limitations due to pregnancy, childbirth, breastfeeding, or related medical conditions. Employers are not allowed to take adverse actions against employees who request accommodations, but they can deny an accommodation if they can demonstrate it would impose undue hardship⁶⁰ on the employers' business.

The subtitle transfers the law's implementation and enforcement authority from the Department of Employment Services (DOES) to the Office of Human Rights (OHR).

Financial Plan Impact

OHR currently implements and enforces the law through a Memorandum of Understanding with DOES. The fiscal year 2018 through fiscal year 2021 budget and financial plan includes a transfer of \$40,000 in recurring funds from DOES to OHR to support the subtitle's implementation.

⁵⁸ Protecting Pregnant Workers Fairness Act of 2014, effective March 3, 2015 (D.C. Law 20-168; D.C. Official Code § 32-1231.01 et seq.).

⁵⁹ As defined in D.C. Official Code § 32-1231.01(2).

⁶⁰ As defined in D.C. Official Code § 32-1231.01(3).

TITLE III- PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Department of Forensic Sciences Establishment Amendment Act of 2017

Background

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

DFS also employs a number of scientists, chemists, technicians, and examiners who may be able to provide expert witness testimony in a criminal case in another jurisdiction or provide environmental testing services to external entities. The subtitle authorizes the Mayor to establish fee schedules, through the rulemaking process, and charge fees to another jurisdiction for the use of DFS personnel to provide expert testimony⁶¹ or to provide environmental testing services.⁶²

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

Financial Plan Impact

The fiscal year 2018 through fiscal year 2021 budget and financial plan does not include any revenue for the DFS Laboratory Fund. DFS does receive funds from DHS for participating in its BioWatch program,⁶³ but the level of funds DHS sends to DFS can vary annually depending on DHS' availability of funds. DFS has not established the fee schedules for expert witness testimony or environmental testing services; therefore the budget does not reflect any revenue from these sources.

Subtitle (III)(B) – Chief Medical Examiner Amendment Act of 2017

Background

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

Financial Plan Impact

⁶¹ The fees must reasonably approximate the cost of providing the expert testimony.

⁶² DFS may consider bulk service requests and a requestor's ability to pay in developing its fee schedule.

⁶³ <https://www.dhs.gov/biowatch-program>

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

OCME currently acts and is recognized as the lead mass fatality management and incident response agency in the District and the necessary funds are included in the proposed fiscal year 2018 through 2021 budget and financial plan. OCME has current staff that performs mass fatality management functions and the agency receives federal grant funds⁶⁴ to support these efforts. OCME has also developed and continues to develop mass fatality management response plans with District agencies and other non-governmental organizations such as hospitals.

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

Background

The subtitle requires a health insurer, hospital, medical service corporation, or health maintenance organization to reimburse the District for the cost of emergency ambulance and pre-hospital medical services at the rates⁶⁵ established by the District.⁶⁶ Currently, these entities reimburse the District at their own reimbursement rates that do not cover the full amount the District billed for the services. The remaining unreimbursed portion of the bill is either paid by the patient or another insurance or payment provider, or the obligation goes unpaid. The requirement to pay at District rates applies to services provided by the District's emergency medical personnel or by a District contractor providing those services on the District's behalf.

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

Financial Plan Impact

The Fire and Emergency Medical Services Department (FEMS) currently bills patients for the ambulance fees not covered by an insurer or similar organization, but approximately 32 percent of charges still go uncollected.⁶⁷ The subtitle's implementation will result in insurers and other similar organizations paying a larger share of the cost of delivering emergency ambulance and pre-hospital medical services than they do today.⁶⁸ The agency has estimated the new Fund will capture the additional revenue generated by the subtitle's implementation totaling approximately \$983,000 annually.

Exemptions for plans governed under the Employee Retirement Income Security Act will impact the District's ability to collect the higher rates from companies that self-insure their employees' health expenses. The number of medical transports that are tied to persons whose companies self-insure

⁶⁴ OCME receives grant funds from the Urban Areas Security Initiatives through the U.S. Department of Homeland Security.

⁶⁵ As authorized by the Revenue Act of 1978, effective April 19, 1977 (D.C. Law 1-124; D.C. Official Code § 5-416(a)).

⁶⁶ The subtitle exempts group health plans and multiple employer welfare arrangements to the extent that those plans or arrangements are not subject to District regulation under section 514 of the Employee Retirement Income Security Act of 1974, approved September 2, 1974 (88 Stat. 897; 29 U.S.C. § 1144).

⁶⁷ Historical charges are approximately \$7.8 million annually, while collections are approximately \$5.3 million annually.

⁶⁸ Privately-insured patients will still be responsible for copays, deductibles, and other payments required by their insurance provider.

is unknown and therefore the Chief Financial Officer is unable to determine the negative impact on the new potential revenues.⁶⁹ FEMS may face a spending pressure on its budgeted costs for contracts and services to the extent that the additional \$983,000 of ambulance fees are not collected.

Subtitle (III)(D) – Neighborhood Engagement Achieves Results Amendment Act of 2017

Background

The Neighborhood Engagement Achieves Results Act⁷⁰ established a new Office of Neighborhood Safety and Engagement (ONSE) within the Office of the Deputy Mayor for Public Safety and Justice. ONSE would run an intervention program to recruit approximately 50 individuals who might be at high risk for criminal activity and offer mental or behavioral health services to discourage criminal activity. ONSE would provide a stipend to participants to ensure ongoing engagement in the intervention program. The Act also established a Neighborhood Safety and Engagement Fund⁷¹ which is funded through appropriations, grants, and donations and used to pay the stipend program and any ONSE administrative expenses.

The subtitle amends ONSE's activities to consolidate two existing programs. ONSE will no longer implement a stipend-based intervention program, but will manage the existing Community Stabilization Program⁷² and the Safer, Stronger DC Community Partnerships Program.⁷³ These programs fulfill ONSE's duties of coordinating the District's violence prevention strategy, identifying and engaging individuals who might be at high risk for criminal activity, identifying high crime neighborhoods, and coordinating with District agencies and nonprofits to provide youth outreach and employment opportunities for individuals in high crime neighborhoods or who are at high risk for criminal activity. ONSE will also collaborate with District agencies and nonprofits to provide wrap-around services to crime victims and their families.

The subtitle also amends the Fund's uses to include grants to community organizations and financial incentives for participants in relevant employment and job-training programs.

Financial Plan Impact

ONSE is funded at approximately \$2.1 million annually. This includes transfers of approximately \$508,000 from the Office of the Deputy Mayor for Public Safety and Justice, \$586,000 from the Office of the Deputy Mayor for Health and Human Services, \$264,000 from the Department of Parks and Recreation, and \$750,000 to fund a grant for youth violence prevention.

⁶⁹ According to the Kaiser Family Foundation, roughly 61% of covered workers, nationwide, are covered by partial or fully self-insured plans (<http://files.kff.org/attachment/Report-Employer-Health-Benefits-2016-Annual-Survey>).

⁷⁰ Effective June 30, 2016 (D.C. Law 21-125; D.C. Code § 7-2411 *et. seq.*).

⁷¹ D.C. Official Code § 7-2413.

⁷² The Community Stabilization Program is currently administered by the Office of the Deputy Mayor for Public Safety and Justice.

⁷³ The Safer, Stronger DC Community Partnerships Program is currently administered by the Office of the Deputy Mayor for Health and Human Services.

Subtitle (III)(E) – Access to Justice Initiative Amendment Act of 2017

Background

The Access to Justice (ATJ) Initiative provides financial support to nonprofit organizations whose missions are to provide civil legal services to low-income and under-served District residents and provides loan repayment assistance for attorneys in eligible employment. The DC Bar Foundation⁷⁴ administers two programs to achieve these goals: the ATJ program and the District of Columbia Poverty Lawyer Loan Repayment Assistance Program (LRAP).

The subtitle moves District oversight of the ATJ program and LRAP from the Deputy Mayor for Public Safety and Justice to the Office of Victim Services and Justice Grants (OVSJG). The subtitle increases from 5 percent to 10 percent the amount of ATJ program funding the DC Bar Foundation can retain for reasonable administrative expenses. The subtitle also makes a number of changes to LRAP. These changes include expanding the type of loans eligible for repayment assistance from law school loans to any educational loans, eliminating the \$60,000 lifetime loan repayment limit, and providing a partial loan repayment option for LRAP participants who voluntarily separate from their eligible employment.⁷⁵

Financial Plan Impact

OVSJG will receive over \$5.3 million for the ATJ Initiative in fiscal year 2018 budget to support the ATJ and LRAP programs. Approximately \$5.1 million of that funding is for the ATJ program. The DC Bar Foundation can now utilize up to 10 percent of the available funding for reasonable administrative expenses. The Council added approximately \$269,000 of the \$5.1 million to the OVSJG budget to maintain funding for ATJ program’s provision of legal services since the DC Bar Foundation can now use more of the grant to support administrative needs.

LRAP receives approximately \$212,500 of the ATJ Initiative’s budget and the subtitle allows the DC Bar Foundation to assist participating lawyers with loan repayments beyond law school related loans and without any lifetime caps. Since many participants consolidate loans, this will ease some of the administrative burdens of administering the LRAP program. The fiscal year 2018 through fiscal year 2021 budget and financial plan includes an additional amount of approximately \$12,500 to support the LRAP program.

Subtitle (III)(F) – Expanding Access to Justice Amendment Act of 2017

Background

The subtitle establishes the Civil Legal Counsel Projects Program (“Program”) to provide free legal services to eligible individuals and groups in eviction proceedings.⁷⁶ The Office of Victim Services and Justice Grants (OVSJG) will grant the funding to the DC Bar Foundation⁷⁷ who will administer the Program as an enhancement to the Access to Justice Initiative.⁷⁸ The DC Bar Foundation will

⁷⁴ <https://dcbfoundation.org/>

⁷⁵ A partial loan repayment option already exists for program participants who involuntarily separate from eligible employment.

⁷⁶ Legal services can be provided to low-income residents or groups (defined as household income below 200% of the federal poverty level) in administrative or judicial proceedings to evict the person or group.

⁷⁷ <https://dcbfoundation.org/>

⁷⁸ The subtitle prohibits the OVSJG grant from being used to supplant existing Access to Justice Initiative grant funding.

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

support legal service providers who are headquartered in the District; possess expertise in housing or landlord-tenant law; understand legal issues facing low-income residents; and possess the capacity and expertise to provide consistent, high-quality oversight, training, evaluation, and strategic responses to the needs of the communities served. The DC Bar Foundation must provide to Council annual audit and program performance reports and a biannual report on the population served.

Financial Plan Impact

The Landlord and Tenant Branch of the District of Columbia Superior Court handles over 30,000 landlord-tenant cases annually. The subtitle would provide the DC Bar Foundation with a grant from OVSJG to support legal service providers who can provide free legal services to low-income District residents who are facing possible eviction. The fiscal year 2018 budget funds the Program at \$4.5 million which will allow legal service providers to assist with approximately 1,400 eviction-related cases. In fiscal year 2019 and each year thereafter, the available funding drops to \$3.9 million. This will allow legal service providers to assist with approximately 1,200 eviction-related cases. The DC Bar Foundation's cost of oversight is approximately \$500,000 annually. The Program is limited to the grant funding available.

Subtitle (III)(G) – Office of Open Government Budget Authority Amendment Act of 2017

Background

The District's Board of Ethics and Government Accountability (BEGA) investigates alleged ethics laws violations by District government employees and public officials, provides employees with training on the Government's Code of Conduct, and enforces the District's laws with respect to open government practices. BEGA performs these functions through the Office of Government Ethics and the Office of Open Government. The Office of Open Government, which is responsible for ensuring open government practices such as compliance with the Open Meetings Act⁷⁹ and efficient Freedom of Information Act processing, is an independent office within BEGA.

The subtitle grants the Director of the Office of Open Government the authority to submit its budget independent from the budget submitted by the Director of the Office of Government Ethics.

Financial Plan Impact

There are no costs associated with authorizing the Director of the Office of Open Government to submit his or her office's budget independent of the Office of Government Ethics' budget submission.

⁷⁹ Effective March 31, 2011 (D.C. Law 18-350; D.C. Official Code § 2-571 et seq.).

**Subtitle (III)(H) – Office of the Attorney General Litigation Support Fund and Attorney
General Restitution Fund Amendment Act of 2017**

Background

The subtitle amends an existing special purpose revenue fund and establishes a new one within the Office of the Attorney General (OAG). First, the subtitle increases the amount of funds that can be held in the Litigation Support⁸⁰ Fund from \$3 million to \$5 million.

Second, the subtitle establishes the Attorney General Restitution Fund. The Attorney General will deposit awards of restitution for property loss or damages suffered by consumers⁸¹ and awards for employees whose employers did not pay appropriate or sufficient wages⁸² into this Fund. OAG will pay awards to consumers and employees as directed in the related court orders, judgments, or settlements and may retain some funds to cover the costs of administering the award program. The subtitle authorizes OAG to deduct from any person's award any amounts owed to the District as determined by the Chief Financial Officer.

Financial Plan Impact

The Litigation Support Fund generates approximately \$3 million annually and the change to a \$5 million cap on the amount of funds allowed in the Fund does not have an impact on projected local fund revenues.

Court ordered awards for consumer protection violations and awards for wage violations can be unpredictable each year and the fiscal year 2018 budget does not include any revenues for the Fund. These awards also compensate consumers and employees, so with the exception of administration costs, it is expected that most of the funds received will go to the aggrieved parties.

**Subtitle (III)(I) – Treatment Instead of Jail for Certain Non-Violent Drug Offenders Initiative
Amendment Act of 2017**

Background

The Treatment Instead of Jail for Certain Non-Violent Drug Offenders Initiative of 2002⁸³ (Initiative) was passed by District voters in 2002 to provide for substance abuse treatment as an alternative to incarceration for certain non-violent drug offenses. The subtitle repeals the Initiative.

Financial Plan Impact

The DC Court of Appeals held that the voters are not authorized to appropriate funds and thus the Initiative was illegally. The Court invalidated the Initiative.⁸⁴ There are no costs or savings associated with its repeal.

⁸⁰ Attorney General Authority and Litigation Fund Establishment Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 1-301.86b).

⁸¹ As directed under a court order, judgment, or settlement in any action or investigation under consumer protection laws.

⁸² As directed under a court order, judgment, or settlement in any action or investigation under section 6(a)(2)(A)(iii) of An Act To provide for the payment and collection of wages in the District of Columbia, approved August 3, 1956 (70 Stat. 976; D.C. Official Code § 32-1306(a)(2)(A)(iii)).

⁸³ Effective June 5, 2003 (D.C. Law 14-308; D.C. Official Code § 24-751.01 et seq.).

⁸⁴ District of Columbia Bd. Of Elections and Ethics v. District of Columbia, 866 A.2d 788 (D.C. 2005).

**Subtitle (III)(J) – Leave and Retirement Modifications for Chief of Police Peter Newsham
Emergency Amendment Act of 2017**

Background

Council approved changes to how the new Metropolitan Police Department (MPD) Chief of Police, Peter Newsham, will accrue leave and how his retirement pay will be determined.⁸⁵ Chief Newsham will accrue leave consistent with how he accrued leave as a member of the MPD prior to becoming Chief based on his years of service.⁸⁶ Chief Newsham's annual retirement pay is set at 80 percent of his average pay for 24 consecutive months, and such retirement pay will be owed regardless of whether he voluntarily retires or otherwise separates from the MPD.

The subtitle makes these changes permanent.

Financial Plan Impact

There are no additional costs associated with making these changes permanent.

Subtitle (III)(K) – Comprehensive Youth Justice Amendment Act of 2017

Background

In 2016, the Council passed a comprehensive youth justice bill⁸⁷ that included a victim-offender mediation program within the Office of the Attorney General (OAG) and a manual for families of children residing in secure Department of Youth Rehabilitation Services (DYRS) juvenile facilities.

The subtitle amends the dates by which the District must implement these two provisions to October 1, 2017⁸⁸ for the victim-offender mediation program and within 180 days of the effective date of this subtitle⁸⁹ for the DYRS manual.

Financial Plan Impact

The fiscal year 2018 through fiscal year 2021 budget and financial plan includes approximately \$464,000 annually for three new OAG attorneys to implement the victim-offender mediation program. The budget and financial plan also includes approximately \$8,300 annually for DYRS to develop and maintain the manual for families with children in secure facilities. This funding will allow the agencies to implement these provisions consistent with the subtitle's new timelines.

Subtitle (III)(L) – Emergency Medical Services Director Amendment Act of 2017

Background

District law⁹⁰ requires that the Mayor appoint a Medical Director at the Fire and Emergency Medical Services Department (FEMS) who meets certain qualifications. Those qualifications include a

⁸⁵ Leave and Retirement Modifications for Chief of Police Peter Newsham Emergency Amendment Act of 2017, effective June 6, 2017.

⁸⁶ Other executive service employees receive 208 hours of universal leave.

⁸⁷ Comprehensive Youth Justice Amendment Act of 2016, effective April 4, 2017 (D.C. Law 21-238; 64 DCR 3959).

⁸⁸ The current law makes this effective on October 1, 2018.

⁸⁹ The current law makes this effective within 180 days of the effective date of the current law which was April 4, 2017.

license to practice medicine in the District of Columbia, board certification in a medical area relevant to the FEMS patient base,⁹¹ and at least four years of experience in emergency medical services. The Director must also maintain clinical practice at a District hospital or hold an appointment at an accredited academic medical center in the District.

The subtitle waives, for the current Interim Medical Director, Robert Holman, the requirements that he has at least four years of experience in emergency medical services and maintains a clinical practice at a District hospital.

Financial Plan Impact

There are no costs associated with waiving these requirements for the current Interim Medical Director, Robert Holman.

TITLE IV - PUBLIC EDUCATION

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

Background

This subtitle sets⁹² the base level funding for the Uniform per Student Funding Formula (UPSFF) at \$9,972. This is a three percent increase over the fiscal year 2017 base amount. Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per student funding at that level or for those services.

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

This subtitle increases⁹³ the annual non-residential facilities allotment for public charter schools from \$3,124 per student to \$3,193 per student in fiscal year 2018, \$3,263 in fiscal year 2019, \$3,335 in fiscal year 2020, and \$3,408 in fiscal year 2021. This is a 2.2 percent increase each fiscal year.

The following tables show the foundation level funding at each grade level and the various add-ons:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Student Allocation in FY 2018
Pre-Kindergarten 3	1.34	\$13,363
Pre-Kindergarten 4	1.30	\$12,964
Kindergarten	1.30	\$12,964

⁹⁰ Emergency Medical Services Improvement Act of 2008, effective April 15, 2008 (D.C. Law 17-147; D.C. Official Code § 5-404.01).

⁹¹ For example, emergency medicine, general surgery, family medicine, or internal medicine.

⁹² 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.).

⁹³ By amending D.C. Official Code § 38-2908.

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

Grades 1-5	1.00	\$9,972
Grades 6-8	1.08	\$10,770
Grades 9-12	1.22	\$12,166
Alternative program	1.44	\$14,360
Special education school	1.17	\$11,668
Adult	0.89	\$8,875

Special Education Add-ons			
Level/ Program			
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$9,673
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$11,967
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized	1.97	\$19,646
Level 4: Special Education	More than 24 hours per week that may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	\$34,804
Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per student basis for Blackman Jones compliance.	0.069	\$688
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	\$888
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$16,654

General Education Add-ons			
Level / Program	Definition	Weighting	Per Student Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$4,887
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,184

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Level 1: Special Education - Residential	Additional funding to support the after-hours Level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.368	\$3,690
Level 2: Special Education - Residential	Additional funding to support the after-hours Level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.337	\$13,363
Level 3: Special Education - Residential	Additional funding to support the after-hours Level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$28,820
Level 4: Special Education - Residential	Additional funding to support the after-hours Level 4 special education needs of limited and non-English proficient students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$28,820
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$6,661

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Student 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	\$628

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
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	\$2,264
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$4,896
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	\$4,896

Financial Plan Impact

The three percent base level increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The fiscal year 2018 budget includes the effect of the revisions to the UPSFF in the approximately \$1.46 billion for instructional budgets: \$789,600,000 for the District of Columbia Public Schools and \$669,000,000 for the public charter schools.

The fiscal impact of increasing the non-residential facilities allotment for public charter schools is incorporated into the proposed fiscal year 2018 through 2021 budget and financial plan. Charter schools will receive \$144,300,000 for facilities allowances in fiscal year 2018, bringing the collective public charter school local budget to \$813,700,000.⁹⁴

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

Background

This subtitle adds⁹⁵ private, licensed children and youth service providers to the list of youth services providers required to perform criminal background checks on applicants under consideration for paid employment or volunteer service.

Financial Plan Impact

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

⁹⁴ Includes \$318,600 in administrative fees paid to the Public Charter School Board.

⁹⁵ By amending Section 202(3) of the Child and Youth, Safety and Health Omnibus Amendment Act of 2004, effective April 13, 2005 (D.C. Law 15-353; D.C. Official Code § 4-1501.02).

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

Background

This subtitle creates⁹⁶ a non-lapsing Child Development Facilities Fund in the Office of the State Superintendent of Education (OSSE) to recover the cost of regulating child development facilities and to enforce monitoring of child development facilities. Revenue generated from licensure fees and fines will be designated for deposit into the fund. Fund availability is subject to authorization in an approved budget and financial plan.

Financial Plan Impact

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

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

Background

This subtitle changes⁹⁷ how the District distributes the assets of closed public charter schools. The Office of the State Superintendent of Education (OSSE) will control the disposition of closed public charter school assets and must distribute them for educational purposes. The subtitle permits assets, including cash, to be directly transferred from a closing charter school to a charter school acquiring students from the closed school.

Financial Plan Impact

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

Subtitle (IV)(E) – Academic Certification and Testing Fund Amendment Act of 2017

Background

This subtitle changes⁹⁸ the Academic Certification and Testing Fund from a non-lapsing fund to a lapsing fund. The Office of the State Superintendent of Education currently deposits fees collected for state academic credential certifications, general educational development testing, and any other state-level education functions.

Financial Plan Impact

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

⁹⁶ By amending The Child Development Facilities Regulation Act of 1998, effective April 13, 1999 (D.C. Law 12-530; D.C. Code § 7-2031 et seq.).

⁹⁷ By amending Section 2213a of the District of Columbia School Reform Act of 1995, effective March 14, 2007 (D.C. Law 16-268; D.C. Official Code § 38-1802.13a).

⁹⁸ By amending Section 3(c)(1) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(c)(1)).

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

Background

This subtitle provides⁹⁹ the Office of the State Superintendent of Education (OSSE) with the authority to administer grant programs aimed at helping District residents to earn their secondary and postsecondary credentials and successfully transition to college and careers.

Financial Plan Impact

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

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

Background

This subtitle makes permanent¹⁰⁰ the Office of the State Superintendent of Education's (OSSE) authority to issue hardship exemptions to child development facilities that are required to enroll in the Child and Adult Care Food (CACF) Program. Facilities applying for a hardship exemption must provide documentation to OSSE explaining why participation in the CACF Program constitutes a hardship and must document compliance with the CACF Program meal patterns.

This subtitle also clarifies¹⁰¹ which facilities must enroll in the CACF Program. Facilities where over fifty percent of enrolled children qualify for the CACF Program for at least six continuous months are required to enroll in the CACF Program. This change aligns current law with how OSSE operates the program in practice.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Funds are budgeted to provide meal subsidies to providers that are compliant with the program requirements. OSSE can review hardship waiver requests within its allocated budget.

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

Background

Currently, the University of the District of Columbia (UDC) is granted exclusive use of the Patricia R. Harris facility on Livingston Road S.E.¹⁰² In addition to managing and using the building, UDC leases the space to charter schools and District agencies. A proposed agreement would dispose of the building to the non-profit charter school incubator Building Hope, but before that could occur, UDC's exclusive use would need to be repealed in the law.

⁹⁹ By amending Section 3(b) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(b)).

¹⁰⁰ By amending Section 4073a of the Healthy Tots Act of 2014, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 38-282.01).

¹⁰¹ Id.

¹⁰² Per Section 422 of the Fiscal Year 2011 Supplemental Budget Support Act of 2010, effective April 8, 2011 (D.C. Law 18-370; 58 DCR 1008).

The subtitle maintains UDC's exclusive use until such time that a disposition resolution that contains a provision to sublease a portion of the building to UDC is presented to Council for approval.

Financial Plan Impact

While repealing UDC's exclusive use does not have a fiscal impact, the District spent some tax-exempt bond proceeds on UDC capital projects at the facility. The OCFO will complete a review to determine if the contemplated disposition to Building Hope falls within I.R.S. rules and regulations governing tax-exempt bond proceeds. Any fiscal impact associated with such disposition, including any impact on facilities budgets for UDC and the tenant District agencies, will be addressed at such time as the disposition is brought to Council for approval.

Subtitle (IV)(I) - DPR Parks Adoption and Sponsorship Amendment Act of 2017

Background

The subtitle authorizes the Department of Parks and Recreation (DPR) to enter into agreements with a business improvement district (BID) to allow the BID to maintain and operate Franklin Square Park, Yards Park, Canal Park or parks within the NoMa BID. BIDs may also enter into contracts with a third party to generate revenue¹⁰³ to support the maintenance and operations of the specified parks. The subtitle also allows DPR to issue grants to a BID for maintenance and operations of the specified parks.

Financial Plan Impact

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

Subtitle (IV)(J) - My School DC Transfer Amendment Act of 2017

Background

This subtitle transfers¹⁰⁴ the My School DC program from Deputy Mayor for Education (DME) to the Office of the State Superintendent of Education (OSSE). My School DC is the District's public school common lottery and determines placement for new students at all participating schools.

Financial Plan Impact

This subtitle transfers \$1.1 million in fiscal year 2018 and \$4.5 million over the financial plan from the DME to OSSE. The transfer will also move seven My School DC employees from the DME to OSSE. Council adjusted the fiscal year 2018 through fiscal year 2021 budget and financial plan to account for this transfer.

¹⁰³ Examples of revenue generating initiatives include concessions and programs.

¹⁰⁴ By amending The Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-191 *et seq.*).

My School DC Transfer Amendment Act of 2017					
DME to OSSE Transfer (000's)					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
Total(a)	\$1,100	\$1,122	\$1,144	\$1,167	\$4,534

Table Notes

^a Assumes a 2.0 percent growth rate to account for inflation.

Subtitle (IV)(K) - Access to Quality Child Care Fund Establishment Act of 2017

Background

This subtitle establishes a special purpose, non-lapsing fund titled the Access to Quality Child Care Fund (Fund), which will be administered by the Office of the State Superintendent of Education (OSSE). The subtitle provides for an \$11 million deposit into the Fund in fiscal year 2018. Money deposited into the Fund will be used to expand access to childcare and will not revert to the General Fund balance at the end of the fiscal year.

Financial Plan Impact

Council budgeted \$11 million in fiscal year 2018 to implement the subtitle.

Subtitle (IV)(L) - Special Education Enhancement Fund Amendment Act of 2017

Background

This subtitle establishes¹⁰⁵ the Special Education Enhancement Fund as a special non-lapsing fund for dispersing money to implement the Enhanced Special Education Services Act of 2014.

Financial Plan Impact

OSSE estimates that \$10.5 million will carry over from fiscal year 2017 to fiscal year 2018 as a result of this subtitle. These funds will remain in the Special Education Enhancement Fund instead of reverting back to the General Fund at the end of fiscal year 2017.

Subtitle (IV)(M) - Office of the State Superintendent of Education Early Literacy Grant Program Amendment Act of 2017

Background

This subtitle changes¹⁰⁶ the Early Literacy Grant Program from a single year competitive grant program into a multi-year grant program, subject to available funding.

Financial Impact

Council's fiscal year 2018 budget includes \$1.6 million to fund the Early Literacy Grant Program. Making the Early Literacy Grant Program a multi-year grant program has no fiscal impact since the grants are subject to the availability of funding.

¹⁰⁵ By amending Section 7g of the State Education Office Establishment Act of 2000, effective March 10, 2015 (D.C. Law 20-196; D.C. Official Code § 38-2613).

¹⁰⁶ By amending section 3(b)(24) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(b)(24)).

Subtitle (IV)(N) - Office of Out of School Time Grants and Youth Outcomes Amendment Act of 2017

Background

This subtitle allows¹⁰⁷ the Office of Out of School Time Grants and Youth Outcomes to provide grant funds to third party providers to build capacity or obtain technical assistance. The subtitle also clarifies that summer school programs cannot receive multi-year grants through the program since they operate on a year-to-year basis.

Financial Impact

This subtitle does not have an impact on the District's budget and financial plan. Allowing grant awards to be issued to third party vendors and clarifying summer school program grant eligibility does not require additional resources.

Subtitle (IV)(O) - Office of the State Superintendent of Education Reporting Requirements Amendment Act of 2017

Background

The subtitle changes reporting requirement deadlines and eliminates outdated reporting requirements for the Office of the State Superintendent of Education (OSSE).

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. OSSE can meet the proposed reporting requirements with the resources in its current budget.

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

Background

This subtitle removes¹⁰⁸ the requirement for an independent audit of the enrollment calculations completed by the Office of the State Superintendent for Education (OSSE).

Financial Plan Impact

This subtitle eliminates the need to contract with an outside vendor to conduct an independent audit of OSSE's enrollment calculations. OSSE can complete an internal audit of enrollment calculations without additional resources.

¹⁰⁷ By amending Section 5 of the Office of Out of School Time Grants and Youth Outcomes Establishment Act of 2016, effective April 7, 2017 (D.C. Law 21-261; 64 DCR 2090).

¹⁰⁸ By amending Section 2402 of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-1802.01 et seq.).

TITLE V- HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – TANF Child Benefit Protection Amendment Act of 2017

Background

The subtitle restructures¹⁰⁹ the way TANF benefit amounts are set for families. Previously, eligible families were given the full cash benefit as long as they had received TANF benefits for no more than 60 months. Families that had received benefits for more than 60 months received a reduced benefit¹¹⁰, though this reduced benefit was scheduled to sunset after fiscal year 2017. The new policy in the subtitle bases a family’s benefit amount on parents’ compliance with their individual responsibility plans (IRP), meaning the length of time a family receives benefits will no longer determine the family’s benefit amount.

Under the new policy, all families will receive a “child grant,” which will be 80 percent of the full benefit amount. The remaining 20 percent of the benefit will be called the “parent grant.” A family will receive the entire parent grant if the parents are in compliance with their IRPs. If parents aren’t in compliance with their IRPs, they will be sanctioned and the parent portion of the grant will be reduced by 30 percent.

The subtitle also allows the Mayor to change a family’s benefit amount, or withdraw the benefit entirely, if the family has not completed the recertification process in a timely manner.

Financial Impact

The total cost of TANF cash benefits under the new policy in the subtitle will be \$66.1 million in fiscal year 2018, and costs will grow to \$91.7 million by fiscal year 2021. These costs have been incorporated into the budget and financial plan.

Total Cost of TANF Cash Benefits, FY 2018 - FY 2021, under the TANF Child Benefit Protection Amendment Act of 2017 (Dollars in Millions)					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
Total	\$66.1	\$86.8	\$89.2	\$91.7	\$333.8

Assumptions:

- The new policy will go into effect in April 2018.
- The average full benefit per family in fiscal year 18 is \$465 per month. This amount is scheduled to increase by 11.8 percent in fiscal year 19, and by 2.8 percent in fiscal year 20 and fiscal year 21.
- Out of the 10,700 families eligible for sanctions, about 4,500 will be sanctioned. Families that have received benefits for more than 60 months will be more likely to be sanctioned than other families.
- An additional 3,900 families receiving benefits will not be eligible for sanctions because they are enrolled in POWER (Program on Work Employment and Responsibility), are non-citizens, or have an exemption.

¹⁰⁹ By amending The District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Official Code § 4-201.01 et seq.)

¹¹⁰ Though there were some exceptions; the “clock was stopped” for some families, depending on their circumstances. Also, people enrolled in POWER were exempt from the time limit.

Out of the 14,600 families, the Department of Human Services (DHS) expects to receive benefits, about 10,700 will be eligible for sanctions, and 4,500 will be sanctioned. DHS projects that the sanctioned families will receive an average benefit of \$437 a month in fiscal year 2018, while the non-sanctioned families will receive an average benefit of \$465 a month. Benefit levels are scheduled to increase by 11.8 percent in fiscal year 2019, and 2.8 percent¹¹¹ in fiscal year 2020 and fiscal year 2021.

Projected Average Monthly TANF Benefit Amounts in FY 2018, Based on Sanction Status			
	Total Benefit	Child Grant	Parent Grant
Not Sanctioned	\$465	\$372	\$93
Sanctioned	\$437	\$372	\$65

The 3,900 families that aren't eligible for sanctions are not eligible because they are enrolled in POWER¹¹², are non-citizens, or have other exemptions. The average benefit amounts for these families vary based on their circumstances.

Subtitle (V)(B) – CFSA Reporting Requirements Amendment Act of 2017

Background

The subtitle pushes back¹¹³ the due dates of several reports the Child and Family Services Agency (CFSA) is required to submit to Council each year. The purpose of the subtitle is to give CFSA staff more time to collect end-of-year-data and analyze it for the reports.

Financial Impact

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

Subtitle (V)(C) – Department of Health Care Finance Grant-Making Amendment Act of 2017

Background

This subtitle authorizes¹¹⁴ the Department of Health Care Finance (DHCF) to administer three grant programs. Specifically, DHCF will issue:

- Four \$50,000 grants to promote telehealth interventions by providers located in Ward 7 and 8 or to residents located in Wards 7 and 8;

¹¹¹ This is the increase in the Consumer Price Index that the Office of Revenue Analysis projects for fiscal year 2020 and fiscal year 2021.

¹¹² Program on Work Employment and Responsibility.

¹¹³ By amending Section 374(b)(3) of the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1303.74(b)(3)); the Newborn Safe Haven Amendment Act, effective May 27, 2010 (D.C. Law 18-158; D.C. Official Code § 4-1451.07); the Grandparent Caregivers Pilot Program Establishment Act of 2005, effective March 8, 2006 (D.C. Law 16-69; D.C. Official Code § 4-251.05); and Section 384(b)(1)(D) of the Prevention of Child Abuse and Neglect Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1303.74(b)(1)(D)).

¹¹⁴ By amending The Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 et seq.).

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

- Two \$75,000 grants to facilitate the development and application of telehealth services to a homeless shelter or public housing properties to improve the health outcomes of the individuals residing in these locations; and
- One \$250,000 grant to a college of pharmacy to help substance abuse providers utilize precision medicine to prescribe targeted medication to patients suffering from opioid abuse.

Financial Plan Impact

Council included \$600,000 in DHCF's fiscal year 2018 budget to fund the grants mandated by the subtitle.

Subtitle (V)(D) – Medical Assistance Program Amendment Act of 2017

Background

This subtitle changes¹¹⁵ the State Plan Amendment (SPA) review process by no longer requiring Council approval of SPA rate changes.

Financial Plan Impact

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

Anti-deficiency laws¹¹⁶ prohibit District officers and employees from exceeding agency appropriations in any fiscal year, so the Department of Health Care Finance would still need to budget and appropriate funds required to implement the amendments and waivers or absorb future costs in its budget and financial plan. The Agency Fiscal Officer would still need to certify that funds are sufficient for implementation.

Subtitle (V)(E) – Early Childhood and School-Based Behavioral Health Comprehensive Plan Amendment Act of 2017

Background

This subtitle requires¹¹⁷ the Mayor to submit a plan to the Council for the expansion of early childhood and school-based behavioral health programs and services. The subtitle prohibits the expansion of those services without an approved plan in place. The plan is subject to a 60-day Council passive review period.

¹¹⁵ By amending Section 1(a) of an Act To enable the District of Columbia to receive Federal financial assistance under title XIX of the Social Security Act for a medical assistance program, and for other purposes, approved December 27, 1967 (81 Stat. 744; DC Official Code § 1-307.02(a)) to repeal subsection (a)(2).

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

¹¹⁷ By amending Section 203 of the Early Childhood and School-based Behavioral Health Infrastructure Act of 2012, effective June 7, 2012 (D.C. Law 19-141; D.C. Official Code § 2-1517.32).

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The Department of Behavioral Health has drafted a plan and it is undergoing review before it can be submitted to Council.

Subtitle (V)(F) – Medicaid Hospital Outpatient Supplemental Payment Act of 2017

Background

This subtitle authorizes the District to continue to charge a fee on each hospital's outpatient gross patient revenue¹¹⁸ in fiscal year 2018. All revenues collected from fees will be deposited into a non-lapsing Hospital Provider Fee Fund (Fund). The Fund must be used to make Medicaid outpatient hospital access payments and refunds. The subtitle specifies that the Fund can be used to pay for administrative expenses incurred by the Department of Health Care Finance (DHCF) and limits the amount that can be used for this purposes to \$150,000. The subtitle expires on September 30, 2018.

Financial Plan Impact

The hospital outpatient fee is estimated to generate \$5.53 million in dedicated tax revenue and approximately \$12.55 million in federal Medicaid funding. Council has included \$17.93 million of additional spending by DHCF in the fiscal year 2018 budget supported by these dedicated taxes and federal funds.

Subtitle (V)(G) – Medicaid Hospital Inpatient Rate Supplement Act of 2017

Background

This subtitle authorizes the District to continue to charge a fee on each hospital's inpatient net patient revenue¹¹⁹ in fiscal year 2018. All revenues collected from fees will be deposited into a non-lapsing Hospital Provider Fee Fund (Fund). The Fund must be used to fund District Medicaid inpatient fee-for-service. The subtitle expires on September 30, 2018 which is the end of fiscal year 2018.

Financial Plan Impact

The hospital inpatient fee is estimated to generate \$8.8 million in dedicated tax revenue and approximately \$20.5 million in federal Medicaid funding. Council has included \$29.3 million of additional spending by the Department of Health Care Finance in the fiscal year 2018 budget supported by these dedicated taxes and federal funds.

¹¹⁸ Gross patient revenue is the amount calculated in accordance with generally accepted accounting principles for hospitals that is reported as the sum of Lines 18 and 19; Column 2; Worksheet G-2 of the Hospital and Hospital Health Care Complex Cost Report.

¹¹⁹ Inpatient net patient revenue is the amount calculated in accordance with generally accepted accounting principles for hospitals as derived from each hospital's filed Hospital and Hospital Health Care Complex Cost Report.

Subtitle (V)(H) – East End Medical Center Act of 2017

Background

This subtitle requires the Department of Health Care Finance, in coordination with the Deputy Mayor for Planning and Economic Development, to develop a plan to establish a high-quality full-service community hospital on the Saint Elizabeths East Campus.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. The Department of Health Care Finance can develop a plan without additional resources.

TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

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

Background

The District Department of Energy and Environment (DOEE) implements two product stewardship programs; the electronics recycling program¹²⁰ and the paint recycling program.¹²¹

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

The subtitle clarifies the definition of “covered electronic equipment” subject to a manufacturer’s recycling requirement to exclude sales to the District government and the federal government. The Mayor may also exclude equipment sold to businesses with 100 or more employees from this definition if designated by rule.

Financial Plan Impact

DOEE began implementing the two programs and collecting fees at the beginning of calendar year 2017. DOEE charged paint stewardship program participants a fee to review their paint stewardship program plans and then will charge an annual fee to cover ongoing plan reviews and enforcement.¹²² DOEE charges electronic equipment manufacturers an annual registration fee and a shortfall fee if the manufacturer does not reuse or recycle the manufacturer’s minimum collection share based on the manufacturer’s average annual equipment sales.¹²³ DOEE will collect approximately \$115,000 in fiscal year 2017 and \$364,000 over the proposed four-year budget and financial plan period.

¹²⁰ Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 1041.01 et seq.).

¹²¹ Paint Stewardship Act of 2014, effective March 11, 2015 (D.C. Law 20-205, D.C. Official Code § 8-233.01 et seq.).

¹²² Paint Stewardship Act of 2014, effective March 11, 2015 (D.C. Law 20-205; D.C. Official Code § 8-233.04).

¹²³ Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 8-1041.05(b)).

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

Table Notes

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

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

Background

The Department of Energy and Environment (DOEE) manages the Solar for All Program¹²⁴ to increase access to solar energy among seniors, low-income households, small businesses, and non-profits in the District. The program currently has a goal of reducing at least 100,000 low-income households’ energy bills by 50 percent by 2032.

The subtitle allows DOEE to comply with the energy reduction goal by providing the low-income households the benefit of solar energy production in an amount equal to a 50 percent reduction in the District’s average residential electric bills for calendar year 2016. DOEE should continue to target a direct 50 percent reduction in low-income households’ electric bills due to solar energy whenever feasible.

Financial Plan Impact

DOEE’s proposed budget incorporates the costs associated with the Solar for All Program through the resources of the Renewable Energy Development Fund.¹²⁵ DOEE plans to spend nearly \$20 million on the Program through 2032, but the agency is unable to identify sufficient low-income households receiving electric bills to achieve the Program’s stated goals. This subtitle provides DOEE with additional flexibility to meet the Program’s goals.

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

Background

The Department of Human Services (DHS) manages the District’s Supplemental Nutrition Assistance Program (SNAP) which provides income-eligible residents with financial assistance to purchase groceries. For the determination of SNAP benefit levels, SNAP beneficiaries are allowed to deduct from their income either actual home energy costs or a standard utility allowance (SUA). The District also implements a Heat and Eat initiative that automatically provides all SNAP

¹²⁴ Renewable Portfolio Standard Expansion Amendment Act of 2016, effective October 8, 2016 (D.C. Law 21-154; D.C. Official Code § 8-1774.16).

¹²⁵ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436).

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

recipients with \$20.01 in Low Income Housing Energy Assistance Program (LIHEAP)¹²⁶ benefits. This benefit level allows the recipient to claim the SUA in order to maximize SNAP benefits

The subtitle clarifies that only those SNAP recipients who would receive additional SNAP benefits by participating in the Heat and Eat initiative will receive the \$20.01 in LIHEAP benefits.

Financial Plan Impact

Some SNAP recipients qualify for maximum SNAP benefits before factoring in utility costs, but they receive the \$20.01 LIHEAP benefit anyway. The subtitle allows DOEE to retain the unused Heat and Eat initiative payments in the larger LIHEAP funding pool. DHS will need to update its system in fiscal year 2018 to accommodate this change, at a cost of \$250,000. DHS will use a portion of the budgeted Heat and Eat initiative allotment to pay for this update. DOEE expects to see savings from this subtitle beginning in fiscal year 2019 after the DHS system is updated. DOEE will use the Heat and Eat initiative savings to provide more assistance to eligible LIHEAP beneficiaries.

Subtitle (VI)(D) - Air Quality Construction Permits Fund Amendment Act of 2017

Background

The subtitle establishes the Air Quality Construction Permits Fund as a non-lapsing special purpose revenue fund within the Department of Energy and Environment (DOEE). DOEE will deposit fees, fines, or other revenues generated through implementation and enforcement of the Air Pollution Control Act.¹²⁷ DOEE will expend the Fund's resources to administer the agency's air quality programs, including air pollutant permitting and air quality monitoring and assessment.

Financial Plan Impact

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

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

Background

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

Financial Plan Impact

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

¹²⁶ The Department of Energy and Environment manages LIHEAP that provides financial assistance for low-income residents to pay their heating and cooling bills.

¹²⁷ Effective March 15, 1985 (D.C. Law 5-165; D.C. Official Code § 8-101.01 et seq.).

Subtitle (VI)(F) - Stormwater Fees Fund Amendment Act of 2017

Background

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

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

Financial Plan Impact

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

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

Background

The Department of Energy and Environment (DOEE) protects the quality of the District's waterways and wetlands under the Water Pollution Control Act.¹²⁸ DOEE allows construction entities who want to dredge and fill in wetlands or underwater lands to enter into settlement agreements in lieu of replacing the habitat on-site or off-site. DOEE deposits those payments into the Wetland Fund.¹²⁹ DOEE uses the Fund's resources to restore, create, and enhance wetlands and waterways in the District. DOEE carries forward any unused payment revenues to the subsequent fiscal year to pay accrued liabilities and to fund a reserve operating balance of 10 percent of revenues carried forward. The remaining balance is transferred to the District's General Fund.

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

Financial Plan Impact

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

¹²⁸ Water Pollution Control Act of 1984, effective March 16, 1985 (D.C. Law 5-188; D.C. Code § 8-103.01 et seq.).

¹²⁹ D.C. Official Code § 8-103.09(d).

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

Background

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

The subtitle authorizes DDOT's Operations Administration to enter into private sponsorship agreements for the vehicles, equipment, and facilities used in the DC Circulator and DC Streetcar programs. A private sponsor can include its logo, slogan, or other indication of sponsorship on vehicles, facilities, websites, or social media. The subtitle requires any agreement to be submitted to Council for 45-day period of passive review. Any sponsorship revenues will be deposited into the DC Circulator Fund¹³⁰ and the DC Streetcar Fund¹³¹ respectively.

Financial Plan Impact

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

Subtitle (VI)(I) - Competitive Grants Act of 2017

Background

The subtitle authorizes four District agencies to award the following competitive grants in fiscal year 2018 in total amounts not exceeding \$1.04 million.

- Department of Small and Local Business Development (DSLBD): \$200,000 to develop a pilot program to operate a nonprofit grocery store in Ward 8;
- DSLBD: \$200,000 to develop a pilot program to operate a community-owned grocery store in Ward 8;
- DSLBD: \$250,000 to create an equitable food business incubator in Ward 8;
- Department of Energy and Environment: \$150,000 to conduct a study to analyze aircraft noise and recommend noise abatement program improvements related to Ronald Reagan Washington National Airport;
- Office of Planning: \$200,000 to a non-profit organization seeking a matching grant to improve federally-owned park land in the District; and
- Department of Parks and Recreation: \$40,000 for up to eight grants¹³² to organize a community run or walk series in each ward.

¹³⁰ District Department of Transportation DC Circulator Amendment Act of 2006, effective March 6, 2007 (D.C. Law 16-255; D.C. Official Code § 50-921.33).

¹³¹ District Department of Transportation DC Streetcar Amendment Act of 2012, effective January 18, 2013 (D.C. Law 19-268; D.C. Official Code § 50-921.73).

¹³² Each individual grant award should not exceed \$5,000.

Financial Plan Impact

The fiscal year 2018 budget includes \$1.04 million allocated across these four agencies to fund the proposed grants. The agencies can implement the programs and studies with the funds provided.

Subtitle (VI)(J) - Crumb Rubber Artificial Turf Moratorium Act of 2017

Background

The subtitle bans the installation or construction of any synthetic turf fields that are made from crumb rubber or other recycled tire materials on property owned or leased by the District.

Financial Plan Impact

The Department of General Services, which controls District-owned facilities, has already discontinued the use of crumb rubber and other tire materials for its synthetic turf fields. This subtitle formalizes the ban and extends it to District-leased properties. The lessees of those properties will be responsible for adhering to the proposed ban and seeking alternative materials.

Subtitle (VI)(K) - Energy Assistance Trust Fund Fee Amendment Act of 2017

Background

The District imposes a fee on gas and electricity companies based on the volume of gas and electricity sold to consumers in the District.¹³³ The fee, which can be passed on to the consumers, is deposited into the Energy Assistance Trust Fund (EATF)¹³⁴ to fund the Low Income Home Energy Assistance Program (LIHEAP) that financially supports home energy bills for low-income residents.

The subtitle increases the fees paid into the EATF by gas and electricity consumers in the District. The gas fee will increase from \$0.0051 per therm to \$0.0083359 per therm. The electricity fee will increase from \$0.0000607 per kilowatt hour to \$0.0002322 per kilowatt hour. The subtitle also eliminates a \$2.33 million limit on LIHEAP expenditures from the EATF.

Financial Plan Impact

The increased rates will generate approximately \$2.7 million in additional revenue from gas and electricity consumers, bringing total EATF revenue from these sources to approximately \$5 million. These revenues support the LIHEAP program.

Subtitle (VI)(L) - Healthy Schools Amendment Act of 2017

Background

This subtitle authorizes¹³⁵ the Office of the State Superintendent of Education (OSSE) to issue grants through the Healthy Schools Fund using a competitive process or formula-based process. The subtitle also enables schools to apply for two new grant programs: a nutrition education grant and

¹³³ The gas and electric companies must exclude sales to customers participating in the Residential Essential Service or Residential Aid Discount programs.

¹³⁴ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.11).

¹³⁵ By amending The Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.01 et seq.).

a kitchen staff training grant. The subtitle also increases, for fiscal year 2018 only, the amount of dedicated revenues the District transfers to the Healthy Schools Fund.

Financial Plan Impact

The Healthy Schools Fund receives¹³⁶ an annual budget appropriation of \$4.27 million. Changing the way OSSE distributes the Fund's resources does not have a financial impact.

The Healthy Schools Fund requires additional resources to support the nutrition education grant and kitchen staff training grant. The subtitle's addition of \$400,000 in dedicated sales tax revenue in the fiscal year 2018 will fund the cost of the two new grant programs.

Subtitle (VI)(M) – Tree Canopy Protection Amendment Act of 2017

Background

In 2016,¹³⁷ the Council banned the removal of Heritage Trees in the District and increased the fee for the removal of a Special Tree.¹³⁸ Heritage Trees are those with a circumference over 100 inches and Special Trees are those with a circumference between 44 inches and 100 inches. The District Department of Transportation issues tree removal permits for people who want to cut down Special Trees.

The subtitle exempts a District homeowner who, as of October 1, 2016, had a pending single-family home building permit application – that is or was subsequently approved – from the District's Heritage Tree removal ban.

Financial Plan Impact

A homeowner would be required to pay a \$300 per inch of circumference fine if he or she cut down a Heritage Tree¹³⁹ after October 1, 2016. However, this subtitle will allow a homeowner with a pending building permit application as of that date to cut down a Heritage Tree and pay the original Special Tree permit fee of \$35 per inch of circumference. The numbers of affected homeowners are unknown at this time. Special Tree permit fees collected for any Heritage Trees cut under the authority of this subtitle will be deposited into the Tree Fund¹⁴⁰

Subtitle (VI)(N) – Lead Exposure from Drinking Water in Child Development Facilities Prevention Amendment Act of 2017

Background

The subtitle requires child development facilities in the District to identify all drinking and non-drinking water sources, install and maintain lead filters,¹⁴¹ annually test for lead at drinking water

¹³⁶ D.C. Official Code § 38-821.02.

¹³⁷ Tree Canopy Protection Amendment Act of 2016, effective July 1, 2016 (D.C. Law 21-133; D.C. Official Code § 8-651.01 et seq.).

¹³⁸ The Special Tree removal fee was increased from \$35 to \$55 per inch of circumference.

¹³⁹ Unless the Heritage Tree is hazardous, of a species determined to be appropriate for removal, or a permit is issued to relocate the tree.

¹⁴⁰ D.C. Official Code § 8-651.07.

¹⁴¹ Filters must be certified for lead reduction to the National Sanitation Foundation/American National Standards Institute Standard 53 or 61 for Health Effects.

sources, remediate any hazardous situations, and report to parents the results of the tests and remediation efforts. The District Department of Energy and Environment (DOEE) will provide these facilities with a list of approved contractors to perform the work. DOEE will provide reasonable cost reimbursement to the contractors upon the receipt of a certificate of compliance from the child development facility. DOEE should report to the Office of the State Superintendent for Education (OSSE) whether or not a facility has complied with the lead testing and filter requirements and work with OSSE on an annual compliance report to the Mayor, the Council, and the Healthy Schools and Youth Commission. A child development facility must provide proof of compliance with these requirements at the time it applies for an initial or renewal operating license. Child development facilities will have two years from the effective date of this subtitle to comply with these provisions.

Financial Plan Impact

DOEE will manage the lead testing and filter reimbursement program for child development facilities and will maintain a list of approved contractors for the facilities to use for these projects. DOEE will need one additional environmental protection specialist within its Lead and Healthy Homes Division to manage this program. This specialist will cost \$87,000 in fiscal year 2018 and \$366,000 over the four-year financial plan period. DOEE will also need approximately \$1.8 million annually¹⁴² to provide reimbursements for the annual testing, filter installation and replacements, signage, excessive lead remediation, and kitchen water facilities costs at over 470 child development facilities across the District. The fiscal year 2018 through fiscal year 2021 budget and financial plan includes approximately \$2.2 million annually to cover these costs.

Lead Exposure from Drinking Water in Child Development Facilities Prevention Amendment Act of 2017					
FY 2018 – FY 2021					
(\$000s)					
	FY 2018	FY 2019	FY 2020	FY 2021	Total
DOEE Costs					
Personnel	(\$87)	(\$90)	(\$93)	(\$96)	(\$366)
Child Development Facility Reimbursement ^a	(\$1,791)	(\$1,994)	(\$1,750)	(\$1,799)	(\$7,334)
Total DOEE Costs	(\$1,878)	(\$2,084)	(\$1,843)	(\$1,895)	(\$7,700)

Table Notes

^a Assumes 75% of child development facilities will comply in the first year and 25% will comply in year two.

TITLE VII – FINANCE AND REVENUE

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

Background

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

- Bicycle Safety Enhancement Amendment Act of 2008¹⁴³

¹⁴² One cost component, the kitchen and classroom sinks, has a higher one-time cost in fiscal year 2018 (\$1.1 million) and an ongoing cost of approximately \$459,000 annually in fiscal year 2019 through fiscal year 2021.

¹⁴³ D.C. Law 17-352, effective March 25, 2009.

- Prohibition Against Human Trafficking Amendment Act of 2010¹⁴⁴
- Rhode Island Avenue Metro Plaza Revenue Bonds Amendment Act of 2010¹⁴⁵
- Fire and Emergency Medical Services Employee Presumptive Disability Amendment Act of 2012¹⁴⁶
- Health Benefit Exchange Authority Establishment Act of 2011¹⁴⁷
- Residential Parking Protection Amendment Act of 2012¹⁴⁸
- Parent and Student Empowerment Amendment Act of 2013¹⁴⁹
- Public Space Enforcement Amendment Act of 2014¹⁵⁰
- Soccer Stadium Development Amendment Act of 2014¹⁵¹
- Health-Care Decisions Amendment Act of 2015¹⁵²
- Carcinogenic Flame Retardant Prohibition Amendment Act of 2016¹⁵³
- Youth Suicide Prevention and School Climate Survey Amendment Act of 2016¹⁵⁴
- Neighborhood Engagement Achieves Results Amendment Act of 2016¹⁵⁵
- Bicycle and Pedestrian Safety Amendment Act of 2016¹⁵⁶
- Building Service Employees Minimum Work Week Act of 2016¹⁵⁷
- Procurement Integrity, Transparency, and Accountability Amendment Act of 2016¹⁵⁸
- Death With Dignity Act of 2016¹⁵⁹
- Charitable Solicitations Relief Amendment Act of 2016¹⁶⁰
- Food, Environmental, and Economic Development in the District of Columbia Amendment Act of 2016¹⁶¹
- Automatic Voter Registration Amendment Act of 2016¹⁶²
- Medical Marijuana Omnibus Amendment Act of 2016¹⁶³
- Relocation Expenses Recoupment and Lien Authority Amendment Act of 2016¹⁶⁴
- Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016¹⁶⁵

¹⁴⁴ D.C. Law 18-239, effective October 23, 2010.

¹⁴⁵ D.C. Law 18-344, effective March 31, 2011.

¹⁴⁶ D.C. Law 19-311, effective May 1, 2013, by amending the underlying Fire and Police Medical Leave and Limited Duty Amendment Act of 2004 (D.C. Law 19-311, effective May 1, 2013).. Subsection (c) of the legislation remains subject to appropriations.

¹⁴⁷ D.C. Law 19-94, effective March 2, 2012.

¹⁴⁸ D.C. Law 19-182, effective October 22, 2012.

¹⁴⁹ D.C. Law 20-76, effective February 22, 2014.

¹⁵⁰ D.C. Law 20-207, effective March 11, 2015.

¹⁵¹ D.C. Law 20-233, effective March 11, 2015.

¹⁵² D.C. Law 21-72, effective February 27, 2016.

¹⁵³ D.C. Law 21-108, effective May 12, 2016.

¹⁵⁴ D.C. Law 21-120, effective June 17, 2016.

¹⁵⁵ D.C. Law 21-125, effective June 30, 2016.

¹⁵⁶ D.C. Law 21-155, effective October 8, 2016.

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

¹⁵⁸ D.C. Law 21-158, effective October 21, 2016.

¹⁵⁹ D.C. Law 21-182, effective February 18, 2017.

¹⁶⁰ D.C. Law 21-202, effective February 18, 2017.

¹⁶¹ D.C. Law 21-204, effective February 18, 2017.

¹⁶² D.C. Law 21-208, effective February 18, 2017.

¹⁶³ D.C. Law 21-209, effective February 18, 2017.

¹⁶⁴ D.C. Law 21-211, effective February 18, 2017.

¹⁶⁵ D.C. Law 21-213, effective February 18, 2017.

- Planning Actively for Comprehensive Education Facilities Amendment Act of 2016¹⁶⁶
- Comprehensive Youth Justice Amendment Act of 2016¹⁶⁷
- Council Financial Disclosure Amendment Act of 2016¹⁶⁸
- Washington Metrorail Safety Commission Establishment Act 2016¹⁶⁹
- State Board of Education Omnibus Amendment Act of 2016¹⁷⁰
- Fair Credit in Employment Amendment Act of 2016¹⁷¹
- Fair Criminal Record Screening for Housing Act of 2016¹⁷²
- Office of Out of School Time Grants and Youth Outcomes Establishment Act of 2016¹⁷³
- District of Columbia State Athletics Consolidation Act of 2016¹⁷⁴
- Universal Paid Leave Amendment Act of 2016¹⁷⁵
- First-time Homebuyer Tax Benefit Amendment Act of 2016¹⁷⁶
- Advisory Neighborhood Commissions Omnibus Amendment Act of 2016¹⁷⁷
- Continuing Care Retirement Community Exemption Amendment Act of 2016¹⁷⁸
- Child Care Study Act of 2017¹⁷⁹

Financial Plan Impact

Repealing the subject to appropriations provisions of the above-mentioned laws authorizes additional expenditures of approximately \$63.2 million in fiscal year 2018 and \$131.8 million over the four-year financial plan period, and reduces revenues of \$3.4 million in fiscal year 2018 and \$17.3 million over the four-year financial plan period. Expenditures for each law are budgeted in the relevant agency budgets. Funding for the Washington Metrorail Safety Commission Establishment Act of 2016 is included in the budget under the Washington Metropolitan Area Transit Authority (Agency KE0). Start-up costs for the Universal Paid Leave Act of 2016 are funded in the capital budget.

Subject to Appropriations Amendment Act of 2017, Increased Expenditures Fiscal Year 2018 - Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018 - FY 2021
Bicycle Safety Enhancement Amendment Act of 2008 ^(a)	\$0	\$0	\$0	\$0	\$0
Prohibition Against Human	\$13,000	\$13,000	\$13,000	\$13,000	\$52,000

¹⁶⁶ D.C. Law 21-219, effective February 18, 2017.

¹⁶⁷ D.C. Law 21-238, effective April 4, 2017.

¹⁶⁸ D.C. Law 21-240, effective April 7, 2017.

¹⁶⁹ D.C. Law 21-250, effective April 7, 2017.

¹⁷⁰ D.C. Law 21-252, effective April 7, 2017.

¹⁷¹ D.C. Law 21-256, effective April 7, 2017.

¹⁷² D.C. Law 21-259, effective April 7, 2017.

¹⁷³ D.C. Law 21-261, effective April 7, 2017.

¹⁷⁴ D.C. Law 21-263, effective April 7, 2017.

¹⁷⁵ D.C. Law 21-264, effective April 7, 2017.

¹⁷⁶ D.C. Law 21-268, effective April 7, 2017.

¹⁷⁷ D.C. Law 21-269, effective April 7, 2017. Section 2(g)(1)(B)(ii) and amendatory section 18(c) within section 2(i) remain subject to appropriation.

¹⁷⁸ D.C. Law 21-2744, effective April 15, 2017.

¹⁷⁹ D.C. Act 22-72, Projected Law Date September 12, 2017.

The Honorable Phil Mendelson
 Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a
 Substitute, circulated June 26, 2017

Trafficking Act of 2010					
Rhode Island Avenue Plaza Revenue Bonds Amendment Act of 2010 ^(b)	\$0	\$0	\$0	\$0	\$0
Fire and Emergency Medical Services Employee Presumptive Disability Amendment Act of 2012	\$817	\$834	\$850	\$867	\$3,370
Health Benefit Exchange Authority Establishment Act of 2011 ^(a)	\$0	\$0	\$0	\$0	\$0
Residential Parking Protection Act of 2012 ^(a)	\$0	\$0	\$0	\$0	\$0
Parent and Student Empowerment Act of 2013 (Title II)	\$54	\$55	\$57	\$59	\$226
Public Space Enforcement Act of 2015 ^(a)	\$0	\$0	\$0	\$0	\$0
Soccer Stadium Development Amendment Act of 2014 ^(a)	\$0	\$0	\$0	\$0	\$0
Health-Care Decisions Amendment Act of 2015	\$200	\$75	\$75	\$75	\$425
Carcinogenic Flame Retardant Prohibition Amendment Act of 2016	\$116	\$119	\$122	\$122	\$227
Youth Suicide Prevention and School Climate Survey Amendment Act of 2016	\$106	\$110	\$96	\$0	\$312
Neighborhood Engagement Achieves Results Amendment Act of 2016 ^(a)	\$0	\$0	\$0	\$0	\$0
Bicycle and Pedestrian Safety Amendment Act of 2016	\$35	\$35	\$36	\$37	\$108
Building Service Employees Minimum Work Week Act of 2016	\$457	\$501	\$513	\$528	\$1,999
Procurement Integrity, Transparency, and Accountability Amendment Act of 2016 ^(d)	\$116	\$119	\$122	\$126	\$484
Death With Dignity Act of 2016 ^(a)	\$0	\$0	\$0	\$0	\$0
Automatic Voter Registration Amendment Act of 2016	\$313	\$115	\$118	\$120	\$666
Medical Marijuana Omnibus Amendment Act of 2016	\$392	\$371	\$380	\$389	\$1,532
Relocation Expenses Recoupment and Lien Authority Amendment Act of 2016	\$133	\$136	\$128	\$140	\$537
Department of Consumer and Regulatory Affairs Community Partnership Amendment Act of 2016	\$413	\$413	\$413	\$413	\$1,652
Planning Actively for Comprehensive Education Facilities Amendment Act of 2016 ^(a)	\$0	\$0	\$0	\$0	\$0
Comprehensive Youth Justice	\$221	\$0	\$0	\$0	\$221

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

Amendment Act of 2016					
Council Financial Disclosure Amendment Act of 2016	\$95	\$46	\$47	\$48	\$235
Washington Metrorail Safety Commission Establishment Act 2016	\$750	\$1,200	\$1,200	\$1,200	\$4,350
State Board of Education Omnibus Amendment Act of 2016 ^(a)	\$0	\$0	\$0	\$0	\$0
Fair Credit in Employment Amendment Act of 2016	\$124	\$118	\$122	\$125	\$489
Fair Criminal Record Screening for Housing Act of 2016	\$481	\$491	\$501	\$511	\$1,984
Office of Out of School Time Grants and Youth outcomes Establishment Act of 2016 ^(a)	\$4,920	\$4,920	\$4,920	\$4,920	\$19,680
District of Columbia State Athletics Consolidation Act of 2016 ^(a)	\$0	\$0	\$0	\$0	\$0
Universal Paid Leave Amendment Act of 2016	\$40,000	\$0	\$0	\$0	\$40,000
First-time Homebuyer Tax Benefit Amendment Act of 2016 ^(a)	\$308	\$316	\$324	\$332	\$1,280
Advisory Neighborhood Commissions Omnibus Amendment Act of 2016	\$8	\$8	\$8	\$8	\$32
Child Care Study Act of 2017	\$150	\$0	\$0	\$0	\$0
Total Program Expenditures	\$63,209	\$22,982	\$23,032	\$23,020	\$131,809

(a) The relevant agencies can absorb the cost of the law within its proposed resources.

(b) The cost of the subtitle was previously funded.

(c) This law is amended by Title VII, Subtitle J and the amended law is funded at the level in this chart.

(d) This is a partial repeal of the subject to appropriations; some portions of the bill remain unfunded.

In addition, the following subject to appropriation repeals have been incorporated in the budget and financial plan as a reduction of revenue:

Subject to Appropriations Amendment Act of 2017, Revenue Impact Fiscal Year 2018 - Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018- FY2021
Charitable Solutions Relief Amendment Act of 2016	(\$281)	(\$281)	(\$281)	(\$281)	(\$1,124)
First-time Homebuyer Tax Benefit Amendment Act of 2016	(\$2,815)	(\$3,087)	(\$3,342)	(\$3,617)	(\$12,861)
Food, Environmental, and Economic Development in the District of Columbia Amendment Act of 2016 ^(a)	(\$8)	(\$4)	(\$4)	(\$4)	(\$20)
Continuing Care Retirement Community Exemption Amendment Act of 2016	(\$726)	(\$1,469)	(\$1,505)	(\$1,554)	(\$5,254)

Total Revenue Impact	(\$3,408)	(\$4,378)	(\$4,631)	(\$4,913)	(\$17,330)
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(a) This law is amended by Title VII, Subtitle G and the amended law is funded at the level in this chart.

Subtitle (VII)(B) – Council Period 22 Rule 736 Amendment Act of 2017

Background

Council rule 736 requires laws that are unfunded for two fiscal years to be subject to repeal on the third fiscal year following their enactment.¹⁸⁰ The subtitle repeals 19 laws that have not been funded after two years after their effective dates.

Financial Plan Impact

Repealing these laws does not have an impact on the District’s budget and financial plan, because none of the approved laws had been implemented.

Subtitle (VII)(C) - Prior Budget Support Act Clarification Amendment Act of 2017

Background

The subtitle amends prior year Budget Support Acts¹⁸¹ to:

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

Financial Plan Impact

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

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

Background

The subtitle forgives all unpaid real property taxes, interest, penalties and charges assessed on approximately 5,700 square feet of vacant land owned by the Archdiocese of Washington.¹⁸² The Office of Tax and Revenue deemed the land tax-exempt beginning February 2017.

Financial Plan Impact

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

¹⁸⁰ Rules of Organization and Procedure for the Council of the District of Columbia, effective January 2, 2017 (D.C. Resolution 22-1; 64 DCR 188).

¹⁸¹ By amending § 7022(c) of the Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; 63 DCR 12932), and § 1042 of the Fiscal Year 2016 Budget Support Act of 2015, effective October 22, 2015 (D.C. Law 21-36; 62 DCR 10905).

¹⁸² The subject land is known for tax assessment purposes as Parcel 226, Lot 37, and is adjacent to the Our Lady of Perpetual Help Catholic Church located at 1600 Morris Rd SE, Washington, DC 20020.

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

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

Background

The subtitle partially abates property taxes owed on the property¹⁸³ currently owned by the International Spy Museum, so long as the organization is developing or operating the Museum on that site. The abatement provides for a \$30,000 abatement retroactive to fiscal year 2017. In fiscal year 2018, the property is abated to the extent that the tax owed exceeds \$115,000. In fiscal years 2019, 2020 and 2021, the property is abated to the extent that the tax owed exceeds \$200,000. There is no limit to the abatement beginning in fiscal year 2022.

Financial Plan Impact

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

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

Subtitle (VII)(F) - Revised Revenue Contingency List Act of 2017

Background

The subtitle directs all new local revenue identified in the June 2017 and September 2017 revenue estimates to be divided equally between the Workforce Investments account and the Capital Improvement Plan (CIP). The CIP portion of the revenue will be funded as a new dedication of the District’s general sales tax revenue, subject to a cap of 17.4% of general sales tax revenue certified in the September 2017 revenue estimates. Further, the subtitle allows for the re-dedication of this amount to WMATA at such time as all members of the WMATA Compact approve a dedicated funding stream for WMATA.

The allocation to Workforce Investments will be available for workforce costs associated with salary increases or other items required by the terms of collective bargaining agreements. The CIP funding will be available to be included in a future capital budget.

¹⁸³ Known for assessment and taxation purposes as Lot 7006, Square 387.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. The subtitle addresses potential revenues above those certified in the proposed budget and financial plans.

Subtitle (VII)(G) - Supermarket Tax Incentives Amendment Act of 2017

Background

The subtitle amends the Food, Environmental, and Economic Development in the District of Columbia Amendment Act of 2016¹⁸⁴ (the FEED Amendment Act) to remove census tract 16 in Ward 4 as an eligible location for supermarket tax incentives.¹⁸⁵ The FEED Amendment Act was passed subject to appropriations so no tax incentives have been provided to supermarkets in census tract 16. The Council’s fiscal year 2018 budget funds the law (see Title VII, Subtitle I, Subject to Appropriations Act of 2017), but this subtitle changes the newly funded law by removing census tract 16.

Financial Plan Impact

Eliminating census tract 16 as an eligible location for supermarket tax incentives has decreased the cost of funding the FEED Amendment Act through Subtitle A, the Subject to Appropriations Amendment Act of 2017.

Supermarket Tax Incentives Clarification Act of 2017					
Changes to Estimated Cost of FEED Act					
Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018 – FY 2021
Decreased Loss of Real and Personal Property Tax Revenue	\$0	\$0	\$404	\$412	\$816
Decreased Loss of Sales/Use Tax Revenue	\$120	\$238	\$0	\$0	\$358
TOTAL REDUCTION IN COST OF FEED ACT	\$120	\$238	\$404	\$412	\$1,174

Subtitle (VII)(H) - Adult Learner Transit Subsidy Amendment Act of 2017

Background

The subtitle requires¹⁸⁶ the Mayor to create a program that gives adult learners subsidies for Metrorail and Metrobus. To be eligible for the program, the adult learner must be over 18 years old, a District resident, and enrolled in an adult education program operated by or receiving funding from one of the following:

- A local education agency (including DCPS or public charter schools);

¹⁸⁴ “Food, Environmental, and Economic Development in the District of Columbia Amendment Act of 2016”, effective February 17, 2017 (D.C. Law 21-0204; DCR 64 2713).

¹⁸⁵ See D.C. Official Code 47-3802.

¹⁸⁶ By amending Section 2 of the School Transit Subsidy Act of 1978, effective March 6, 1979 (D.C. Law 2-152; D.C. Official Code § 35-233).

The Honorable Phil Mendelson
Fiscal Impact Statement for “Fiscal Year 2018 Budget Support Act of 2017,” Amendment in the Nature of a Substitute, circulated June 26, 2017

- The District of Columbia Public Library;
- The Office of the State Superintendent for Education; or
- The University of the District of Columbia Workforce Development and Lifelong Learning Program

Funding for the program is capped at \$1.988 million a year.

Financial Plan Impact

The FY 2018 through FY 2021 budget and financial plan includes recurring funding of \$1.988 million a year for the program. The amount of this money that goes towards the subsidies and the amount that goes towards program administration will depend on how the Mayor structures the program.

Subtitle (VII)(I) – Commission on the Arts and Humanities Grants Act of 2017

Background

The subtitle requires the Commission on the Arts and Humanities to award competitive grants for up to \$200,000 to preserve African-American cemeteries and burial grounds in Georgetown, up to \$200,000 for full-orchestra performances in the Kennedy Center, up to \$250,000 for literary-enrichment programs in public schools, capital improvement support not to exceed \$1.9 million for a theater in the Central Business District offering Broadway-style musicals, up to \$700,000 to support the establishment of a children’s museum in the central business district, up to \$100,000 to support an existing theater and museum organization in the central business district, and up to \$4.95 million to support a multi-stage theater organization in the District seeking a matching grant to upgrade or renovate its existing facilities.

Financial Plan Impact

The budget and financial plan includes sufficient funding for the Commission on the Arts and Humanities to fund the requirements of the subtitle.

Subtitle (VII)(I) – First-Time Homebuyer Recordation Tax Benefit Amendment Act of 2017

Background

The subtitle amends the First-Time Homebuyer Tax Benefit Amendment Act of 2016¹⁸⁷, an unfunded law that provides a reduced recordation tax rate of 0.725 percent to eligible first-time homebuyers with income of no more than 180 percent of the area median income. The subtitle adds a requirement that the purchase price of the eligible home must not exceed \$625,000.

Financial Plan Impact

The cost of funding the underlying law is \$9.4 million in fiscal year 2018 and \$41.7 million in the four-year financial plan. The amendments made by this subtitle reduce the cost of the underlying law by \$6.6 million in fiscal year 2018 and \$28.8 million over the four-year financial plan. The cost of funding the law as amended by the subtitle is \$2.8 million in fiscal year 2018 and \$12.8 million in the four-year financial plan, which is included in the proposed budget and financial plan.

¹⁸⁷ D.C. Law 21-268 “First-Time Homebuyer Tax Benefit Amendment Act of 2016”.

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

First-Time Homebuyer Recordation Tax Benefit Amendment Act of 2017					
Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018 – FY 2021
Cost to fund the First-Time Homebuyer Tax Benefit Amendment Act of 2016	\$9,420	\$10,105	\$10,746	\$11,435	\$41,707
Reduction in cost of the underlying law made by amendments in the subtitle	(\$6,297)	(\$6,702)	(\$7,080)	(\$7,486)	(\$27,565)
Cost of amended First-Time Homebuyer Tax Benefit Amendment Act of 2016 (Local and HPTF)	\$3,123	\$3,403	\$3,666	\$3,949	\$14,142

Subtitle (VII)(K) – Parking Sales Tax Clarification Amendment Act of 2017

Background

The subtitle removes outdated language from the law¹⁸⁸ that allowed a contingency parking tax rate of 22 percent if certain revenue targets weren't met. The targets were met shortly after they were set, allowing the parking rate to remain at 18 percent.

Financial Plan Impact

The subtitle is effectively a technical change and has no impact on the budget and financial plan.

Subtitle (VII)(L) – Public Space Rental Forgiveness Act of 2017

Background

The subtitle forgives, and allows for a refund of, all public space rental fees against public space located at 801 13th Street, N.W.¹⁸⁹ beginning July 1, 2016 and extending through June 30, 2017.

Financial Plan Impact

The subtitle costs \$36,000 fiscal year 2018 to cover the unpaid rental fees and is included in the fiscal year 2018 through 2021 budget and financial plan.

Subtitle (VII)(M) – Tax Reform Amendment Act of 2017

Background

The subtitle makes several technical amendments to conform the tax code to the changes made as part of the tax reform package originally approved in 2015.¹⁹⁰

Financial Plan Impact

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

¹⁸⁸ D.C. Official Code § 47-2002(a)(1).

¹⁸⁹ Lot 812, Square 287.

¹⁹⁰ "Fiscal Year 2015 Budget Support Act of 2014", effective February 26, 2015 (DC Law 20-155; 62 DCR 3601).

Subtitle (VII)(N) – Real Property Tax Appeals Amendment Act of 2017

Background

The subtitle allows the Real Property Tax Appeals Commission (RPTAC) to treat residential apartment complexes of five units or more as commercial properties for second level review of an assessment. This means RPTAC will have 80 days to render a decision after a hearing for a residential real property case with five or more dwelling units instead of the current 30 days. Additionally, the subtitle clarifies appeal procedures with respect to omitted assessments, corrected assessments, homestead audits and senior or disabled audits.

Financial Plan Impact

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

Subtitle (VII)(O) – Hill East Community Garden Real Property Tax Relief Amendment Act of 2017

Background

The subtitle preserves the tax exemption of property in Lot 109 of Square 1100 after transfer from the Capitol Hill Community Garden Land Trust (CHCG) to the Hill East Community Garden (HECH), and exempts the transaction from deed transfer and recordation taxes.

Financial Plan Impact

Exempting the transaction from transfer and recordation taxes has a one-time cost of \$2,000 in fiscal year 2018, which is funded in the budget and financial plan. As the lot is currently exempt from real property taxes, there is no impact on real property tax revenues.

Subtitle (VII)(P) – Tax Increment Financing Reauthorization Amendment Act of 2017

Background

The subtitle amends the Tax Increment Financing Authorization Act of 1998 (the Act). The Act outlined program requirements and operational responsibilities for administering the Tax Increment Finance ("TIF") program, set maximum amount of bonds to be issued under the program, and (as amended) specified a sunset date of January 1, 2014 by which all TIF bonds under the program must be issued. The proposed subtitle reauthorizes the TIF program outlined in the Act and removes three components from that legislation. First, it removes the date by which any TIF bonds must be authorized. Second, it removes the set maximum amount of TIF debt that may be issued under the Act. Lastly, it removes any requirements about where a TIF project must be located within the District.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Because the Act requires each TIF project to be approved by Council Resolution, any project-specific fiscal impact would be analyzed by the OCFO at that time. The OCFO and DMPED have the capacity to administer the TIF program within current budgeted resources.

Subtitle (VII)(Q) – Urban Farming and Food Security Amendment Act of 2017

Background

The subtitle clarifies how tax abatements for urban farms are to be calculated if a farm is located on a property that is not used exclusively for an urban farm, such as a rooftop.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Current law will continue to limit expenditures on the program \$350,000 per year.¹⁹¹

**Subtitle (VII)(R) – Washington Convention Authority Board of Directors Clarification
Amendment Act of 2017**

Background

The subtitle aligns all Board member terms to be four-year terms beginning in May. Currently some terms begin on different months and years.

Financial Plan Impact

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

Subtitle (VII)(S) – Possessory Interest Clarification Amendment Act of 2017

Background

The subtitle makes conforming code changes to clarify that public charter schools and nonprofit affordable housing developments that are exempt from real property tax are also exempt from possessory interest taxes. It also expands eligibility for the Creative and Open Space Modernization Tax Rebate¹⁹² to entities subject to possessory interest taxes.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan, as the budget and financial plan already assume that these exempt properties are also exempt from possessory interest taxes. The Creative and Open Space Modernization Tax Rebate has a cap on expenditures of \$3 million¹⁹³, which will not change under the subtitle.

Subtitle (VII)(T) – Hospitality Tax Dedication Amendment Act of 2017

Background

The subtitle adds a new dedicated tax of 0.3 percent on gross receipts from hospitality charges, including hotel rooms, and inns, and dedicates it to the Washington Convention and Sports Authority (WCSA) for transferring to Destination DC to market the District of Columbia as a destination.

Financial Plan Impact

¹⁹¹ D.C. Official Code § 48-402.02.

¹⁹² D.C. Official Code § 47-4665.

¹⁹³ D.C. Official Code § 47-4665(f).

The Honorable Phil Mendelson

Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a Substitute, circulated June 26, 2017

The subtitle generates new dedicated tax revenue per the chart below, which will be dedicated to WCSA for transferring to Destination DC.

Hospitality Tax Dedication Amendment Act of 2017					
Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018 – FY 2021
New dedicated tax revenue (0.3 percent on gross receipts of hospitality charges)	\$6,128	\$6,349	\$6,577	\$6,807	\$25,861

Subtitle (VII)(U) – University of the District of Columbia Fundraising Match Act of 2017

Background

The subtitle dedicates up to \$1.5 million to the University of the District of Columbia subsidy account. For every \$2 that UDC raises by April 1, 2018, the District will donate \$1, up to a maximum of \$1.5 million. Of the amount transferred by the District, at least one-third must be dedicated to UDC's endowment fund.

Financial Plan Impact

The budget and financial plan includes \$1.5 million in the UDC subsidy to fund the matching grant.

Subtitle (VII)(V) - Fixed Cost Commodity Reserve Amendment Act of 2017

Background

The subtitle repeals the Commodity Cost Reserve Fund¹⁹⁴, a non-lapsing general fund account that is intended to cover any unanticipated increases in consumption driven commodity costs in a given year. Any unspent fixed cost commodity budget - including electricity, fuel, water, steam and natural gas funding - is transferred to the Fund at the end of each fiscal year. The Fund is authorized to carry over a maximum of \$5 million from year to year.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Repeal of the Fund limits flexibility to cover any unanticipated commodity overages, but the fund has not been used for several years, and regularly maintains a fund balance. The proposed budget allocates the existing fund balance to other general fund uses.

Subtitle (VII)(W) - Recorder of Deeds Automation Fund Clarification Amendment Act of 2017

Background

The Recorder of Deeds (ROD) Automation and Infrastructure Improvement Fund¹⁹⁵ is a non-lapsing special purpose revenue fund intended to cover the costs of updating the ROD automated system as well as the repair and improvement of the infrastructure at the ROD offices.

¹⁹⁴ D.C. Official Code § 47-368.04.

¹⁹⁵ D.C. Official Code § 42-1214.

The subtitle limits the use of the fund to automation system improvements only, and changes the name of the fund to the Recorder of Deeds Automation Fund, removing the reference to infrastructure improvements.

Financial Plan Impact

This subtitle does not have an impact on the District’s budget and financial plan. ROD is currently in leased space and the Fund is not planned to be utilized for infrastructure improvements.

Subtitle (VII)(X) - Events DC Grants Act of 2017

Background

The subtitle directs the Washington Sports and Entertainment Authority to award a grant of, not more than \$202,832 to fund a convention focused on Title IX that includes a sports tournament for young women.

Financial Plan Impact

This budget and financial plan includes funding in WSEA for these grants.

Subtitle (VII)(Y) - Women’s National Democratic Club Real Property Tax Exemption

Background

The subtitle exempts real property at 1526 New Hampshire Avenue, N.W.¹⁹⁶ from real property taxes, so long as it is owned by the Women’s National Democratic Club.

Financial Plan Impact

Prior to 2015, the property was exempt from real property tax. Beginning 1, 2015, the Office of Tax and Revenue revoked the exemption on the portion of the building the club rented to another organization, making 13.98 percent of the building taxable. The subtitle exempts that portion from taxes and the reduced revenue, outlined in the chart below, and is included in the budget and financial plan.

Women’s National Democratic Club Real Property Tax Exemption Fiscal Year 2018 – Fiscal Year 2021 (\$ thousands)					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2018 – FY 2021
New dedicated tax revenue (0.3 percent of gross receipts on hospitality charges)	\$6,128	\$6,349	\$6,577	\$6,807	\$25,861

Subtitle (VII)(Z) - Union Market District TIF Amendment Act of 2017

Background

In 2015, Council passed the Union Market District TIF Inducement Act of 2015,¹⁹⁷ declaring support for \$90 million of tax increment financing (TIF) for a project known as the Union Market

¹⁹⁶ Known for tax and assessment purposes as Lot 5, Square 135.

development project¹⁹⁸ to be developed by a coalition of developers lead by Edens Realty, Inc. The subtitle amends the Act to provide an updated declaration of support, including a \$4 million increase in the amount of TIF financing for which support is declared.

Financial Plan Impact

The subtitle does not have a fiscal impact. Formal approval of the TIF project and authorization to issue TIF bonds requires additional Council legislation. Any fiscal impact of the TIF bond issuance must be addressed at that time.

Subtitle (VII)(AA) - National Cherry Blossom Festival Fundraising Match Act of 2017

Background

The subtitle directs \$300,000 to the Washington Convention and Sports Authority to provide a matching grant up to \$300,000 to a nonprofit organization for every dollar raised by March 31, 2018 above \$750,000 in corporate donations to support the 2018 National Cherry Blossom Festival.

Financial Plan Impact

The \$300,000 in funding will be dedicated from the non-departmental appropriation in the fiscal year 2018 budget.

TITLE VIII – CAPITAL BUDGET

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

Background

The subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately \$62.4 million in bond balances¹⁹⁹ from capital projects with slow activity to public school modernization projects with insufficient bond balances to cover expenditures. The reallocation does not change project costs or authorized budget amounts; rather, it directs capital funds to projects that are most likely to spend them. In this way, the District can make better use of the bonds proceeds in escrow (at a low interest rate), improve cash flow, and reduce future borrowing. The two tables below show the sources and uses of these funds.

Subtitle (VIII)(A) - Projects that will serve as source of financing		
TABLE A		
Owner Agency Name	Project Title	Total

¹⁹⁷ Fiscal Year 2016 Budget Support Act of 2015, effective October 22, 2015 (D.C. Law 21-36; 63 DCR 1164).

¹⁹⁸ The project is defined as “retail, residential and office space on parcels, lots, and squares, within and abutting the boundary of the Florida Avenue Market, as set forth in the Florida Avenue Market Small Area Plan and approved in the Florida Avenue Market Small Area Plan Resolution of 2009, approved October 6, 2009 (Res. 18-257; 56 DCR 8401).”

¹⁹⁹ There can be balances currently held or from bond that have been approved and pending, but not yet issued.

The Honorable Phil Mendelson
Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a
Substitute, circulated June 26, 2017

Department of General Services	Hill East Relocation of Government Facility & Function	\$500,000
	Electronic Security Communications Standardization	\$2,000,000
Office on Aging	Senior Centers	\$6,451
D.C. Public Library	DCPL Information Technology Modernization	\$253,015
Deputy Mayor for Planning and Economic Development	Saint Elizabeths East Campus Infrastructure	\$4,852,856
	Economic Development Pool	\$51,869
Metropolitan Police Department	Specialized Vehicles	\$1,758,961
Department of Corrections	General Renovations - DC Jail	\$1,643,027
D.C. Public Schools	Johnson Middle School Renovation/Modernization	\$464,841
	Johnson Middle School Renovation/Modernization	\$4,320,962
	Cardozo High School	\$3
Office of the State Superintendent of Education	Evans Campus	\$2,000,000
Department of Parks and Recreation	Urban Agriculture	\$152,746
	Urban Agriculture	\$250,000
	Square 238 DPR Facility	\$500,000
	Edgewood Recreation Center	\$11,000,000
	Hearst Park Pool	\$500,000
	Therapeutic Recreation Center	\$500,000
Department of Health Care Finance	Predictive Analytic System	\$125,000
	Case Management System	\$125,000
District Department of Transportation	Local Roadside Improvements	\$5,432,000
	Local Street Parking Studies	\$466,108
	Local Street Parking Studies	\$500,000
	Local Street Parking Studies	\$533,892
	Great Streets Initiative	\$1,331,583
	Great Streets Initiative	\$1,574,147
	Materials Testing Lab	\$315,762
	Materials Testing Lab	\$684,238
	Planning and Management System	\$429,393
	Streetscapes	\$1,000,000
	Circulator	\$4,307,439
	Circulator	\$1,692,561
	Prevention of Flooding in Bloomingdale/LeDroit Park	\$1,592,000
	Trails	\$420,714
	Trails	\$500,000
	Trails	\$1,079,286
	Traffic Operations Center	\$500,000
	Street Restoration & Rehabilitation	\$664,745
	Street Restoration & Rehabilitation	\$1,335,255
	Department of Energy and Environment	Stormwater Management
Sustainable DC Fund		\$1,157,257

The Honorable Phil Mendelson
 Fiscal Impact Statement for "Fiscal Year 2018 Budget Support Act of 2017," Amendment in the Nature of a
 Substitute, circulated June 26, 2017

Department of Behavioral Health	Avatar Upgrade	\$169,704
Office of the Chief Technology Officer	DC GIS Capital Investment	\$176,640
	DC GIS Capital Investment	\$300,000
	Data Management and Publication Platform	\$159,921
	Data Management and Publication Platform	\$1,608,954
	Procurement System	\$2,155,882
	Enterprise Computing Device Management	\$350,000
Grand Total		\$62,442,212

Subtitle (VIII)(A) - Projects that will use financing		
TABLE B		
Owner Agency Name	Project Title	Total
D.C. Public Schools	DC Public School Modernization/Renovations	\$62,442,212

The reallocated proceeds come from the following bond issuances:

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

Financial Plan Impact

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

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

Background

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

Financial Plan Impact

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

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

Background

The subtitle clarifies²⁰⁰ the District Anti-Deficiency Act concerning what level of overspending constitutes a violation with respect to capital projects. For capital projects, overspending by five percent of the project’s budget will trigger anti-deficiency review, as will overspending of \$1 million or more, regardless of the percentage. Currently, the statute only states a percentage of operating budget.

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

Financial Plan Impact

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

Subtitle (VIII)(D) - Master Local Transportation Capital Projects Clarification Amendment Act of 2017

Background

Since fiscal year 2012, capital projects funded through the District of Columbia Highway Trust Fund have been regarded as “Master” projects associated with several “Related Projects.” For such capital projects, the District Department of Transportation may not spend directly from the capital projects, but must submit requests to the Office of Budget and Planning to allocate funds for Related Projects before obligating and spending funds. The subtitle extends²⁰¹ such procedures to Master local transportation capital projects created in the fiscal year 2018 budget or thereafter.

Financial Plan Impact

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

Subtitle (VIII)(E) - Reverse Paygo Reprogramming Amendment Act of 2017

Background

The District funds a portion of its capital budget through pay-as-you-go or cash funding (Paygo). The subtitle amends²⁰² District law regarding reprogramming procedures to define “Reverse Paygo” as the movement of Paygo capital budget back to the operating budget, and clarifies the types of such actions which require written notification to Council and the types that require Council approval.

Financial Plan Impact

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

²⁰⁰ By amending D.C. Official Code §§ 47-355.02, 47-355.04, and 47-355.05.

²⁰¹ By amending § 50-921.02 of the D.C. Official Code.

²⁰² By amending § 47-361 of the D.C. Official Code.

Subtitle (VIII)(F) – Capital Infrastructure Preservation and Improvement Amendment Act of 2017

Background

The subtitle amends District law²⁰³ regarding minimum funding for a Pay-as-you-go Capital Account. The law currently requires 25 percent of the District’s annual increase in local funds revenue to fund the Pay-as-you-go Capital Account, beginning in the fiscal year 2019 budget. Under the subtitle, the minimum local funds transfer to the Capital Improvements Program (CIP) must be \$58,950,000 in fiscal year 2020 and each year must increase by 25 percent of the increase in all local fund revenues since fiscal year 2020. Such transfer would no longer be required once it equaled the addition to total accumulated depreciation of capital assets, as reported in the District’s Comprehensive Annual Financial Report.

Financial Plan Impact

The proposed fiscal year 2018 budget and fiscal year 2019 through fiscal year 2021 financial plan includes the following local funds transfers to the CIP. The subtitle’s funding requirements, applicable to fiscal year 2020 and fiscal year 2021, have been incorporated in these transfers.

Local Fund Transfers to the CIP Fiscal Year 2018 – Fiscal Year 2021 (\$000s)					
	FY 2018	FY 2019	FY 2020	FY 2021	Four Year Total
Local Fund Transfers to CIP (from current year revenue)	\$60,960	\$53,888	\$104,395	\$126,516	\$345,759

Outside of the financial plan, and assuming the District’s local revenues grow by 3 percent annually, the subtitle would result in increasing local fund transfers to the CIP, and such transfers are estimated to equal the projected addition to accumulated depreciation recorded in the District’s Comprehensive Annual Financial Report by fiscal year 2026.

Subtitle (VIII)(G) – Local Transportation Revenue Amendment Act of 2017

Background

The subtitle updates District law regarding capital projects for transportation infrastructure by deleting references to a “Local Transportation Fund” and replacing them with references to Capital Improvements Program funding for local transportation infrastructure. Further, the subtitle clarifies the process for determining the public rights-of-way user fees, charges and penalties that must be deposited into the District of Columbia Highway Trust Fund to comply with the local match needed for Federal Transit Administration formula grants.

Financial Plan Impact

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

²⁰³ By amending subsection (f) of § 47-392.02 of the D.C. Official Code.

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

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

Background

The subtitle allows the District to use fund balance and 2018 revenues in four special purpose revenue funds as a source of General Fund revenue in fiscal year 2018. The subtitle allows for transfers totaling \$242,558. The affected funds and transfer amounts are listed in the chart below:

Fund	Balance Transfer
Dishonored Check Fees ²⁰⁴	\$76,687
Board of Engineers Fund ²⁰⁵	\$53,851
Reimbursable from Other Governments ²⁰⁶	\$47,782
Radiation Protection ²⁰⁷	\$64,238
TOTAL	\$242,558

Financial Plan Impact

The specified special purpose revenue funds are expected to earn more in fiscal year 2018 revenue, or have available fund balance, than has been budgeted for fiscal year 2018 use. Therefore the proposed budget and financial plan can accommodate these transfers to the General Fund.

Subtitle (IX)(B) - Renewable Energy Development Fund Amendment Act

Background

The subtitle authorizes the Department of Energy and Environment (DOEE) to use special purpose revenue funds in the Renewable Energy Development Fund²⁰⁸ (REDF) to support the fiscal year 2018 DOEE operating budget.

Financial Plan Impact

The fiscal year 2018 budget uses approximately \$1.5 million to fund DOEE operating expenses.

The expenses covered with REDF funds are ongoing expenses, so the DOEE operating budget will be reduced over the fiscal year 2019 through fiscal year 2021 financial plan period. Approximately \$848,000 of the \$1.5 million annual operating expenses that will be reduced over the financial plan period are local funding matches for federal grants. The cut to these expenditures will also reduce federal grant funding by approximately \$1.9 million annually. The total annual budget reduction over the financial plan period is approximately \$3.4 million annually.

²⁰⁴ D.C. Official Code § 1-350.03. Fund 0605 in agency AT0.

²⁰⁵ D.C. Official Code § 47-2886.13. Fund 6020 in agency CR0.

²⁰⁶ D.C. Official Code § 1-204.24d. Fund 1555 in agency FB0.

²⁰⁷ D.C. Official Code § 7-731. Fund 0633 in agency HC0.

²⁰⁸ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436(c)(1)),