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

Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Jeffrey S. DeWitt** **Chief Financial Officer**
DATE:	**March 21, 2018**
SUBJECT:	**Fiscal Impact Statement – "Fiscal Year 2019 Budget Support Act of 2018"**
REFERENCE:	**Draft bill provided to the Office of Revenue Analysis on March 20, 2018**

Conclusion
Funds are sufficient in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the Fiscal Year 2019 Budget Support Act of 2018.

The Mayor's fiscal year 2019 budget proposes $7.85 billion in Local funds spending supported by $7.88 billion of local resources, with a $24.7 million increase in reserves and an operating margin of $0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to Local funds, are $9.1 billion.

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

The bill, the "Fiscal Year 2019 Budget Support Act of 2018," is the legislative vehicle for adopting statutory changes needed to implement the Mayor's proposed budget for the fiscal years 2019 through 2022 budget and financial plan period. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I - GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Fair Elections Implementation Amendment Act of 2018

Background

The District recently approved the establishment of a Fair Elections Program (Program) as a publicly-funded campaign finance program administered by the Office of Campaign Finance (OCF).[1] Candidates running for covered offices[2] in the District who want to participate and meet the Program's requirements can get a base amount of public funding and matching contributions against small-dollar contributions, up to a limit. The Mayor must budget for the funding of elections in the District, including special elections and a contingency. The Act, as approved, is not funded and its implementation is subject to its inclusion in an approved budget and financial plan.

The subtitle eliminates the requirement that the Mayor budget for special elections and other contingencies and repeals the clause that makes the Act subject to its inclusion in an approved budget and financial plan.

Financial Plan Impact

Implementation of the Fair Elections Program will cost $860,000 in fiscal year 2019 and approximately $20.6 million over the four-year financial plan period.

The public financing of campaigns will begin with the 2020 election cycle and is estimated to cost $555,000 in fiscal year 2019 and $19.5 million over the four-year financial plan period. The actual funding needs will depend on the number of candidates that elect to participate in the Program, the number who can reach the minimum required number of contributions, and the amount of qualifying matching contributions they raise. The subtitle's changes to the underlying Act eliminate the need for an annual appropriation of approximately $1.6 million to cover special elections and contingencies. These activities, if necessary, can be funded out of the District's Contingency Reserve Fund[3] if they are replenished within the two fiscal year's budget immediately following the fiscal year of expenditure.

OCF will require three new auditors to implement the Program. This will cost $243,000 in fiscal year 2019 and $1 million over the four-year financial plan period. As more candidates elect to participate in the Program, OCF will utilize existing auditors to assist with Program implementation and oversight. OCF will also need to upgrade its filing system at a one-time technology cost of $62,000 in fiscal year 2019.

These costs are included in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan.

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[1] Fair Elections Amendment Act of 2018, enacted March 12, 2018 (D.C. Act 22-278; 65 DCR).
[2] Covered offices include State Board of Education seats, Council, Attorney General, and the Mayor.
[3] District of Columbia Appropriations Act, 2001, effective November 22, 2000 (PL 106-522; D.C. Official Code § 1-204.50a).

Fair Elections Implementation Amendment Act of 2018 Implementation Costs Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
Primary and General Election Financing[b]	$555	$2,305	$4,312	$12,298	**$19,470**
OCF Administrative Costs	$305[a]	$252	$260	$269	**$1,086**
Total Program Costs	**$860**	**$2,557**	**$4,572**	**$12,567**	**$20,556**

Table Notes
[a] OCF administrative costs includes the $62,000 technology cost in fiscal year 2019.
[b] The public financing costs assume that, for an election cycle that does not include the Mayor, approximately 17 percent of the funding is needed in the fiscal year prior to the primary election, 73 percent in the fiscal year of the primary election, and 10 percent in the fiscal year of the general election. For an election cycle that includes the Mayor, approximately 21 percent is required in the fiscal year prior to the primary election, 66 percent in the fiscal year of the primary election, and 13 percent in the fiscal year of the general election.

Subtitle (I)(B) – Information Sharing for Program Evaluation and Improvement Authorization Amendment Act of 2018

Background

The subtitle allows[4] the Mayor to authorize the disclosure of data from the Department of Youth and Rehabilitation Services (DYRS) to other District agencies for the purposes of designing, administering, and evaluating policies or programs related to children, youth, or young adults. The data must be maintained, transmitted, and stored in a manner that protects the security and privacy of the youth identified in the data.

The subtitle also allows[5] juvenile case records and social records from the family court, as well as law enforcement records concerning a child, to be shared with the Mayor, City Administrator, Deputy Mayor for Public Safety and Justice, or their designees, for the purposes of designing, administering, and evaluating policies and programs related to children, youth, or young adults under 22 years old.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. DYRS can securely share its data with other District agencies without additional resources.

[4] By amending section 106 of the Department of Youth Rehabilitation Services Establishment Act of 2004, effective April 12, 2005 (D.C. Law 15-335; D.C. Official Code § 2-1515.06).
[5] By amending Section 16-2331 of the District of Columbia Official Code.

Subtitle (I)(C) – Procurement Practices Reform Exemption Amendment Act of 2018

Background
The subtitle extends the exemption that certain agencies and projects have from the Procurement Practices Reform Act of 2010[6] ("PPA"). Under current law, the Health Benefit Exchange Authority, the Captive Insurance Agency, and certain procurements related to the production of permanent supportive housing will be subject to the PPA beginning October 1, 2018. The subtitle extends the exemption until October 1, 2023.

Financial Plan Impact
The subtitle has no impact on the budget and financial plan.

TITLE II - ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Supermarket Tax Incentive Technical Amendment Act of 2018

Background
A supermarket may be eligible for ten-year property and sales and use tax exemptions[7] if it is located in one of five codified census tracts or in a Historically Underutilized Business Zone ("HUBZone").[8] HUBZone boundaries are defined by the United States Small Business Administration (SBA) and subject to change regularly.

The subtitle clarifies that if a supermarket is certified eligible for a supermarket tax exemption by the Deputy Mayor for Planning and Economic Development, it remains eligible throughout the ten-year abatement period, even if boundaries are changed by the SBA and the supermarket is no longer in a HUBZone.

Financial Plan Impact
The subtitle has no impact on the budget and financial plan. Current revenue estimates already assume the abatements will continue for the full ten years.

Subtitle (II)(B) – Neighborhood Prosperity Initiative Act of 2018

Background
The subtitle establishes the Neighborhood Prosperity Initiative whereby the Mayor can issue competitive grants to eligible mixed-use and retail development projects. The projects must be in a low-income community,[9] have a gap in funding for only the commercial component of the project, and be ready to commence construction within eighteen months of the grant award. The project

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[6] Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351 et seq.).
[7] District of Columbia Official Code § 47-3802.
[8] For more information on the Supermarket Incentive Program visit: https://dmped.dc.gov/publication/healthy-food-access
[9] As defined in the Internal Revenue Code of 1986, approved December 21, 2000 (114 Stat. 2763; 26 U.S.C. § 45D).

developers must also enter into a First Source Agreement,[10] a Certified Business Enterprise Agreement,[11] and offer an apprenticeship program if applicable.[12]

Financial Plan Impact
The proposed fiscal year 2019 budget includes $2.9 million for the Deputy Mayor of Planning and Economic Development to issue Neighborhood Prosperity Initiative Grants.

Subtitle (II)(C) – Deputy Mayor for Planning and Economic Development Grant-Making Authority Amendment Act of 2018

Background
The subtitle expands the Local Fund grant-making authority of the Deputy Mayor for Planning and Economic Development (DMPED) to include innovation initiatives, corporate assistance, and the Great Streets Initiative. It also expands DMPED's authority to issue grants for projects related to the redevelopment of the St. Elizabeths East Campus and the Walter Reed Redevelopment Site. The DMPED grants to support the St. Elizabeths and Walter Reed redevelopment projects will be exempt from the competitive bidding requirements for grants over $50,000 and the associated public notice requirements.[13]

Financial Plan Impact
The proposed fiscal year 2019 budget includes $5.4 million in local funding to issue Great Streets Initiative grants. The subtitle gives DMPED the authority to issue grants against that funding. Exemptions from grant-making processes for St. Elizabeths and Walter Reed grants do not have a fiscal impact.

Subtitle (II)(D) – Walter Reed Grant-Making Authority Amendment Act of 2018

Background
The Walter Reed Redevelopment Fund (Fund) was established to support the maintenance, operation, and construction activities on the Walter Reed Redevelopment Site[14]. The funding source for the Fund is the possessory interest tax[15] the developer pays for the property. Current law grants authority for the Deputy Mayor for Planning and Economic Development to make grants from the Fund to the developer only.[16] The subtitle removes this limitation and allows DMPED to grant more broadly from the Fund for the same allowable purposes of the Fund.

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[10] First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03).
[11] 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 § 2-21801 et seq.).
[12] Amendments to An Act to Provide for Voluntary Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-156; D.C. Official Code § 32-1431).
[13] Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13).
[14] This is the site of the former Walter Reed Army Medical Center in Ward 4. For more information on development on the site visit the Local Redevelopment Authority site for the Walter Reed campus at http://www.walterreedlra.com/.
[15] See D.C. Official Code § 47-1005.01 regarding possessory interest tax obligations.
[16] D.C. Official Code § 2-1227.06(d).

Financial Plan Impact
The subtitle has no impact on the budget and financial plan. Total grants cannot exceed money in the Fund, so expanding who can receive grants from the Fund has no fiscal impact.

Subtitle (II)(E) – Administration of the District of Columbia Jobs Trust Fund Amendment Act of 2018

Background
The bill transfers[17] the administration of the District of Columbia Jobs Fund (Fund) from the Deputy Mayor of Planning and Economic Development (DMPED) to the Department of Employment Services (DOES). Money in the Fund is currently used for the Workforce Intermediary Pilot Program, which is run by the Workforce Investment Council.

Money in the Fund can come from two sources: donations and fines from violations of the District's First Source law[18], which requires projects receiving financial assistance from the District[19] to hire District residents as part of a project's workforce. DOES enforces the First Source law, and in fiscal year 2017 it made the first deposit into the Fund from fines it levied for First Source violations. The Fund currently holds about $60,000 from these fines.

Administration of the Fund involves transferring money from the Fund to the Workforce Intermediary Pilot Program, and auditing and reporting on these transfers and the use of the money. Although the D.C. Code currently lists DMPED as the administrator of the Fund, DMPED never dedicated any resources to administering the Fund nor did it make any transfers from it since the Fund was empty until fiscal year 2017.

Financial Plan Impact
Funds are sufficient in the budget and financial plan for DOES to implement the subtitle. DOES has hired a contractor to manage the Fund. The contractor will oversee transfers out of the Fund and will audit and report on the use of the money.

Subtitle (II)(F) – Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018

Background
On a standard weekend night, on-premises alcoholic beverage retailers must stop selling alcohol and cease operations at 3 a.m. On the Saturday and Sunday before Memorial Day and Labor Day, extended hours are in effect, and on-premises retailers may remain open 24 hours and sell alcohol until 4 a.m.

The subtitle expands extended hours to four additional holiday weekends: the Saturday and Sunday before Columbus Day, Washington's Birthday (Presidents' Day), and Martin Luther King, Jr.'s Birthday, and the Friday, Saturday, and Sunday after Thanksgiving Day.

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[17] By amending Section 5 of the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.01 et seq.).
[18] Codified at D.C. Code § 2-219.01 et seq.
[19] Contracts, grants, tax abatements, land transfers for redevelopment, or tax increment financing that results in a financial benefit of $300,000 or more.

Financial Plan Impact
The subtitle will increase sales tax revenue by $313,000 in fiscal year 2019 and $1.3 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (II)(F) Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
Increase in general sales tax revenue	$313	$325	$338	$352	$1,328

<u>Subtitle (II)(G) – Targeted Historic Preservation Assistance Amendment Act of 2018</u>

Background
The subtitle adds the Emerald Street Historic District and Wardman Flats to the list of districts eligible for the Historic Homeowner Grant Program (Program). The Program, managed by the Office of Planning, gives grants for exterior repairs, rehabilitation, and structural work on historic properties for low to moderate income households living in 12 historic districts. The maximum grant given is $25,000, except in the Anacostia Historic District where the maximum is $35,000.

Financial Plan Impact
This subtitle does not have an impact on the District's budget and financial plan. Total grants cannot exceed available budget for the Program, so adding eligible locations does not have a fiscal impact.

<u>Subtitle (II)(H) – Expedited Building Permit Review Fund Amendment Act of 2018</u>

Background
The subtitle establishes a special purpose revenue fund called the Expedited Building Permit Review Program Fund (Fund) within the Department of Consumer and Regulatory Affairs (DCRA) in which revenues from fees for expedited review of building permit applications will be deposited. Three levels of accelerated review permits were created by emergency rulemaking on September 26, 2017. For projects 50,000 square feet or less, the fee for DCRA review is $50,000 per day. For projects between 50,000 and 99,999 square feet, an additional 50 cents per square foot above 50,000 square feet is charged per day. For projects over 100,000 square feet, the fee is $75,000 per day. The funding will be used to pay the costs of the expedited building permit review program. Any revenue deposited above the cost of administering the program will be directed to the General Fund.

Financial Plan Impact
This subtitle does not have an impact on the District's budget and financial plan. Because the program began in January 2018, there is insufficient data to estimate how much revenue will be deposited in the Fund, so no budget authority is authorized in fiscal year 2019. Directing the fees to the new Fund does not have a fiscal impact because the fees generated in these first few weeks of operations are not included in current revenue forecasts.

Subtitle (II)(I) – Arts and Humanities License Plates Amendment Act of 2018

Background

The subtitle authorizes the Mayor to issue one or more vehicle tags that enhance the public's awareness of the District's arts and humanities communities, works, and programming. The subtitle requires interested residents to pay a one-time application fee and an annual display fee at a level established by the Mayor. The Mayor will deposit application and display fees into the Arts and Humanities Enterprise Fund (Fund) to support the Commission on the Arts and Humanities' programs.[20]

Financial Plan Impact

There are over 300,000 active vehicle tags in the District, but the number of residents who are willing to pay an additional fee for and register their cars with the new arts and humanities tag is unknown. Tag revenues will be deposited into the Fund, but the Mayor must initiate a subsequent budget action to spend any new revenues.

The Commission on the Arts and Humanities will design the new tag and the agency can do this with the resources proposed in the fiscal year 2019 budget. The Department of Motor Vehicles can also support the implementation of the new tag with the resources proposed in its fiscal year 2019 budget.

Subtitle (II)(J) – Workforce Investment Assistance Amendment Act of 2018

Background

The subtitle allows[21] the Mayor to assist the Workforce Investment Council (WIC) in issuing and administering WIC grants.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. The Deputy Mayor for Greater Economic Opportunity can assist WIC in issuing and administering grants without additional resources.

Subtitle (II)(K) – Omnibus Operator Assessment Elimination Act of 2018

Background

The subtitle eliminates a $50 annual license fee that District law authorizes the Department of For-Hire Vehicles (DFHV) to charge taxicab and for-hire vehicle operators.[22]

Financial Plan Impact

DFHV charges operators for a one-year or two-year hacker's license but does not separately charge the $50 annual license fee as authorized. The subtitle's elimination of the $50 fee will not impact the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan.

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[20] Commission on the Arts and Humanities Act, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01).

[21] By amending section 4 of the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code § 32-1603).

[22] Department of For-Hire Vehicles Establishment Act of 1985, effective May 10, 1988 (D.C. Law 7-107; D.C. Official Code § 50-301.20(d)).

Subtitle (II)(L) – Parkside Parcel E and J Mixed-Income Apartments Tax Abatement Amendment Act of 2018

Background
Parkside mixed-income apartments[23] receive a 10-year real property tax abatement beginning fiscal year 2015 with a cap of $600,000. The subtitle extends the abatement an additional 20 years, extending it to fiscal year 2044.

Financial Plan Impact
The subtitle does not impact the budget and financial plan. Extending the abatement has no cost in the budget and financial plan period, but will reduce revenues beyond the current 10 year authorization.

Subtitle (II)(M) – St. Elizabeths Job Creation Incentive Act of 2018

Background
The subtitle authorizes a real property tax[24] abatement for any commercial or mixed-use properties located at the St. Elizabeths East Campus[25] that are occupied by qualified tenants. A qualified tenant is one that signs a lease of at least ten years; occupies at least 35,000 square feet of office space; and meets the Mayor's objectives of promoting inclusive prosperity and resilience, the District's innovative economy, economic prosperity, and opportunities for neighborhood development. If the tenant is liable for a portion of the property's real property tax, then the tenant should receive the portion of the abatement for which it is liable. Properties will be eligible for the tax abatement beginning in tax year 2024 and the Mayor will determine the share of the property tax abatement allocated to each eligible tenant.

Financial Plan Impact
The District, which owns the St. Elizabeths East Campus properties, has approved the disposition of some of the properties for private development. The first commercial or mixed-use development is expected to deliver in fiscal year 2020, but eligibility for the tax abatement will not begin until tax year 2024. There is no impact on the proposed budget and financial plan because the tax abatements will not begin until after the financial plan ends in fiscal year 2022. The subtitle ensures that any real property tax abatement accrues to the tenant because the property owner will be liable for the tax obligation.

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[23] Located on Lot 808 in Square 5041 and Lot 811 in Square 5056
[24] As imposed by Tittle 47, Chapters 8 and 10 of the D.C. Official Code.
[25] St. Elizabeths East Campus includes the property known as Record Lot 2 in Square 5868. Eligible properties exclude the Entertainment and Sports Arena Site located on property known for tax and assessment purposes as Lot 815 and a portion of Lot 819 in Square 5868.

Subtitle (II)(N) – Local Rent Supplement Program Amendment Act of 2018

Background

The subtitle allows[26] local rent supplement funds allocated for tenant-based assistance to be used to pay for security deposits and application fees for units leased under the D.C. Housing Authority's Housing Choice Voucher Program.

Financial Plan Impact

This subtitle does not have a fiscal impact since it expands the use of local rent supplement funds but does not require a change in the amount of funding for the program.

Subtitle (II)(O) – African-American Civil War Museum Grant Implementation Act of 2018

Background

The African-American Civil War Museum occupies space in the Historic Grimke School located at 1923 Vermont Avenue, N.W. The District recently approved the disposition[27] of the school building for private development, but the development project will continue to include at least 10,000 square feet of space for the Museum.[28]

The subtitle authorizes the District to grant up to $500,000 in fiscal year 2018 to the Museum to redevelop its space within the Grimke School building. The subtitle exempts this grant from the competitive bidding requirements for grants over $50,000 and the associated public notice requirements.[29]

Financial Plan Impact

This subtitle authorizes the Deputy Mayor for Planning and Economic Development (DMPED) to issue a grant up to $500,000 in fiscal year 2018 to the African-American Civil War Museum. DMPED has the funding available in its Economic Development Special Account[30] to support the grant in fiscal year 2018. There is no fiscal impact associated with exempting this grant from grant-making processes.

Subtitle (II)(P) – Licensing Fees Amendment Act of 2018

Background

The subtitle ratifies license fees that are currently being collected by the Department of Consumer and Regulatory Affairs for elevator inspectors, elevator mechanics, elevator contractors, tour guides and body artists. Fees for body artist license that have been collected since October 1, 2012 are ratified, and those that have not been collected as of the effective date of the fiscal year 2019 Budget

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[26] By amending Section 26c of the District of Columbia Housing Authority Act of 1999, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 6-228).

[27] As authorized in the Grimke School Disposition Approval Resolution of 2017, effective November 7, 2017 (D.C. Resolution 22-257; 65 DCR 13).

[28] African-American Civil War Memorial Freedom Foundation Inc., Museum Development Act, effective December 24, 2013 (D.C. Law 20-61; 61 DCR 962).

[29] Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13).

[30] National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).

Support Act will be waived. Fees for the above referenced elevator and tour guide licenses that have been collected since May 1, 2004 are ratified, and those that have not been collected by the effective date of the fiscal year 2019 Budget Support Act are waived.

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

TITLE III - PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Criminal Code Reform Commission Term Extension Act of 2018

Background
In fiscal year 2017, the Criminal Code Reform Commission (Commission) was created as a separate commission by pulling the criminal code review component from the Sentencing and Criminal Code Revision Commission.[31] The Commission is scheduled to deliver its final criminal code reform recommendations by October 1, 2018, when its establishing authority sunsets.

The subtitle extends the due date of the Commission's report to April 1, 2019 and sunsets the Commission's activities on October 1, 2019.

Financial Plan Impact
The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan funds the Commission's activities at approximately $705,000 in fiscal year 2019. The Commission will terminate at the end of fiscal year 2019.

Subtitle (III)(B) – Retired Police Officer Redeployment Program Amendment Act of 2018

Background
The Metropolitan Police Department (MPD) currently rehires retired police officers as fully sworn officers with no impact on their retirement benefits. These officers are paid on the Police Service pay schedule as officers[32] and are not eligible for longevity pay. The Omnibus Public Safety and Justice Amendment Act[33] expanded the retired police officer rehire program to include pay opportunities at the detective[34] and sergeant[35] levels of the Police Service pay schedule for eligible retirees. The detective and sergeant programs will sunset on October 12, 2019.

The subtitle changes the sunset date for the rehiring of retired police officers at the detective and sergeant levels from October 12, 2019 to September 30, 2022. The subtitle allows MPD to rehire an officer under this part of the program for no more than five years even if five years carries the appointment beyond September 30, 2022.[36]

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[31] Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 et seq.).
[32] The pay grade and step is class 1, step 5.
[33] Effective April 22, 2017 (D.C. Law 21-280; D.C. Official Code § 5-761(h)).
[34] The pay grade and step is class 3, step 4.
[35] The pay grade and step is class 4, step 3.
[36] The officer still must be rehired prior to September 30, 2022.

Financial Plan Impact
MPD rehires retired officers into positions that are included in MPD's budget in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. The extended sunset provision and the five-year limit for rehired officers at the detective and sergeant levels can also be accommodated within the proposed budget.

Subtitle (III)(C) – Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2018

Background
The subtitle designates that the Emergency and Non-Emergency Number Telephone Calling Systems Fund (Fund)[37] resources can only be used to pay personnel, technology hardware, software and software maintenance, contractual support, 911/311 outreach, 911/311 training, supplies, and equipment costs necessary to provide 911/311 communications. The subtitle also prohibits the Office of Unified Communications (OUC) from using the Fund's resources to defray direct costs incurred by wireless carriers.

Presently, the Fund's resources can only be used to defray technology and equipment costs directly incurred by providing the 911 system and costs incurred by wireless carriers to provide E-911 services.

Financial Plan Impact
OUC plans to transition 23 information technology contractors to full-time employees and will pay their salaries out of the Fund. This transition will save approximately $969,000 annually for the Fund that generates approximately $11 million in revenue annually. OUC does not currently reimburse wireless carriers for the provision of 911 services, so there is no impact related to that change.

Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2018 Special Purpose Revenue Fund Cost Savings Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
Current Contractor Costs	$3,351	$3,431	$3,513	$3,597	$13,892
Full-time Employee Costs[a]	$2,416	$2,474	$2,533	$2,594	$10,017
Cost Savings	$935	$957	$980	$1,003	$3,875

Table Notes
[a] Cost includes 23 full-time employees and 4 specialty contractors.

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

Subtitle (III)(D) – Private Security Camera System Incentive Program Amendment Act of 2018

Background

In 2016, the District began a private security camera incentive program managed by the Office of Victim Services and Justice Grants to provide vouchers and reimbursements to residents and businesses in the District who purchase, externally install, and register with the Metropolitan Police Department private security cameras at their residence or place of business.[38] OVSJG produces monthly reports that it makes available on its website and transmits to Council.

The subtitle reaffirms that OVSJG produce a monthly report, but only requires that it be made available on its website. OVSJG would be required to transmit an annual report to Council.

Financial Plan Impact

OVSJG currently produces monthly reports and makes them available on its website. The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan maintains the resources necessary for OVSJG to continue posting reports online and to transmit an annual report to Council.

Subtitle (III)(E) – Comprehensive Homicide Elimination Strategy Task Force Extension Amendment Act of 2018

Background

The Neighborhood Engagement Achieves Results Amendment Act[39] reestablished the Comprehensive Homicide Elimination Strategy Task Force to provide effective strategies toward eliminating homicides in the District. The Task Force is required to hold three public meetings and deliver a report to the Mayor and Council. After the Task Force issues its report, it will dissolve.

The subtitle eliminates the Task Force's required report and only requires it to provide advice and recommendations to the Mayor and Council. The subtitle also eliminates the dissolution date of the Task Force.

Financial Plan Impact

The Office of Neighborhood Safety and Engagement (ONSE)[40] will provide administrative support to the Task Force's three annual public meetings and its ongoing recommendations to the Mayor and Council. The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan includes the resources ONSE needs to provide this support.

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[38] Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125: D.C. Official Code § 7-2831).

[39] Effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 22-4251).

[40] Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125l D.C. Official Code § 7-2411 et seq.).

Subtitle (III)(F) – Neighborhood Engagement Achieves Results Amendment Act of 2018

Background

The Office of Neighborhood Safety and Engagement (ONSE)[41] is a combination of the Community Stabilization Program[42] and the Safer, Stronger DC Community Partnerships Program.[43] 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 enhances ONSE by transferring a portion of the Department of Parks and Recreation's (DPR) Roving Leaders Program to ONSE. The Roving Leaders Program performs outreach to youth and youth groups to prevent, neutralize, and control hostile behaviors through the development of positive relationships between youth and outreach workers.

Financial Plan Impact

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan transfers ten Roving Leaders Program workers and their associated personnel costs from DPR to ONSE. The proposed budget also includes a $52,000 salary enhancement for the transferred positions to ensure their salaries are consistent with existing ONSE personnel.

Subtitle (III)(G) – Drug Prevention and Children at Risk Fund Amendment Act of 2018

Background

The District allows residents to contribute to the Public Fund for Drug Prevention and Children at Risk (Fund)[44] when filing their income tax returns. Funds received are granted to the Children and Youth Investment Trust Corporation (CYITC) to support programs for children who have direct or indirect contact with drugs or programs that promote drug and alcohol avoidance.

The subtitle ends the grant to CYITC, which dissolved in 2016,[45] and establishes the Fund as a special purpose revenue fund under the Office of Neighborhood Safety and Engagement[46] to pursue the same drug prevention programs for at-risk children.

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[41] Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125l D.C. Official Code § 7-2411 et seq.).
[42] The Community Stabilization Program is currently administered by the Office of the Deputy Mayor for Public Safety and Justice.
[43] The Safer, Stronger DC Community Partnerships Program is currently administered by the Office of the Deputy Mayor for Health and Human Services.
[44] The revenues are held in a separate account of the District's Local Fund.
[45] https://www.washingtonpost.com/local/dc-politics/mismanagement-has-bankrupted-a-dc-nonprofit-endangering-programs-for-at-risk-youth-board-members-say/2016/04/26/51f4a51c-0bb4-11e6-bfa1-4efa856caf2a_story.html?utm_term=.48ec1daf785c
[46] Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125l D.C. Official Code § 7-2411 et seq.).

Financial Plan Impact
The tax contribution generates approximately $56,000[47] annually and establishment of the Fund under ONSE has been included in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. The Fund currently has a balance of approximately $102,000.

TITLE IV - PUBLIC EDUCATION

Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2018

Background
This subtitle sets[48] the base level funding for the Uniform Per Student Funding Formula (UPSFF) at $10,658. This is a 3.9 percent increase over the fiscal year 2018 base amount.[49] Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per-pupil funding at that level or for these services.

The subtitle also increases the weighting for the special education compliance add-on from 0.069 to 0.099. This will increase the per pupil allocation for the special education add-on from $708 in fiscal year 2018 to $1,055 per pupil in fiscal year 2019.[50]

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

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	**Weighting**	**Per Pupil Allocation in FY 2019**
Pre-Kindergarten 3	1.34	$14,282
Pre-Kindergarten 4	1.30	$13,855
Kindergarten	1.30	$13,855
Grades 1-5	1.00	$10,658
Grades 6-8	1.08	$11,511
Grades 9-12	1.22	$13,003
Alternative program	1.44	$15,348
Special education school	1.17	$12,470
Adult	0.89	$9,486

[47] The Office of Tax and Revenue retains approximately 10 percent of the gross collections to cover processing costs as authorized in D.C. Official Code § 47-1812.11b.
[48] 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.).
[49] The Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017, effective Jan 25, 2018, (D.C. Law 22-44) sets the base level funding for the Uniform Per Student Funding Formula at $10,257.
[50] Id.

Special Education Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	$10,338
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	$12,790
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	$20,996
Level 4: Special Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	$37,196
Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	$1,055
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	$949
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	$17,799

General Education Add-ons			
Level / Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
ELL	Additional funding for English Language Learners	0.49	$5,222
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	$2,334

Residential Add-ons			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.37	$3,943
Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.34	$14,282
Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.89	$30,802
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	$30,802
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	$7,120

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Special Education Level 1 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.063	$671
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	$2,419

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	**Definition**	**Weighting**	**Per Pupil Supplemental Funds**
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	$5,233
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	$5,233

Financial Plan Impact
The proposed 3.9 percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed fiscal year 2019 budget includes approximately $1.59 billion for instructional budgets; $846.63 million for the District of Columbia Public Schools and $742.27 million for the public charter schools. The increase to the special education compliance weight will result in an additional $2.26 million for the District of Columbia Public Schools and $1.96 million for the public charter schools above what would have been expected if the weight had remained the same.

Charter schools will receive $149.30 million for facilities allowances in fiscal year 2019, bringing the collective public charter school local budget to $891.91 million.

Subtitle (IV)(B) – Enhanced Special Education Services Subject to Appropriations Repeal Amendment Repeal Act of 2018

Background
This subtitle makes effective[51] three provisions in the Enhanced Special Education Services Amendment Act of 2014 that are currently subject to appropriations.

The first provision requires local education agencies (LEAs) to evaluate students who may have a disability and may require special education services within 60 days from the date that the student's parent or guardian provides consent. The LEA must make reasonable efforts to obtain parental consent within 30 days from the date the student is referred for an evaluation. Currently, LEAs are provided 120 days from the date a student is referred to special education services to complete an evaluation and make an eligibility determination.

[51] By repealing Section 102(a)(2)(B) of the Placement of Students with Disabilities in Nonpublic Schools Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-269; D.C. Official Code § 38-2561.02(a)(2)(B)) and by repealing Section 7h(c) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2614(c)).

The second provision lowers the age at which secondary transition plans are first required from age 16 or older to age 14 or older. Secondary transition plans outline measurable postsecondary goals and inter-agency responsibilities for when the child leaves the school.

The third provision expands eligibility for early intervention services to children demonstrating a 25 percent developmental delay in any one area of development. Currently children must demonstrate either a 50 percent developmental delay in one area or 25 percent delay in two or more areas of development.

Financial Plan Impact
The proposed fiscal year 2019 budget includes sufficient resources in the budgets of the Office of the State Superintendent of Education (OSSE), the District of Columbia Public Schools (DCPS) and Public Charter School LEAs to fully implement the Enhanced Special Education Services Amendment Act of 2014 (Act).

The District has invested significant resources to help LEAs lower the age for adulthood transition plans and reduce time between student disability referrals and evaluations. Since fiscal year 2015, $32 million has been budgeted through the Uniform Per Student Funding Formula (UPSFF)[52] to build capacity at LEAs to implement the Act. OSSE also provided $3.7 million in fiscal year 2018 directly to LEAs through a Special Education Enhancement Fund grant to help LEAs prepare to meet the new requirements.

Updated eligibility data and changes to the early intervention services program model suggests that the cost of expanding early intervention services is significantly lower than previously estimated.[53] OSSE estimates that 180 children will be eligible for expanded early intervention services each month at an average cost of $865 per child. Additionally, OSSE has been able to use Medicaid payments to offset a portion of the costs of providing direct services to students. As a result, providing direct service to students has a local cost of $990,000 and federal Medicaid cost of $880,000 ($1.87 million total). OSSE will also complete on-going evaluations and Individualized Family Services Plans at a local cost of $300,000 annually. The total cost of providing early intervention services is incorporated into the fiscal year 2019 budget and financial plan.

<u>Subtitle (IV)(C) – State Athletics Amendment Act of 2018</u>

Background
This subtitle creates a completely independent District of Columbia State Athletic Commission (DCSAC) by no longer requiring DCSAC to submit its annual budget and program oversight reports to Council through the Office of the State Superintendent of Education (OSSE). The DCSAC will also have independent budget authority rather than being a program code within OSSE.

Financial Plan Impact
This subtitle will transfer the school athletics budget out of OSSE and into its own standalone budget. The proposed fiscal year 2019 budget for the DCSAC is $1.34 million. This funding transfer is incorporated into the budget and financial plan.

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[52] The Special Education Compliance weight was formerly known as the Blackman Jones Compliance weight. The District exited the Blackman Jones Consent Decree in fiscal year 2015 so the fund was repurposed.
[53] The Office of Revenue Analysis estimated that expanding early intervention services would cost the District $11 to $23 million per year.

<u>Subtitle (IV)(D) – Early Childhood Higher Education Incentive Amendment Act 2018</u>

Background

This subtitle makes technical amendments to the Higher Education Incentive Program (HEIP) to clarify allowable costs and reporting requirements. The program is operated by the University of the District of Columbia and aims to increase the number of early education teachers teaching in the District by offering tuition assistance to students.

Financial Plan Impact

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

<u>Subtitle (IV)(E) – Child Care Payment Assistance Act of 2018</u>

Background

This subtitle updates[54] the laws that govern the District's Subsidized Child Care Program to conform with current practice. The subtitle also aligns local law with the federal law[55] and updates statutory language to be consistent with current eligibility provisions, use of federal and local funds, and method for payment. Specifically, the updates address:

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

Financial Plan Impact

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

<u>Subtitle (IV)(F) Early Learning Tax Credit Act of 2018</u>

Background

The subtitle creates a refundable income tax credit up to $1,000 per eligible child age 3 and under[56] for spending at a licensed child development facility in the District. To be eligible, a taxpayer must have taxable income of less than $750,000 and must not currently be receiving child care subsidies under the Office of the State Superintendent of Education Subsidy Program. The credit will only apply for tax year 2018.

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

[55] Specifically, the reauthorization of the Child Care Development Block Grant Act in 2014.

[56] Children must not turn 4 years old prior to September 30 of the taxable year.

Financial Plan Impact
The subtitle will reduce expected income tax revenue by $2.5 million in fiscal year 2019. An estimated 2,500 taxpayers will be eligible for the credit, and it is assumed the entire $1,000 credit will be claimed. The credit is in addition to existing credit available for child care expenses. The Office of Tax and Revenue will require $38,000 in one-time administrative costs to update forms to implement the credit.

Fiscal Impact of Subtitle (IV)(F) District Child Care Tax Credit Act of 2018				
($ thousands)	**FY 2019[(a)]**	**FY 2020**	**FY 2021**	**FY 2022**
Decrease in income tax revenue	$2,500	$0	$0	$0
Administrative costs for OTR	$38	$0	$0	$0
TOTAL	$2,538	$0	$0	$0

(a) Credit applies only to Tax Year 2018, but reduced revenue will be realized in fiscal year 2019.

Subtitle (IV)(G) Healthy Schools Amendment Act of 2018

Background
This subtitle allows[57] organizations that provide technical assistance to schools to apply for Healthy Schools grants which are administered by the Office of the State Superintendent of Education. Specifically, these organizations can apply for grants that promote physical activity in schools and increase cafeteria staff's abilities to provide healthy meals for students.

Financial Plan Impact
This subtitle does not have an impact on the District's budget and financial plan. Expanding the entities that are eligible to receive Healthy School grants does not have a financial impact.

Subtitle (IV)(H) – DC Public Schools Sales and Licensing Authority Amendment Act of 2018

Background
The subtitle allows[58] the Chancellor of the District of Columbia Public Schools (DCPS) to sell or license DCPS intellectual property rights. DCPS may also sell tickets to school athletic events and performances. All revenue generated by the sale of advertisements, intellectual property, and tickets must be deposited into a newly established, non-lapsing District of Columbia Public Schools Revenue Generation and Sponsorship Fund. DCPS may use any revenue collected to support instruction, education programs, human resources, athletics, the arts, and community engagement.

Financial Plan Impact
The subtitle may generate a small amount of revenue for DCPS, which will be deposited into the District of Columbia Public Schools Revenue Generation and Sponsorship Fund. The proposed budget and financial plan does not rely on any such deposits.

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[57] By amending Section 102(c) of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)).
[58] By amending Section 105a of the District of Columbia Public Schools Agency Establishment Act of 2007, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 38-174.01).

TITLE V - HEALTH AND HUMAN SERVICES

Subtitle (V)(A) –Health Insurance Requirement Act of 2018

Background

The subtitle establishes, as of January 1, 2019, a health insurance requirement ("Requirement") for District taxpayers and their dependents and requires payment of a shared responsibility payment from individuals not meeting the Requirement, unless they qualify for an exemption. The required payment is the same due under federal regulations that were in effect as of December 15, 2017, with one modification to tie the maximum payment to District health insurance prices. Subsequent to that date, federal law changed the federal shared responsibility payment amount to zero. If federal law should reinstate the federal shared responsibility payment, the subtitle provides that the payment due to the District would be reduced by such federal payment.

The Requirement to maintain health insurance applies to all individuals who are residents of the District. Part-year residents of the District are subject to the requirements during months of District residency. Health insurance providers must provide information to District taxpayers and the Office of Tax and Revenue in a similar manner to which they have produced and filed federal 1095 forms.

In order to meet the Requirement, individuals must maintain health insurance coverage meeting the definition of "minimal essential coverage" as defined under federal law as of December 15, 2017; the Immigrant Children's Program established under D.C. Official § 1-307.03(b); or health coverage provided by ERISA-eligible employers that was offered as of December 15, 2017.

Under the subtitle, the following individuals are exempt from the Requirement:

- Taxpayers aged 21 and over whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the applicable income level published by the Health Benefit Exchange Authority (HBX) based on the federal poverty level;
- Taxpayers who are aged 20 and younger, not claimed as a dependent on someone else's return, and whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the federal poverty level;
- Dependents aged 21 and over who are claimed by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the federal poverty level as published by HBX; and
- Dependents aged 20 or younger who are claimed as a dependent by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the applicable qualifying income level published by HBX.;

The income levels may be adjusted by the Mayor if eligibility requirements for the District's Medicaid, Children's Health Insurance Program or Immigrant Children's Program change.

In addition to the above exemptions, individuals may apply to the HBX for an exemption from the Requirement for reasons of unaffordability based on projected income or general hardship. HBX will apply the same affordability and hardship exemptions that were allowed under the federal regulations as of December 15, 2016. Such exemptions are to be applied for during the tax year, at the time an individual does not purchase insurance.

The subtitle establishes a special, non-lapsing fund, the Individual Insurance Market Affordability and Stability Fund ("Fund"), into which the shared responsibility payments will be deposited. Money in the Fund shall be used to engage in outreach and other activities that either increase the availability of health insurance options for District residents or increase the affordability for District residents of insurance premiums in the individual health insurance market.

Financial Plan Impact
The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan provides one-time and recurring funding to the Office of Tax and Revenue (OTR) for setting up new tax forms and systems modifications, and for providing additional (OTR) personnel to support the new Requirement. The HBX can absorb any additional costs of administering affordability and hardship exemptions. At this time, the OCFO is not estimating revenue from shared responsibility payments for the Fund. Any payments will first be received in FY 2020.

Health Insurance Requirement Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
OCFO Set-up Costs[a]	$549	$0	$0	$0	$549
OTR Additional Employees[b]	$551	$561	$603	$613	$2,328
Total Cost	$1,100	$561	$603	$613	$2,877

<u>Table Notes</u>
[a] Cost includes forms, programming and public information campaign
[b] 5 FTEs

TITLE VI - TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

<u>Subtitle (VI)(A) – Dedicated Funding for the Washington Metropolitan Transit Authority Act of 2018</u>

Background
The subtitle dedicates, in each of fiscal years 2019 and 2020, $178.5 million of general sales tax revenue annually to a new fund called the "Washington Metropolitan Area Transit Authority (WMATA) Dedicated Funding Fund" ("Fund"). The dedication amount grows by three percent annually, beginning in fiscal year 2021[59]. In fiscal year 2019, the funding will be included as part of the District's regular subsidy payments to WMATA.[60] Beginning in fiscal year 2020, the funding will be issued as a grant to WMATA for the purposes of WMATA capital improvements, to be paid in two equal installments[61], provided that:

1) Maryland (or its jurisdictions) enacts legislation dedicating at least $167 million annually to WMATA beginning in fiscal year 2020, and increasing three percent annually; and,
2) Virginia (or its jurisdictions) enacts legislation dedicating at least $155 million annually to WMATA beginning in fiscal year 2020, and increasing three percent annually.

The subtitle offsets the loss of general fund revenue that will go to the Fund by:

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[59] The dedication expires at the end of fiscal year 2059.
[60] See the Washington Metropolitan Area Transit Authority budget book chapter under agency code KE0 for more detail on the regular subsidy transfer to WMATA.
[61] The first installment will be October 1 annually and the second installment will be April 1 annually.

1) Raising the general sales tax and corresponding use tax[62] rates from 5.75 percent to 6.0 percent;
2) Raising the hotel sales tax and corresponding use tax[63] rates from 10.05 percent to 10.30 percent (not including the rate dedicated to the Washington Convention and Sports Authority);
3) Raising the restaurant sales tax[64] and corresponding use tax rates from 9.0 percent to 9.25 percent (not including the rate dedicated to the Washington Convention and Sports Authority);
4) Raising the gross receipts tax[65] on for-hire vehicles, which does not include taxis, from 1 percent to 4.75 percent;
5) Raising the Class 2 property tax rate[66] on the value above $3 million from $1.85 per $100 of assessed value to $1.87 per $100 of assessed value;

In addition, the subtitle eliminates an existing dedication[67] for WMATA of 50 percent of revenue certified above the amounts certified in the June and September 2017 revenue estimates.

All of the above tax changes will be effective October 1, 2018. Any money deposited in the Fund cannot revert to the general fund of the District at any time.

Financial Plan Impact
All of the revenue changes made by this subtitle are included in the proposed budget and financial plan, and are summarized in the chart below:

Summary of changes made by Subtitle (VI)(A) Dedicated Funding for WMATA Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 ($millions)					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
Total dedication of sales tax revenue to WMATA Dedicated Funding Fund	$178.5	$178.5	$183.9	$189.3	$730.2
LOCAL REVENUE ADJUSTMENTS MADE BY SUBTITLE TO PARTIALLY OFFSET DEDICATION OF SALES TAX TO WMATA					
General Sales Tax Increase to 6 percent	$26.2	$27.3	$28.5	$29.8	$111.8
Hotel Sales Tax increase to 10.3 percent	$5.7	$5.9	$6.2	$6.5	$24.2
Restaurant Sales Tax Increase to 9.25 percent	$11.1	$11.6	$12.1	$12.7	$47.5
Gross Receipts Tax Increase for for-hire vehicles (not taxis) to 4.75 percent	$17.3	$17.8	$18.4	$19.0	$72.5

[62] D.C. Official Code §§ 47-2002(a); D.C. Official Code § 47-2202. Does not include parking sales tax, but does include tax on theaters and entertainment venues and use tax.
[63] D.C. Official Code §§ 47-2002(a)(2); 47-2202(2)(A)
[64] D.C. Official Code §§ 47-2002(a)(3); 47-2202(3)(A)
[65] D.C. Official Code § 50-301.31(b)(11).
[66] D.C. Official Code § 47-812(b-9)(2)(A)(ii).
[67] *See* Section 7102 of the Fiscal Year 2018 Budget Support Act of 2017, effective August 29, 2017 (D.C. Law 22-16; 64 DCR 6581).

Commercial property tax increase on valuation above $3 million to $1.87 per $100 of assessed value	$16.8	$17.3	$17.8	$18.4	$70.3
Reverse current WMATA Dedicated Funding	$24.2	$24.2	$24.2	$24.2	$96.7
TOTAL	**$101.2**	**$104.1**	**$107.2**	**$110.5**	**$423.0**

Subtitle (VI)(B) – Performance Parking Program Fund Amendment Act of 2018

Background
In fiscal year 2014, the District ended the transfer of some parking meter revenues to two special purpose revenues funds:[68] the Performance Parking Fund[69] and the Sustainable Transportation Fund.[70]

The subtitle repeals the language that directed parking meter revenue transfers to these funds prior to fiscal year 2014. The subtitle also repeals the Performance Parking Fund and its authorized uses.

Financial Plan Impact
The District ended the transfer of parking meter revenues to these two Funds beginning in fiscal year 2014 and the repeal of the transfers will have no impact on the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. The repeal of the Performance Parking Fund and its uses will also have no impact.

Subtitle (VI)(C) – Payment of Costs for the Relocation of Public Utilities on Interstate Highways Amendment Act of 2018

Background
The District Department of Transportation has a $900 million federally funded transportation program that, among other objectives, repairs roads, bridges, and sidewalks; installs bicycle facilities; manages streetlights and traffic signals; and enhances the public right-of-way. When a federally funded DDOT project requires the relocation, adjustment, replacement, or removal of utility facilities located under the roadway, the federal project funds those activities.

The subtitle ends the practice of using the federal transportation program to pay for utility infrastructure changes and requires the utility companies to pay for their own work.

Financial Plan Impact
The subtitles implementation will save anywhere from $250,000 to $3 million in Highway Trust Fund[71] resources to support federal transportation projects annually that can be shifted to support

[68] Fiscal Year 2014 Budget Support Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 50-2603(8)(B)(2)).
[69] Performance Parking Pilot Zone Act of 2008, effective November 25, 2008 (D.C. Law 17-279; D.C. Official Code § 50-2531.01).
[70] Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168, D.C. Official Code §50-921.15).
[71] Highway Trust Fund Establishment Act and the Water and Sewer Authority Amendment Act of 1996, effective April 9, 1997 (D.C. Law 11-184; D.C. Official Code § 9-111.01).

other eligible projects. Utility companies will now pay for the relocation, adjustment, replacement, and removal activities, which they are required to do for locally funded projects.

Subtitle (VI)(D) – Advertisements on District Department of Transportation Assets on Private Property Amendment Act of 2018

Background

The District Department of Transportation (DDOT) currently has the authority to enter into advertising agreements for the placement of advertisements on District property located in the public space, including advertising related to the bicycle sharing, DC Circulator, and DC Streetcar programs.

The subtitle extends DDOT's authority to enter into advertising agreements to include DDOT controlled assets in private space.

Financial Plan Impact

DDOT does not have any current plans to sell advertising on its assets located in private space and no new revenues are included in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. Any revenues received for future advertising agreements will be deposited into the DDOT Enterprise Fund for Transportation Initiatives.[72]

Subtitle (VI)(E) – Rail Safety Office Funding Amendment Act of 2018

Background

The District approved, but did not fund, the Rail Safety and Security Amendment Act of 2016[73] which establishes a comprehensive rail program within the Department of Energy and Environment (DOEE) to oversee both railroad[74] that operates in the District and the DC Streetcar program. The rail program includes a DOEE Rail Safety Division (Division) that oversees a State Railroad Safety and Security Authority (Authority) that works with the Federal Railroad Administration (FRA) to ensure compliance with federal railroad safety laws and the State Safety Office (SSO)[75] that implements the Federal Transit Administration (FTA) safety and security requirements for the DC Streetcar program. DOEE must seek certification with both FRA and FTA to implement both the Authority and the SSO, respectively. The SSO is currently established within the Fire and Emergency Medical Services Department (FEMS).

The subtitle establishes the Rail Safety and Security Fund (Fund) to collect fees and fines imposed by the Authority as authorized by FRA. DOEE can use the Fund's resources for emergency response, rail safety, and rail security programs. The subtitle amends the Act's applicability clause to implement the Division and conditions the transfer for the SSO from FEMS to DOEE upon DOEE's certification

[72] District Department of Transportation Omnibus Amendment Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 50-921.13).
[73] Effective April 7, 2017 (D.C. Law 21-254; D.C. Official Code § 8-151.08c). The Act was passed subject to its inclusion in an approved budget and financial plan.
[74] Railroad does not include rail services operated by the Washington Metropolitan Area Transit Authority or the District Department of Transportation (DC Streetcar).
[75] State Safety Oversight Agency Establishment Amendment Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 5-401.01).

with FTA. The subtitle also conditions the Act's reporting requirements upon the later of October 2, 2019, the date the Mayor enters into an agreement with FRA for the investigation and surveillance of railroad activities, or the date FRA delegates investigative and surveillance authority to the District.[76]

Financial Plan Impact

DOEE requires two new staff members to manage the Division and begin the process of obtaining FRA and FTA approvals for the Authority and SSO, respectively. The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan includes the resources necessary to establish the Division. DOEE will issue rules to begin charging fees to railroad providers to support the Authority's operations. The fees are not yet set, but DOEE expects to set the fees at a level sufficient to fund the Authority's operations. DOEE will deposit the fees into the Fund.

The SSO will not transfer from FEMS to DOEE until DOEE receives the appropriate FTA approval. A portion of the resources that currently support the SSO at FEMS can transfer to DOEE and they will be sufficient to operate the SSO.[77]

Rail Safety Office Funding Amendment Act of 2018 Implementation Costs Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
Division Personnel	$255	$248	$254	$260	$1,017

<u>Table Notes</u>

a Fiscal year 2019 costs includes approximately $13,000 in one-time non-personnel funds to support two new staff members.

<u>Subtitle (VI)(F) – Kids Ride Free Program Amendment Act of 2018</u>

Background

The subtitle expands[78] the Kids Ride Free program by allowing the Mayor to subsidize Metrorail, Metrobus, and DC Circulator fares for public school students under 22 years old traveling to employment and training sites. Currently Kids Ride Free subsidies are available for school-related trips only.

The Mayor may issue passcards to subsidize travel for other purposes for public school students under the age of 22 years.

The implementation of subsidized travel for non-school-related activities is subject to funding availability.

Financial Plan Impact

The subtitle does not have a fiscal impact. It allows Kids Ride Free subsidies to be used for an additional set of circumstances, but it does not require that the number or amount of subsidies increase.

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[76] Pursuant to 49 C.F.R. § 212.105.

[77] The SSO is currently staffed by two employees, one of whom is a uniformed firefighter. The non-uniformed employee can move to DOEE and reestablish the FTA grant funds necessary to run the SSO.

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

<u>Subtitle (VI)(G) – District of Columbia Water and Sewer Authority Rate Increases Mitigation Amendment Act of 2018</u>

Background
The subtitle requires DC Water to establish a financial assistance program for low-income, middle-income, and fixed-income seniors to help pay water and sewer bills, including the impervious area charges.[79] DC Water will also be required to establish a financial assistance program for District non-profits to help pay for impervious area charges. DC Water must fund these financial assistance programs at $6 million in fiscal year 2019, in addition to what it spent on low-income financial assistance programs in fiscal year 2017.

The Mayor may appropriate additional funding to help support these financial assistance programs at DC Water or may establish the District's own financial assistance programs.

Financial Plan Impact
DC Water spent approximately $1.1 million on financial assistance for low-income District residents in fiscal year 2017 through its Customer Assistance Program (CAP).[80] The bill requires DC Water to spend that amount plus $6 million in fiscal year 2019 and expands the eligible recipients to include middle-income, fixed-income seniors, and non-profits. DC Water will contribute $6 million from its Rate Stabilization Fund to support the expanded financial assistance programs in fiscal year 2019.

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan includes $6 million for the District to send to DC Water to support the expanded financial assistance program.

TITLE VII – FINANCE AND REVENUE

<u>Subtitle (VII)(A) – Senior Residents Real Property Tax Cap Act of 2018</u>

Background
Current law[81] caps the growth of taxable assessments of class 1 (residential) property[82] with the homestead exemption to 10 percent annually. The subtitle lowers the cap to five percent annually for homestead-qualified residents who are over the age of 65 and have a household adjusted gross income of less than $125,000[83] or homestead-qualified residents with a permanent disability having a household adjusted gross income of less than $125,000.

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[79] Stormwater Permit Compliance Amendment Act of 2000, effective June 13, 2001 (D.C. Law 13-311; D.C. Official Code § 34-2202.16).
[80] DC Water also assisted customers with financial need through its SPLASH program, but the funds from that program come from customer donations, the community, and DC Water employee donations.
[81] D.C. Official Code §47-864.
[82] D.C. Official Code § 47-813.
[83] Per D.C. Official Code § 47-863. The maximum adjusted gross income increase by a senior/disabled cost of living each year.

Financial Plan Impact

The subtitle reduces property tax revenue in the proposed budget by $796,000 in fiscal year 2019 and $4.6 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (VII)(A) Senior Residents Real Property Tax Cap Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduction in property tax revenue	$796	$995	$1,244	$1,555	$4,590

<u>Subtitle (VII)(B) – Subject to Appropriations Repeals Amendment Act of 2018</u>

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

- National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018[84]
- Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016[85]
- Africare Real Property Tax Relief Act of 2018[86]
- Elderly and Tenants with Disabilities Protection Amendment Act of 2015[87]
- Deferred Compensation Program Enrollment Amendment Act of 2017[88]
- Defending Access to Women's Health Care Services Amendment Act of 2018[89]
- Affordable Housing Task Force Establishment Act of 2018[90]
- Union Market Tax Increment Financing Act of 2017[91]
- Maternal Mortality Review Committee Establishment Act of 2018[92]
- Electric Vehicle Public Infrastructure Expansion Amendment Act of 2018.[93]

Financial Plan Impact
Repealing the subject to appropriations provisions of the above-mentioned laws authorizes additional expenditures of approximately $371,000 in fiscal year 2019 and $1.5 million over the four-year financial plan period. The repeals also reduce revenues by $9 million in fiscal year 2019 and $19.2 million over the four-year financial plan period.

[84] D.C. Act 22-247, projected law date is April 11, 2018.
[85] D.C. Law 21-270, effective April 15, 2017.
[86] D.C. Act 22-250, projected law date is April 11, 2018.
[87] D.C. Law 21-239, effective April 7, 2017.
[88] Bill 22-68, passed on final reading March 6, 2018, not yet transmitted to Congress.
[89] D.C. Act 22-246, projected law date is April 10, 2018.
[90] Bill 22-289, passed on final reading March 6, 2018, not yet transmitted to Congress.
[91] D.C. Law 22-58, effective February 15, 2018. The Mayor is including the cost of this in the Fiscal Year 2018 Supplemental Budget request.
[92] Bill 22-524, passed on final reading March 6, 2018.
[93] D.C. Act 22-249, projected law date April 11, 2018.

Fiscal Impact of Subtitle (VII)(B) Subject to Appropriations Repeals Amendment Act of 2018, Revenue Impact Fiscal Year 2019 – Fiscal Year 2022 ($000s)						
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
DECREASED PROPERTY TAX REVENUE						
National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018[(a)]	$2,781	$1,269	$1,347	$1,429	$1,427	**$8,298**
Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016	$0	$18	$20	$22	$24	**$84**
Africare Real Property Tax Relief Act of 2018	$503	$103	$105	$106	$110	**$927**
Elderly and Tenants with Disabilities Protection Amendment Act of 2015	$0	$1,281	$1,313	$1,346	$1,379	**$5,319**
SUBTOTAL PROPERTY TAX REVENUE DECREASE	**$3,284**	**$2,671**	**$2,785**	**$2,903**	**$2,940**	**$14,583**
DECREASED DEED RECORDATION AND TRANSFER TAX REVENUE						
National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018[(a)]	$1,430	$0	$0	$0	$0	$1,430
DECREASED INCOME TAX REVENUE						
Deferred Compensation Program Enrollment Amendment Act of	$0	$176	$548	$950	$1,381	$3,055
Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016	$0	$12	$13	$14	$16	$55
SUBTOTAL INCOME TAX REVENUE DECREASE	**$0**	**$188**	**$561**	**$964**	**$1,397**	**$3,110**
GRAND TOTAL REVENUE DECREASE	**$4,714**	**$2,859**	**$3,346**	**$3,867**	**$4,337**	**$19,169**

[(a)] The fiscal year 2018 total cost includes refunds for fiscal years 2016, 2017 and 2018.

Fiscal Impact of Subtitle (VII)(B) Subject to Appropriations Repeals Amendment Act of 2018, Increased Expenditures Fiscal Year 2019 – Fiscal Year 2022 ($000s)						
	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
Defending Access to Women's Health Care Services Amendment Act of 2018	$0	$107	$120	$123	$127	$477

Electric Vehicle Public Infrastructure Expansion Amendment Act of 2018[(a)]	$0	$114	$142	$133	$137	$526
Affordable Housing Task Force Establishment Act of 2018	$0	$43	$0	$0	$0	$43
Maternal Mortality Review Committee Establishment Act of 2018	$0	$107	$109	$112	$115	$443
Union Market Tax Increment Financing Act of 2017[(b)]	$2,990	$0	$0	$0	$0	$2,990
TOTAL INCREASED EXPENDITUERS	**$2,990**	**$371**	**$371**	**$368**	**$379**	**$4,943**

Table Notes

(a) The cost of the Electric Vehicle Public Infrastructure Expansion Act is being absorbed.
(b) The cost of the Union Market Tax Increment Financing Act of 2017 is included in the Mayor's FY18 Supplemental Budget.

Subtitle (VII)(C) – Feminine Hygiene Products Sales Tax Exemption Implementation Amendment Act of 2018

Background

The subtitle exempts feminine hygiene products from the District's general sales tax by partially funding the Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016[94]. Feminine hygiene products are defined to include sanitary napkins, sanitary towels, tampons, menstrual cups and sanitary pads. The part of the law that exempted diapers will remain subject to appropriation in an approved budget and financial plan.

Financial Impact

The subtitle reduces sales tax revenue in the proposed budget by $403,000 in fiscal year 2019 and $1.7 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (VII)(C) Feminine Hygiene Products Sales Tax Exemption Implementation Amendment Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 ($000s)					
	FY 2019	**FY 2020**	**FY 2021**	**FY 2022**	**Total**
Reduction in general sales tax revenue	$403	$419	$436	$453	$1,710

Subtitle (VII)(D) – Qualified Business Income Tax Deduction Clarification Amendment Act of 2018

Background

The federal Tax Cuts and Jobs Act, Public Law 115-97,[95] provides for a new deduction from federal income taxes for individual taxpayers in the amount of 20 percent of a taxpayer's qualified business income from a partnership, S corporation, or sole proprietorship.

[94] D.C. Law 21-201, effective February 18, 2017.
[95] By creating a new Section 199A of the Internal Revenue Code.

Current law provides that taxpayers are permitted District deductions for any deduction allowed under federal law except for federal deductions that are specifically enumerated under District law as not allowed. The subtitle amends current law[96] to clarify that a qualified business income deduction is not allowed by specifically enumerating it as an additional deduction that is not allowed for purposes of calculating District taxable income.

Financial Plan Impact
There is no fiscal impact to the subtitle. The subtitle clarifies the assumed treatment of qualified business income deductions included in the February revenue estimates, in the absence of Internal Revenue Service guidance.

TITLE VIII – CAPITAL BUDGET

Subtitle (VIII)(A) – Fiscal Year 2019 Capital Project Financing Reallocation Approval Act of 2018

Background
The subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately $1.9 million in bond balances 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.

Financial Plan Impact
The reallocations do not change the budget authority for any capital project. The intent is to improve resource use by reallocating available bond balances to where they are needed.

Subtitle (VIII)(A) – Projects that will Serve as Source of Financing Table A		
Owner Agency Name	**Project Title**	**Amount**
District of Columbia Public Schools	Janney ES Renovation/Modernization	$4,370
	Johnson Middle School Renovation/Modernization	$680,583
Department of Corrections	General Renovations—DC Jail	$251,678
District Department of Transportation	Rhode Island Ave NE Small Area Plan Infrastructure	$426,109
	Power Line Undergrounding	$396,361
District Department of Parks and Recreation	Therapeutic Recreation Center	$36,445
Deputy Mayor for Planning and Economic Development	Neighborhood Revitalization	$92,152
TOTAL		**$1,887,698**

[96] D.C. Official Code § 47-1803.03(b).

Subtitle (VIII)(A) – Projects that will Use Financing Table B		
Owner Agency Name	**Project Title**	**Amount**
District of Columbia Public Schools	DC Public Schools Modernization/Renovations	$1,887,698

<u>Subtitle (VIII)(B) – Master Local Transportation Capital Projects Amendment Act of 2018</u>

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 extends[97] allowed use of the procedure from January 31, 2018 to January 31, 2019.

Financial Plan Impact

This subtitle extends the use of budgeting procedures for certain transportation capital projects and has no impact on the budget or financial plan.

<u>Subtitle (VIII)(C) – Transportation Infrastructure Project Review Fund Capital Reprogrammings Amendment Act of 2018</u>

Background

The subtitle exempts reprogrammings from the Transportation Infrastructure Project Review Fund[98] ("Fund") to a capital project from Council approval requirements, provided the use of the reprogrammed funds does not change. The Fund is a non-lapsing fund that funds:

1) District Department of Transportation (DDOT) reviews of a project that may affect the transportation infrastructure or public space in the District;
2) Transportation infrastructure or publics space improvements or mitigation measures;
3) Improvements ordered by the Zoning Commission or Board of Zoning Adjustment; and
4) Local transportation improvement projects and studies, so long as funds are not required for the first three activities.

The Fund receives revenue from payments made by an individual or entity such as a developer to cover the cost of DDOT's review of these projects.

Financial Plan Impact

This subtitle does not change the total amount of authorized funding for capital projects, so does not have an impact on the District's budget and financial plan.

[97] By changing D.C. Official Code § 50-921.02(e)(4)(C).
[98] D.C. Official Code § 50-921.17.

Subtitle (VIII)(D) – Master Capital Projects Reallocation Process Amendment Act of 2018

Background

The subtitle authorizes reallocations within master capital projects that an agency fully manages. An agency that is the owner agency and implementer agency for a master project and all of its subprojects will be able to request the Office of Budget and Planning to reallocate funding from a master project to a sub-project, a sub-project to the master project or from one sub-project to another. The reallocation will be exempt from current reprogramming rules[99] and OBP will be authorized to approve the transfer.

Additionally, an agency may request reallocation of a master capital project to a "related" capital project. A "related" capital project is defined as one that was created prior to the master capital project, is associated with the master project based on the description, and has current fund balances for which there are no future year appropriations.

Financial Plan Impact

This subtitle does not change the amount of authorized funding, so does not have an impact on the District's budget and financial plan.

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

Subtitle (IX)(A) - Designated Fund Transfer Act of 2018

Background

The subtitle allows the District to use the certified fund balance available in 22 funds as a source of funding for the fiscal year 2019 through fiscal year 2022 budget and financial plan. The subtitle uses balances totaling $24.1 million from 20 special purpose funds and two discontinued funds. The affected funds and transfer amounts are listed in the chart below:

Recorder of Deeds Surcharge[100]	$ 916,062
Office of Finance and Treasury Central Collection Unit[101]	$ 8,000,000
Child Support – TANF/AFDC Collections[102]	$ 1,000,000
Child Support – Reimbursements and Fees[103]	$ 188,408
Copies and Printing[104]	$ 36,401
Wage Theft[105]	$ 91,260
Nuisance Abatement[106]	$ 123,318

[99] Reprogramming policies codified at D.C. Official Code § 47-361 et seq.
[100] D.C. Official Code § 42-1211.
[101] D.C. Official Code § 1-350.04.
[102] D.C. Official Code § 46-226.01.
[103] D.C. Official Code § 46-226.01.
[104] D.C. Official Code § 1-204.24d.
[105] D.C. Official Code § 32-1307.01.
[106] D.C. Official Code § 6-916, § 42-3131.01, and § 42-3504.01.

Real Estate Guaranty and Education Fund[107]	$ 4,621,110
Occupational and Professional Licensing Administration (OPLA) - Special Account[108]	$ 47,836
Corporate Recordation Fund[109]	$ 2,205,979
Industrial Revenue Bond Program[110]	$ 265,000
State Athletic Acts Program and Office Fund[111]	$ 74,667
ICF / MR Fees and Fines[112]	$ 50,602
Bill of Rights (Grievance and Appeals)[113]	$ 250,000
DDOT Enterprise Fund-Non Tax Revenues[114]	$ 825,000
WMATA Projects[115]	$ 56,168
DC Circulator Fund – National Park Service Mall Route[116]	$ 413,520
Foreclosure Mediation Fund[117]	$ 108,750
Public Vehicles For Hire Consumer Service[118]	$ 164,521
DC Net Service Support[119]	$ 500,000
Fixed Cost Commodity Reserve Fund[120]	$ 4,205,259
Total	**$24,143,861**

Financial Plan Impact
The proposed budget and financial plan includes $24.1 million of fund balance use from the above-named special funds.

[107] D.C. Official Code § 42-1706.
[108] D.C. Official Code § 47-2853.11.
[109] D.C. Official Code § 29-102.13.
[110] D.C. Official Code § 47-131.
[111] D.C. Official Code § 36-2672.
[112] D.C. Official Code § 7-731.
[113] D.C. Official Code § 1-204.24d.
[114] D.C. Official Code § 50-921.13.
[115] D.C. Official Code § 50-2603.
[116] D.C. Official Code § 50-921.33.
[117] D.C. Official Code § 42-815.03.
[118] D.C. Official Code § 50-320.
[119] D.C. Official Code § 1-1432.
[120] D.C. Official Code § 47-368.04.