


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



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: November 12, 2014

SUBJECT: Fiscal Impact Statement – Transportation Reorganization Act of 2014

REFERENCE: Bill 20-759, Draft Committee Print as shared with the Office of Revenue Analysis on November 10, 2014

Conclusion

Funds are not sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill. Implementation of the bill will cost at least \$500,000 in FY 2015 and \$3.9 million over the four-year financial plan period.

Additionally, some costs associated with the bill cannot be reliably estimated at this time.

Background

The bill changes the organizational structure and the administration of various transportation issues including parking management, transit development and taxicabs. It directs the Mayor to incorporate the changes including budgetary adjustments and transfers in Mayor's Fiscal Year 2016 budget submission. The following outlines the major changes from the bill, which we explain in more detail below:

1. Create a Parking Management Administration within the District Department of Transportation (DDOT);
2. Establish a State Board of Transit;
3. Establish Transit Rider, For-Hire Vehicle, Multimodal Accessibility, and Tree Canopy Advisory Councils;
4. Expand the responsibility of DDOT's Urban Forestry Administration to cover all trees on District property, including those on public school and park properties; and
5. Dissolve the District of Columbia Taxicab Commission (DCTC) and transfer all DCTC and Office of Taxicabs functions to DDOT and the Department of Motor Vehicles (DMV).

First, the bill creates a new Parking Management Administration (PMA) within DDOT. PMA will consolidate DDOT's existing parking-related responsibilities with the Department of Public Works (DPW) Parking Enforcement Management Administration¹ in a new office that would be responsible for policy, operations, and enforcement. All personnel, property, records, rules, and regulations will be transferred from DPW to DDOT within 180 days of the effective date of the bill. In addition, by January 2, 2017, the Mayor must submit a report to Council with a recommendation as to whether the parking adjudication function of DMV should transfer to DDOT, another agency, or stay within DMV. Lastly, DMV must provide monthly ticket adjudication reports to PMA which should include at least the number of tickets affirmed and dismissed, reasons for dismissing tickets, the badge numbers of enforcement officers who have the most tickets dismissed, and recommendations for improving its enforcement processes and accuracy.

Second, the bill establishes a State Board of Transit ("Board") to oversee and approve fares, surcharges, routes, and schedules for local transit² and for-hire vehicles submitted to the Board by DDOT. The Board will be comprised of seven unpaid members who will meet four times per year and will hold additional public meetings before approving fare changes, scheduling adjustments, and route plans. The Board will also propose long-term funding and operations plans for local transit which the Mayor must include in his or her annual budget.³

Third, the bill creates four new advisory councils. The fifteen-member Transit Rider Advisory Council will advise the Council, the Mayor, the Board, and DDOT on the operations and expansions of local transit. The nine-member For-Hire Vehicle Advisory Council will advise on all issues related to the regulation of the for-hire vehicle industry. The nineteen-member Multimodal Accessibility Advisory Council will advise the Mayor, the Council, and District agencies on making public space, local transit, and the for-hire vehicle industry more accessible to persons with disabilities. Lastly, the seven-member Tree Canopy Advisory Council will advise District agencies on achieving the District's tree canopy goals. The Director of DDOT will meet quarterly with the chairperson of each council⁴ and will provide each with an annual operating budget and website.

Fourth, the bill expands the tree canopy oversight of DDOT's Urban Forestry Administration (UFA) to include all trees on District property, including those located on public school and park properties.⁵ In doing so, UFA should maintain a tree inventory, perform routine maintenance of trees, plant and remove trees, and review any transportation or District agency construction plans that will affect trees located on District properties.⁶ Additionally, the bill dedicates 50 percent of funds received in the Tree Fund⁷ to support expanding the tree canopy on private property, including expanding existing programs. DDOE is also authorized to enforce any urban forest preservation regulations in the District.

¹ This Administration includes parking enforcement, towing and booting, and the vehicle impound lot.

² Local transit includes Streetcar and intra-District bus services.

³ If the Mayor does not include the plan in the budget, a detailed explanation must be provided.

⁴ Including the Bicycle Advisory and Pedestrian Advisory Councils which already exist.

⁵ UFA will not be responsible for trees located on DC Water, District of Columbia Housing Authority, District of Columbia Public Library, Washington Convention and Sports Authority, public charter school, University of the District of Columbia, and the non-for-profit hospital corporation properties.

⁶ Including the public right-of-way.

⁷ Urban Forest Preservation Act of 2002, effective June 12, 2003 (D.C. Law 14-309; D.C. Official Code § 8-651.07).

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Fifth, the bill dissolves DCTC and transfers DCTC and Office of Taxicabs functions to DMV and DDOT. DMV will assume responsibility for all driver, vehicle, and company licensing, driver training and examinations, vehicle inspections, and creation of an electronic public records system. DDOT will assume all regulatory authority, establish policy and standards, manage complaints, enforcement, and adjudication, lead accessible vehicle programs, and technology management for the for-hire vehicle industry. This includes making street-hail rate and passenger surcharge proposals to the Board for approval. This requires the transfer of all personnel, property, records, rules, and regulations from DCTC and the Office of Taxicabs to DMV and DDOT within 180 days of the effective date of the bill.

Financial Plan Impact

Funds are not sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

In addition to the costs identified below, a number of requirements in the bill will impose additional costs which cannot be estimated at this time. We discuss these concerns following the Fiscal Impact Statement table below.

First, establishing the new entities (Parking Management Administration, State Board of Transit, and the advisory councils) and transferring existing functions will impose transition costs. The FY 2015 budget has already set aside \$500,000 for purposes of planning the transition. Those funds are sufficient to plan the transition.

Second, some of the bill's provisions will require additional personnel. The Board will require a secretary and administrative support. Expanding UFA's responsibilities to cover all District trees will require the hiring of two additional certified arborists. These personnel are expected to be hired in FY 2016 and will cost approximately \$1.2 million over the four-year financial plan period. It is expected that the staff and allocated resources at DPW, DCTC, and the Office of Taxicabs should be sufficient to support those new administrations within DDOT, but this will be confirmed through the transition process.

Third, the four new advisor councils and the Board are expected to need basic operating expenses. Each new advisory council will require \$10,000 per year in operating funds and website support from DDOT beginning in FY 2016. This is consistent with funding provided to two advisory councils already supported by DDOT – the Pedestrian Advisory Council and the Bicycle Advisory Council. The Board will require at least \$40,000 per year in funding beginning in FY 2016.

Fourth, the expansion of UFA's responsibilities to inventory, maintain, plant, and remove trees on all District properties will require additional resources. At present the District does not comprehensively manage District trees that are not located in the public right-of-way. At the beginning, UFA will clear out back-logs and ramp up its efforts to inventory and service these trees. During this period, UFA will need an additional \$1.2 million in FY 2016, and \$700,000 in FY 2017. Beginning FY 2018, UFA's initial start-up work will be completed, and the required resources will decrease to \$500,000 annually.

Transportation Reorganization Act of 2014					
Net Fiscal Impact of Bill 20-759					
FY 2015 - FY 2018					
(\$000)					
	FY 2015	FY 2016^a	FY 2017	FY 2018	Total
Budgeted Resources	\$500	\$0	\$0	\$0	\$500
Personnel^b	\$0	(\$394)	(\$414)	(\$435)	(\$1,243)
Operating Expenses^c	\$0	(\$80)	(\$80)	(\$80)	(\$240)
UFA Expansion^d	\$0	(\$1,200)	(\$700)	(\$500)	(\$2,400)
Transition Costs	(\$500)	\$0	\$0	\$0	(\$500)
Net Fiscal Impact	\$0	(\$1,674)	(\$1,194)	(\$1,015)	(\$3,883)

Table Notes

^a Assumes full implementation by FY 2016.

^b Includes 2 FTE's for the Board, and 2 FTE's for UFA.

^c Operating expenses include basic operational needs for the four new advisory councils and the Board.

^d UFA expansion includes only those resources needed for the expansion of UFA to cover all District trees. Personnel needs are included with personnel.

Lastly, some implementation costs cannot be quantified at this time, and may have to wait until the FY 2016 budget process before the agencies identify them and seek resources.

The establishment of the PMA will result in nearly four hundred employees and associated equipment and vehicles transferring from DPW to DDOT. Many of these employees are co-located with DPW staffs and it is likely DDOT would need to find workspace for the transferred employees⁸ and space to store their equipment, such as handheld enforcement devices. In addition, DDOT suggested that its human resources staff may have to be expanded given the high turnover rate and constant hiring requirement for the parking enforcement program. Finally, once DDOT takes over parking enforcement, it will also be required to provide parking for the vehicles used by parking enforcement personnel. DDOT's current location⁹ does not have sufficient parking space, and if DDOT uses a nearby commercial garage, the costs could be very high.¹⁰ At this time, we are not able to score this cost since it will depend on how the Mayor structures the transition including allocation of government space to the newly created programs.

Under the terms of the bill, DDOE will be required to enforce the rules against tree violations, especially on private property. DDOE currently has no tree enforcement group or experience, and implementing this provision would require DDOE to hire a team of arborists similar to what exists in UFA.

The dissolution of DCTC and the division of its responsibilities along with those of the Office of Taxicabs to DDOT and DMV can increase overhead costs, but these amounts will not be known until DDOT and DMV are able to work out the transition process. A good example is the separation of licensing (which will now go to DDOT) and enforcement (which will go to DMV), which will require additional staff time or information infrastructure to manage communications. Finally, DDOT and

⁸ Parking enforcement officers do not have set workspace because they are out in the field, but other members of the staff will require workspace.

⁹ 55 M Street, SE.

¹⁰ Approximately \$300 per vehicle per month.

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DMV may require additional human resources staff to handle the additional work due to incoming personnel.