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

Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Natwar M. Gandhi** **Chief Financial Officer**
DATE:	**March 28, 2013**
SUBJECT:	**Fiscal Impact Statement – "Fiscal Year 2014 Budget Support Act of 2013"**
REFERENCE:	**B20-199, Amendment in the Nature of a Substitute circulated on June 25, 2013**

Conclusion

Funds are sufficient in the proposed FY 2014 through FY 2017 budget and financial plan to implement the proposed Fiscal Year 2014 Budget Support Act of 2013 (FY 2014 BSA).

On May 22, 2013, the Council approved the Fiscal Year 2014 Budget Request Act of 2013 (FY 2014 BRA) together with the first reading of the FY 2014 BSA. The two bills approved a proposed budget with $6.3 billion of local spending, which was supported by $6.3 billion of local resources, with an operating margin of $290,000. The FY 2014 BRA also provided for an additional $50 million budget authority conditional on availability of new revenues for fiscal year 2014.

On June 24, 2013, the Chief Financial Officer issued revised revenue estimates, certifying additional revenues of $85.9 million for Fiscal Year 2013 and $92.3 million for Fiscal Year 2014.

The proposed FY 2014 through FY 2017 budget and financial plan approved by the Council on May 22 2013, together with the resources made available with the June revenue estimates, accounts for the expenditure and revenue implications of the proposals described in the subtitles included in the BSA. This bill authorizes additional revenue reductions of $23.4 million, resulting in total local resources of $6.37 billion. Additionally, the BSA authorizes additional expenditures of $49.95 million, and $18 million set-aside to fund potential recommendations from the Tax Revision Commission. With these actions, the initiatives in the BSA, combined with the Mayor's and Council's programmatic choices, provide sufficient funds to balance the estimated expenditures of $6.37 billion, with an operating margin of $1.6 million.

Title IX (B) of the bill outlines the additional spending and revenue reductions authorized by the bill over the amounts approved in the Fiscal Year 2013 BRA.

The bill, the "Fiscal Year 2014 Budget Support Act of 2013," is the legislative vehicle for adopting statutory changes needed to implement the proposed budget for the FY 2014 through FY 2017 budget and financial plan period. The purpose and the impact of each subtitle are summarized in the following pages.

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TITLE I- GOVERNMENT DIRECTION

Subtitle (I)(A) – Bonus and Special Pay Limitation Act of 2013

Background

The proposed subtitle prohibits District agencies from awarding performance-related bonuses, special act pay, and service awards in fiscal year 2014. Contractually required bonus and special payments, including those for certain employees of the District of Columbia Public Schools are exempted from this requirement.

Financial Impact

Limitations on bonus and special payments generally help keep personnel expenditures under control, allowing the use of public funds for other purposes. The impact of the proposed subtitle is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (I)(B) – Innovation Fund Establishment Act of 2013

Background

This subtitle establishes the Innovation Fund, which will be used to support community non-profit organizations through grants. The subtitle directs the Mayor to make an umbrella grant to a single grant-making entity, and this entity must use at least 94 percent of this grant to make sub-grants to local non-profit organizations. The subtitle designates the Community Foundation for the National Capital Region as the grant-making authority for fiscal years 2014 through 2016.[1] No grant-making authority is designated for FY 2017.

The grant-making authority can make sub-grants to non-profit organizations operating in the area of education, job training, health, senior services, art, public safety or the environment. It must document its activity through an annual report on its sub-grants. Sub-grants must be competitively awarded and cannot exceed $100,000 per year. The subtitle also specifies the application requirements and limits on duration for different types of grants as well as reporting requirements and requires that the fund is administered in the manner required by the Grant Administration Act of 2013, which is explained in greater detail in the fiscal analysis of Subtitle (J) of this title.[2]

Financial Plan Impact

The proposed FY 2014 budget contains $15 million in one-time funding for this provision.

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[1] For details on the Community Foundation, see http://www.thecommunityfoundation.org.
[2] For details, see Title I, Subtitle J of this bill.

Subtitle (I)(C) - Department of General Services Protective Services Division Amendment Act of 2013

Background

Under current law,[3] Protective Services Police Department ("Protective Services") exists within the Department of General Services (DGS). Protective Services was originally established in 1999 under the Office of Property Management (OPM).[4] In 2010, the name of the Division was changed to the Protective Services Police Department as part of legislation that also changed the name of OPM to the Department of Real Estate Services.[5]

This subtitle changes the name back to Protective Services Division and clarifies that the Division coordinate, manage and provide security services to government facilities through the use of special police officers (SPOs) and security officers[6], as well as civilian employees or contractors.

Financial Plan Impact

This subtitle clarifies the name and structure of the Protective Services, and does not have an impact on the District's budget and financial plan.

Subtitle (I)(D) – Captive Property Insurance Amendment Act of 2013

Background

In February 2013, the District passed emergency[7] and temporary[8] laws that permit the District of Columbia Medical Liability and Earthquake Captive Insurance Agency ("Captive Insurance Agency") to purchase property insurance for specific properties that were damaged in the August 2011 earthquake. FEMA requires that all jurisdictions receiving federal disaster funding for damaged facilities obtain and maintain property insurance to protect against future losses.[9] The recently enacted laws ensure that the District is meeting this FEMA requirement with regard to federal earthquake disaster relief.

This subtitle expands on the temporary legislation by allowing the District to purchase insurance for all District property against many types of hazards, and not just earthquakes. The subtitle also

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[3] D.C. Official Code § 10-551.02.
[4] Office of Property Management Establishment Act of 1998, effective March 26, 1999 (D.C. Law 12-175; D.C. Official Code § 10-1001 *et seq.*).
[5] Public Land Surplus Standards Amendment Act of 2009, effective March 11, 2010 (D.C. Law 18-76; 56 DCR 6895).
[6] D.C. Official Code 47-2839.01 and D.C. Municipal Regulations, Title 6-A (Police Personnel), Chapter 11 (Special Police).
[7] Captive Earthquake Property Insurance Emergency Amendment Act of 2013, enacted March 20, 2013 (Act 20-39; D.C. Official Code § 1-307.81 et seq.).
[8]Captive Earthquake Property Insurance Temporary Amendment Act of 2013." introduced March 4, 2013 (Bill 20-155).
[9] Disaster Relief Act Amendments of 1974, approved May 22, 1954 (Public Law 93-288; 42 U.S. Code § 5154).

changes the name of the District of Columbia Medical Liability and Earthquake Captive Insurance Agency to the Captive Insurance Agency, and the District of Columbia Medical Liability and Earthquake Captive Trust Fund to the Captive Trust Fund.

Financial Plan Impact

The planned purchase of earthquake insurance to meet FEMA requirements is expected to cost approximately $175,000 per year.[10] The Medical Liability Captive Insurance Fund[11] has sufficient fund balance to absorb the cost of the earthquake insurance premiums at that level.

Subtitle (I)(E) – Technology Services Support Amendment Act of 2013

Background

Current law allows the Office of the Chief Technology Officer (OCTO) to collect payment from independent and federal agencies for four designated OCTO services.[12] These payments are deposited into the Technology Infrastructure Services Support Fund, a special purpose fund OCTO can use to defray its costs. This subtitle expands the permissible sources and uses of the Fund, so the Chief Technology Officer can offer a broader set of OCTO services to independent and federal agencies.

Financial Plan Impact

The subtitle would allow OCTO to provide additional services to independent agencies. Specifically, OCTO has an ongoing Memorandum of Understanding with the District of Columbia Retirement Board (DCRB) to assist with DCRB's IT modernization initiatives. With this provision, OCTO will expand the program to design PeopleSoft applications for DCRB.

For these new services, OCTO expects to receive from the DCRB an estimated $830,000 in FY 2014 and $3,320,000 over the four-year financial plan period. These are special purpose revenues which would be deposited in the Fund to defray to costs of providing these services. The fiscal impact of this provision is already incorporated into the proposed budget and financial plan.

Subtitle (I)(F) – Eastern Market Jurisdiction Clarification Amendment Act of 2013

Background

This subtitle amends the Eastern Market Real Property Asset Management and Outdoor Vending Act of 1998, effective April 16, 1999 (D.C. Law 12-228; D.C. Official Code § 37-101 *et seq.)* to redefine the Capitol Hill Historic District, and the Eastern Market Special Use Area. The subtitle

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[10] The subtitle authorizes, but does not obligate, the Mayor to purchase property insurance for the District's real property. The bill limits the Captive Insurance Agency's liability to the funds available in the Captive Trust Fund.
[11] As currently named under D.C. Official Code § 1-307.91.
[12] D.C. Official Code § 1-1432 (Technology Infrastructure Services Support Fund).

permits a market manager - defined as someone with experience operating a historic urban fresh food for farmers' market - to coordinate vendors within the newly re-defined Eastern Market Special Use Area, as well as the Eastern Market Square.

Financial Plan Impact

It is estimated that market manager fees will increase Eastern Market Enterprise Fund[13] revenues by $48,000 annually. No additional expenses are expected.

Subtitle (I)(G) – Community Affairs Grant-Making Authorization Amendment Act of 2013

Background

The subtitle requires that grants issued under the District of Columbia Latino Community Development Act,[14] the Asian and Pacific Islander Affairs Establishment Act of 2001,[15] and the Office and Commission on African Affairs Act of 2006[16] are administered according to requirements in the Grant Administration Act of 2013, which is explained in greater detail in the fiscal analysis of Subtitle (J) of this title. Additionally, the subtitle permits the Office on African Affairs to issue grants to organizations that provide services to African residents of the District. .

Financial Plan Impact

Grant administration requirements defined under Subtitle (J) can be implemented for grants issued by the Office of Latino Affairs, Office of Asian and Pacific Islander Affairs, and the Office of African Affairs. Establishing granting authority for the Office of African Affairs (OAA) does not have an impact; $100,000 in granting authority is appropriated to OAA in the proposed FY 2014 budget.

Subtitle (I)(H) – District of Columbia Government Comprehensive Merit Personnel Amendment Act of 2013

Background

The subtitle limits the amount of total compensation that the District government can pay to the Chief Medical Examiner to $253,000 annually, unless approved by the Council. It also eliminates the limit of two Mayoral appointees in a single agency, but retains the overall limit of 160 appointees. [17] Lastly, it increases the number of excepted service personnel that can be appointed to serve at the District of Columbia Sentencing and Criminal Code Revision Commission ("Commission") from 6 to 10.

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[13] D.C. Official Code § 37-103.
[14] Effective September 29, 1976 (D.C. Law 1-86; D.C. Official Code § 2-1313(10)).
[15] Effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 2-1373(c)(9)).
[16] Effective June 8, 2006 (D.C. Law 16-111; D.C. Official Code § 2-1393 *et seq.*).
[17] D.C. Official Code § 1-609.03(a)(1).

Financial Plan Impact

The fiscal impact of the subtitle is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The budgeted compensation for the Chief Medical Examiner is within the proposed limits.

District Agencies can only hire so long as they have a funded position, whether filled by an appointee or another type of employee. The subtitle eliminates the two per agency cap on the Mayoral appointees, providing flexibility to agencies.

The agency has personnel approval for 10 FTEs in the proposed FY 2014 budget. The Commission's total personnel expenditures cannot exceed available funds separately appropriated for this purpose.

Subtitle (I)(I) – District of Columbia Uniform Law Commission Amendment Act of 2013

Background

Commissioners of the District of Columbia Uniform Law Commission are required[18] to attend the annual meetings of the National Conference of Commissioners on Uniform State Laws (NCCUSL). The subtitle permits the District to pay the costs of the Commissioners attendance at the annual meeting and pay the NCCUSL annual dues.

Financial Plan Impact

The subtitle permits, but does not require, the District to pay NCCUSL dues and the cost of the Commissioners attendance at the annual meeting, so the subtitle does not have an impact on the District's budget and financial plan. The legislation ensures that all Commissioners, whether District employees or not, can attend the annual meetings.

Total expenditures cannot exceed available funds separately appropriated for this purpose.

Subtitle (I)(J) – Grant Administration Act of 2013

Background

The subtitle applies to grant-issuing authority established under the Fiscal Year 2014 Budget Support Act. For these newly established granting authorities, the subtitle outlines eligibility requirements for receiving grants, requirements for awarding grants, administering grants, and reporting on grants. The granting agency must publish notice in the District of Columbia Register ("Register") 14 days prior to awarding a grant, including information about the amount of available funds, the number of awards to be made, selection criteria, and date of determination of award. Any grant over $50,000 must be competitively awarded based on criteria established by the granting agency prior to giving notice in the Register.

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[18] D.C. Official Code § 3-1433.

Grantors must notify applicants of acceptance or rejection within 30 days of the closing date for applications, and maintain records of all communications between the grantor and District government. Grantors must also provide a report to the Mayor and Council by November 1 of each year describing funded grants, performance measures, and a timeline for services to be provided under the grant.

Financial Plan Impact

The subtitle establishes grant administration, selection and reporting criteria. The changes are minor administrative requirements that can be implemented with budgeted resources. Grant funding must be separately appropriated in order for grants to be issued.

<u>Subtitle (I)(K) – Discretionary Funds Renaming Act of 2013</u>

Background

The subtitle permits the citing of Section 26 of "An Act to Authorize Certain Programs and Activities of the Government of the District of Columbia, and for Other Purposes"[19] as the "Discretionary Funds Act of 1973."

Financial Plan Impact

Renaming this Act has no impact on the District's budget and financial plan.

[19] Approved October 26, 1973 (87 Stat. 509; D.C. Official Code § 1-333.10).

TITLE II– ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Deputy Mayor for Planning and Economic Development Limited Grant-Making Authority Amendment Act of 2013

Background

This subtitle transfers from the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to the Commission on Arts and Humanities (CAH) the responsibility to administer the Neighborhood Parades and Festivals grant program. It also includes an annual appropriation of $107,000 as one of the sources of grant funds.

This subtitle also extends through FY 2014 DMPED's grant making authority to support sector consultants, local business promotion, regional economic development, and access to financial services for the unbanked, as originally provided for in the "Deputy Mayor for Planning and Economic Development Limited Grant-Making Authority Act of 2012."[20]

Financial Plan Impact

CAH received a one-time transfer of $107,000 from DMPED through the FY 2013 supplemental budget. These funds can be used to support the Neighborhood Parades and Festivals program in FY 2014. Additionally, DMPED's budget already incorporates the grants authorized under the subtitle. The fiscal impact of the subtitle and future annual appropriations is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (II)(B) – Workforce Investment Council and Workforce Intermediary Grant-Making Amendment Authority Act of 2013

Background

This subtitle provides the Workforce Investment Council and the Workforce Intermediary with authority to issue competitive grants. This authority would allow these institutions to implement the recommendations of the Workforce Intermediary Taskforce.

Financial Plan Impact

The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The Office of the Deputy Mayor for Planning and Economic Development included $1.6 million in its proposed FY 2014 budget as local funds associated with this grant making authority.

[20] Part of the "Fiscal Year 2013 Budget Support Act of 2012," effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-325.210).

Subtitle (II)(C) – Unemployment Compensation Anti-Fraud Federal Conformity Amendment Act of 2013

Background

The subtitle imposes[21] of 15 percent penalty on employees for the overpayment of unemployment insurance (UI) benefits. The penalty will become effective starting October 1, 2014. This provision will bring District in compliance with the federal Trade Adjustment Assistance Extension Act of 2011.[22]

Financial Plan Impact

Any penalty collections under this provision will be deposited into the Unemployment Insurance Trust Fund, which is separate from the District's General Fund. The Trust Fund is holds unemployment insurance payments made by employers and can only be used for unemployment benefits and training programs as approved by the federal government. Thus the provision does not affect the District's budget and financial plan.

Subtitle (II)(D) – Unemployment Compensation Penalty Reduction Amendment Act of 2013

Background

The subtitle reduces[23] the penalty imposed on employers who are delinquent in paying their unemployment tax contributions or filing their wage contribution reports from 25 percent to 10 percent.

Financial Plan Impact

The 25 percent penalty was imposed in 1993 to ensure employers filed reports and paid contributions on time. In 1993, the District's Unemployment Insurance Trust Fund faced insolvency; however, since then, the District's Trust Fund has not been at risk of insolvency.

All penalty revenue is deposited into the District's Trust Fund and must be used for payment of unemployment benefits and training programs as approved by the federal government. At the end of the third quarter of 2012, the District's Trust Fund held approximately $310 million, which is 1 percent of the total wages of employees insured through the program.[24] To put this number in perspective, the average Trust Fund ratio across the nation at the end of the same quarter was 0.36 percent.

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[21] The subtitle amends the District of Columbia Unemployment Compensation Act, effective August 31, 1954 (68 Stat. 996; D.C. Official Code § 51-119 (e)).
[22] Enacted on October 21, 2011 (Public Law 112–40; 125 Stat. 401)
[23] The subtitle amends the District of Columbia Unemployment Compensation Act, effective September 24, 1993 (D.C. Law 10-15; D.C. Official Code § 51-104 (b)(2)).
[24] Unemployment Insurance Data Summary, 3rd Quarter, 2012, accessed on March 26, 2013 http://workforcesecurity.doleta.gov/unemploy/content/data_stats/datasum12/DataSum_2012_3.pdf

The Trust Fund is separate from the District's General Fund; therefore the proposed subtitle does not have a fiscal impact on the District's budget and financial plan.

Subtitle (II)(E) – Unemployment Compensation Benefit Charges Federal Conformity Amendment Act of 2013

Background

The subtitle prohibits[25] the District from providing relief from charges to an employer's unemployment compensation account when an overpayment of benefits results from an employer's failure to respond timely or adequately to an information request made by the Director of the Department of Employer Services. An exemption may only be granted if the Director finds such failure was for good cause.

This subtitle will bring District in compliance with the federal Trade Adjustment Assistance Extension Act of 2011.[26] Under federal law, states must comply with these requirements by October 21, 2013.

Financial Plan Impact

The subtitle could result in higher unemployment taxes for employers who do not respond to information requests on a timely manner. This change will not impact the District's General Fund revenue because the Unemployment Insurance Trust Fund is not a part of the District's General Fund.

Subtitle (II)(F) – Workers' Compensation Average Weekly Wage Calculation Alignment Amendment Act of 2013

Background

The subtitle changes[27] the way the Department of Employment Services (DOES) calculates the average weekly wage, which, in turn, determines the amount paid for workers' compensation benefits. Current law requires the average weekly wage be calculated based on monthly employment and wage data. This data is not available. The subtitle requires the calculation to be based on quarterly employment and wage data, which is available to DOES through quarterly wage and employment reports filed by District employees. The subtitle also sets the average weekly wage for 2013 at $1,416.

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[25] The subtitle amends the District of Columbia Unemployment Compensation Act, effective August 28, 1935 (59 Stat. 947; D.C. Official Code § 51-103 (c)(2)).
[26] Enacted on October 21, 2011 (Public Law 112–40; 125 Stat. 401).
[27] The subtitle amends the District of Columbia Workers' Compensation Act of 1979, effective July 1, 1980 (D.C. Law 3-77; D. C. Official Code § 32-1505 (d)).

Financial Plan Impact

The subtitle is a technical amendment that would allow DOES to calculate the average weekly wage in a manner compliant with law. Because monthly data has not been available, the District has been estimating average weekly wage using a methodology that did not follow the letter of the law. The proposed methodology will allow the District to use actual employment and wage data to calculate the average weekly wage.

The change in the calculation methodology does not have an impact on the District's budget and financial plan. The average week calculations determine workers' compensation benefits that are paid by employers in the District of Columbia.

<u>Subtitle (II)(G) – Wage Theft Prevention Amendment Act of 2013</u>

Background

This subtitle expands the definition of "wages" that can be collected under the Wage Payment Act [28] to include bonuses; commission; fringe benefits paid in cash, overtime premiums; and other remuneration promised or owed. Under the Act, the Office of Wage Hour (OWH) has the authority to assist District residents in the collection of unpaid wages that they are legally entitled to.

Additionally, the subtitle increases the amount of liquid damages the employer may be required to pay from the total amount of unpaid wages to double the amount of the unpaid wages. It also clarifies that the District will presume that the wages promised by an employer to an employee to be at least the amount required by federal law, including federal laws requiring the payment of prevailing wages, or by District law.

Financial Plan Impact

Expanding the definition of wages and increasing the amount of liquid damages an employer may be liable for if found to be delinquent in wage payments does not have an impact on the District's budget and financial plan. All unpaid wages collected from an employer are given to the employee. The OWH's proposed FY 2014 budget includes sufficient resources for the agency to can assist residents seeking uncollected wages and liquid damages under these amended terms.

<u>Subtitle (II)(H) – Housing Production Trust Fund Revenue Dedication Amendment Act of 2013</u>

Background

This subtitle repeals the provision of the D.C. Code[29] that allows the Mayor to transfer up to $19,969,048 from the Housing Production Trust Fund to the Rent Supplement Fund to fund project-based and sponsor-based voucher assistance, tenant-based assistance, and capital-based assistance.

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[28] D.C. Official Code § 32-1301 *et seq.*
[29] Section 2072 of the "Fiscal Year 2013 Budget Support Act of 2012," effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 42-2802(b-5)(1)).

Financial Plan Impact

The proposed FY 2014 budget provides $20 million in local funding for the Local Rent Supplement program. With the repeal of this transfer, the Housing Production Trust Fund will receive the full amount of the deed and recordation taxes dedicated for this purpose. The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (II)(I) – Senior Housing Modernization Grant Fund Amendment Act of 2013

Background

This subtitle transfers responsibility for administering the Senior Housing Modernization Grant Program[30] from the Deputy Mayor for Planning and Economic Development to the Department of Housing and Community Development (DHCD). It also reinforces the program's emphasis on lower-income seniors, and it expands the amount any qualified senior citizen can receive from $5,000 to $20,000.

Financial Plan Impact

The proposed FY 2014 through FY 2017 budget and financial plan transfers the existing funding for this program to DHCD. No additional funds for the grant are provided.

Subtitle (II)(J) – Local Rent Supplement Sustainment Amendment Act of 2013

Background

This subtitle mandates the Mayor and the District of Columbia Housing Authority to fill vacant Rent Supplement Program tenant-based vouchers with homeless families referred by the Department of Human Services and determined to have first priority to shelter pursuant to 29 DCMR § 2508.01(a)(1), through "the end of the 2013-2014 hypothermia season."

Financial Plan Impact

The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan, as tenant-based vouchers are budgeted to continue.

[30] The subtitle amends the "Senior Housing Modernization Grant Fund Act of 2010," effective August 12, 2010 (D.C. Law 18-218; D.C. Official Code § 1-325.161 *et seq.*).

Subtitle (II)(K) – Walter Reed Army Medical Center Community Advisory Committee Amendment Act of 2013

Background

This subtitle establishes[31] a community-based committee to advise the Walter Reed Local Redevelopment Authority and the Deputy Mayor for Planning and Economic Development on the short and long-term redevelopment of the Walter Reed Army Medical Center site. The advisory committee, many of whose members will be residents of the local neighborhoods, will include people with backgrounds in economic development, retail, construction, and development. The advisory committee will focus on advising on several specific issues, such as parking and transportation, economic development for surrounding neighborhoods, and environmental sustainability.

Financial Plan Impact

The advisory committee members serve without compensation; all administrative support tasks can be provided with the existing resources.

Subtitle (II)(L) – Foster Youth Transit Subsidy Amendment Act of 2013

Background

The proposed subtitle makes permanent Foster Youth Transit Subsidy Emergency Amendment Act of 2013.[32]

The School Transit Subsidy Program, managed by the District Department of Transportation (DDOT), provides reduced fares for District students who use Metrobus, Metrorail, or the Circulator to travel to and from school. Presently, eligible participants in the program are residents of the District enrolled in a public, charter, private, or parochial elementary or secondary school, and are under the age of 19.[33] In 2012, the Council passed an expansion to the DDOT program to include all foster youth until they reach 21 years of age.[34]

The subtitle and the emergency act requires the Mayor to establish a subsidy program for foster youth to take advantage of subsidized fares for Metrorail, Metrobus, and other District run transit options as long as those trips are for school or work purposes. Eligibility for the program will continue to be foster children until they reach 21 years of age.

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[31] By adding a section to the "Walter Reed Army Medical Center Base Realignment and Closure Homeless Assistance Submission Approval Act of 2012," effective October 16, 2012 (D.C. Law 19-175; D.C. Official Code § 10-1901 *et seq.*).
[32] Effective May 11, 2013 (D.C. Act 20-0065, 60 DCR 7228)
[33] Students with disabilities are eligible to participate up until age 22. *See* D.C. Official Code § 35-233(c)(1).
[34] Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 35-233(c)(4)).

Financial Plan Impact

The FY 2013 budget and the proposed FY 2014 through FY 2017 budget and financial plan include an annual appropriation of $85,300[35] in the Child and Family Services Agency (CFSA) to implement a foster youth transit subsidy program. The FY 2013 funds are not fully spent due to implementation delays, but will be used to purchase various transit passes, fund the District's portion of the pass subsidies, and provide technology enhancements to add foster youth to the DC One Card program.

<u>Subtitle (II)(M) – Housing Production Trust Fund Securitization Amendment Act of 2013</u>

Background

The subtitle makes changes to the ways in which funds in the Housing Production Trust Fund can be funded and used.[36] First, it repeals the provision that allows the District to use the funds in the Housing Production Trust Fund to provide grants for architectural designs for adaptive re-use of previously nonresidential structures. Second, it states that any new borrowing for the New Communities Initiative cannot be supported by the Housing Production Trust Fund revenues.

Financial Plan Impact

Since FY 2004, the District has transferred 15 percent of deed transfer[37] and recordation[38] taxes to the Housing Production Trust Fund, and has been using this stream of revenue to securitize debt in support of the New Communities Initiative. The District plans to borrow an additional $40 million in FY 2014, $37 million in FY 2015, and $43 million in FY 2016. If deed transfer and recordation revenue streams cannot be used to securitize this planned debt, the District would have to finance this borrowing through general obligation or income tax revenue bonds. As a result, the revenue transfers into the Housing Production Trust Fund can be used to meet other goals of the program.

The proposed change does not have an impact in the District's borrowing; the borrowing plan for the Housing Production Trust Fund would continue as planned, except that the borrowing would be done through different bonds. Using general obligation or income secured revenue bonds might reduce debt service requirements, but given the planned borrowing amounts, debt service savings are negligible.

The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

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[35] The amount increased to $89,500 in FY 2015 and FY 2016 to accommodate potential increases in WMATA fares.
[36] The subtitle amends the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 *et seq*.
[37] D.C. Official Code § 47-903
[38] D.C. Official Code § 42-1103

Subtitle (II)(N) – African-American Civil War Memorial Freedom Foundation Inc., Museum Development Act of 2013

Background

The subtitle requires that if and when the District disposes of the real property located at 1925 Vermont Avenue, N.W., known for tax and assessment purposes as Lot 0827, Square 0361 ("the Grimke School"), the disposition must place a covenant that provides for the exclusive use, renovation, and expansion of a space of not less than 10,000 square feet for the establishment and operation of the African-American Civil War Memorial Museum and Visitor's Center ("Museum").

Financial Plan Impact

The imposition of the covenant does not have an impact on the District's proposed budget. The District plans to redevelop the Grimke school in the future, but there are no specific dates or plans laid out, or solicitations sought for this redevelopment. The subtitle will require that when such plans are made available, they should incorporate the covenant for the support of the Museum.

Additionally the proposed FY 2014 budget authorizes a $250,000 grant for the Museum.

Subtitle (II)(O) – NoMa Parks Grant Authorization Act of 2013

Background

The subtitle authorizes the Director of the Department of General Services (DGS) to issue grants to the NoMa BID, the NoMa Parks Foundation, or a related Friends of NoMa Parks organization to acquire land and build public parks and public space in accordance to the NoMa Public Realm Design Plan from the funds made available to DGS.

Financial Plan Impact

The proposed FY 2014 through FY 2019 Capital Improvements Plan includes $50 million for this subtitle under Project Number QM802-Community Recreation Centers, which is included in the Department of Parks and Recreation capital budget. DGS will implement the project.

Subtitle (II)(P) – University of the District of Columbia Community College Workforce Development Act of 2013

Background

This subtitle clarifies that any funds transferred from the Department of Employment Services (DOES) to the Workforce Development Program at the University of the District of Columbia Community College (UDC-CC) shall be used by UDC-CC without regard to any reporting requirements or oversight requirements by DOES. UDC-CC may instead follow existing procedures to ensure appropriate reporting, tracking of funds, and controls.

Financial Plan Impact

This subtitle refers to the use of funds currently in the budget, so it is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Department of Corrections Central Cellblock Management Amendment Act of 2013

Background

The Central Cellblock (CCB) is managed by the Metropolitan Police Department (MPD) and located within MPD's District headquarters. The CCB is used to temporarily house arrestees as they await a court appearance. Depending on the outcome of the court appearance, the arrestee is released or transferred to a Department of Corrections (DOC) or federal prison facility.

The subtitle places DOC in charge of managing the CCB. In doing so, it requires the transfer of all property, records, appropriations, allocations, and funds related to CCB management from MPD to DOC.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

MPD will transfer 38 full-time equivalent positions and their associated $2.56 million in personnel services budget to DOC. To effectuate the transfer, the 38 positions at MPD will be terminated in FY 2013 and those individuals will have the option to reapply to DOC in FY 2014. DOC will also receive $83,000 in non-personnel services budget from MPD. The transfer will result in additional personnel costs[39] of $464,000 in FY 2014 and $1.9 million over the four year financial plan, but those costs will be absorbed through DOC's existing resources.

Subtitle (III)(B) – Security License Streamlining Act of 2013

Background

The Metropolitan Police Department (MPD) is responsible for licensing all professional private security personnel in the District. This includes security agencies, private detectives, and licensed security personnel, such as special police officers. MPD issues new licenses as needed, renews licenses annually, and conducts a one-time FBI background check.

The proposed subtitle directs all licensing revenues for security agencies, officers, and detectives into the Occupations and Professions Licensure Special Account Fund (Fund). This effectively transfers the licensing responsibility[40] to the District Department of Consumer and Regulatory Affairs' (DCRA) Occupational and Professional Licensing Administration (OPLA), which manages the Fund. OPLA enforces regulations and licenses over 125 occupations and professional licensing categories on behalf of the District's 18 occupational and professional boards.

[39] This includes mostly fringe differentials and some slight salary adjustments.
[40] The authority to implement this program belongs to the Mayor, but is assigned to MPD.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

MPD receives approximately $407,000 per year in licensing fees which accrue to the District's general fund. These fees will now accrue to the Fund and will be used to pay the licensing vendor who processes all non-health-related occupation and professional licensing.

Additionally, DCRA's OPLA licenses over 46 thousand individuals and firms and the agency can absorb any costs through the new Fund revenues associated with taking over this responsibility.

Subtitle (III)(C) – Automated Traffic Enforcement Enhancement Amendment Act of 2013

Background

In 2013, the Council directed all automated traffic enforcement revenues over $88 million[41] to the Office of Unified Communication's Emergency and Non-Emergency Number telephone Calling Systems Fund ("E-911 Fund").[42] The E-911 Fund resources are dedicated to defraying technology and equipment costs incurred by the District in providing a 911 system and costs incurred by wireless carriers in providing wireless E-911 service.

The proposed subtitle increases the threshold level of automated traffic enforcement revenues over which any revenues are transferred to the E-911 Fund. Any revenues over the following amounts per fiscal year will transfer to the E-911 Fund:

- FY 2013: $105,791,000
- FY 2014: $141,348,000
- FY 2015: $155,812,000
- FY 2016: $148,020,000
- FY 2017 and each fiscal year thereafter: $140,618,000

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

The projected revenues in the FY 2014 through FY 2017 budget and financial plan do not exceed the proposed threshold levels; thus no revenue can be certified for the E-911 fund.

[41] The threshold in FY 2014 is $92.5 million.
[42] Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 34-1803.03(2)).

<u>Subtitle (III)(D) – Domestic Violence Hotline Establishment Act of 2013</u>

Background

The District's Office of Victim's Services (OVS) provides funding, through grant programs, to a number projects and programs within District government agencies and at non-profit organizations. One of the targeted program areas is to support a non-public hotline that handles critical domestic violence cases referred from first responders. Other programs range from supporting the Metropolitan Police Department's sexual assault cold case initiative to funding rape victim services.

The subtitle requires OVS to establish and fund a public, 24-hour, toll-free telephone number for victims or potential victims of domestic violence. Under the provisions of the subtitle, the hotline will be staffed with domestic violence counselors and provide an anonymous and confidential way for victims or potential victims and their friends or family members to seek help.

The hotline is to be established by October 1, 2014 following the recommendations of a task force created by the subtitle. The task force must assess staff and technology needs of a hotline, develop standards to be used by the hotline, and develop mechanisms for the line's administration. The taskforce will include members of the D.C. Coalition against Domestic Violence, victim services programs, and domestic violence programs.

Financial Plan Impact

Establishment of the new domestic violence hotline will cost $575,000 in FY 2015 and $1.73 million over the four year financial plan period. OVS will provide funding of approximately $300,000 annually to its existing first responder line that works with critical cases. This program will expand to screen all calls and appropriately refer domestic violence cases. The additional $275,000 each year will be used to establish the hotline which will receive referrals of non-critical domestic violence cases. The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

The Office of Victim Services can absorb any costs associated with the task force with its existing resources.

<u>Subtitle (III)(E) – Alternatives to Juvenile Arrest and Secured Detention Working Group Establishment Act of 2013</u>

Background

The subtitle establishes a working group to review the statistics on the District of Columbia's juvenile arrests and Youth Services Center[43] populations dating back to January 2011. The working group will devise recommendations on diverting youths from arrest, prosecution, overnight detention, and pre-trial detention drawing from the policies and practices of the Annie E. Casey

[43] The Youth Services Center is a secure residential facility for youths awaiting adjudication or court disposition. The Center provides social services, educational services, and experiential programs.

Foundation's Juvenile Detention Alternative Initiatives[44] and the Florida Juvenile Civil Citation program.[45] The group will be led by the Attorney General of the District of Columbia and the City Administrator, and include members of various District agencies[46] and community-based, non-profit organizations.

The working group must submit a report to the Mayor and Council by February 28, 2014 and will be disbanded 30 days following the report submission.

Financial Plan Impact

The Office of the Attorney General can absorb any costs associated with establishing the working group with the resources in its proposed FY 2014 budget.

<u>Subtitle (III)(F) – Fire and Emergency Medical Services Overtime Limitation Amendment Act of 2013</u>

Background

The subtitle extends,[47] through FY 2014, the overtime limitations imposed on Fire and Emergency Medical Services (FEMS) personnel. Under the provisions of the subtitle, uniformed members of FEMS at the rank of Deputy Fire Chief and above are not allowed to receive overtime compensation and those officers and members eligible for overtime are restricted to a maximum of $20,000 in one fiscal year.

The subtitle also extends the following three restrictions:

- Receiving overtime compensation in a pay period when an eligible FEMS employee requests sick leave,
- Working more than 204 hours in two consecutive pay periods, and
- Detailing to Emergency Medical Technician classes for more than 60 days.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. These limitations are current practice, limiting personnel expenditures in FEMS since FY 2011. One change from prior years is to raise the limitation on overtime from the rank of

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[44] For more information see: http://www.aecf.org/MajorInitiatives/JuvenileDetentionAlternatives Initiative.aspx
[45] For more information see: http://www.djj.state.fl.us/partners/our-approach/florida-civil-citation
[46] Working group members will include the Chief of Police, Directors of the Child and Family Services Agency, Department of Behavioral Health, and Department of Youth Rehabilitation Services, Chancellor of the Public Schools, Chief of the Public Schools Patrol Services Division, Executive Director of the Criminal Justice Coordinating Council, Chairperson of the Council Committee on the Judiciary and Public Safety, and Chairperson of the Committee on Human Services.
[47] The subtitle amends the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-611.03(f)) as amended by the Fiscal Year 2011 Budget Support Act of 2010, effective September 24, 2010 (D.C. Law 18-223; 57 DCMR 6242) and the Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011 (D.C. Law 19-21; 58 DCMR 6226).

Battalion Fire Chiefs to the rank of Deputy Fire Chiefs. Starting FY 2014, Battalion Fire Chiefs will be eligible for overtime, but given the annual $20,000 limit on overtime pay, this change will have a negligible impact on the budget.

Subtitle (III)(G) – Returning Citizens Renaming Amendment Act of 2013

Background

The subtitle codifies changes to the names of the Commission on Re-Entry and Ex-Offender Affairs and the Office on Ex-Offender Affairs to the Commission on Re-Entry and Returning Citizen Affairs and the Office on Returning Citizen Affairs respectively. The bill also eliminates the definition of ex-offenders[48] and defines a returning citizen as a person who is a resident of the District who was previously incarcerated.

Financial Plan Impact

The Commission and Office have already changed their names and there are no costs associated with codifying the changes in the D.C. Official Code or creating a defining who is classified as a returning citizen.

Subtitle (III)(H) – Criminal Justice Coordinating Council Criminal Justice Designation Amendment Act of 2013

Background

The Criminal Justice Coordinating Council (CJCC) is an independent District agency that facilitates changes and promotes continuous improvements throughout the District's various juvenile and criminal justice systems. The subtitle designates CJCC as a criminal justice agency for the purpose of transmitting criminal justice related data among local, state, and federal entities.

Financial Plan Impact

Designating CJCC as a criminal justice agency will allow for increased data sharing among criminal justice entities that only share data with other criminal justice agencies. There are no costs associated with this designation.

[48] Ex-offenders are currently defined as persons who were previously incarcerated.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) – Funding For Public Schools and Public Charter Schools Amendment Act of 2013

Background

The proposed subtitle increases[49] the foundation level used by the Uniform per Student Funding Formula (UPSFF) to $9,306 per student for FY 2014. The FY 2013 level was set at $9,124. The changes made to the foundation level funding, and the various add-ons are depicted in the following tables:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	**Weighting**	**Per Pupil Allocation in FY 2014**
Pre-School	1.34	$12,470
Pre-Kindergarten	1.30	$12,098
Kindergarten	1.30	$12,098
Grades 1-3	1.00	$9,306
Grades 4-5	1.00	$9,306
Grades 6-8	1.03	$9,585
Grades 9-12	1.16	$10,795
Alternative program	1.17	$10,888
Special education school	1.17	$10,888
Adult	0.75	$6,890

General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
LEP/NEP	Limited and non-English proficient students	0.45	$4,188
Summer	An accelerated instructional program in the summer for students who do not meet literacy standards pursuant to promotion policies of DCPS	0.17	$1,582

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental
Level 1: Special Education	Eight hours or less/week of specialized services.	0.58	$5,397
Level 2:Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	0.81	$7,538

[49] The provision amends The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901 *et seq.*).

Special Education Add-ons			
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.58	$14,703
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.	3.10	$28,849
Special Education Capacity Fund	Weighting provided in addition to special education level add-on weightings on a per student basis for each student identified as eligible for special education.	0.40	$3,722
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.70	$15,820

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.	0.374	$3,480
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.	1.360	$12,656
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.	2.941	$27,369
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.	2.924	$27,211
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.	0.68	$6,328

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 Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
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.	0.064	$596
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.	0.231	$2,150
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.	0.500	$4,653
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	0.497	$4,625

Financial Impact

The fiscal implications of the changes made in the foundation level funding are already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. Under the proposed subtitle, District of Columbia Public Schools would receive $644,302,107 for its instructional budget through UPSFF. Public charter schools would receive $502,294,598 for their instructional budgets and $114,204,570 for facilities allowance, bringing their collective local budgets to $616,499,168.

Additionally, the proposed FY 2014 budget redirects[50] $135,000 in additional local budget from the Office of the Deputy Mayor for Education to DCPS, outside of the formula.

<u>Subtitle (IV)(B) –Public Charter Schools Payment Improvement Amendment Act of 2013</u>

Background

This subtitle modifies[51] the terms of the quarterly student funding payments the District Government makes to District of Columbia Public Charter Schools ("Charter Schools"). First, it removes the requirement[52] that quarterly payments be equal in size each quarter and provides a specific formula for each quarterly payment. Under the subtitle, the July payment must be 30 per cent of a school's entitled annual allotment (based on enrollment estimates used in the June 30 quarterly reports).[53] The October payment must be 55 per cent of a school's entitled annual allotment (based on unaudited October enrollment numbers), minus the amount of the July payment. The January payment must be 80 per cent of a school's entitled allotment (based on unaudited October enrollment numbers) minus the amount of the July and October payments. The

[50] "Draft Report and Recommendations of the Committee on Education on the Fiscal Year 2014 Budget for Agencies Under Its Purview," May 9, 2013, page 22.
[51] The subtitle amends D.C. Official Code § 38-2906.
[52] 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. Code 38-2901 *et seq.*).
[53] Submitted by eligible chartering authorities in June, per D.C. Official Code § 38-1804.02(a).

April payment must be 100 per cent of the schools entitled annual allotment (based on audited October enrollment numbers), minus the previous July, October and January payments.

Second, it requires that 75 percent of a charter school's summer school entitlement payment be made on April 15. The final payment, based on certified actual summer school enrollment must occur by September 30. The Office of the State Superintendent of Education (OSSE) must certify summer school enrollment projections to determine the amounts of the April payment, based upon information in its longitudinal data system. By August 25, OSSE must certify the final summer enrollment for each charter school to determine the September summer school payment.

Lastly, the bill requires that charters receive full payments for the Special Education Extended School Year add-on, upon certification of actual enrollment by OSSE.

Financial Plan Impact

The fiscal impact of the subtitle is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The subtitle changes the amounts of required quarterly payments to charter schools, but does not change total allocations.

<u>Subtitle (IV)(C) –State Athletic Activities, Programs, and Office Fund Act of 2013</u>

Background

This subtitle makes permanent the effects of a temporary legislation[54] that established a new non-lapsing special purpose revenue fund called the State Athletic Activities, Programs, and Office Fund ("Fund"). The Fund is administered by the Office of the State Superintendent of Education or any of its offices, such as the Statewide Athletics Office.

The stated purpose of the Fund is to support state interscholastic athletic programs and competitions. The source of monies for the Fund would be annual appropriations, and any proceeds resulting from sponsorships or advertisements, ticket or merchandise sales, fundraising activities, competitions, or other athletic programs and activities organized or directed by the Statewide Athletics Office or the District of Columbia State Athletic Association or both.

The subtitle would be effective, retroactively, as of April 1, 2013.

Financial Plan Impact

The subtitle makes permanent previously enacted legislation which created the Fund. No revenue can be certified for this fund at this time.

[54] The subtitle makes permanent the District of Columbia State Athletic Activities, Programs, and Office Fund Emergency Act of 2012, approved January 14, 2013 (D.C. Act A19-607, 60 DCR 1074).

Subtitle (IV)(D) – University of the District of Columbia Accreditation Amendment Act of 2013

Background

The subtitle requires the University of the District of Columbia (UDC) to submit a timeline to Council by December 1, 2013 addressing milestones toward creating a separate accreditation of the UDC Community College. It also directs a dollar for dollar match up to $1 million to UDC from Non-Departmental, if the University raises matching private donations for the purpose of meeting accreditation standards by January 1, 2014.

Financial Plan Impact

The UDC requirements can be accomplished within existing resources. The proposed FY 2014 budget has $8.4 million in Non-departmental and this FY 2014 Budget Support Act allocates an additional $1 million per the June 2013 revised revenue estimates to fund this provision.

The Mayor has the sole authority to initiate the reprogramming of the funds in the Non-Departmental.

Subtitle (IV)(E) – Library Collections Account Amendment Act of 2013

Background

The subtitle makes permanent temporary legislation[55] changing the name the "Books and Other Library Materials Account" to the "Library Collections Account." The Fund was created[56] in 2012 to collect revenue raised by the sale of library items including, books, films, promotional items, and library materials.

Financial Plan Impact

The subtitle changes the name of an existing special purpose revenue fund, which is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (IV)(F) – State Board Personnel Amendment Act of 2013

Background

The subtitle gives flexibility to the State Board of Education ("Board") in the number of personnel the Board can hire, so long it stays within the overall personnel budget, and so long as a minimum of three FTEs work in the Office of the Ombudsman for Public Education.

Financial Plan Impact

[55] "Fiscal Year 2013 Budget Support Technical Clarification Temporary Act of 2012", Act 19-67, Sec. 101.
[56] D.C. Official Code § 39-114.

The proposed FY 2014 budget includes 15 FTEs for the Board, three of which must be hired for the Office of the Ombudsman. The legislative language ensures that these FTEs are used to re-establish the Office of the Ombudsman that is being re-established under the proposed budget.

Subtitle (IV)(G) – Attendance Zone Boundaries Act of 2013

Background

The subtitle prohibits the District of Columbia Public Schools from making any adjustments to attendance zone boundaries until the 2015-2016 school year or before providing notice to the parent or guardian of each affected student at least one full school year in advance. However, the Chancellor may still propose or implement changes to school feeder patterns that result in additional options to students for next level schools.

Financial Plan Impact

This subtitle has no impact on the budget and financial plan.

Subtitle (IV)(H) – Public Education Master Facilities Plan Approval Act of 2013

Background

The subtitle approves the Master Facilities Plan presented to Council by the Mayor on March 28, 2013.

Financial Plan Impact

This subtitle has no impact on the budget and financial plan. Council is required to approve the plan[57].

Subtitle (IV)(I) – Deputy Mayor for Education Limited Grant-Making Authority Act of 2013

Background

The subtitle establishes grant-making authority for the Deputy Mayor for Education solely for the purpose of providing a $6 million capital grant for facility construction of a language-immersion public-charter school serving middle and high school-aged students in the District.

Financial Plan Impact

The proposed FY 2014 through FY 2018 Capital Improvement Program t[58] includes a $6 million grant for the Deputy Mayor for Education, so there is no impact.

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[57] D.C. Official Code § 38-2803, Multiyear Facilities Master Plan.

Subtitle (IV)(J) – Education Funding Formula Equity Amendment Act of 2013

Background

This subtitle extends the deadline[59] by which District agencies must provide services to District of Columbia charter schools equal to the level of services provided to the District of Columbia Public Schools from FY 2014 to FY 2015.

Financial Plan Impact

This fiscal impact of this subtitle has been incorporated in the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (IV)(K) – South Capitol Street Memorial Amendment Act of 2013

Background

The subtitle relieves charter schools from two requirements[60] of the South Capitol Street Memorial Act of 2012 to establish school based support teams,[61] until such time that the charter schools have been deemed able to fund these teams.

Financial Plan Impact

Exempting charter schools from various requirements impact the charter school budgets, but not the District's budget and financial plan.

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[58] Project Number CESLIC in the Capital Improvement Plan titled "Language Immersion MS/HS Facility Grant." All $6 million is loaded in FY 2014.
[59] Current deadline established under D.C. Official Code § 38-2913.
[60] Sections 302(b)(1)(A) and (C) and 304(b)(1)(D) of D.C. Law 19-141; 59 DCR 3083, effective June 7, 2012.
[61] School based support teams are defined as teams that support individual students by developing and implementing action plans and strategies that are school-based or community-based, depending on the availability, to enhance the student's success with services, incentives, intervention strategies, and consequences for dealing with absenteeism.

TITLE V – HEALTH AND HUMAN SERVICES

Subtitle (V)(A) – DC HealthCare Alliance Preservation Amendment Act of 2013

Background

In FY 2013, the Department of Health Care Finance (DHCF) changed the D.C. Healthcare Alliance program to eliminate coverage for Medicaid-eligible emergency hospital services. The change applied to FY 2013 only; this subtitle would make this change to the Alliance permanent.[62]

Financial Plan Impact

This change has been incorporated into DHCF's budget for FY 2014 and beyond, so it does not have an impact on the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (V)(B) – Department of Health Care Finance Establishment Amendment Act of 2013

Background

This subtitle provides the authority to the Department of Health Care Finance (DHCF) to assess user fees and enrollment fees.[63] DHCF would also be allowed to establish a segregated, non-lapsing fund called the DHCF Assessment Fund as a repository for the revenue generated from these fees. This authority is necessary to bring DHCF in compliance with the federal requirements to collect fees for provider applications and use of the District's Health Information Exchange.

Financial Plan Impact

This change has been incorporated into DHCF's budget for FY 2014 and beyond, so it does not have an impact on the proposed FY 2014 through FY 2017 budget and financial plan. The provider application fee, estimated to be $537 per provider in FY 2013, should generate approximately $48,000 in revenue in FY 2014, all of which would be spent by DHCF to implement its provider screening program.[64] Revenues from fees for use of the District's Health Information Exchange are expected to be minimal.

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[62] The subtitle amends D.C. Official Code § 7-1405(c).

[63] The subtitle amends Section 7 of the Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C Law 17- 109; D.C. Official Code § 7-771.07).

[64] These calculations are part of the Fiscal Impact Statement for the "Provider Screening, Enrollment, and Termination State Plan Amendment Approval Resolution of 2012," found at: http://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/Providerpercent20Screeningpercent20Enrollmentpercent20andpercent20Terminationpercent20Statepercent20Plan.pdf.

Subtitle (V)(C) – Stevie Sellows Intermediate Care Facility Quality Improvement Act of 2013

Background

This subtitle allows[65] the Department of Health Care Finance (DHCF) to use the Stevie Sellows Quality Improvement Fund to pay administrative costs it incurs in either auditing the Intermediate Care Facilities for Persons with Intellectual or Developmental Disabilities (ICF/IDD) in a rebasing year[66] or otherwise ensuring the integrity of the ICF/IDD reimbursement methodology. DHCF is authorized to use up to 15 percent of the balance of the Stevie Sellows Quality Improvement Fund for these administrative costs, which are increasing in part due to the expanded scope of the new ICF/IDD rate model that was approved in 2012.

Financial Plan Impact

This change has already been incorporated into DHCF's budget for FY 2014 and beyond to account for the new rate model for ICF/IDD, so it does not have an impact on the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (V)(D) – Developmental Disabilities Service Management Reform Amendment Act of 2013

Background

This subtitle establishes the Ticket to Work Employment Network Fund ("Fund"), a special purpose revenue fund, to receive payments from the Social Security Administration (SSA) for participating as an Employment Network for the federal Ticket to Work and Self-Sufficiency Program ("Ticket to Work Program").[67] The Ticket to Work Program provides people who receive Social Security Disability benefits a "ticket," which in turn is cashed in by the local provider agency when it has assisted the person reach certain employment milestones. The Department of Disability Services (DDS) received Federal approval in February 2013 to participate in SSA's Employment Network, which allows community agencies in the District to accept "Tickets to Work". The Fund will support activities consistent with the Ticket to Work program, such as benefits counseling and periodic job training and coaching, and cover the administrative cost of the program.[68] Additionally, this provision allows the funds to carry-over from year to year.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. DDS is not currently collecting federal funds from the SSA but expects to in FY 2014 once the program is fully implemented. The uses of funds are restricted to those activities that are approved by the Ticket to Work program. Because this is the first year DDS has participated in

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[65] By amending D.C. Official Code § 47-1270 *et seq*.
[66] Rebasing occurs normally every three years.
[67] Pub. L. 106-170, the "Ticket to Work and Work Incentives Improvement Act of 1999," codified, as amended, at 42 U.S.C. § 1320b-19.
[68] The subtitle allows for 20 percent administrative fee to DDS to cover administrative costs.

the program, there is no historical data on program participation and effectiveness; therefore, the Office of Revenue Analysis is unable to determine how much federal revenue DDS will collect.

<u>Subtitle (V)(E) – Medical Assistance Program Amendment Act of 2013</u>

Background

This subtitle[69] would constitute the Council review and approval of Medicaid State Plan Amendments (SPAs) and waivers required to:

- Establish a supplemental payment to rectify historic underpayments to District Medicaid hospitals for outpatient and emergency room services;
- Implement Title II of the federal Patient Protection and Affordable Care Act;[70]
- Implement needed reforms to Medicaid-funded long term care services and supports; and
- Implement an annual inflation rate adjustment for nursing facilities.

Financial Plan Impact

The Department of Health Care Finance has anticipated the need for these SPAs and has incorporated their costs into the proposed FY 2014 through FY 2017 budget and financial plan.

<u>Subtitle (V)(F) – Department of Human Services Conforming Amendments Act of 2013</u>

Background

This subtitle updates District law[71] so that it conforms to the current federal Temporary Assistance for Needy Families (TANF) eligibility requirements. The conforming amendments modify the language used to define a minor who is eligible to receive TANF. These changes do not make any substantive changes to the current TANF program.

Financial Plan Impact

Adoption of the conforming amendments will not have fiscal impact on the proposed FY 2014 through FY 2017 budget and financial plan.

<u>Subtitle (V)(G) – Department of Health Functions Clarification Amendment Act of 2013</u>

Background

This subtitle provides authority in FY 2014 for the Department of Health (DOH) to issue grants to qualified organizations for the following services and programs:

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[69] By adding a new paragraph to 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; D.C. Official Code § 1-307.02).
[70] Approved March 23, 2010 (124 Stat 119; Pub. L. 111-148),
[71] This provision amends 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.*).

- Ambulatory health services (amount not to exceed $3,236,980);
- Poison control hotline and prevention education services (amount not to exceed $350,000);
- Operations and primary care services for school-based health clinics (amount not to exceed $2,250,000);
- Teen pregnancy prevention programming (amount not to exceed $400,000);
- Programming to promote healthy development among high-school age girls in lower-income neighborhoods (amount not to exceed $400,000);
- Farmers market incentive programs (amount not to exceed $200,000);
- Food pantry services (amount not to exceed $52,000);
- Wildlife rehabilitation services (amount not to exceed $250,000);
- Mother-to-child HIV transmission (amount not to exceed $50,000); and
- Prevention services provided by a non-profit for certain chronic diseases (amount not to exceed $850,000).

DOH will report quarterly to the Council on grants made under this subtitle.

Financial Plan Impact

The fiscal impact of the proposed subtitle is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. DOH’s budget includes the funds associated with this grant making authority.

Subtitle (V)(H) – Medicaid Hospital Outpatient Supplemental Payment Act of 2013

Background

This subtitle authorizes the Department of Health Care Finance (DHCF) to create a Hospital Provider Fee to be applied at a uniform rate on the gross patient revenue of each hospital in the District beginning May 1, 2013. The fee, which will be used to make Medicaid access payments for the provision of outpatient hospital services, will be set at a uniform rate necessary to generate the non-Federal share (30 percent) of the total amount the District is allowed to pay for these services by the Medicaid program, plus up to $150,000 per year to cover DHCF administrative costs. The subtitle also creates a non-lapsing fund called the Hospital Provider Fee Fund as the mechanism for collecting the fee revenue and making the payments to hospitals. The Hospital Provider Fee will sunset on September 30, 2014.

Financial Plan Impact

DHCF estimates that the total amount to be raised through the Hospital Provider Fee for FY 2014 will be $12.84 million, necessitating a fee of approximately 0.14 percent. This amount is included in the proposed FY 2014 budget, and the fee will sunset at the end of FY 2014, so there is no impact on the District’s financial plan.

Subtitle (V)(I) – Department of Parks and Recreation O-Type Amendment Act of 2013

Background

This subtitle makes the Recreation Enterprise Fund[72] a non-lapsing fund, in which unexpended funding will roll over from year to year without limitation. Currently, all funding not expended reverts to the General Fund.

The Recreation Enterprise Fund is a special purpose revenue fund within the Department of Parks and Recreation, established for the purpose of supporting the administration, improvement and maintenance of property and programs managed by the fund.

Financial Plan Impact

Adoption of this subtitle will not have an impact on the proposed FY 2014 to FY 2017 budget and financial plan. Unexpended revenue is not included as part of the financial plan. If unexpended revenue is realized in a given fiscal year, additional budget authority may be needed for DPR to expend the rollover funding in future years.

Subtitle (V)(J) – Department of Behavioral Health Establishment Act of 2013

Background

This subtitle establishes the District Department of Behavioral Health (DBH) as a separate Cabinet-level agency. DBH will assume all functions previously assigned and authorities previously granted and delegated to the Department of Mental Health (DMH)[73] and the Department of Health Addiction Prevention and Recovery Administration (APRA)[74], which was previously part of the Department of Health (DOH). The new department will take actions to:

- ensure the provision of high-quality behavioral health services by establishing District-wide behavioral health standards and policies;
- foster and promote behavioral health education and disease prevention;
- provide high-quality prevention, treatment, and recovery support services related to mental health disorders and addictions;
- develop and maintain an efficient and cost-effective behavioral health care financing system; and
- implement, monitor, and evaluate the District's strategic behavioral health plan.

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[72] D.C. Official Code § 10-303(b)(1).

[73] The subtitle transfers to the new agency all DMH functions set forth in the Department of Mental Health Establishment Amendment Act of 2001, effective December 18, 2001 (D.C. Law 14-56; D.C. Official Code § 7-1131.01 *et seq*.), and repeals that statute.

[74] These functions are set forth in Section IV(A)(3) of Reorganization Plan No. 4 of 1996.

Financial Plan Impact

This subtitle has no impact on the proposed FY 2014 through FY 2017 budget and financial plan. DBH assumes all of DMH exists and projected budget, and also receives APRA's budgeted funds as a transfer from DOH. These funds amount to $24,235,299, including 26 FTEs, in FY 2014.

<u>Subtitle (V)(K) –District of Columbia Public Assistance Amendment Act of 2013</u>

Background

This subtitle modifies the "Temporary Assistance for Needy Families Time Limit Amendment Act of 2012" [75] to implement the graduated benefit reduction for families that have received Temporary Assistance for Needy Families (TANF) benefits more than 60 months, so that their benefits are reduced as follows:

- For Fiscal Year 2014, a reduction of 25 percent of the Fiscal Year 2013 amount;
- For Fiscal Year 2015, a reduction of 41.7 percent of the Fiscal Year 2014 amount; and
- For Fiscal Year 2016 and thereafter, no benefits will be paid.

Financial Plan Impact

The financial effect of the subtitle is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. Implementing the graduated benefits reduction per the above-mentioned schedule will reduce anticipated savings by approximately $7.25 million in FY 2014 and $17.5 million over the proposed FY 2014 budget and financial plan.

<u>Subtitle (V)(L) – Department of Human Services Memorandum of Understanding Authority for Substance Abuse Treatment Act of 2013</u>

Background

This subtitle would give the Department of Human Services (DHS) authority to enter into a Memorandum of Understanding (MOU) with the Department of Behavioral Health for a substance abuse treatment program for Temporary Assistance for Needy Families clients. The MOU is limited to $2.5 million.

Financial Plan Impact

DHS currently has an MOU for the substance abuse program with the Department of Mental Health (DMH). Since DMH is being merged into the new Department of Behavioral Health, this subtitle is needed to allow the MOU to remain active.

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[75] D.C. Law 19-168, effective September 20, 2012

Subtitle (V)(M) – Public Assistance Human Impact Amendment Act of 2013

Background

This subtitle requires[76] the D.C. Auditor to update its study examining the impact of reductions in public assistance on families and children within six months of the start of FY 2014. Additionally, the subtitle requires the auditor to expand the scope of the study from 35 participants to 100.

Financial Plan Impact

The D.C. Auditor is able to update the study within its proposed FY 2014 budget.

Subtitle (V)(N) – Temporary Assistance for Needy Families Time Limit Amendment Act of 2013

Background

This subtitle expands the eligibility requirements for Department of Human Services' POWER program to allow an "assistance unit" to qualify for assistance under the program if the head of the unit is:

- the parent of a minor child and needed in the home to care for a household member who is physically or mentally incapacitated;
- the parent of a minor child and a victim of domestic violence, as determined by the Department of Human Services (DHS); or
- a pregnant or parenting teen who is exempt from the living at home requirements and enrolled in a high school or a GED program.

An assistant unit's eligibility for POWER will be assessed each year.

The amendment also changes TANF rules regarding recipients who have exceeded the 60-month time limit. Specifically, the amendment provides an exemption or extension from the 60-month time limit requirement if the individual meets the criteria below. These TANF extensions/exemptions will be effective as of October 1, 2015.

- A minor child and not the head of an assistance unit or married to the head of an assistance unit;
- A parent or caretaker who is 60 years of age or older; or
- Enrolled in an accredited postsecondary education program or a Department of Employment Services approved job training program.

Individuals that are exempt from the 60-month time limit will receive the same level of assistance for which they would be eligible if they had not exceeded the 60-month limit starting in FY 2016. Under the proposed changes, DHS is required to notify clients no less than 90 days prior of a scheduled reduction or elimination of benefits payments under TANF.

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[76] D.C. Official Code § 4-205.11(c)

Finally, DHS is required to provide TANF recipients and applicants information regarding new the eligibility requirements for POWER program and the exemption and extensions authorized under TANF.

Financial Plan Impact

Expanding DHS's POWER program and offering extensions from the 60-month time limit under TANF are the total estimated cost is $150,000 in FY 2013 and $2.62 million in the proposed FY 2014 budget. The total cost of the subtitle over the proposed FY 2014 through FY 2017 budget and financial plan is approximately $17.5 million.

This subtitle is estimated to exempt over 800 TANF recipients who would have otherwise exceeded the 60-month time limit. As a result, these recipients will not be subject to a benefits reduction and therefore will continue to collect their full benefits, so long as they remain eligible for POWER or one of the above-mentioned TANF extensions. Benefits for POWER recipients will be restored to the average amount for families that have not exceeded the 60-month time limit starting in FY 2014.[77] TANF clients receiving an extension under TANF will receive full benefits starting in FY 2016. In FY 2014 and FY 2015, these families will be subject to the benefit reductions currently planned for under current law. This increases the estimated cost of benefits payments made under TANF and POWER by approximately $472,000 million in FY 2014 and $8.6 million over the FY 2014 through FY 2017 financial plan period.

Additionally, DHS requires $150,000 in FY 2013 to make the program changes necessary to implement the program changes by October 1, 2013. Starting in FY 2014, they will also require seven additional eligibility staff and 25 case management staff to track and manage an additional 1,300 clients. While these clients are already receiving TANF benefits, DHS will be required to screen these individuals to determine whether he or she qualifies for POWER or an exemption/extension.[78] Finally, DHS will require additional case managers to assist those clients who qualify as a victim of domestic violence. It is estimated some 640 individuals may qualify for a domestic violence waiver.[79] DHS requires one case manager per 30 cases. The table below details the estimated costs.

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[77] The average benefit level for TANF families is $374 per month. For those families that have exceeded the 60-month limit, the average monthly benefit is $300.

[78] According to DHS, the agency requires one eligibility staff worker per 400 cases and one supervisor per six eligibility workers.

[79] It is assumed that approximately 4 percent of adult TANF population will qualify for a domestic violence waiver. This assumption is based on the limited local and state level data available on TANF clients and domestic violence. According to a GAO report, there is a lack of reliable state data on the number of TANF recipients that claim domestic violence waivers. Of the states with available data, the GAO found that a small portion of the TANF population use domestic violence waivers, with the participation rate ranging from less than 2 percent to more than 9 percent. A 2002Urban Institute report found approximately 14.4 – 14.6 percent of TANF clients in the District have experience moderate or severe physical abuse in the last year. However, a very small number, between 20 and 30, currently claim the work exemption waiver the District offers for victims of domestic violence. Therefore, it is reasonable to assume the share of TANF clients in the District that would claim the waiver will fall in the midrange of the state statistics. Gregory Acs and Pamela Loprest, "A Study of the District of Columbia's TANF Caseload" Urban Institute, October 2003, and Government Accountability Office, "State Approaches to Screening for Domestic Violence Could Benefit from HHS Guidance." 2005, p. 22.

Estimated Fiscal Impact for Subtitle N. Temporary Assistance for Needy Families Time Limit Amendment Act of 2013, FY 2013 - FY 2017 (Cost estimate in thousands)						
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**4-Year Total**
Cash Assistance Payments Under Amendment						
Total population no longer subject to TANF reduction	-	262	262	820	820	
Avg. additional monthly payments under Subtitle (V)(N)	-	$150	$243	$374	$374	-
Total additional cash payments for fiscal year	$0	$472	$764	$3,679	$3,679	$8,593
DHS Administrative Costs	$0					
Programming	$150	$0	$0	$0	$0	$0
DPO staff needs	$0	$2,210	$2,276	$2,345	$2,415	$9,246
Total administrative costs	$150	$2,210	$2,276	$2,345	$2,415	$9,246
Total Negative Fiscal Impact	**$150**	**$2,682**	**$2,773**	**$6,023**	**$6,093**	**$17,751**

Table Notes:

- TANF caseload data provided by the Department of Human Services. Approximately 6500, or 36percent, of TANF clients exceed the 60 month time limit. ORA estimates approximately 820, or 13percent, of the over 60-month population will qualify for POWER or an exemption/extension under TANF.
- Under current law, benefits for recipients who have exceeded the 60-month time limit will be reduced by 25 percent in FY 2014, 41.7 percent in FY 2015, and after FY 2016 benefits will be eliminated.
- According to DHS, the average monthly TANF benefit payment is $374.
- DHS staffing costs are calculated based on the estimated number of TANF clients that qualify for a time-limit exemption or extension under TANF or POWER regardless of whether they exceed the 60-month timeline. It estimated that DHS will need to monitor an additional 1500 clients. Of this population, approximately 640 are estimated to qualify for a domestic violence waiver. See footnote 17 for an explanation of the estimated domestic violence population.
- DHS requires additional staff to assist with eligibility determination as well as case management. According to DHS, the agency requires one eligibility staff worker per 400 cases and one supervisor per six eligibility workers.
- DHS requires 21 additional case managers and 4 case management supervisors to assist those clients who qualify as a victim of domestic violence. DHS requires one case manager per 30 cases. For every 5 case managers, DHS requires one supervisor. DHS currently provides case management 15 TANF clients who claim the work exemption requirement for domestic violence. Therefore, the estimate assumes DHS will require case managers for the additional 625 domestic violence victims.

Subtitle (V)(O) – Interim Disability Assistance Amendment Act of 2013

Background

This subtitle will stop Interim Disability Assistance[80] payments to those individuals whose application for federal Supplemental Social Security Income (SSI) is denied by an administrative judge with the Office of Disability Adjudications and Reviews (ODAR). The ODAR is the second level of a four level appeal process. Current law authorizes IDA payments to SSI applicants through the third level of appeal to the Appeals Council of the Office of Hearings and Appeals. IDA payments are not offered if an applicant appeals a denial to the Federal District Court, which is the fourth and final level of appeal.

Financial Plan Impact

This subtitle has no negative impact on the proposed FY 2014 through FY 2017 budget and financial plan and could result in savings; however, given the nature of the appeals process, it is difficult to estimate with the certainty the amount.

Eliminating IDA payments to those individuals whose federal SSI applications are denied after the second level appeal could impact approximately 60 individuals. The average monthly benefit per IDA recipients is approximately $270. The elimination of benefits for these individuals could result in additional savings of approximately $200,000 annually; although, this amount may vary depending on the number of recipients that will seek to appeal a denied application and the length of time it takes to complete the appeal.[81] Furthermore, the number of D.C. residents that are eligible for IDA is higher than the number of residents DHS is able to serve within its FY 2014 budget.[82] It is estimated that DHS will be able to serve 825 residents in FY 2014; however, the number of eligible D.C. residents is estimated to be over 2,000[83]. Therefore, any additional savings that result would be used to serve more clients in the earlier stages of the federal SSI application process.

<u>Subtitle (V)(P) – Homeless Prevention and Rapid Re-Housing Pilot Initiatives Act of 2013</u>

Background

This subtitle establishes a for Emergency Rental Assistance Program (ERAP) pilot initiative in FY 2014. Under the pilot program, emergency rental assistance will be provided to non-elderly, non-

[80] The District offers IDA to provide temporary financial assistance to those who are unable to work due to a disability and have a high probability of receiving federal Supplemental Social Security Income (SSI).
[81] The appeals process for a denied SSI application can range from 3 to 4 months to 2 years. http://www.ssdrc.com/disabilityquestions1-7.html
[82] The proposed FY 2014 budget includes $2.5 million for IDA, of which $1.5 million are local and $1 million are federal funds.
[83] Kate Conventry, "What's in the Mayor's Proposed FY2014 Budget for Interim Disability Assistance?", D.C. Fiscal Policy Institute, April 24, 2013. DHS served over 2,000 clients in 2007 through 2009. Subsequently, IDA enrollment dropped as a result of budget reductions necessary to address budget gaps. Personal communication, Agency Fiscal Officer for the Department of Human Services.

disabled adults.[84] The Department of Human Services (DHS) must submit an implementation plan for the ERAP pilot no later than October 1, 2013.[85]

The subtitle also establishes a Rapid Re-Housing pilot initiative in FY 2014 that provides assistance to non-elderly, non-disabled adults.[86] DHS must submit an implementation plan for the ERAP pilot no later than October 1, 2013.[87]

Financial Plan Impact

The proposed FY 2014 budget includes approximately $500,000 for the ERAP pilot and $400,000 for the Rapid Re-housing pilot. DHS will operate the pilot programs within the appropriated budgets.

<u>Subtitle (V)(Q) – Homeless Services Reform Amendment Act of 2013</u>

Background

This subtitle makes[88] the following changes to the District's homeless services provisions:

1. Expands the definition of homeless to include victims of domestic violence;
2. Establishes the "Rapid Re-housing" program as a permanent housing option, thereby allowing DHS to refer individuals to this program for housing assistance when appropriate;
3. Clarifies that an individual is eligible for transitional housing for up to two years, but no longer, unless approved by the provider; and
4. Amends continuum care law to allow the Mayor to require homeless individuals receiving continuum care services to establish and contribute to a savings or escrow account.

Financial Plan Impact

The District already has a Rapid Re-housing program in operation. It was established as a pilot program paid for with federal funds. This program provides financial assistance to qualified individuals and families to obtain temporary housing. Specifically, the program provides assistance with first month's rent, security deposit, and subsidizes 60 percent of the rent for a limited period of time. The District received $6 million in stimulus funds to spend on Rapid Re-housing over a two year period. Federal funds are no longer available for this program; thus the proposed FY 2014 budget includes a total of $4 million in local funds to in order to continue the program, so it can be

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[84] The ERAP pilot will be limited to those adults who would otherwise qualify for emergency rental assistance under Chapter 76 of Title 29 of the District of Columbia Municipal Regulations.
[85] The subtitle requires the plan to include an estimated number of clients that will be served; a timeline for implementation; metrics or criteria for measuring outcomes; and any other relevant information the Council would requests.
[86] The Rapid Re-housing pilot will be limited to those adults who would otherwise qualify for emergency rental assistance under Chapter 76 of Title 29 of the District of Columbia Municipal Regulations.
[87] The subtitle requires the plan to include an estimated number of clients that will be served; a timeline for implementation; metrics or criteria for measuring outcomes; and any other relevant information the Council would like to provide.

[88] This provision amends Section 2 of the Homeless Services Reform Act of 2005, effective October 22, 2005 (D.C. Law 16-35; D.C. Official Code § 4-751.01 *et seq.*).

used as an alternative to emergency housing options, which tend to be more expensive. Requiring individuals to establish and contribute to a savings or escrow account will not have a negative fiscal impact. There will be some minimal costs associated with administering this requirement; however, DHS is able to absorb these costs within its existing budget.

The District spends approximately $100 million annually on homeless services.[89] Emergency shelter and hotels are the most expensive housing options. According to DHS, the average cost of housing a family in a shelter or hotel is approximately $130 per day, as compared to $70 to $78 per day for assistance provided through Rapid Re-housing or transitional housing options. [90]

During hypothermia season the District must offer housing When a family presents during hypothermia alert, DHS does not have the time to determine eligibility (residency, homelessness, no access to other housing arrangements), and must place families immediately in shelter. Once sheltered, DHS does not have the ability to offer alternative, more cost effective housing to these families. This has lead to budget overruns in the past three years, of about $12 million per year, as an increasing number of families were sheltered during hypothermia season. The provisions of the subtitle would not necessarily alter DHS’s ability to offer alternative housing to families. If the District is not able to manage these cost overruns, homeless services for single adults, where recipients must leave at the end of the evening, may have to be scaled back.

The fiscal effects of the proposed changes are already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

<u>Subtitle (V)(R) – End Homelessness Fund Act of 2013</u>

Background

Subtitle VII (EE) of this bill authorizes the collection of sales taxes on remote sales, and requires that any taxes collected on remote sales will be used to offset the revenue collected from the automated traffic enforcement such as the red light and speed cameras. This subtitle creates End Homelessness Fund which would hold 50 percent of offset automated traffic enforcement revenue up to $50 million dollars. These funds would be used to provide homeless services.

Financial Plan Impact

No revenues can be certified for this fund until a remote sales tax is in place.

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[89] This includes spending on Homeless Services Continuum and Permanent Supportive Housing. In FY12, DHS spent $99.5 million on both activities. As of February 2013, DHS budget for homeless services is $106 million.
[90] Data provided by Department of Human Services

TITLE VI – TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) – Safety-Based Traffic Enforcement Fine Reduction Amendment Act of 2013

Background

In November 2012,[91] the Mayor, through emergency rulemaking, reduced most of the fines associated with speeding violations in the District. Concurrently with disapproving the Mayor's permanent fine changes, the Council passed its own fine changes to be effective April 1, 2013.[92] The Council also changed a small number of other motor vehicle moving violation fine amounts. The Council changes will be in effect until September 30, 2013,[93] at which time fines will increase back to pre-November 2012 levels.

The subtitle reinstitutes the Mayor's November 2012 speed fine amounts and maintains the Council's fine amounts for other motor vehicle moving violations. The following chart details the fine changes that will occur on October 1, 2013.

Violations	October 1, 2013 Fines	Fines proposed by the Subtitle
Speeding		
Up to 10 mph in excess of limit	$75	$50
11 to 15 mph in excess of limit	$125	$100
16 to 20 mph in excess of limit	$150	$150
21 to 25 mph in excess of limit	$200	$200
Over 25 mph in excess of limit	$250	$300
Right Turn on Red		
Failure to come to a complete stop before turning	$100	$50
Violation of a "No Turn on Red" sign	$100	$50
Intersections		
Failure to clear an intersection	$100	$50
Right-of-Way		
Failure to stop and give right-of-way to pedestrian in roadway [c]	$250	$75

The subtitle maintains existing fines for driving too slowly,[94] at an unreasonable[95] rate of speed, and failure to yield right-of-way to a vehicle or pedestrian.[96] Additionally, the subtitle repeals

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[91] Department of Motor Vehicles Emergency and Proposed Rulemaking to amend Speeding fine Schedule, published November 9, 2012.
[92] Safety-Based Traffic Enforcement Amendment Act of 2012, returned unsigned by the Mayor on February 11, 2013.
[93] The applicability clause (Section 401(b)) of the Safety-Based Traffic Enforcement Amendment Act of 2012 terminates all fine changes as of October 1, 2013 until their inclusion in an approved budget and financial plan.
[94] Speed Restrictions, 18 DCMR § 2200.10.
[95] Speed Restrictions, 18 DCMR § 2200.3.
[96] Civil Fines for Motor Vehicle Moving Infractions, 18 DCMR § 2600.1.

restrictions imposed on the Mayor that limit his or her ability to adjust speed limits through emergency laws, rulemakings, orders, and regulations.[97]

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

The subtitle reinstitutes the speeding violation fines imposed by the Mayor in November 2012 and the Council fines for other moving violations as of April 1, 2013. These fine amounts will generate additional automated traffic enforcement revenues of $11,248,000 in FY 2014 and $41,728,000 over the four year financial plan period.

Safety Based Traffic Enforcement Amendment Act of 2013 Subtitle (VI)(A) FY 2014 – FY 2017 ($ in thousands)					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Total**
ATE Revenues after BSA Subtitle	$104,944	$99,697	$94,712	$89,977	$389,330
Baseline ATE Revenues	($93,696)	($89,012)	($84,561)	($80,333)	($347,602)
Increase in ATE Revenues	**$11,248**	**$10,685**	**$10,151**	**$9,644**	**$41,728**

Subtitle (VI)(B) – DMV Immobilization Amendment Act of 2013

Background

Under current law and practice, any vehicle owner seeking to have an immobilization device removed or a vehicle released from impoundment must pay any fines and penalties associated with the violation that led to the immobilization or towing. The owner pays[98] the applicable fines and penalties to the Department of Motor Vehicles (DMV) and then he or she brings proof of payment to the Department of Public Works (DPW) for release of an immobilized or impounded vehicle.

The subtitle requires an owner to pay all outstanding fees, charges, fines, or penalties associated with him or her and any vehicle in which he or she presently or in the past had an ownership interest before a vehicle can be released from an immobilization device or impoundment.[99]

[97] Safety-Based Traffic Enforcement Amendment Act of 2012, returned unsigned by the Mayor on February 11, 2013 (Section 105) and the Safety-Based Traffic Enforcement Amendment Emergency Amendment Act of 2012, enacted January 19, 2013 (Section 105).

[98] Payment is made in-person at DMV Adjudication Services, mail, or online at any computer or a DPW kiosk.

[99] Applicable fines are associated with Compulsory/No-Fault Motor Vehicle Insurance (D.C. Official Code § 31-2413(b)(2)(A)), Motorized Vehicle Inspection (§§ 50-1101 and 1106), Regulation of Traffic (§§ 50-2201.03, 1401.01, and 1401.02), Registration of Motor Vehicles (§§ 50-1501.02 and 1501.03), Traffic Adjudication (§ 50-2301.05 and 2303.04a), and Removal and Disposition of Abandoned and other Unlawfully Parked Vehicles (§ 50-2421.09).

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

DMV currently has systems to view all fines adjudicated through DMV that are associated with any particular vehicle owner. DMV would need to change its payment website to ensure all fines and fees appear when payment is made online. DPW currently recovers the costs associated with impoundment. Neither DMV nor DPW would experience any significant costs associated with bill implementation and any systems change costs can be absorbed through DMV's existing resources.

Requiring a vehicle owner to pay all outstanding fees, charges, fines, and penalties would contribute to the greater delinquent debt recovery efforts pursued by the District[100] and any revenues received through this bill are accounted for in those estimates.

Subtitle (VI)(C) – Stormwater In-Lieu Fee Special Purpose Revenue Fund Amendment Act of 2013

Background

The District Department of the Environment (DDOE) proposed new Stormwater Management and Soil Erosion and Sediment Control rules in August 2012. The rules, which will be republished in Spring 2013, must be completed by July 2013 to comply with the District's Municipal Separate Storm Sewer System (MS4) Permit issued by the United States Environmental Protection Agency. The MS4 permit requires the District to meet certain District-wide stormwater retention goals. The proposed rules impose requirements on major regulated projects[101] to retain stormwater runoff associated with a 1.2 inch rainfall. A regulated project can install Best Management Practices[102] (BMPs) to capture a minimum of 50 percent of the runoff up to 100 percent of the runoff. A project that meets less than 100 percent of the requirement has two options to fulfill the remainder:

1. Stormwater retention credits or
2. A payment in-lieu fee to DDOE

If a regulated project elects to pay the in-lieu fee, DDOE will use the proceeds to build and retain stormwater or support private efforts to retain stormwater. The subtitle establishes the Stormwaer In-Lieu Fee Payment Special Purpose Revenue Fund (Fund), a nonlapsing revenue fund which will receive the payment in-lieu fees and dedicate them to the District's stormwater mitigation efforts.

Additionally, DDOE must publish on its website how much revenue is collected, the amount of annual spending, the amount of off-site retention achieved, and the type and costs of BMP's installed using the Fund's resources.

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[100] Delinquent debt recovery estimates are outlined in the Fiscal Impact Statement associated with the Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168).
[101] Major regulator projects are major land-disturbing activities or major substantial improvement activities. Major is defined as disturbing 5,000 square feet of land area.
[102] BMPs are practices and strategies to retain, detain, and treat stormwater runoff.

Financial Plan Impact

There is no fiscal impact of the subtitle on the proposed FY 2014 through FY 2017 budget and financial plan.

The subtitle establishes the Fund and dedicates stormwater in-lieu fees to it. The payment in-lieu fees will be available for regulated projects once the proposed rules are finalized. Because the rules are not yet in place and payment of the fee is optional,[103] the Office of Revenue Analysis is unable to determine which developers will participate and how much revenue will be generated. DDOE can absorb any costs associated with publishing information regarding the Fund's resources and expenditures.

<u>Subtitle (VI)(D) – District Department of Transportation Parking Meter Revenue Amendment Act of 2013</u>

Background

Currently, fees generated from parking at curbside metered locations are designated to a number of special purpose revenue funds. These fees are directed to pay the District's Washington Metropolitan Area Transit Authority (WMATA) operating subsidy, pay fees for using the District's pay-by-phone parking system, pay for non-automobile transportation projects in performance parking zones, and to pay for unfunded bus transit initiatives.

The subtitle designates all parking meter fees, except those dedicated to the Pay-by-Phone Transaction Fee Fund and the DC Circulator Fund, in Fiscal Year 2014 and beyond, to pay the District's WMATA operating subsidy, including those collected by the Performance Parking[104] and Sustainable Transportation funds.[105]

Additionally, the subtitle ensures that in Fiscal Year 2013 all parking meter fees received above those dedicated to WMATA operations,[106] pay-by-phone fees, and parking meter maintenance[107] are split evenly between the Performance Parking and Sustainable Transportation funds.

Lastly, the subtitle authorizes the transfer of $921,000 in right-of-way rental fees[108] from the Local Transportation Fund[109] to the General Fund.

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[103] Developers can also opt to implement mitigation techniques up to 100 percent of required stormwater management or purchase stormwater retention credits.
[104] Performance Parking Pilot Zone Act of 2008, effective November 25, 2008 (D.C. Law 17-279; D.C. Official Code § 50-2531.01).
[105] Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 50-921.15).
[106] The subtitle ensures that $35,264,948 is dedicated to WMATA. This includes $30,578,700 dedicated as part of the Fiscal Year 2013 Budget Support Act of 2012 (D.C. Law 19-168; D.C. Official Code 50-2603(8)(A)(i)) and $4,686,248 dedicated as part of the Fiscal Year 2013 Revised Budget Request Temporary Adjustment Act of 2013 (D.C. Act 20-91).
[107] District Department of Transportation Parking Meter Fund Establishment Temporary Amendment Act of 2012, effective March 5, 2013 (D.C. Law 19-212).

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

The Sustainable Transportation Fund is expected to receive about $7 million in parking meter revenues in FY 2014 and $27.7 million over the four year financial plan period. Those funds will now be designated to the WMATA operating subsidy and will decrease general fund commitments to WMATA by $7 million in FY 2014 and $27.7 million over the four year financial plan period.

In Fiscal Year 2013, the Sustainable Transportation Fund and Performance Parking Fund are expected to split approximately $1.6 million.

The transfer of $921,000 in right-of-way rental fees is included in the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (VI)(E) – Accessible Public Vehicles-for-Hire Amendment Act of 2013

Background

The District of Columbia Taxicab Commission (DCTC) instituted a $0.25 per trip passenger surcharge in June 2013. The proceeds of the surcharge will be deposited in the Public Vehicles-for-Hire Consumer Services Fund (Fund) and be made available to support DCTC ongoing operations, expanding programs for seniors and passengers with disabilities, and to increase the number of alternative-fuel vehicles in the taxicab fleet.

The subtitle specifically directs the first $4.7 million of the surcharge proceeds collected each year to taxicab operations. The next $750,000 will be dedicated for grants, loans, and other financial assistance to taxicab owners to acquire, maintain, and operate wheelchair accessible vehicles. Any funds beyond the first $5.45 million will be available for any purposes allowed from the Fund.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

The surcharge was authorized in June 2013, but is not yet implemented. In FY 2014, the revenues are not expected to exceed $4.7 million, so no funds could be certified for the grants and loans for accessible public vehicles.

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[108] Occupancy of Public Right-of-Way with Stand-alone Conduit, Pipes, Aerial Wire, or Surface Structures Housing Transmission Facilities (24 DCMR § 3302.8, 3302.9, 3302.10).
[109] Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 9-111.01a).

Subtitle (VI)(F) – Bicycle Advisory Council Amendment Act of 2013

Background

The Bicycle Advisory Council ("Council") is made up of 17 members, including 13 community representatives, each appointed by a District Councilmember. The Council is tasked with advising the Mayor and District agencies on bicycling in the District. The chairman of the Council is the community member who is appointed by the District Councilmember with oversight over the District Department of Transportation.

The subtitle requires the chairperson of the Council to be elected from among the 13 community representatives for a two year term.

Financial Plan Impact

There are no costs associated with the subtitle.

Subtitle (VI)(G) – Priority Sidewalk Assurance Amendment Act of 2013

Background

The District Department of Transportation (DDOT) is required to install sidewalks on at least one side of a street when that street segment lacks any sidewalks and is undergoing a road reconstruction or curb and gutter replacement.

The subtitle adds to these requirements the installation of sidewalks when curbs and gutters are being newly installed.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The subtitle enhances the priority list for when sidewalks are required to be installed and there are no costs associated with implementation.

Subtitle (VI)(H) – Pesticide Registration Fund Preservation Amendment Act of 2013

Background

The District Department of the Environment (DDOE) charges fees for the registration of individual pesticide products and for the licensing of individuals to be pesticide applicators.

The subtitle codifies an existing special purpose revenue fund, the Pesticide Registration Fund (Fund), and ensures that it is non-lapsing. The funds can only be used on DDOE's pesticide programs.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The Fund will now be non-lapsing so any unspent funds will remain in the Fund to be used for future pesticide programs.

Subtitle (VI)(I) – Public Space Cleaning Grant Act of 2013

Background

The Department of Small and Local Business Development operates a Clean Teams Program ("Clean Teams") that provides grants to local organizations that provide public space cleaning services in various District commercial corridors. The services include the removal of graffiti and litter, recycling of items found on sidewalks and curb gutters, maintenance of street trees, planters, and tree boxes, and the monitoring of public space related 311 service calls for Clean Team's area of coverage.

The subtitle dedicates $400,000 in grants in both fiscal years 2014 and 2015 to Clean Teams that cover specific locations in the District that are not currently serviced by Clean Teams. The locations include Connecticut Avenue, N.W.,[110] 12th Street, N.E.,[111] and Minnesota Avenue, N.E.[112] To be eligible for a grant, the recipient must be experienced in providing Clean Team services, provide job training services to its employees, hire District residents, and provide social services to its Clean Team employees.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The subtitle will cost $400,000 in FY 2014 and $400,000 in FY 2015 to provide grants to Clean Team organizations. These funds are included in the FY 2014 through FY 2017 budget and financial plan.

Subtitle (VI)(J) – Transportation Fee and Fine Adjustment Amendment Act of 2013

Background

Currently, the Department of Public Works' Parking Enforcement Management Administration issues a $30 fine to any vehicle parking on a street during the hours when street sweeping is planned. The subtitle creates a separate fine for this violation and increases it to $45.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

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[110] The locations are Connecticut Avenue, N.W. between Calvert Street and Cathedral Avenue; between Macomb Street and Porter Street; and between Tilden Street and Albemarle Street.
[111] 12th Street, N.E. between Jackson Street and Randolph Street.
[112] Minnesota Avenue, N.E. between Grant Street and East Capitol Street.

This subtitle results in general fund fine revenue increases of $972,000 in FY 2014 and $3.6 million over the District General Fund's proposed four year budget and financial plan.

Fiscal Impact of Title VI (J) Transportation Fee and Fine Amendment Act of 2013 FY 2014 – FY 2017 (000's)					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Total**
General Fund Revenues					
Street Sweeping Fine Increase	$972	$923	$878	$833	$3,606

<u>Subtitle (VI)(K) – Allocation of Traffic Control Officers Act of 2013</u>

Background

The District Department of Transportation (DDOT) runs a Traffic Control Officer (TCO) program to manage safety needs during high traffic volumes of the day and night.

The subtitle requires DDOT to place TCO's based on safety needs with priority allocations to the ten most dangerous intersections in the District. DDOT must publish on its website the safety justification for TCO placements and the locations of the top ten most dangerous intersections.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. DDOT is able to absorb any associated costs of assigning TCO's with the subtitle's priority structure and publishing the related information its website.

<u>Subtitle (VI)(L) – District Department of Transportation DC Circulator Amendment Act of 2013</u>

Background

In 2011, the District Department of Transportation (DDOT) terminated its DC Circulator route along the national mall due to low ridership. DDOT intends to reestablish the route with the financial support of the National Park Service through the installation of parking meters along the National Mall.

The subtitle allows for the deposit of parking meter revenues, from National Park Service meters along the National Mall, to be deposited into the DC Circulator Fund[113] to offset costs related to the operation of a planned DC Circulator route along the National Mall. The subtitle also makes the DC Circulator Fund a non-lapsing special purpose revenue fund.[114]

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[113] Department of Transportation Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.33(a)).
[114] The DC Circulator Fund was made lapsing in FY 2012 (D.C. Law 19-21).

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. DDOT expects over 1,000 new metered parking spaces will be installed along the National Mall in FY 2014. Those spaces are expected to generate $1.2 million in FY14 and $9.1 million over the four year budget and financial plan. These funds will be deposited into the DC Circulator Fund to pay for the costs of running the new DC Circulator route. There is no impact from making the DC Circulator Fund non-lapsing.

Subtitle (VI)(M) – District Department of Transportation Jurisdiction Amendment Act of 2013

Background

The subtitle allows the District Department of Transportation (DDOT) to enter into agreements with regional jurisdictions[115] to plan, fund, design, construct, or carry out transportation projects. DDOT can receive funds from or disperse funds to these jurisdictions or take any other steps as needed to carry out necessary transportation projects.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. The subtitle will allow DDOT to work with regional jurisdictions now and in the future and there are no additional costs associated with the provision.

As an example, the District received a grant, to be jointly implemented by the District and Maryland, to extend the Anacostia Riverwalk Trail into Maryland. This subtitle will give DDOT the necessary authority to cooperate with Maryland to complete the project.

Subtitle (VI)(N) – Representation Tags Amendment Act of 2013

Background

The subtitle allows a member of the District's Council to choose, for his or her personal vehicle, between a standard motor vehicle identification tag and a personalized tag, identifying the member's ward of representation or at-large status. If a member chooses a standard tag, then the District Department of Transportation (DDOT) will issue a special parking placard that, when used during official business, allows the member to park at any available curb space.[116] Members of Congress may also use a congressionally issued parking placard that is valid for the current session of Congress in-lieu of a registration tag issued by the member's jurisdiction or representation.

Financial Plan Impact

The fiscal impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan. DDOT will be able to absorb any costs associated with creating a new parking

[115] Regional jurisdictions are those in the Washington metropolitan area.
[116] Applies to all curb space except during restrictions for loading zones, rush hour, firehouse, or fire plugs.

placard for members of Council. The Department of Public Works will be able to enforce the placard issued by DDOT and the current session parking placards issued to members of Congress with existing resources.

TITLE VII– FINANCE AND REVENUE

Subtitle (VII)(A) – Subject to Appropriations Repealers Amendment Act of 2013

Background

This subtitle repeals the subject to appropriations provisions of the following laws that authorize tax expenditures:

- The Land Acquisition for Housing Development Opportunities Program Amendment Act of 2010[117]
- The UNCF Tax Abatement and Relocation to the District Assistance Act of 2010;[118]
- Carver 2000 Low-Income and Senior Housing Project Act of 2011;[119]
- Elizabeth Ministry, Inc. Affordable Housing Initiative Real Property Tax Relief Act of 2012;[120]
- King Towers Residential Housing Real Property Tax Exemption Clarification Act of 2012;[121]
- The 8th Street Plaza Condominium Association, Inc. Clarification Act of 2012.[122] The subtitle also clarifies that the exemption will expire on October 1, 2014;
- Parkside Parcel E and J Mixed-Income Apartments Tax Abatement Act of 2012;[123]
- Israel Senior Residences Tax Exemption Act of 2012;[124] and
- Howard Town Center Real Property Tax Abatement Act of 2012.[125] The subtitle also amends the Act to cap the abatement at $800,000 per year, and the total amount at $8 million; and
- Schedule H Property Tax Relief Act of 2012, effective January 1, 2014.

The subtitle also amends the United House of Prayer Real Property Tax Exemption Act of 2011 to clarify the exemption is effective as of March 1, 2011, and amends Howard Town Center Real Property Tax Abatement Act of 2012 to make the abatement effective starting FY 2016.

The subtitle repeals the subject to appropriations for the following laws that have been funded or implemented by the affected agency or agencies using existing resources:

- Families Together Amendment Act of 2010;[126]
- Adoption Reform Amendment Act of 2010;[127]

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[117] Effective December 3, 2010 (D.C. Law 18-260; D.C. Official Code § 47-1005.01).
[118] Effective August 6, 2010 (D.C. Law 18-211; D.C. Official Code § 47-4635).
[119] Effective July 13, 2012 (D.C. Law 19-151; D.C. Official Code § 47-4605).
[120] Effective April 20, 2013 (D.C. Law 19-253; D.C. Official Code § 47-4657).
[121] Effective July 13, 2012 (D.C. Law 19-153; D.C. Official Code §47-4639).
[122] Effective October 22, 2012 (D.C. Law 19-178; D.C. Official Code § 42-1903.01).
[123] Enacted January 12, 2013 (D.C. Act 19-591; D.C. Official Code § 47-4658).
[124] Signed by the Mayor on January 29, 2013
[125] Effective April 20, 2013 (D.C. Law 19-257; 60 DCR 992)
[126] Effective September 24, 2010 (D.C. Law 18-228; 57 DCR 6926). This is current law: The Fiscal Year 2013 Budget Support Technical Clarification Temporary Act of 2012, effective March 19, 2013 (D.C, Law 19-0226, 59 DCR 13553) already repealed the subject to appropriations clause for this bill on an temporary basis.

- District of Columbia Flood Assistance Fund Act of 2012;[128]
- State Board of Education Personnel Authority Amendment Act of 2012;[129]
- Public Vehicle-for-Hire Innovation Amendment Act of 2012;[130]

Finally, the subtitle repeals the subject to appropriations to authorize expenditures for the following law that have been funded in the proposed FY 2014 budget and financial plan:

- Taxicab Service Improvement Amendment Act of 2012 ("Taxicab Service Improvement Act");[131]
- Procurement Practices Reform Act of 2010;[132]
- Workplace Fraud Amendment Act of 2012;[133]and
- District of Columbia Flood Assistance Fund Act of 2012.[134] The subtitle also clarifies that this law will apply as of March 1, 2011.

Financial Plan Impact

Repealing the subject to appropriations provision of the above-mentioned laws will reduce local fund revenues by approximately $2.6 million in FY 2013; $6.2 million in FY 2014, and $32 million over the four-year financial plan. Additionally, local fund expenditures will increase by $1.7 million in FY 2014 and by $6.5 million over the four-year financial plan period.

Additional revenue certified in FY 2013 is available to pay for the revenue reduction in FY 2013. The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2013 supplemental budget, and the proposed FY 2014 through FY 2017 budget and financial plan.

Estimated Impact of Subtitle (VII)(A) Subject to Appropriations Repealers Amendment Act of 2013, FY 2013 & FY 2014-FY 2017						
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Four Year Total**
Tax Abatements						
The Land Acquisition for Housing Development Opportunities Program Amendment Act of 2010	($1,779)	($243)	($249)	($256)	($264)	($1,012)
The UNCF Tax Abatement & Relocation to the District Assistance Act of 2010	($340)	($340)	($348)	($357)	($368)	($1,412)

[127] Effective September 24, 2010 (D.C. Law 18-230; 57 DCR 6951). This is current law: The Fiscal Year 2013 Budget Support Technical Temporary Emergency Act of 2012, effective March 19, 2013 (D.C, Law 19-0226, 59 DCR 13553) already repealed the subject to appropriations clause for this bill on an temporary basis.
[128] Effective April 27, 2013 (D.C. Act 19-661; 60 DCR 2613)
[129] Effective April 27, 2013 (D.C. Law 19-284; 60 DCR 2312)
[130] Effective April 23, 2013 (D.C. Law 19-270; 60 DCR 1717)
[131] Effective October 22, 2012, (D.C. Law 19-184; 59 DCR 9452).
[132] Effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-362.03)
[133] Effective April 28, 2013 (D.C. Law 19-283; 60 DCR 2307)
[134] Enacted XXXX (D.C. Act 19-661; 60 DCR 2613)

Estimated Impact of Subtitle (VII)(A) Subject to Appropriations Repealers Amendment Act of 2013, FY 2013 & FY 2014-FY 2017						
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Four Year Total**
Carver 2000 Low-Income and Senior Housing Project Act of 2011	($338)	($99)	($101)	($104)	($107)	($411)
Elizabeth Ministry, Inc. Affordable Housing Initiative Real Property Tax Relief Act of 2012	($104)	($7)	($8)	($8)	($8)	($31)
8th Street Plaza Condominium Association, Inc. Clarification Act of 2012	($33)	$0	$0	$0	$0	$0
Parkside Parcel E and J Mixed-Income Apartments Tax Abatement Act of 2012	$0	$0	($546)	($560)	($578)	($1,684)
Israel Senior Residences Tax Exemption Act of 2012	($14)	$0	$0	$0	$0	$0
Howard Town Center Real Property Tax Abatement Act of 2012	$0	$0		($800)	($800)	($1,600)
Schedule H Property Tax Relief Act of 2012	$0	($5,417)	($5,681)	($6,706)	($8,020)	($25,823)
Total Tax Expenditures	**($2,607)**	**($6,107)**	**($6,932)**	**($8,790)**	**($10,145)**	**($31,973)**
Expenditure Increases	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Four Year Total**
Taxicab Service Improvement Amendment Act of 2012	$0	($670)	($811)	($848)	($886)	($3,215)
Procurement Practices Reform Act of 2010	$0	($267)	($267)	($267)	($267)	($1,068)
Workplace Fraud Amendment Act of 2012	$0	($752)	($484)	($496)	($509)	($2,242)
Total Program Expenditure	**$0**	**($1,689)**	**($1,563)**	**($1,611)**	**($1,662)**	**($6,525)**
Total Estimated Fiscal Impact on local General Fund	**($2,607)**	**($7,796)**	**($9,295)**	**($10,401)**	**($11,807)**	**($39,298)**

The District of Columbia Flood Assistance Fund Act of 2012 will be funded by special assessments imposed by the Washington Water and Sewer Authority on District residents, which then will be transferred to the District of Columbia Flood Assistance Fund, a special purpose revenue fund The assessments are projected to generate $ 217,000 in FY 2013 and $1,305,000 in FY 2014.

Subtitle (VII)(B) – Tax Increment Revenue Bonds DC USA Project Extension Act of 2013

Background

This subtitle extends[135] the dedication of tax increment revenue from the DC USA retail development until the revenue bonds issued in support of the project are paid in full.

Financial Plan Impact

Currently such tax increment revenue is transferred to a segregated, non-lapsing special revenue fund and is dedicated to the repayment of the bonds. The dedication of the revenue is factored into the District's revenue estimates for FY 2014 as a reduction to local fund revenue. As of FY 2015, when the bonds are estimated to be fully repaid, such revenue has been included in the District's estimate of local funds. The proposed subtitle does not alter these estimates and therefore has no impact on the proposed FY 2014 through FY 2017 budget or financial plan.

Subtitle (VII)(C) – Delinquent Debt Recovery Amendment Act of 2013

Background

The proposed subtitle allows the Central Collection Unit (CCU) operated by the Treasury to collect delinquent debt on behalf of the Not-For-Profit Hospital Corporation ("the Hospital") and the University of the District of Columbia (UDC).[136]

The CCU would deposit any collected amount, net of costs and fees for the Not-For-Profit Hospital Corporation, into the Not-For-Profit Hospital Corporation Fund ("Hospital Fund") within 60 days following the then current fiscal year.

UDC will refer the unpaid student tuition, student fees, and student loans to the Central Collection Unit within one year after the end of the semester in which the student tuition, student fees, and student loans were incurred. The CCU would deposit any collected amount, net of costs and fees for UDC into a newly created fund, called the University of the District of Columbia Debt Collection Fund ("UDC Collection Fund"), within 60 days following the then current fiscal year.

UDC Collection Fund, a non-reverting, segregated fund, will receive collections CCU does on behalf of UDC, and will be used to support operational expenses at UDC.

Financial Plan Impact

The CCU is estimated to collect $1.3 million annually on behalf of the Hospital starting FY 2014. Of this amount, the CCU will keep approximately a $320,000 to cover the fees and costs associated with the collections efforts, and the remaining amount would be transferred to the Hospital Fund.

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[135] The subtitle amends the Washington Convention Center Authority Act of 1994, effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.08).

[136] The proposal amends District of Columbia Delinquent Debt Recovery Act of 2012, effective September 20, 2012, (D.C. Law 19-168; D.C. Official Code § 1-350.01 *et seq*.).

The Hospital Fund is a segregated, non-lapsing fund that can only be used for the Hospital. The fiscal impact of this subtitle is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Office of Revenue Analysis cannot provide estimate of how much CCU will collect on behalf of UDC. UDC has an outstanding debt of approximately $10 million, and has collected approximately $2.7 million of this debt in the last seven years.

Estimated Fiscal Impact of Subtitle VII(C) – Delinquent Debt Recovery Amendment Act of 2013, FY 2014 – FY 2017 ($ thousands)					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Four-Year Total**
Total Estimated Collections[1]	$1,272	$1,272	$1,272	$1,272	$5,089
Estimated cost of collection[2]	$318	$318	$318	$318	$1,272
Transfer to Hospital Fund	$954	$954	$954	$954	$3,817

Table Notes

[1] This estimate is based on the assumption that the Hospital accumulates approximately $15 million in delinquent debt every year (the bulk of which is from non-Medicare, outpatient clients), and the collection rate stabilizes at 8 percent.

[2] The current collection contract provides the collection agency approximately 25 percent of the amount collected as fees. The estimate assumes that any new contract would have similar terms.

Subtitle (VII)(D) – Bank Fees Special Fund Act of 2013

Background

The proposed subtitle establishes the Bank Fees Special Fund, a segregated, non-lapsing special purpose fund that would be used by the Office of the Chief Financial Officer (OCFO) to pay bank fees and charges. The Fund will receive all interest earned on public funds under the custody of the Chief Financial Officer and any such amounts from the unassigned local fund balance as may be required, to pay bank fees and charges, as they come due. Under current law, the Chief Financial Officer is authorized to use interest earnings to pay for bank fees, but lacks the flexibility to use other funds to cover these costs that are highly variable.

Financial Plan Impact

There is no fiscal impact from the implementation of the subtitle. The bank fees are ongoing costs the District already incurs, and the proposed subtitle does not increase or decrease these costs; it provides flexibility in meeting these obligations and simplifies budget administration.

Subtitle (VII)(E) – Affordable Housing Real Property Tax Relief Act of 2013

Background

This subtitle updates current law[137] to allow continued real property tax exemptions for affordable housing projects that participate in certain federal housing assistance programs administered by the Department of Housing and Urban Development (HUD). Current law enumerates what federal programs would allow affordable housing projects to qualify for exemptions; however, these federal programs have ended. In the mean time, the federal government codified the authority to enter into federal housing assistance payment contracts elsewhere in the federal code,[138] without changing the purpose and scope of the programs. When participating projects renew their contracts with the HUD, the authority to renew is based on a different section of the code, and therefore these projects no longer qualify for real property tax exemption.

Financial Plan Impact

The subtitle is a technical amendment necessary to update the exemption law so that it covers properties that are continuing to provide affordable housing pursuant to HUD contracts. District law is outdated, and does not recognize the new statuary authority created by the federal code to renew these contracts. These properties previously qualified for exemption based on the type of federal assistance that they received and are receiving a similar type of assistance under different federal statutory authority. Continuing real property tax exemptions for affordable housing projects that renew their HUD contracts will not have a negative fiscal impact; the revenue implications of these exemptions are already incorporated into the District's budget and financial plan.

Subtitle (VII)(F) – Beulah Baptist Church Real Property Equitable Tax Relief Act of 2013

Background

This subtitle extends[139] the real property tax exemption authorized for real property owned by Beulah Baptist Church from 2010 to 2020. Temporary legislation[140] authorized a real property tax exemption for the Church for the years 2011, 2012 and 2013. This subtitle will make the tax exemption for these years permanent and also extends the exemption through 2020.

Financial Plan Impact

Extending the real property tax exemption for these properties will reduce real property tax revenues by approximately $59,000 in FY 2014 and $243,000 over the four year financial plan. The fiscal impact is already incorporated in the proposed FY 2014 through FY 2017 budget and financial plan.

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[137] D.C. Official Code § 47-1002(20)(A) (ii).
[138] Section 524 of Multifamily Assisted Housing Reform and Affordability Act of 1997. Approved October 27, 1997 (Title V of Public Law No. 105-65; 111 Stat. 1384).
[139] D.C. Official Code § 47-4654(d).
[140] Beulah Baptist Church Real Property Equitable Tax Relief Temporary Amendment Act of 2012, enacted January 31, 2013 (D.C. Act 19-665; D.C. Official Code § 47-4654).

Subtitle VII(F) – Beulah Baptist Church Real Property Equitable Tax Relief Act of 2013, FY 2014- 2017 ($ thousands)					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Total**
Value of Real Property Tax Exemption	($59)	($60)	($61)	($62)	($243)

Source: Office of Revenue Analysis

Subtitle (VII)(G) – GALA Hispanic Theatre Real Property Tax Abatement Act of 2013

Background

This subtitle abates the real property taxes owed on the portion of Lot 79 in Square 2837 that is leased by the GALA Hispanic Theatre ("GALA"), so long as GALA continues to lease the space and it is used for producing and staging live theatre. Because GALA leases and does not own the space, it does not qualify for the real property tax exemption provided under current law to nonprofits organizations producing live theatre that own real property.[141] Under the terms of its lease, GALA pays the property owner 8.43 percent of the total property taxes levied on the property.

Specifically, the bill abates the amount of property tax due in excess of the levied for Tax Year 2005. This abatement will take effect retroactively, as of Tax Year 2011.

Financial Plan Impact

The subtitle reduces real property tax collections by $113,612 in FY 2013, $44,458 in FY 2014, and $185,473 over the FY 2014 through FY 2017 budget and financial plan period. The fiscal impact is already incorporated in the proposed FY 2013 supplemental budget and the proposed FY 2014 through FY 2017 budget and financial plan. Additional revenue certified in FY 2013 is available to pay for the revenue reduction in FY 2013. The estimated cost is detailed in the table below.

Estimated Fiscal Impact of Subtitle VII(G), GALA Hispanic Theatre Real Property Tax Abatement Act of 2013, FY 2013 & FY 2014 - FY 2017 , ($ thousands)						
	FY 2013	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Four Year Total**
Value of Real Property Tax Abatement[a]	($43)	($44)	($46)	($47)	($48)	($185)
FY 2011 - FY 2012 Real Property Tax Refund	($71)	$0	$0	$0	$0	$0
Total	**($115)**	**($44)**	**($46)**	**($47)**	**($48)**	**($185)**

Table Note
[a] The abatement is equal to the difference between the amount of GALA's annual real property taxes owed and its 2005 level of taxation of $7,320.

[141] D.C. Official Code § 47-1002.

Subtitle (VII)(H) – Out-of-State Municipal Bond Tax Repeal Act of 2013

Background

This subtitle repeals[142] the tax on interest income earned on out-of-state municipal bonds purchased after January 1, 2013.

Financial Plan Impact

Repealing this tax will reduce revenue by $1.1 million in FY 2013, $1.7 million in FY 2014, and $11.9 million over the FY 2014 through FY 2017 budget and financial plan period. The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2013 supplemental budget, and the proposed FY 2014 through FY 2017 budget and financial plan.

Estimated Fiscal Impact of Subtitle VII(H), Out-of-State Municipal Bond Tax Repeal Act of 2013, FY 2013 & FY 2014 - FY 2017 ($ thousands)						
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Four Year Total
Revenue reduction	($1,100)	($1,700)	($2,500)	($3,800)	($3,929)	($11,929)

Source: Office of Revenue Analysis estimates based on FY 2010 data on District taxpayers.

Subtitle (VII)(I) – RESERVED

Subtitle (VII)(J) – Combined Reporting Clarification Act of 2013

Background

This subtitle makes permanent combined reporting laws that were enacted on a temporary basis in 2012.[143] It also clarifies that any methods adopted to prevent double taxation of distributive share of a trade or business net income can be adopted through regulations adopted by the Chief Financial Officer. Under current law, such measures can only be implemented through changes in the tax code. Finally, the proposed subtitle clarifies that net operating losses that result from deduction of deferred tax liabilities under combined reporting rules can be carried forward as permitted by Internal Revenue Service (IRS) rules.[144] Current IRS rules limit carry forward period by 20 years.[145]

Finally, the subtitle requires married-filing-separately deduction be one-half of the amount of the married filing jointly amount, as computed with the cost of living adjustment (COLA) as of

[142] By amending Section 47-1803.02(a) of the D.C. Official Code.
[143] Fiscal Year 2013 Budget Support Technical Clarification Emergency Amendment Act of 2012, enacted on November 16, 2012 (Bill 19- 947, 59 DCR 13553).
[144] D.C. Official Code § 47-1803.03.
[145] 26 USC § 172.

December 31, 2012. Currently, the COLA for the standard deduction for married-taxpayers-filing separately is calculated separately from the COLA for the married-filing-jointly filers, resulting in a standard deduction that is not exactly one half of the married filing jointly amount.

Financial Plan Impact

The proposed subtitle makes permanent current law on combined reporting. The fiscal impact of combined reporting laws is already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Additionally, clarifying the COLA adjustment for the married-filing-separately deduction is technical amendment that is required to ensure that COLA adjustments do result in standard deduction amounts that are not consistent across couples who file jointly and couples who file separately.

Subtitle (VII)(K) – First Congregational United Church of Christ Tax Relief Amendment Act of 2013

Background

This subtitle clarifies[146] current law to specify the total tax refund due to the First Congregational United Church of Christ is $951,000. The law grants the Church a tax exemption from deed transfer and real property taxes due on certain lots owned by the Church.

Financial Plan Impact

The Church has received a refund for the majority of the $951,000. The amount outstanding is approximately $12,000. This refund will be issued in FY 2013. Additional revenue certified in FY 2013 is available to pay for the refund. The fiscal impact of the subtitle is already incorporated into the budget and financial plan. There is no impact on the proposed FY 2014 through 2017 budget and financial plan.

Subtitle (VII)(L) – Tregaron Conservancy Tax Exemption and Relief Act of 2013

Background

This subtitle forgives taxes, penalties, and interest assessed on Lots 842, 849, and 857 in Square 2084 from March 1, 2007 through the end of the month during which this subtitle becomes effective. The aforementioned properties are tax exempt under current law; however, for a 19-month period between the March 1, 2007 and September 30, 2008, the properties were taxable. This subtitle will include tax forgiveness for this 19-month period. The subtitle will be implemented only upon a reprogramming to the Office of the Chief Financial Officer's budget in 2013 for the refund amount.

[146] D.C. Official Code § 47-4636.

Financial Plan Impact

The subtitle would authorize refunds of approximately $222,490, which would be issued in FY 2013, but only upon the required reprogramming. There is no impact on the proposed FY 2014 though 2017 budget and financial plan.

Subtitle (VII)(M) – Adams Morgan Hotel Real Property Tax Abatement Jobs Requirements Clarification Act of 2013

Background

This subtitle modifies[147] the terms of the real property tax abatement granted to the Adams Morgan Hotel by reducing the required number of full-time construction workers that must be hired from 765 to 342. Under current law, in order for the hotel to qualify for the 20-year tax abatement, it is required to meet certain hiring requirements and also construct a community and non-profit incubator for the community. The real property tax abatement is expected to become effective in FY 2015, once the hotel receives its certificate of occupancy, and the Hotel is estimated to claim $2.6 million of abatements in FY 2015. Additionally, the law caps the total value of the abatement at $46 million.

Financial Plan Impact

The subtitle has no impact on the proposed FY 2014 though 2017 budget and financial plan. Modifying the hiring terms of the property tax abatement to reduce the number of full-time construction workers that must be hired in order to receive the abatement does not have any cost implications for the District's budget and financial plan.

Subtitle (VII)(N) – Tax Revision Commission Extension and Procurement Streamlining Amendment Act of 2013

Background

This subtitle changes the deadline for which the Tax Revision Commission must submit its final report to December 31, 2013. Current law requires the Commission to submit its final report nine months after the Commission's appointment.

Additionally, the subtitle provides the Commission with the authority to award contracts on a non-competitive basis up to $40,000.

Financial Plan Impact

The subtitle has no impact on the proposed FY 2014 though 2017 budget and financial plan. All contracts, competitive or noncompetitive, awarded by the Commission cannot exceed its appropriated budget.

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[147] This subtitle amends the Adams Morgan Hotel Real Property Tax Abatement Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 47-4652).

<u>Subtitle (VII)(O) – Tax Clarifications Amendments Act of 2013</u>

Background

The subtitle makes permanently enacts and codifies in the D.C. Official Code various emergency and temporary legislation:

- Amending District laws regarding property[148] and taxation of property[149] so non-profit housing developers can maintain their exempt status from real property taxation, deed recordation tax, and payments in lieu of taxes offered for qualified affordable housing projects[150] during the time period the project is being developed for or continues to be used for affordable housing and is under the applicable restrictions of the federal low-income housing tax credit (LIHTC) compliance period.
- Makes permanent amendments to the laws on taxation of sales[151] to ensure that the compensating use tax follows the rates set for general sales tax, and off premise alcohol sales tax.[152]
- Makes permanent the amendment to the Supermarket Tax Incentive Act of 2000[153] ("Act") to clarify that "qualified restaurants or retail stores" would not be eligible for the supermarket tax incentives beginning on or after October 1, 2010 until the fiscal effect of any such new exemptions is included in an approved budget and financial plan. Supermarket Tax Exemption Clarification Temporary Amendment Act of 2010[154] initially made this change, but the act has now expired.
- Makes permanent the reporting requirements on non-profits and businesses receiving a real property tax exemption or abatement under Chapters 10[155] and 46 of D.C. Official Code Title 47. These reporting requirements were first implemented by the Technical Clarifications Act.[156]
- Codifies various provisions of the Alternative Money Lending and Services Reform Amendment Act of 2010[157] regarding licensing of pawnbrokers, and the maximum interest that could be charged by pawnbrokers.

Financial Plan Impact

The proposed amendments are current law enacted on an emergency or temporary basis, and their effects are already incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

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[148] D.C. Official Code § 42-1102.
[149] D.C. Official Code § 47-902.
[150] D.C. Official Code § 47-1002(20) allows low-income housing providers that meet certain criteria the option to pay real property taxes or make PILOT payments equal to 5 percent of the gross income derived from the operation of the building, whichever is less.
[151] D.C. Official Code § 47-2202.
[152] This is current law: The Fiscal Year 2013 Budget Support Technical Temporary Emergency Act of 2012, effective March 19, 2013 (D.C. Law 19-226; 59 DCR 13553) already repealed the subject to appropriations clause for this bill on a temporary basis.
[153] Effective October 4, 2000 (D.C. Law 13-166; D.C. Official Code § 47-3802 *et seq.*)
[154] Effective December 3, 2010(D.C. Law 18-261; 57 DCR 9634), expired July 16, 2011.
[155] Excluding property exempt under D.C. Official Code § 47-1002(1), (2), (3), or (21).
[156] This is current law: The Fiscal Year 2013 Budget Support Technical Temporary Emergency Act of 2012, effective March 19, 2013 (D.C. Law 19-226; 59 DCR 13553) already made this amendment.
[157] Effective March 12, 2011 (D.C. Law 18-315; 57 DCR 12412).

<u>Subtitle (VII)(P) – Tax Abatement Financial Analysis Requirements Act of 2013</u>

Background

The subtitle amends the "Exemptions and Abatements Information Requirements Act of 2011"[158] to require four different types of abatements/exemptions and provide direction to the Office of the Chief Financial Officer about the expected analysis for each one. Those categories include:

- Existing buildings;
- New developments;
- Specific individuals or entities; and
- Groups of property owners or tax payers, (or categorical)

Analyses for group or categorical exemptions will now include a "review and analysis of the public policy goal intended to be addressed by the exemption or abatement, including whether the exemption or abatement is appropriately targeted and likely to achieve the goal."

In addition, the community benefits section of the Tax Abatements and Financial Analysis (TAFA) will now include a description of any other public policy goals that the exemption or abatement is meant to address, including expected results.

Financial Plan Impact

The subtitle does not have an impact of the FY 2014 through FY 2017 budget and financial plan. The amended requirements to the TAFA analysis can be accommodated within the OCFO's budget.

<u>Subtitle (VII)(Q) – Clarification of Personal Property Tax Revenue Reporting Act of 2013</u>

Background

This subtitle permanently codifies the "Clarification of Personal Property Tax Revenue Reporting Temporary Act of 2012"[159], which states that personal property tax[160] is to be reported in the year in which it is collected. This accounting change was first enacted in 2011[161] and has since been extended on a temporary basis. Previously, the District budgeted based on the understanding that 25 percent of personal property tax collections are to be allocated to the current fiscal year and 75 percent are deferred to the next fiscal year. Consequently, no portion of the personal property tax revenue is deferred.

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[158] Effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 47-4701)
[159] Effective March 5, 2013 (D.C. Law 19-980; D.C. Official Code § 47-1522)
[160] The District's personal property tax is levied on the value, after depreciation, of all tangible personal property used in a trade or business, including computers, vehicles, plant, and equipment. D.C. Official Code § 47-1521 *et seq.*
[161] "Clarification of Personal Property Tax Revenue Reporting Temporary Act of 2011, effective February 24, 2012 (D.C. Law 19-91; D.C. Official Code § 47-501).

Financial Plan Impact

Making permanent this accounting procedure has no impact, as the budget and financial plan already recognizes the personal property tax in the fiscal year it is collected.

Subtitle (VII)(R) – Income Tax Withholding Statements Electronic Submission Temporary Act of 2013

Background

This subtitle makes permanent the "Income Tax Withholding Statements Electronic Submission Temporary Act of 2012"[162] which requires employers and payors who withhold income tax for 25 or more employees or persons to submit the withholding statements electronically in a form the Office of the Chief Financial Officer (OCFO) prescribes. OCFO may waive this requirement if electronic submission is deemed to be an undue hardship.

Financial Plan Impact

The subtitle does not have an impact on the proposed FY 2014 through FY 2017 budget and financial plan. This requirement is already in effect and the subtitle makes it permanent.

Subtitle (VII)(S) – Clean Hands Act of 2013

Background

The subtitle prohibits[163] the District government from issuing or reissuing a license or permit if the applicant for the license or permit failed to file required District tax returns. Currently, the Office of Tax and Revenue (OTR) can put a hold on license in Clean Hands if the taxpayer has a liability of $100 or more, but cannot do so if the taxpayer has failed to file a District tax return.

Financial Plan Impact

The OTR is able to make alterations to this automated system in order to track a taxpayer that fails to file a required District tax return with its existing resources. The provisions of the subtitle may increase compliance with tax laws over time, but no revenue can be certified at this time.

Subtitle (VII)() – RESERVED

[162] Effective March 5, 2013 (D.C. Law 19-21; D.C. Official Code §47-1812.08).
[163] By amending D.C. Official Code § 47-2862(a).

Subtitle (VII)(U) – Destination DC Technical Clarification Amendment Act of 2013

Background

Destination DC is the marketing arm of the District's Convention Center. The subtitle adjusts[164] for inflation the $3 million local appropriations[165] Destination DC receives each year beginning in fiscal year 2015.

Financial Plan Impact

Current law authorizes $3 million appropriations to Destination DC annually. This subtitle will increase this appropriation by an estimated 1.1 percent annually starting in FY 2015, which is an increase of approximately $33,000 in FY 2015, $66,383 in FY 2016, and $100,093 in FY 2017. The financial effect of the subtitle is incorporated in the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (VII)(V) – Tibetan Community Real Property Tax Exemption and Relief Act of 2013

Background

This subtitle exempts property (Lot 30 in Square 139) owned by the International Campaign for Tibet (ICT) from real property tax so long as the property is owned by ICT and it continues to use the property for tax exempt activities approved under section 501(c)(3) of the Internal Revenue Code.

Financial Plan Impact

Exempting the ICT from real property taxes will reduce real property tax collections by approximately $30,340 in FY 2014 and $125, 992 over the four-year financial plan. . The financial effect of the subtitle is incorporated in the proposed FY 2014 through FY 2017 budget and financial plan. The cost is detailed in the table below.

Estimated Fiscal Impact of Subtitle (VII)(V) Tibetan Community Real Property Tax Exemption and Relief Act of 2013 , FY 2014 – FY 2017 ($ thousands)					
	2014	**2015**	**2016**	**2017**	**Four Year Total**
Real property taxes owed[1,2]	$30.3	$31.0	$31.8	$32.8	$126.0

Table notes:
[1] The estimate assumes tax exemption begins in FY2014.
[2]A portion of the property (30 percent) is already exempt from real property taxes under D.C. Law because it is used for educational purposes.

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[164] By amending the Gallery Place Tax Increment Refinancing Allocation and Washington Convention Center Authority Marketing Fund Amendment Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code 47-4652)
[165] Effective September 20, 2012, "Gallery Place Tax Increment Refinancing Allocation and Washington Convention Center Authority Marketing Fund Amendment Act of 2012," (D.C. Law 19-168; D.C. Official Code § 47-4652).

Subtitle (VII)(W) – Contingency Cash Reserve Notification Act of 2013

Background

This subtitle requires the Chief Financial Officer (CFO) to notify the Budget Direct of the Council within three days of when there has been an allocation from or use of the contingency cash reserve fund. The notification shall specify the amount of the allocation or use and the purposed of the allocation or use.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The CFO is able to provide notification the Council's Budget Director of any allocations or uses the contingency cash reserve fund using existing resources.

Subtitle (VII)(X) – Dedicated Funding for the Commission on Arts and Humanities Act of 2013

Background

The subtitle provides a potential recurring funding source for the Commission on Arts and Humanities (CAH).[166] Beginning FY 2014, the subtitle will allocate any surplus general sales tax revenue,[167] up to $22 million, into the Arts and Humanities Enterprise Fund. The surplus amount will be determined by comparing the general sales tax revenue reported in the Comprehensive Annual Financial Report (CAFR) in each fiscal year to the FY 2013 sales tax revenue projections reported in the February 22, 2013 revenue estimate.

The transfer will only take place if the CAFR reports that the District completed the fiscal year in a surplus, and the transfer amount will be limited by the smaller of the following: overall end-of-year surplus, $22 million, or the difference between sales tax collections reported in the CAFR and in the February estimate for general sales tax. Starting FY 2015 the $22 million cap will be adjusted annually by the Consumer Price Index. The subtitle intends to gradually replace, through FY 2017, appropriations to the Commission on Arts and Humanities with the end-of-year surplus transfers. Starting FY 2018, the subtitle directs 0.25 percent in sales tax revenue to CAH.

Financial Plan Impact

The Office of Revenue Analysis cannot provide a reliable projection of the revenues at this time. The most recent data for the projected general sales tax revenues for FY 2013 is the June 2013 estimate, which projects a lower sales tax estimate compared to the February estimates.

[166] The subtitle amends Section 6a of the Commission on the Arts and Humanities Act of 1975, effective October 21, 1975 (D.C. Law 1-22; D.C. Official Code § 39-205.01),
[167] The subtitle defines this as revenue by which taxes imposed by § 47-2002, excluding sales-tax revenues pledged for debt service.

Subtitle (VII)(Y) – Bryant Mews Homeowner's Association Equitable Real Property Tax Relief Act of 2013

Background

The subtitle exempts all real property taxes, interest, penalties, fees, and other related charges assessed against two parking lots located in Square 4112, Lots 858 and 859, owned by the Bryant Mews Homeowners Association (HOA), for Tax Years 1989 through (and including) 2007. Additionally, the bill orders the cancellation of all tax sales of Lots 858 and 859 and requires the District to pay the tax lien purchaser the amount which the purchaser would have received if the property was redeemed.

For the period between Tax Years 2006 and 2012, the Office of Tax and Revenue incorrectly assessed the lots as commercial property, resulting in higher assessments and property taxes than would otherwise have been the case. The HOA contacted OTR in 2011 regarding the outstanding tax bills, and at that time, OTR was able to correct the property assessment and classification administratively for Tax Years 2008 to the present[168]; however, because of a three year statute of limitations, OTR is unable to make the same corrections for the prior tax years without legislative authority, which is why this bill has been introduced.[169]

Financial Plan Impact

Authorizing the tax forgiveness and tax sale cancellations for the above-mentioned properties will result in a one-time refund of approximately $67,000[170] in FY 2014. This reduction in revenue is incorporated into the proposed FY 2014 budget. There would be no cost in subsequent years.

Subtitle (VII)(Z) – Basilica of the National Shrine of the Immaculate Conception Real Property Tax Exemption and Equitable Real Property Tax Relief Act of 2013

Background

This subtitle exempts property the Basilica of the National Shrine of the Immaculate Conception ("Basilica") from real property, deed recordation and transfer taxes for the property located in Square 3663, Lot 6 (Property).

The Property consists of 5 acres of undeveloped land, which was part of a larger 49 acre site (Parcel 121/29) that was transferred from the federal government to The Catholic University of America (CUA) in 2005. At the time that the property was transferred to CUA, the Council passed legislation exempting CUA from paying real property, deed recordation or transfer taxes on the site.1[171] However, this legislation was only applicable when CUA was the owner of the site. In July 2012,

[168] OTR issued a letter on March 10, 2012 to the Bryant Mews Homeowner Association notifying them of the error and OTR's intent to correct the assessment for Tax Years 2008 forward.
[169] D.C. Official Code §47-825.01a(f)(2).
[170] Estimate includes the cost of attorney fees incurred by the purchaser of the tax liens on Lot 859.
[171] The Catholic University of America Real Property Tax Exemption and Equitable Real Property Tax Relief Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 47-1066).

CUA sold a 5-acre portion of the larger site to the Basilica, and at that time, the Property became taxable because it did not meet the use criteria for a real property tax exemption.

The Basilica plans to develop the Property for non-commercial purposes. The plan is to create a "Rosary Walk" prayer and meditation project as well as a Basilica office building and visitors' center. The timeline for the creation of the Rosary Walk is two to five years, and ten years for the completion of the office building and visitors' center.[172] Once developed, the property will be eligible for a tax exemption under current law, so long as the property is owned by the Basilica and used for religious purposes.

Financial Plan Impact

Exempting the Basilica from real property tax and recordation tax will reduce revenue collections by approximately $207,242 in FY 2014 and $478,285 over the four-year financial plan. The financial effect of the subtitle is already incorporated in the proposed FY 2014 through FY 2017 budget and financial plan. The costs are detailed in the table below.

Estimated Fiscal Impact of Subtitle (VII)(Z), Basilica of the National Shrine of the Immaculate Conception Real Property Tax Exemptions and Equitable Tax Relief Act of 2013, FY 2014 - FY 2017					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Four Year Total**
Recordation Tax Refund[1]	$38,125				
Real Property Tax Exemption[2]	$169,117	$88,039	$90,328	$92,676	$440,160
Total	**$207,242**	**$88,039**	**$90,328**	**$92,676**	**$478,285**

Table Notes:[1]The Basilica paid recordation taxes in July 2012. It is assumed these taxes will be refunded in FY 2014.
[2]FY 2014 total includes real property taxes owed in FY 2013 & FY2014.

Subtitle (VII)(AA) – Jubilee Housing Residential Rental Project Property Tax Exemption and Equitable Real Property Tax Relief Act of 2013

Background

The subtitle exempts Lots 62, 63, and 809 in Square 2576 and Lot 818 in Square 2566 from real property taxes as of October 1, 2012, so long as the properties are owned by Jubilee Housing, Inc. or Jubilee Housing, Limited Partnership, and continue to be subject to the federal low-income housing tax credit (LIHTC) compliance period. These properties were rehabilitated using LIHTC and Department of Housing and Community Development loans, as well as other sources.

[172] Office of the Chief Financial Officer, Tax Abatement Financial Analysis for Bill 19-957, "Basilica of the National Shrine of the Immaculate Conception Real Property Tax Exemption and Equitable Real Property Tax Relief Act of 2012," January 8, 2013. http://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/FINALpercent20Taxpercent20Abatementpercent20Analysispercent20Nationalpercent20Shrinepercent20Basilica.pdf

To take advantage of LIHTC, Jubilee, Inc. (a non-profit entity) created a for-profit entity, Jubilee Housing, LP, and transferred these properties to the for-profit entity in 2005. Since October 1, 2012, when the Nonprofit Affordable Housing Development Tax Relief Act of 2012[173] became effective, LIHTC properties are not subject to real property taxes. However, Jubilee, Inc.'s transfer and rehabilitation was completed prior to October 1, 2012, and therefore the project does not qualify for a real property tax exemption.[174]

Financial Plan Impact

The subtitle will reduce real property tax collections by $119,669 in FY 2013 and $480,479 over the four year budget and financial plan. The financial effect of the subtitle is already incorporated in the proposed FY 2014 through FY 2017 budget and financial plan. The estimated cost is detail in the table below.

Estimated Fiscal Impact of Subtitle (VII)(AA), Jubilee Housing Residential Rental Project Property Tax Exemption and Equitable Real Property Tax Relief Act of 2013, FY 2014 - FY 2017					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Four Year Total**
Estimated reduction in real property collections	$237,175	$120,091	$123,213	$123,213	$603,692

Table Notes:

- The total for FY 2014 includes the amount of taxes owed for FY 2013 and FY 2014.

Subtitle (VII)(BB) – Marriage Equality Estate Tax Clarification Act of 2013

Background

This subtitle requires the Chief Financial Officer to make clarifying changes to all estate tax forms, filing instructions, and regulations necessary to make it clear that all married couples are eligible for estate tax deductions and exclusions regardless of whether such a marriage is recognized under federal law.

Financial Plan Impact

This subtitle is a technical amendment and has no fiscal impact on the proposed FY 2014 through FY 2017 budget and financial plan.

[173] Enacted as part of the Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; 59 DCR 8025).
[174] Enacted as part of the Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; 59 DCR 8025).

Subtitle (VII)(CC) – Motor Vehicle Fuel Tax Act of 2013

Background

At present, the District levies a tax of 23.5 cents per gallon for every gallon of motor fuel imported to the District. The tax is levied at the wholesale level, and the collections are dedicated to the Highway Trust Fund, which is used, together with federal contributions, to maintain the District's roads and highways. The subtitle replaces the District's 23.5 cent per gallon excise tax on motor fuel consumption with an *ad valorem* tax of 8.0 percent of the wholesale price.

Under the proposal, for the purposes of the calculation of the tax, average wholesale price per gallon price cannot go below $2.94. The Office of Tax and Revenue would recalculate the base price twice a year, using monthly Central Atlantic (PADD 1B) Regular Gasoline Wholesale/Resale Price by Refiners data compiled by the US Energy Information Administration. The proposal further limits that the calculated whole price calculated cannot vary by more than 10 percent from the wholesale price that was in effect for tax purposes in the previous period.

Financial Plan Impact

Under current law, the District is projected to collect motor fuel excise tax revenue of $21.8 million in FY 2014 and $86.5 million over the financial plan. The proposed wholesale price floor of $2.94 will allow the District to collect at least the projected revenue. Therefore the proposal is revenue neutral.

The main difference between an excise tax and an *ad valorem* tax, is that an excise tax is levied per unit of a sale and revenues depend only on the volume sold, while an *ad valorem* tax is levied on the value of a sale, and the revenue take depends both on the volume sold and the price at which it is sold. Oil and gas prices are notoriously hard to project. Historical data shows that prices of crude oil can go up or down by 15 percent each quarter, without anyone being able to say why.[175] Thus, a switch from an excise tax to an *ad valorem* tax is likely to increase the volatility of the collections. The 10 percent cap on the calculated wholesale price will mitigate this volatility.

Subtitle (VII)(DD) – Title-Holding Entity Real Property Tax Exemption Act of 2013

Background

This subtitle amends current law to clarify that real property owned by a title-holding entity that is not organized and operated for private gain and that is used by the title-holding entity's owner for activities that qualify for a real property tax exemption District law exemption under D.C. law[176] , is also considered tax-exempt.

[175] Hamilton, James D. Understanding Crude Oil Prices, *Energy Journal* 2009, 30(2) pp. 179-206. Working paper available at http://dss.ucsd.edu/~jhamilto/understand_oil.pdf, accessed on June 7, 2013.
[176] D.C. Official Code 47-1002, paragraphs 6 though 20.

Finally, the subtitle amends[177] the D.C. Official Code to provide a real and possessory interest tax exemption to property located at 5210 2nd Street, N.W., (Lot 800, Square 3327), so long as it is owned, or occupied under a ground lease by Washington Latin Public Charter School ("School") or by Latin Rudolph QALICB, LLC ("QALICB"). The bill also exempts the property from recordation and transfer taxes for any transfer, assignment or disposition by the School or the QALICB.

The property is the former Rudolph Elementary School, which is currently owned by the District of Columbia and already exempt from real property taxation. The property is currently unused and vacant. It is projected to be ready for occupancy in August 2013 by the School, which was awarded the property through a competitive bid process for District charter schools.

The School is securing the majority of financing for renovations through the federal New Market Tax Credit ("NMTC") program. As required by the NMTC program, the School is creating the QALICB, an entity that is to receive the tax credits generated by NMTC investments. In order to receive these credits, the District is required to lease the property to the QALICB for a term of 25 years.[178] The QALICB will in turn sublease the property to the school. Under current law, DC charter schools are exempt from property, deed, and sales tax.[179] The intent of the legislation is to ensure that the tax treatment of the QALICB entity doesn't expose the school or the entity to a tax liability in connection with this transaction.

Financial Plan Impact

This subtitle is a technical amendment and does not have an impact on the District's budget and financial plan. The subtitle clarifies the current the tax treatment of title-holding entities as described above under present law. Most recently, there have been examples D.C. public charter schools that have taken advantage of New Market Tax Credits to finance renovation projects.[180] In order to access the NMTC, the schools have had to create non-profit subsidiaries, or qualified active low-income community business ("QALICBs"). Because District law was not clear on the tax treatment of these types of entities, legislation was passed clarifying that these title-holding entity retain the same tax-exempt status of its parent entity, as the ownership and use of the property remains legally unchanged.

The section of the subtitle authorizing a real property tax exemption for the above-mentioned property owned by Washington Latin does not have a fiscal impact on the budget and financial plan. Based on the information provided by the developer, the QALICB was formed solely to take

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[177] By amending Chapter 10 (Property Tax Exemptions) of Title 47 (Taxation, Licensing, Permits, Assessments, and Fees) of the D.C. Official Code.

[178] It is expected that the lease will be executed by December 2012, after the Council approves the property disposition. There will be an option to renew for the lease for an additional 25 years.

[179] D.C. Code § 38-1802.10(b) exempts public charter schools from DC property and sales tax. D.C. Code § 42-1102 states that property exempt from taxation based on its use as an educational institution, which is not organized or operated for private gain under § 47-1002.10 would also be exempt from deed taxes.

[180] As an example, see the fiscal impact statement issued on December 3, 2013 for the "Washington Latin Public Charter School" http://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/FIS_19_1035_Washington_Latin_Public_Charter_School_Campus_Property_Tax_Exemption.pdf
Campus Property Tax Exemption Act of 2012

advantage of the NMTC program and will be under strict control of the School.[181] As a District non-profit focused on education, the entity would likely not be subject to taxes associated with this property or transaction. On these grounds, funds are sufficient to implement the bill.

Subtitle (VII)(EE) – Internet Sales Tax, Homelessness Prevention, and WMATA Momentum Fund Establishment Act of 2013

Background

This subtitle authorizes the collection of sales taxes on remote sales, if or when the U.S. Congress enacts the Marketplace Fairness Act of 2013.[182] The proposal requires that any taxes collected on remote sales will be used to offset the revenue collected from the automated traffic enforcement such as the red light and speed cameras.

The subtitle also creates the WMATA Momentum Fund, which will hold the revenue from the automated traffic enforcement that is offset by the remote sales tax. The intent of the fund is to accumulate resource towards the District's share of the costs of implementing the Washington Metropolitan Area Transit Authority Momentum Strategic Plan that would be used for rapid improvement and expansion of the Metro system. No inter-jurisdictional funding agreement is yet in place.

Finally, the subtitle directs half the revenues from automated traffic enforcement that are offset by potential remote sales tax collections be directed to support homeless services, so long as this amount does not exceed $50 million. The remainder of the offset revenues would be deposited into the Momentum Fund. The funds would be deposited into the End Homelessness Fund created by Subtitle V(R) of this bill.

Financial Plan Impact

The timing of the passing of the Marketplace Fairness Act is unknown, therefore no revenues can be certified at this time.

Subtitle (VII)(FF) – Age-in-Place and Equitable Senior-Citizen Real Property and Relief Payment Plan Act of 2013

Background

This subtitle expands the District's program of reduced tax liability for property owners over age 65 to those whose household income is less than $125,000, up from $100,000 in current law.[183] It also indexes that amount to the Consumer Price Index starting in January of 2015. Finally, it allows for

[181] According to the developer, Washington Latin Rudolph QALICB will have a single member, Washington Latin Public Charter School, and as such be fully controlled by the school. Email communication with Tom Porter, November 29, 2012.
[182] S.743 was passed by the Senate on May 6, 2013 and has been referred to the House.
[183] This change was originally part of the "Age-in-Place and Equitable Senior Citizen Real Property Act of 2012," effective July 13, 2012 (D.C. Law 19-165; 59 DCR 6188), which passed subject to appropriations. This subtitle repeals the subject to appropriations clause and also adds the inflation indexing component.

the Office of the Chief Financial Officer to establish a payment plan for seniors who are delinquent on paying property taxes.

Financial Plan Impact

Expanding the eligibility for senior tax credits by increasing the income threshold is estimated to reduce real property tax collections by approximately $690,000 in FY 2014 and by $3.3 million over the FY 2014 through FY 2017 financial plan period.

Estimated Cost of Subtitle (VII)(FF) – Age-in-Place and Equitable Senior-Citizen Real Property and Relief Payment Plan Act of 2013					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**4-Year Total**
Estimated Cost of Raising Income Threshold to $125,000 and Indexing to CPI	$685,458	$781,438	$864,234	$970,226	**$3,301,356**

Source: Office of Revenue Analysis, and FY 2011 real property collection data.

Subtitle (VII)(FF) – Smoking Cessation Dedicated Funding Act of 2013

Background

The subtitle creates the Smoking Cessation Fund,[184] which would be administered by the Department of Behavioral Health and used to fund cessation programs. The subtitle also provides a potential recurring funding source for the Smoking Cessation Fund. Beginning FY 2014, the subtitle directs the allocation of allocate any surplus cigarette tax revenue.[185] The surplus amount will be determined by comparing the cigarette tax revenue reported in the Comprehensive Annual Financial Report (CAFR) in each fiscal year to the FY 2013 sales tax revenue projections reported in the February 22, 2013 revenue estimate.

The transfer will only take place if the CAFR reports that the District completed the fiscal year in a surplus, and the transfer amount will be limited by the smaller of the following: overall end-of-year surplus, 10 percent of the estimated cigarette tax revenue (approximately $3.8 million, given the February revenue estimate) or the difference between cigarette tax collections reported in the CAFR and in the February estimate for general sales tax. Beginning with fiscal year 2018, 10 percent of the cigarette-tax revenue shall be deposited into the Fund.

Financial Plan Impact

The Office of Revenue Analysis cannot provide a reliable projection of the revenues at this time. The most recent data for the projected cigarette tax revenues for FY 2013 is the June 2013 estimate.

Because it directs 10 percent of cigarette taxes to the Smoking Cessation Fund starting FY 2018, the subtitle will have a fiscal impact outside of the financial plan period. This provision could divert approximately $3.7 million to the Fund, starting FY 2018.

[184] D.C. Official Code § 47-2402.
[185] The subtitle defines this as revenue from the taxes imposed by D.C. Official Code § 47-2402.

Subtitle (VII)(HH) – Multistate Tax Compact Membership Clarification Act of 2013

Background

In Fiscal Year 2012, the District changed[186] the calculation used to apportion to the District the net business income of entities that have incomes derived from sources both within and outside of the District.[187] The previous formula equally weighted property, payroll, and sales factors for the business entity.[188] Under the new formula proposed legislation, the sales factor would be weighted twice.[189]

The proposed subtitle is an amendment to the MultiState Tax Compact[190] to eliminate an inconsistency in the D.C. Official Code. The Compact, under current law, permits a choice between a double and a single weighted formula. The proposed subtitle will eliminate this choice.

Financial Impact

Increasing the weight of the sales factor increases the business income apportionments for the District because the District is generally a destination for sales, and not a producer and exporter of taxable goods and services. Thus, taxable sales constitute a larger share of a company's taxable transactions compared to real property and payroll, which tend to be larger for manufacturing firms, of which the District has few. The fiscal impact of this change is already a part of the District's baseline revenue estimates.

The subtitle eliminates a provision that could potentially allow companies to switch back to a single-weighted sales tax formula, which would reduce the District corporate income tax revenue.

Subtitle (VII)(II) – Sales Tax on Restaurant Utilities Clarification Act of 2013

Background

In 2011 the District passed legislation to clarify that sales of natural or artificial gas, oil, solid fuel, steam, or electricity used for manufacturing, assembling, processing, refining, or refrigeration of goods for sale or resale when used in a restaurant, including a hotel restaurant,

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186 D.C. Official Code § 47-1810.02(d).

187 Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011 (D.C. Law 19-21; 58 DCR 6226).

188 The factor for each of these areas is the share of District tax payments in the total tax payments. For example, let *S* stand for the sales factor, S_{DC}, sales tax payments to D.C., and S_{OTHER} for sales tax payments to all other jurisdictions from where the entity derives income. The sales factor is calculated as $S = \frac{S_{DC}}{S_{DC}+S_{OTHER}}$.

189 Let A_{DC} stand for business income apportioned to DC, and *P*, *PR*, and *S* stand for property, payroll, and sales factors respectively. Before this change, the apportionment formula was $A_{DC} = \frac{P+PR+S}{3}$, and under current law, the apportionment formula is be $A_{DC} = \frac{P+PR+2S}{4}$

190 D.C. Official Code § 47-441.

would be exempt from the gross receipt tax on sales.[191] The proposed subtitle further clarifies[192] that the exemptions would only to natural or artificial gas, oil, solid fuel, steam, or electricity sold for restaurant.

Finally, the subtitle changes the effective day of the exemption to August 1, 2013.

Financial Impact

The subtitle is a technical clarification and does not have a fiscal impact. The tax exemption is not currently in effect, because its fiscal implications are not yet incorporated into the District's budget and financial plan.

The cost of funding the tax abatement is approximately $3.5 million per year. Because the exemption would be effective in August 2013, the estimated cost for FY 2013 is $600,000. The funding for the exemption is provided by the contingency spending list and is supported by the additional revenues certified in the June revenue estimates.

[191] Processing Sales Tax Clarification Act of 2010, effective March 12, 2011 (D.C. Law 18-324, 58 DCR 3)
[192] D.C. Official Code 47-2005(11A).

TITLE VIII– CAPITAL

Subtitle (VIII)(A) – Waterfront Park Bond Amendment Act of 2013

Background

This subtitle amends the DOT PILOT Revision Emergency Approval Resolution of 2010[193] (Resolution) to allow excess funds held by the bond trustee to be spent on capital costs of the park known as Yards Park (defined as Waterfront Park in the Resolution).

Under the provisions of the Indenture for the DOT PILOT bonds, excess PILOT revenues and excess interest earnings are held in the AWI Project Supplemental Account of the Project Fund. The Indenture provides that the funds in this account may be used only for costs of the Anacostia Waterfront Initiative Infrastructure Project, which is defined in the Resolution. This subtitle adds the Yards Park to the definition of the Anacostia Waterfront Initiative Infrastructure Project.

The proposed amendment would allow the funds in the AWI Project Supplemental Account to be spent on capital needs for Yards Park.

Financial Plan Impact

The subtitle allows a portion of the funds in the AWI Project Supplemental Account to be spent on capital needs for Yards Park. The fiscal impact of the subtitle is already incorporated into the proposed FY 2014 through FY 2019 Capital Improvement Program.

Subtitle (VIII)(B) – Capital Capacity Expansion Act of 2013

Background

The proposed subtitle authorizes the Office of the Chief Financial Officer to apply standard enforcement tools and administrative provisions applicable to taxes[194] to collect delinquent amounts from payers of the ballpark fee.[195] Such tools and provisions include, but are not limited to, refund offsets, levies on wages and salaries, referral of cases to collection agencies and the filing of liens. Under current law, the Office of the Chief Financial Officer does not have the ability to use compliance measures to collect any delinquent the ballpark fees.

Financial Plan Impact

Allowing the Office of the Chief Financial Officer to apply standard compliance tools to the collection of the ballpark fee is projected to increase Ball Park Fee Fund revenues by approximately

[193] Enacted on February 2, 2010 (Public Resolution 18-389, 57 DCR 1534)
[194] These procedures are outlined in Chapter 18 (Income Tax), Chapter 41 (Criminal Provisions), Chapter 42 (Interest and Penalties, except §§ 47-4211(b)(1)(B), 47-4214 and 47-4215), Chapter 43 (Administration) and Chapter 44 (Collections) of Title 47 of D.C. Official Code.
[195] D.C. Official Code § 47-2762. The ball park fee varies between $5,500 and $16,500 annually depending on the gross receipts of businesses.

$1.5 million in FY 2014 and $2.3 million in the FY 2014 through FY 2017 budget and financial plan period.

The Ballpark Revenue Fund is a segregated, non-lapsing special revenue fund and excess collections are currently dedicated to prepay,[196] in advance of scheduled maturity, the bonds issued to support the construction of the Ballpark. Thus, increasing the collections in this fund does not have an immediate impact on the General Fund, but is likely to shorten the time over which the District will pay off these bonds.

Estimated Fiscal Impact of Subtitle VIII (B) – Capital Capacity Expansion Act of 2013, FY 2014 – FY 2017 ($ thousands)					
	FY 2014	FY 2015	FY 2016	FY 2017	Four-Year Total
Impact on General Fund[1]	($84)	($85)	($87)	($89)	($344)
Impact on the Ballpark Fee Fund[2]	$1,500	$275	$275	$275	$2,325

Table Notes
[1] This is the estimated cost of one FTE hired at Grade Level 12 plus fringe benefits. Out-year costs assume a 2 percent cost of living adjustment.
[2] The cumulative delinquent amount for the ball park fee is approximately $6.5 million. The estimate assumes that the Office of Tax and Revenue will collect delinquent ball park fees from 200 to 270 payers the first year. In out years, the estimated collections go down because the cumulative delinquent amount is expected to go down.

The Office of Tax and Revenue will require one FTE to implement the compliance measures. The estimated salary and benefit cost of this employee is $84,000 in 2014 and $344,000 over the four year financial plan period.

The fiscal impact of the proposed subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (VIII)(C) – Pay-as-you-go Capital Account and Streetcar Funding Dedication Act of 2013

Background

Current law[197] requires the District to use a Pay-as-you-go Capital Account funded by local revenue increases to reduce District borrowing, beginning FY 2017.[198] The subtitle postpones this requirement so that it would apply only after completion of the capital construction of the DC Streetcar Project. Further, the subtitle adds a new provision to the Code to require that all funds in

[196] Notwithstanding a previously approved FY 2014 transfer of $17.9 million from this fund to the unrestricted portion of the General Fund. This transferred was approved by § 7052 (c) of Fiscal Year 2011 Budget Support Act of 2010, effective September 24, 2010 (D.C. Law 18-223, 57 DCR 6242).
[197] DC Official Code § 47-392.02, *Process for submission and approval of financial plan and annual District budget.*
[198] Current law requires that the District deposits in the Pay-as-you-go Capital Account 25 percent of the increase in District local funds revenues over the amount projected for FY 2016.

the Pay-as-you-go Capital Account would only be budgeted for the DC Streetcar Project, until such Project is complete.

Financial Plan Impact

The Pay-as-you-go Capital Account is intended to reduce District borrowing, and, eventually, debt service payments. The amounts set aside for debt service in the proposed FY2014 through FY 2017 budget and financial plan incorporates the affect of the postponement of this provision. The proposed budget and financial plan now allocates 25 percent of the projected local revenue increases over FY 2016 levels to the DC Streetcar Project as paygo capital.

<u>Subtitle (VIII)(D) – Great Streets Neighborhood Retail Priority Area Amendment Act of 2013</u>

Background

The proposed subtitle makes the following changes:

First, it defines and delineates[199] the boundaries of four new Retail Priority Areas: the Rhode Island Avenue, N.E. Retail Priority Area, the Bladensburg Road, N.E. Retail Priority Area, the North Capitol Street Retail Priority Area, and the Connecticut Avenue Retail Priority Area.

Second, it slightly alters the geographic area covered by Ward 4 Georgia Avenue Retail Priority Area.

Third, it cancels all remaining bond issuance authority for the Downtown Retail Priority Area program authorized under the Retail Incentive Act of 2004. After accounting for TIF bonds issued under the program and subsequent amendments to the Retail Incentive Act, $6,526,790 of bond issuance authority remains.

Fourth, it cancels all remaining bond issuance authority provided by the Great Streets Neighborhood Retail Priority Areas Approval Resolution of 2007. After accounting for the $5,934,731 of tax increment financing (TIF) bonds issued under the program as well as all legislated amendments to the program, $69,065,269 of bond issuance authority remains.

Fifth it limits the use of funds allocated for Great Streets projects in the budgets of the Deputy Mayor for Planning and Economic Development and the District Department of Transportation to various corridor revitalization programs in designated Retail Priority Areas. These include programs for retention and attraction of small businesses, neighborhood branding and marketing, blighted and vacant property mitigation and redevelopment of private properties, streetscape projects and beautification and greening projects for public areas.

Finally, the subtitle requires the Mayor to publish annually the amount of funds available for small business development grants, and the evaluation rubric for the competitive for these grants which would be awarded competitively. It also defines the types of businesses which would be eligible to compete for these.

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[199] The bill amends Section 4 of the Retail Incentive Act of 2004, effective September 8, 2004 (D.C. Law 15-185; D.C. Official Code § 2-1217.73).

Financial Plan Impact

Canceling the remaining TIF bond issuance authority for the Great Street Neighborhood Retail Priority Areas increases sales and real property tax revenue in the local fund since these amounts are no longer needed to repay prospective Great Streets TIF debt.

Estimated Fiscal Impact of Subtitle VIII (D) – Great Streets Neighborhood Retail Priority Area Amendment Act of 2013, FY 2014 – FY 2017 ($ thousands)					
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**Four-Year Total**
Impact on sales taxes[1]	$2,012	$2,012	$2,158	$2,158	$8,340
Impact on property taxes[1]	$3,125	$3,125	$3,817	$3,817	$13,884
Total	**$5,137**	**$5,137**	**$5,975**	**$5,975**	**$22,224**

Source: Office of Economic Development and Finance

The proposed budget uses these amounts to support Paygo capital for the Great Streets Initiative, as required by the subtitle.

Cancelling the Downtown Retail Priority Area remaining bond issuance authority does not affect the net sales tax revenue available to the local fund. If a TIF project does not take place, the projected taxes will not be recognized, but the dedication of taxes to pay for TIF debt service decreases accordingly. The subtitle does create a small increase in the District's ability to borrow for other projects, by reducing planned TIF debt.

Designating new geographic areas as Retail Priority Areas does not have a budgetary impact.

Subtitle (VIII)(E) – Waterfront Park at the Yards Amendment Act of 2013

Background

The District entered into a Waterfront Park Maintenance and Programming Agreement with Forest City, LLC and the Capitol Riverfront Business Improvement District (BID) to provide for the ongoing management, maintenance and programming of the Yards Park. The BID's funding for such costs was to come from the Waterfront Park Maintenance Fund ("Fund"), which holds any sales tax revenue up to $380,000[200] generated by restaurants and shops that will locate at the Yards Park, and a special assessment on completed buildings. Both these sources were authorized by the Waterfront Park at the Yards Act of 2009.[201] While the Act authorizes the sources and uses of the Fund, its provisions did not allow for the necessary procedures the Office of the Chief Financial Officer (OCFO) needs to implement the agreement with the BID. The proposed subtitle provides the necessary legal changes for such implementation, including, but not limited to:

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[200] This amount is to be adjusted annually by the Consumer Price Index.
[201] Effective March 3, 2010 (D.C. Law L18-105; 57 DCR 11).

1. Removing proceeds from the sale of the DOT PILOT bonds from the funds that must be deposited into the Fund. DOT PILOT bond proceeds have been spent on the construction of the Yards Park, and were spent through the trustee requisition process outlined in the Indenture.
2. Removing revenue generated by naming rights for Yards Park from having to be transferred from Forest City, LLC to the District and back to the BID. Since the District is not entitled to keep such revenue, this change will allow the revenue to go directly from Forest City, LLC to the BID.
3. Authorizing the OCFO to transfer the money in the Fund to the BID. The Act inadvertently did not include this authorization.
4. Clarifying the definition of Consumer Price Index (CPI) to enable the OCFO to administer the CPI adjustments to the sales taxes transferred to the BID.
5. Requiring the Office of the Deputy Mayor for Planning and Economic Development to notify the Office of Tax and Revenue (OTR) when a building achieves the required occupancy levels, as outlined in the Act, such that the building would become subject to the special assessment. Currently, the Act does not include a mechanism for notifying OTR.
6. Changing the special assessment billing cycle to coincide with the District’s real property tax billing cycle.

Financial Plan Impact

The proposed subtitle includes technical amendments that establish the authority for the Office of the Chief Financial Officer to transfer the monies in the Fund to the BID, and streamline processes to improve implementation of the original agreement. These planned transfers are already a part of the District’s budget and financial plan, and the technical changes do not have a budgetary impact.

Subtitle (VIII)(F) – Capital Project Rescission Act of 2013

Background

The subtitle direct the Chief Financial Officer to rescind $750,000 of paygo allotment and budget authority from capital project PL110C "MPD Building Renovations/Construction" under the Metropolitan Police Department in FY 2013, and recognize this amount as FY 2014 local revenue.

It also direct the Chief Financial Officer to shift $386,108.02 in FY 2013 paygo allotment and budget authority from capital project AW707C "Boathouse Row" to capital project EB008C "New Communities".

Financial Plan Impact

The proposed subtitle will increase FY 2014 local revenue by $750,000. The impact of the subtitle is incorporated into the proposed FY 2014 through FY 2017 budget and financial plan.

TITLE IX– COUNCIL REPORTING REQUIREMENTS AND REVISED REVENUE ESTIMATE ADJUSTMENT ALLOCATIONS

Subtitle (IX)(A) – Council Reporting Requirements Act of 2013

Background

The subtitle imposes reporting requirements on various District government entities including the District of Columbia Public Schools, the District of Columbia Public Library, the Office of the State Superintendent of Education, the State Board of Education, the D.C. Water and Sewer Authority, the Department of Behavioral Health, the Department of Health Care Finance, the Department of Health, the Office of the Deputy Mayor for Health and Human Services; the Department of Youth Rehabilitation Services; the District Department of Transportation, and the Department of Public Works.

Additionally the subtitle requires the Office of the Deputy Mayor Office for Planning and Economic Development, together with the District of Columbia Housing Authority to report on the New Communities initiative funded by the Housing Production Trust Fund; the Mayor, together with the Office of the Chief Financial Officer and Huron Healthcare to report on the funding for the construction of a new hospital on the United Medical Center premises; the Mayor to report on the proposed relocation of WASA and the development of DC WASA Site located at the District-owned property at 125 O Street S.E., Washington, D.C. 20003; the District Department of Transportation and DC Surface Transit, Inc. to report on expanding the Circulator; the District Department of Transportation ("DDOT") and the Metropolitan Police Department ("MPD") to jointly report on speed cameras located in the District.

Financial Plan Impact

The reporting requirements can be met with the existing resources and resources in the proposed FY 2014 through FY 2017 budget and financial plan.

Subtitle (IX)(B) – Revised Revenue Estimate Adjustment Allocation Act of 2013

Background

On June 24, 2013, the Chief Financial Officer of the District of Columbia issued the June 2013 revenue estimate, which certifies an additional $92.3 million in revenue for FY 2014 above the February 2013 revenue estimate. The total estimated revenue for FY 2014 increased from $6.135 billion to $6.227 billion. This subtitle allocates[202] the additional FY 2014 revenues to new expenditures and tax expenditure initiatives, as outlined below:

[202] Pursuant to the Fiscal Year 2014 Budget Request Act of 2013, passed on 1st and final reading on May 22, 2013 (Enrolled version of Bill 20-198), and notwithstanding any other provision of law.

Revised Revenue Estimate Adjustment Allocation (New Expenditures) -- FY 2014	
	FY 2014
Office of the State Superintendent of Education[1]	$11,000,000
Office on Aging[2]	$2,000,000
Department of Behavioral Health[3]	$1,985,000
District Department of Transportation[4]	$3,107,000
District Department of Transportation[5]	$797,000
Office of the State Superintendent of Education[6]	$4,000,000
DC Public Schools[7]	$2,800,000
Commission on Arts and Humanities[8]	$4,500,000
Office of the State Superintendent for Education[9]	$4,000,000
Non-Departmental[10]	$1,000,000
Office of Motion Pictures and Television Development[11]	$2,000,000
Department of Parks and Recreation[12]	$1,560,532
Department of Parks and Recreation[13]	$1,000,000
DC Housing Authority[14]	$3,000,000
District Department of Transportation[15]	$421,000
University of DC[16]	$6,300,000
District Department of Transportation[17]	$480,000
Total	**$49,950,532**

Table notes

[1]To increase early childhood program infant and toddler slots by 200 and to increase the quality of existing infant and toddler slots by increasing the child care subsidy rate by 10 percent
[2] To increase subsidies and transfers for Senior Service Network grantees
[3] To expand the school-based mental health program
[4] To increase to 100percent the Metrobus subsidy for students
[5] To expand the Metrobus and Metrorail subsidy for students to include 18 to 21 year olds still attending high school
[6] For a technology fund for District of Columbia Public Schools and District of Columbia Public Charter Schools, to be distributed to the lead educational agencies on a per-pupil basis based on the Fall 2012 audited enrollment
[7] DCStars upgrade
[8] To increase grants for the arts
[9] To expand adult literacy and career and technology education programs
[10] To provide matching funds for UDC accreditation activities
[11] To be deposited in the Film DC Economic Incentive Fund
[12] To fund a turf field at Dwight Mosley/Taft Recreation Center
[13] Shaed Rec Center
[14] Local Rent Supplement Program
[15] Reduce Circulator fares to $1
[16] Bertie Backus renovation
[17] Safety nexus for ATE revenue

Revised Revenue Estimate Adjustment Allocation (Tax Expenditures) -- FY 2014	
	FY 2014
Processing Sales Tax Clarification Act of 2013	$3,549,860
Reduction of Sales Tax rate from 6percent to 5.75percent	$19,830,000
Reservation to fund recommendations of Tax Revision Commission	$18,000,000
Total	**$41,379,860**

Table notes
[1]Pursuant to Subtitle VII (II) of this bill.

Financial Plan Impact

On June 25, 2013, the Chief Financial Officer issued revised revenue estimates, certifying additional revenues of $85.9 million for Fiscal Year 2013 and $92.3 million for Fiscal Year 2014. The subtitle authorizes additional revenue reductions of $23.4 million, additional expenditures of $49.95 million, and $18 million set-aside to fund potential recommendations from the Tax Revision Commission, for a combined fiscal impact of $91.3 million.