

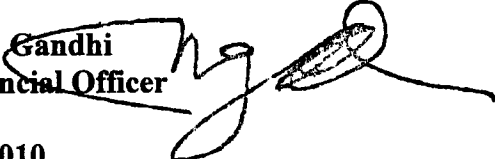
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: April 20, 2010

SUBJECT: Fiscal Impact Statement: "Fiscal Year 2011 Budget Support Act of 2010"

REFERENCE: Draft Legislation- No Bill Number Available

Conclusion

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the proposed Fiscal Year 2011 Budget Support Act of 2010. The proposed FY 2011 through FY 2014 budget and financial plan accounts for the expenditure plan described in the subtitles included in the proposed legislation.

The proposed legislation implements the FY 2011 through FY 2014 budget and financial plan as proposed by the Council of the District of Columbia. The combined initiatives in the Fiscal Year 2011 Budget Support Act of 2010 provide sufficient funds to balance the estimated expenditures of \$5.27 billion in the proposed General Fund FY 2011 budget and financial plan.

The proposed legislation, the "Fiscal Year 2011 Budget Support Act of 2010," is the legislative vehicle for adopting statutory changes needed to implement the District's proposed FY 2011 through FY 2014 budget and financial plan. The purpose and the impact of each subtitle are summarized in the following pages.

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The proposed legislation, the “Fiscal Year 2011 Budget Support Act of 2010,” is the legislative vehicle for adopting statutory changes needed to implement the District’s proposed FY 2011 through FY 2014 budget and financial plan. 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) - Lease Income from Former School Buildings Authorization Act of 2010

Background

The proposed subtitle would¹ redirect the funds received by the District government from the leasing of excess school buildings or any real property formerly under the jurisdiction of the District of Columbia Public Schools that are now under the jurisdiction of the Department of Real Estate Services (DRES) to the District of Columbia Leasing Fees Working Fund (Fund"). The Fund is administered by the DRES and used for lease administration, repair, maintenance, and capital investment of buildings owned by the District government.

Financial Plan Impact

The proposed subtitle would redirect \$1.65 million in FY 2011 and \$6.6 million over the FY 2011 through FY 2014 financial plan period from the Office of Public Education Facilities Modernization (OPEFM) to the Fund. The impact of the proposed subtitle is incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (I)(B) – Washington Center on Aging Lease Income Amendment Act of 2010

Background

The proposed subtitle would authorize the revenue from a lease agreement for the Washington Center for Aging Services located at 2635 18th Street, NE, to go directly to the local component of the General Fund. The Mayor intends to lease the property to Stoddard Baptist Home, Inc., (the "tenant") for a period of 30 years with the option of two additional 10-year renewal terms for a long-term care nursing home facility. The tenant was chosen through a competitive bid process conducted by the Department of Real Estate Services (DRES). According to the draft Letter of Intent shared with the OCFO, the facility must provide nursing home facilities, adult day care, dialysis, and elderly and handicapped transportation services, and achieve a rating of at least 3 out of 5 at all times by a nursing home rating authority.²

¹ By amending the District of Columbia Appropriations Act, 1955, approved July 1, 1954 (68 Stat. 393; D.C. Official Code §10-701).

² For example, see Nursing Home Compare, a federal government program, which rates nursing homes over a scale of 0 to 5. Information is available at <http://www.medicare.gov/NHCompare>.

The negotiated annual base rent is \$1,001,200 to be paid in monthly installments during Year 1 through Year 7 of the lease term. In Year 8 through Year 30 of the lease term, the annual rent will escalate 2 percent per year. Overall, total rent payments through the 30-year lease term will be approximately \$36.5 million.

Financial Plan Impact

The proposed subtitle would direct the lease revenue from the Washington Center for Aging Services into the General Fund. The lease agreement is expected to be signed with the tenant by August 1, 2010, and the District is expected to collect two months of rent in FY 2010 for a total of \$167,000. In FY 2011, the lease will generate \$1 million in revenue and \$4 million in lease revenue in the FY 2011 through FY 2014 financial plan period will go to the General Fund. The impact of the proposed subtitle is incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (I)(B) – Washington Center on Aging Lease Income Amendment Act of 2010						
Estimated Revenue Impact to General Fund						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2011- FY 2014 Total
Increased Revenues	\$166,867	\$1,001,200	\$1,001,200	\$1,001,200	\$1,001,200	\$4,171,667

Subtitle (I)(C) – Within-Grade Salary Increases, Cost of Living Adjustments, and Salary and Benefits Schedules Act of 2010

Background

The proposed subtitle freezes salaries of D.C. Government employees for FY 2011 at FY 2010 levels by eliminating all within-grade step increases and cost-of-living adjustments. Additionally, the proposed subtitle requires that days worked between June 1, 2010 and September 30, 2011 would not count as creditable service for computing an employee’s length of service or waiting period for a within-grade salary increase. Finally, the proposed subtitle requires that all FY 2010 salary schedules shall be maintained during FY 2011, and no increase in salary or benefits, including increases in negotiated salary, wage, and benefits provisions and negotiated salary schedules, shall be provided in FY 2011 from the FY 2010 salary and benefits levels. The proposed subtitle exempts from this freeze members of the Washington Teachers’ Union, Local #6 of the American Federation of Teachers, pending the ratification of a collective bargaining agreement, and subject to funding certification by the Chief Financial Officer.

Financial Plan Impact

Freezing FY 2011 salaries and salary schedules in their FY 2010 levels and eliminating the within-grade step increases and Cost of Living Adjustments for FY 2011 will reduce personnel expenditures for FY 2011 by approximately \$20.2 million (approximately \$20 million from DC agencies, and approximately \$200,000 from employees paid from Enterprise Funds and capital funds). Additionally, not crediting service provided between June 1, 2010 and September 30, 2011 would mean that the District would not have to catch up with the step increases in FY 2012.

Subtitle (I)(D) – Overtime Work Hours Amendment Act of 2010

Background

The proposed subtitle would³ change the District's overtime rules and regulations to conform to federal regulations.⁴ Specifically, the proposed legislation would require that, when applicable, overtime payments would be calculated based on the number of hours worked in a week and not number of hours worked in a day.

Financial Plan Impact

Conforming to federal law would give the District more flexibility in budgeting and paying for overtime. This change could have an immediate impact in some government agencies if their employees are not a part of a collective bargaining agreement and the provision could be applied immediately upon its enactment. Some savings would be achieved if employees routinely work longer than 8 hours in a given workday, but not over 40 hours over the workweek. Due to the uncertainty of the potential savings, the fiscal impact of this provision is not incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (I)(E) – Technology Services Amendment Act of 2010

Background

The proposed subtitle would⁵ expand the authority of the Office of the Chief Technology Officer (OCTO) to ensure that reasonable, affordable access to high-speed Internet services is available to District residents, businesses, and visitors. In addition, the

³ By amending the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*).

⁴ Specifically, Title 17 and the Fair Labor Standards Act of 1938, approved June 25, 1938 (52 Stat. 1060; 29 U.S.C. § 201 *et seq.*).

⁵ By amending subtitle B of Title XIV of the Fiscal Year 1999 Budget Support Act of 1998, effective March 26, 1999 (D.C. Law 12-175; D.C. Official Code § 1-1401 *et seq.*).

proposed subtitle would allow⁶ the Office of the Chief Technology Officer (OCTO) to sell DC-Net services to independent agencies, government agencies outside of the District government, and for-profit and not-for-profit organizations. DC-Net is a fiber optic-based network managed by OCTO that provides secure, high-speed transport of data, voice, video, and wireless services for government purposes throughout the District.

Financial Plan Impact

Under the proposed subtitle, OCTO would receive approximately \$2.9 million in FY 2011, which they plan to invest immediately into DC-Net infrastructure improvements and expansion. The fees collected for providing DC-Net services go directly into the DC-Net Service Support Fund and are used solely to defray the cost of the DC-Net program which includes implementing and managing the fiber-optic network. The cost to expand the program to serve new clients will be absorbed within the existing resources of the DC-Net Support Fund.

Subtitle (I)(F) - Office of Administrative Hearings Amendment Act of 2010

Background

The proposed subtitle dissolves⁷ the Office of Employee Appeals (OEA) and the Public Employee Relations Board (PERB), and transfers the responsibilities of these two entities to the Office of Administrative Hearings (OAH). Hearing officers working for either of these entities would not be automatically eligible for an appointment at the OAH. Rather, these officers would be required to apply for vacant positions, including a position for an Administrative Law Judge, and go through a competitive hiring process. All cases pending before PERB and OEA at the close of business on September 30, 2010, or the effective date of this Act, whichever is later, would be transferred to OAH. OAH would be required to publicize all its decisions through the DC Register, and online. Furthermore, OAH would be required to annually report on appeals it received, and adjudicated, from District agencies and from employees.

Financial Plan Impact

The proposed subtitle would remove the funding and FTE authority under PERB and OEA, and allocate approximately \$250,000 in funding (and 2 in FTE authority) to OAH⁸, which would now be responsible for adjudicating appeals from District agencies and

⁶ By amending the Technology Services Support Act of 2007, effective September 18, 2007 (D.C. Law 17-20; D.C. Official Code § 1-1432(a)).

⁷ By amending The Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002, (D.C. Official Code § 2-1831.01, *et seq.*) to transfer the duties of these two entities to OAH, and by amending District of Columbia Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Official Code § 1-601.01 *et seq.*) to dissolve these two entities.

⁸ In FY 2010, OEA had local funding of approximately \$1.8 million (and authority for 12 FTEs), and PERB had local funding of approximately 1 million (and authority for 6 employees).

employees. Additionally, five existing vacant positions at OAH for Administrative Law Judges would be filled to support the new duties. The proposed FY 2011 through FY 2014 budget and financial plan incorporates the proposed changes.

Subtitle (I)(G) – Office on Latino Affairs Grant-Making Authority Act of 2010

Background

The proposed subtitle would give authority⁹ to the Director of the Office on Latino Affairs (OLA) to issue grants to organizations serving Latino residents in the District of Columbia. In addition, the proposed subtitle would allow OLA to issue grants using funds it receives through intra-district transfers, memoranda of understanding, or reprogrammings from agencies that do not have grant-making authority.

Financial Plan Impact

No additional staff or resources are needed to implement the proposed provision. The proposed subtitle would have no impact on the budget and financial plan.

Subtitle (I)(H) – Disability Compensation Amendment Act of 2010

Background

The proposed subtitle would significantly amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978¹⁰ ("Act"), which established the District's Disability Compensation Program ("Program") administered by the Office of Risk Management.¹¹ The changes, categorized based on the fiscal impact of the provision, are described below.

No significant fiscal impact

- (a) Allow for modification of benefits if the claimant has been released medically to return to modified or light duty work and the District has offered such work.¹²
- (b) Limit the modified duty assignments to two 90 day increments in any 12 month period. Currently the law specifies that assignments are only to last 90 days, but

⁹ By amending the "District of Columbia Latino Community Development Act of 1976" (effective September 29, 1976. D.C. Law 1-86; D.C. Official Code § 2-1313).

¹⁰ Approved March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-623.01 *et seq.*).

¹¹ The program provides District Government employees injured on the job with workers' compensation, including medical care, vocational rehabilitation services, and compensation for lost wages. Currently, there are 560 injured workers receiving bi-weekly disability compensation payments.

¹² D.C. Official Code §1-623.24.

it does not limit how many such assignments an injured worker can have over a year.¹³

- (c) Limit the amount of time an employee has the right to return to work from two years to one year after the date of commencement of compensation, regardless of a recurrence.¹⁴

Possible cost savings, but no way to reliably estimate¹⁵

- (d) No longer replace, repair or provide compensation for eyeglasses and hearing aids damaged in conjunction with an injury arising out of and in the course of employment.¹⁶
- (e) Allow for the "Apportionment"¹⁷ of pre-existing medical impairments when determining disability payments.¹⁸
- (f) Prohibit employees from receiving disability compensation if he or she was employed by the District prior to October 1, 1987 and is currently receiving retirement disability payments under the federal government civil service disability retirement system for the same injury.¹⁹
- (g) Allow for suspension of compensation if the claimant fails to follow the prescribed and recommended courses of medical treatment from the treating physician.²⁰
- (h) Reduce the time period within which a disability claim must be filed with the District from 3 years to 1 year.²¹
- (i) Specify that an injured worker can reopen a disability case within one year of the date of the last indemnity payment or the final order issued by a judicial entity.²² Currently, the statute does not specify an allowable timeframe for reopening a case.
- (j) Repeal provisions that allow injured workers with dependents to receive an augmented basic compensation.²³ This provision would not apply to employees hired prior to January 1, 1980.

¹³ D.C. Official Code §1-623.47.

¹⁴ D.C. Official Code §1-623.45(b).

¹⁵ Due to lack of data.

¹⁶ D.C. Official Code §1-623.03.

¹⁷ Medical apportionment would allow the District to give consideration only to the percentage of the injury that resulted directly from work while employed with the District. Under the proposed subtitle, in making an apportionment determination, the Mayor would be required to consider medical reports by physicians with specific training and experience in the use of the American Medical Association Guides to the Evaluation of Permanent Impairment.

¹⁸ D.C. Official Code §1-623.07(d).

¹⁹ D.C. Official Code §1-623.16.

²⁰ D.C. Official Code §1-623.24.

²¹ D.C. Official Code §1-623.22.

²² D.C. Official Code §1-623.22.

²³ Basic compensation refers to payments for lost wages, also known as indemnity payments. For those on total disability, the payment with dependents was 75 percent instead 66 2/3 percent of his or her monthly pay and for those on partial disability, the payment with dependents was 75 percent instead of 66 2/3 percent of the difference between his or her monthly pay and his or her monthly wage-earning capacity after the beginning of the partial disability. While the average weekly wage is known and thus an average

Calculable cost savings

- (k) Prohibit claims for mental stress.²⁴
- (l) Limit vocational rehabilitation services to 90 days, allowing for the extension of these services after the initial 90 day period has expired for good cause for up to one year from the original vocational rehabilitation plan. Under current law, vocational rehabilitation services can continue indefinitely.²⁵
- (m) Limit the time a claimant can receive temporary total or temporary partial disability payments to no more than 500 weeks. Currently, there is no time limit. This provision would not apply to employees hired prior to January 1, 1980 and would not become effective until one year after the effective date of the Act.²⁶
- (n) Repeal the provision²⁷ that allows an employee whose claim has been denied to request a reconsideration of that decision within 30 days after the decision was issued. Currently, when requests for reconsideration are pending, the injured worker continues to receive temporary disability payments.
- (o) Suspend basic compensation to those employees who fail to apply for or undergo vocational rehabilitation, as directed.²⁸ This provision would not apply to employees hired prior to January 1, 1980.
- (p) Allow all medical evidence to be treated equally in resolving medical disputes.²⁹
- (q) Allows for modification of benefits once a claimant has been *released* to work. Currently benefits can only be modified if the person actually returns to work.³⁰
- (r) Require that the claimant pay the fees for being represented in any proceeding and that a claim for legal services furnished would only be valid if approved by an administrative judge.³¹ Currently, if a person has representation and is successful in the proceeding, the person is awarded, in addition to compensation, a reasonable attorney's fee that is to be paid by the Mayor.

Financial Plan Impact

The proposed subtitle is estimated to result in cost savings of \$812,688 in FY 2011 and \$3.3 million over the budget and financial plan period for the Disability Compensation Fund ("Fund"). The Fund, administered by the Office of Risk Management, makes payments to District employees for compensation for lost wages, medical services related

payment under the two scenarios can be calculated, there is no data on how many people actually receive the higher compensation. D.C. Official Code §1-623.10.

²⁴ D.C. Official Code §1-623.02.

²⁵ D.C. Official Code §1-623.04.

²⁶ D.C. Official Code §1-623.06(a).

²⁷ D.C. Official Code §1-623.24(a-4).

²⁸ D.C. Official Code §1-623.13.

²⁹ D.C. Official Code §1-623.21 (a-3)(1). Current law requires the medical opinion of the employee's treating physician to be given "great weight" over other opinions in the absence of compelling reasons to do otherwise.

³⁰ If a person is released to return to work, but fails to do so, ORM sends a Notice to Terminate Benefits, which allows the person to receive compensation payments for 30 days. D.C. Official Code §1-623.24.

³¹ D.C. Official Code §1-623.27.

to an injury, and for other services such as vocational rehabilitation. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (V)(G) – Disability Compensation Amendment Act of 2010					
Estimated Costs Savings to the Disability Compensation Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Prohibit stress claims (k)	\$52,354	\$52,354	\$52,354	\$52,354	\$209,415
Limit voc rehab to up to 1 year (l)	\$0 ^a	\$18,900	\$18,900	\$18,900	\$56,700
Limit temporary disability payments to 500 weeks (m) ^b	\$0	\$0	\$0	\$0	\$0
Eliminate reconsideration process (n)	\$225,394	\$225,394	\$225,394	\$225,394	\$901,575
Suspend benefits for not doing voc rehab (o)	\$22,768	\$22,768	\$22,768	\$22,768	\$91,072
Equal treatment of medical evidence (p)	\$358,389	\$358,389	\$358,389	\$358,389	\$1,433,556
Modify benefits once released to work (q)	\$36,000	\$36,000	\$36,000	\$36,000	\$144,000
Require claimant to pay legal fees (r)	\$117,784	\$117,784	\$117,784	\$117,784	\$471,136
Total Cost Savings	\$812,688	\$831,588	\$831,588	\$831,588	\$3,307,453

a Any benefit would not accrue until 1 year after the effective date of this Act.

* Any benefit would not accrue until roughly 552 weeks after the effective date of this Act.

Subtitle (I)(I) – Medical Captive Liability Amendment Act of 2010

Background

The proposed subtitle would amend the District of Columbia Medical Liability Captive Insurance Agency Establishment Act of 2008³² to phase-out operations of the District of Columbia Medical Liability Captive Insurance Agency ("Agency"),³³ which provides medical malpractice liability insurance policies for health centers, to dissolve Medical

³² D.C. Law 17-196; D.C. Official Code § 1-307.81 *et seq.*, effective July 18, 2008.

³³ The District of Columbia Medical Liability Captive Insurance Agency, which operates within the Office of Risk Management, manages the District of Columbia Medical Liability Captive Insurance Company (MLCIC), and is funded entirely by special-purpose revenue fund, the Medical Liability Captive Trust Fund. The MLCIC, which was incorporated in May 2008 through the District of Columbia Department of Insurance, Securities, and Banking, provides medical malpractice liability coverage for nonprofit community health centers in the District, including coverage for the staff, contractors, and volunteer service providers for the services provided at the health centers.

Captive Liability Fund ("Fund").³⁴ The Mayor would be authorized to purchase medical malpractice liability insurance coverage from private companies for health centers.

Fund resources would be used³⁵ to end the operations of the Agency, to fund reserves for claims, and to purchase insurance policies from private companies to provide medical malpractice liability insurance coverage for health centers, including coverage for the staff, contractors, and volunteer service providers of the health centers, for the services provided at the health centers.³⁶ Any amount left in the Fund would be transferred to the Local General Fund.³⁷ The proposed legislation would also require the Agency not issue an insurance policy that provides coverage after December 31, 2010, and that the Chief Risk Officer and the Commissioner of the Department of Insurance, Securities, and Banking would implement and oversee the orderly phasing out of the operations of the Agency.³⁸

Financial Plan Impact

The estimated cost of purchasing medical malpractice liability insurance from private companies for health centers is approximately \$1 million, to be paid from the Fund. After accounting for this cost, approximately \$7.8 million would be deposited into the Local General Fund. The impact of the proposed subtitle is incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (I)(J) – Notaries Public Authentications and License Fee Act of 2010

Background

The proposed subtitle would amend title 17 of the District of Columbia Municipal Regulations to increase the fee to \$15 for the authentication of documents for both foreign and domestic, use including 'A' Certificates, Department Head Certificate, Apostille, and Foreign Certificates. In addition, the subtitle would increase the certification fee for notary public commissions to \$75.

³⁴ Medical Liability Captive Trust Fund is a non-lapsing, interest-bearing fund that solely finances costs of establishing, operating, and administering the Medical Liability Captive Insurance Agency. The Fund's revenue sources are insurance premiums or other revenues that are collected from the community health centers, any grant funding from the U.S. government, other D.C. government agencies, or private foundations, and any unobligated balance from an \$8.8 million appropriation in the fiscal year 2007 budget to support the Free Clinic Liability Indemnification Program, which is no longer in operation.

³⁵ By amending D.C. Official Code § 1-307.91(a) and (b), and adding a new subsection (b-1)

³⁶ The proposed legislation would authorize the Mayor to purchase insurance policies by new section 15a(c) to be added to D.C. Official Code § 1-307.81 *et seq.*, and would authorize the use of the Fund for these purchases by new subsection (b-1)(3) to be added to D.C. Official Code § 1-307.91. Insurance policies purchased from the private companies would be conditioned by the requirement that they would not provide coverage for any incident, accident, or other occurrence that occurs after September 30, 2012.

³⁷ By adding a new subsection (b-2) to D.C. Official Code § 1-307.91.

³⁸ By adding a new section 15a to D.C. Official Code § 1-307.81 *et seq.*

Financial Plan Impact

The fee increases are estimated to generate an additional \$150,000 in FY 2011 and a total of \$600,000 over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the Office of the Secretary Special Purpose Revenue Fund. The impact of the proposed subtitle is incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (I)(I) – Notaries Public Authentications and License Fee Act of 2010					
Estimated Revenue Collections from Fee Increases					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenues- Office of the Secretary Special Purpose Revenue Fund	\$150,000	\$150,000	\$150,000	\$150,000	\$600,000

Subtitle (I)(K) – Legal Publications Modernization Amendment Act of 2010

Background

The proposed subtitle would³⁹ update District of Columbia Official Code on publications of official documents by allowing electronic publication of the District of Columbia Register and Municipal Regulations to fulfill the legal publication requirements established by the Administrative Procedure Act and the District of Columbia Documents Act of 1978.

Financial Plan Impact

The District of Columbia Register and Municipal Regulations are already published on-line. Reducing the number of printed copies could save the agency money, but it is not possible to estimate the potential savings, therefore these potential savings are not incorporated into the FY 2011 through FY 2014 budget and financial plan.

Subtitle (I)(L) – Police and Firefighter Post-Retirement Health Benefits Amendment Act of 2010

Background

³⁹ By amending the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1205; D.C. Official Code § 2-502) and the District of Columbia Documents Act, effective March 6, 1979 (D.C. Law 2-153; D.C. Official Code § 2-551 *et seq.*).

The proposed legislation would amend the "District Retirement Program Post-Employment Health and Life Insurance Benefits Emergency Amendment Act of 2009"⁴⁰ to make the District's contribution level equal to 75 percent of the cost of the selected health benefit plan for an eligible family member of an annuitant killed or injured in the line of duty.

Additionally, the proposed subtitle would increase post employment health benefits of annuitants who retire under the Police and Fire Retirement System. Specifically, the proposal would require that for an annuitant who was hired before November 10, 1996, and who retires with at least 5 years of creditable District service, the District shall pay 75 percent of the cost of the selected health benefit plan and the annuitant shall contribute 25 percent, and for a covered family member of an annuitant, the District contribution shall be an amount equal to 60 percent of the cost of the selected health benefit plan and the covered family member shall contribute 40 percent of the cost of the selected health benefit plan. For annuitants hired on or after November 10, 1996, with at least 10 years of creditable District service, but less than 25 years of creditable District service, the District contribution to the cost of a health benefit plan selected by the annuitant shall be equal to 30% of the cost of the selected health benefit plan (as secondary to Medicare) for the annuitant, plus an additional 3% for each year of creditable District service over 10 years, and 25% for the covered family member of the annuitant, plus an additional 3% for each year of creditable District service over 10 years; provided, that the District contribution shall not exceed 75% of the cost of the selected health benefits plan for the annuitant and 60% of the cost of the selected health benefits plan for the covered family member of the annuitant. The annuitant and family member shall contribute the applicable balance of the cost of the selected health benefit plan. These increases in benefits to annuitants who retire under the Police and Fire Retirement System would be effective starting October 1, 2011.

Financial Plan Impact

Police and Firefighter Post-Retirement Health Benefits Temporary Amendment Act of 2009, enacted on November 16, 2009,⁴¹ already provides the same level of benefits as proposed by the legislation to *annuitants and the family member of annuitants killed or injured in the line of duty*. Thus, the fiscal impact of the proposed provision⁴² is already incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

The subtitles of the proposed provision that increase benefits to the annuitants who retire pursuant to the Police and Fire Retirement System would not affect the proposed FY 2011 budget, but would increase the required contributions by \$13.9 million during the

⁴⁰ Subtitle (I)(U) in Bill 18-443, "The Fiscal Year 2010 Budget Support Second Emergency Act of 2009."

⁴¹ B18-0496, effective January 27, 2010.

⁴² The provision increased required contributions for other post employment benefits by approximately \$200,000 annually starting FY 2010.

FY 2011 through FY 2014, starting in FY 2012. The provision is subject to appropriation, but the Mayor has proposed an offsetting saving that the OCFO is currently analyzing.

Fiscal Impact of Subtitle (I)(L) –Fiscal Impact of Police and Firefighter Post-Retirement Health Benefits Amendment Act of 2010, in Millions of \$					
Estimated Revenue Collections from Fee Increases					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased annual required contributions	\$0	\$4.3	\$4.6	\$5.0	\$13.9

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Commission on the Arts and Humanities Artistic Sales Authorization Act of 2010

Background

The proposed subtitle would authorize the sale of promotional items and prints of art works owned by the Commission on the Arts and Humanities (“Commission”), and loan of art works owned by the Commission to other entities.⁴³ Net proceeds of such sales would be deposited in the enterprise fund of the Commission.⁴⁴

Financial Plan Impact

The proposed legislation is expected to generate a small, but unknown amount of revenue, to be deposited into the “Arts and Humanities Enterprise Fund.” Because the revenues are not known at this time, the fiscal impact of this provision is not incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (II)(B) – Special Events Licensing Amendment Act of 2010

Background

The proposed subtitle would amend the Special Events regulations⁴⁵ concerning activities held on public space, such as parades, community activities, cultural programs, and musical concerts to:

- (a) Require a written permit from DCRA prior to the event hold on any street, avenue, alley, footway, highway, or other public space; and
- (b) Increase the hourly rate for investigators and inspectors, as shown in the table below:

Special Event Permit Fees – FY 2010 versus proposed FY 2011				
Fee Type	FY 2010	FY 2011	Amount increase	Percent increase
<i>Fees of the Department of Health, Health Emergency Preparedness and Response Administration (DOH/HEPRA), or its successor</i>				
Advanced medical aid station, total first hour cost ^a	\$502.00	\$690.00	\$188.00	37%

⁴³ By adding new paragraphs (5A) and (5B) to the D.C. Official Code § 39-204; the sales would be carried out at prices established by the Commission, and the loans either at no cost or at prices established by the Commission.

⁴⁴ By adding a new Subsection (a-1) to Section 6a of the D.C. Official Code § 39-205.01.

⁴⁵ Section 720 of Chapter 7 (Parades and Public Events) of Title 24 (Public Space and Safety) of the District of Columbia Municipal Regulations.

Special Event Permit Fees – FY 2010 versus proposed FY 2011				
Fee Type	FY 2010	FY 2011	Amount increase	Percent increase
Advanced medical aid station, additional hourly cost	\$102.00	\$190.00	\$88.00	86%
Basic medical aid station, total first hour cost ^b	\$211.00	\$420.00	\$209.00	99%
Basic medical aid station, additional hourly cost	\$61.00	\$120.00	\$59.00	97%
Emergency operations supervisor hourly cost ^c	\$38.00	\$60.00	\$22.00	58%
Command vehicle station, total first hour cost ^d	N/A	\$150.00	\$150.00	N/A
Command vehicle station, additional hourly cost	N/A	\$50.00	\$50.00	N/A
<i>Fees of the Fire and Emergency Medical Services Department</i>				
Over-the-counter permit fee, per permit ^e	\$44.00	\$150.00	\$106.00	241%
On-site permit fee, rate per employee per hour	\$44.00	\$88.00	\$44.00	100%
On-site monitoring fee, rate per employee per hour	\$44.00	\$65.00	\$21.00	48%
<i>Fees of the Department of Public Works</i>				
Flag installation/removal, rate per employee per hr	\$32.75	\$57.00	\$24.25	74%
Temporary sign installation, rate per employee per hr	\$27.61	\$36.00	\$8.39	30%
Clean-up and trash removal, rate per employee per hr	\$24.25	\$32.00	\$7.75	32%
Disposable Trash Bags, per bag	\$0.35	\$0.45	\$0.10	29%
<i>Fees of the Metropolitan Police Department</i>				
Special Events Fee, rate per officer per hour	\$32.74	\$60.58	\$27.84	85%
<i>Fees of the Department of Consumer and Regulatory Affairs</i>				
Special Events Fee, rate per employee per hour	\$21.03	\$54.35	\$33.32	158%
<i>Fees of the Alcoholic Beverage Regulation Administration</i>				
Special Events Fee, rate per employee per hour	\$21.03	\$54.35	\$33.32	158%

^a Proposed new costs would include personnel costs for two nurses, each at \$70.00 per hour and one emergency operations staff member, at \$50.00 per hour, and medical supplies and equipment cost at \$500.00 per station.

^b Proposed new costs would include personnel costs for one nurse, at \$70.00 per hour and one emergency operations staff member at \$50.00 per hour, and medical supplies and equipment cost at \$300.00 per station.

^c If the Special Event presents a significant risk of overwhelming the District's emergency medical services and care system, an emergency operations supervisor would be required.

^d If the number of participants at the Special Event is expected to equal or exceed 5,000 and the event presents a significant risk of overwhelming the District's emergency medical services and care system, a command vehicle station would be required at the cost of one emergency operations staff member, at \$50.00 per hour, and one command vehicle at \$100.00 per event.

^e As set forth in Section F-107H (Permits) of Title 12H (Fire Code Supplement) of the District of Columbia Municipal Regulations.

The proposed subtitle would also amend the Amusements and Entertainment regulations⁴⁶ concerning Circuses, Carnivals, Concerts, and other Performances and Special Performance Permits to:

- (a) Authorize the Mayor to modify current ten-day time restriction at one single location for conducting any carnival, fair, performance, singing, playing of musical

⁴⁶ Chapter 13 (Amusements and Entertainment) of Title 19 (Amusements, Parks, and Recreation) of the District of Columbia Municipal Regulations.

- or other instruments, or dancing,⁴⁷ and modify the ten-day time restrictions in one calendar year for operations of any circus or rodeo,⁴⁸
- (b) Decrease the percentage and radius requirement for neighborhood approval to host a Special Event, from the current *90 percent* of "the resident housekeepers and occupants of business establishments" to *75 percent*.⁴⁹ and from "within a distance of *500 feet* from the perimeter of" the place of activity to *300 feet*;⁵⁰ and
 - (c) Authorize the Mayor to use the discretion to issue the license or permit in the case a written consent of the affected residents and business establishments cannot be obtained after a good faith effort has been made⁵¹.

Financial Plan Impact

The proposed legislation is expected to generate \$60,000 additional revenues in FY 2011 and \$240,000 over the proposed FY 2011 through FY 2014 budget and financial plan. The revenues would accrue to the Special Events Revolving Fund, a special purpose revenue fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(B) – Special Events Licensing Amendment Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Additional revenues from Special Event permit fees ^a	\$60,000	\$60,000	\$60,000	\$60,000	\$240,000

^a In FY 2008, there were about 100 events, with an average event fee of approximately \$340. The number of events is expected to increase by 11 percent.

Subtitle (II)(C) – Licensing, Permitting, and Corporate Filings Act of 2010

Background

The proposed subtitle would authorize the Mayor to establish fees and surcharges for the issuance of building permits,⁵² business licenses, and corporation filing documents,⁵³ and to

⁴⁷ By amending Section 1300.2 of Chapter 13 of Title 19 of the District of Columbia Municipal Regulations.

⁴⁸ By amending Section 1300.3 of Chapter 13 of Title 19 of the District of Columbia Municipal Regulations.

⁴⁹ By amending Section 1301.4 of Chapter 13 of Title 19 of the District of Columbia Municipal Regulations.

⁵⁰ By amending Sections 1301.3 and 1301.4 of Chapter 13 of Title 19 of the District of Columbia Municipal Regulations.

⁵¹ By amending Section 1301.4 of Chapter 13 of Title 19 of the District of Columbia Municipal Regulations.

⁵² By amending D.C. Official Code § 1-1329 (a) for fees for Surveyor and adding a new subsection (e) to D.C. Official Code § 6-1405.01 regarding the Construction Codes, building permits, and certificates of occupancy.

⁵³ Concerning license fees and fees for filing and issuing of certificates and documents: by amending D.C. Official Code § 29-101.121, subsections (a) and (b) for business corporations, D.C. Official Code § 29-301.92 for nonprofit corporations, D.C. Official Code § 29-944(a) for cooperative associations, and D.C. Official Code § 29-1063 for limited liability companies; concerning filing fees and charges and issuing of certificates and documents; by amending D.C. Official Code § 33-101.05(f) for uniform partnerships, D.C. Official Code § 33-110.04 Subsections (a) and (b) for limited liability partnerships, and D.C. Official Code § 33-211.02(b) for uniform limited partnerships;

establish the rate of certain fees and surcharges. Specifically, it would authorize the Director of the Department of Consumer and Regulatory Affairs (DCRA) to:

- (a) Charge an additional fee of 10 percent on the total cost of each permit issued, or document furnished related to building permits, certificates of occupancy, and other permits required by the Construction Codes, to cover the costs of enhanced technological capabilities of the Permits Division of DCRA, starting on October 1, 2010 and to expire on October 1, 2013;⁵⁴
- (b) Charge an additional fee of 10 percent on the total cost of each basic business license to cover the costs of enhanced technological capabilities of the basic business licensing system of DCRA,⁵⁵ starting on October 1, 2010 and to expire on October 1, 2013;⁵⁶ and
- (c) Provide a new tiered fee structure based on the industry standards, instead of the current cumbersome formula to determine tiered fees, both based on the number of shares, for filing articles of incorporation and amendment to articles of incorporation or restated articles of incorporation⁵⁷; and charge an additional fee of 10 percent on the total cost of any filing or document that is submitted to, or requested from, the Corporations Division to cover the costs of enhanced technological capabilities of the Corporations Division of DCRA, starting on October 1, 2010 and to expire on October 1, 2013.⁵⁸

and concerning basic business license application and renewal fees, by amending D.C. Official Code § 47-2851.04 (c)(1) and adding a new subsection (e) to D.C. Official Code § 47-2851.08.

⁵⁴ By adding a new Subtitle K, Chapter 1 (DCRA Permits Division Schedule of Fees) to Title 12 (Construction Codes) of the District of Columbia Municipal Regulations.

⁵⁵ The entire basic business license application fees and application renewal fees, including the current \$70 for each basic business license, plus a fee of \$25 for each endorsement added to the basic business license, are deposited in the Basic Business License Fund, a special-purpose fund.

⁵⁶ By adding a new Chapter 5 (Basic Business License Schedule of Fees) to Title 17 (Business, Occupations, and Professions) of the District of Columbia Municipal Regulations.

⁵⁷ Proposed fees for filing articles of incorporation:

- (1) For a corporation with authorized shares of capital up to 100,000 shares: \$185;
- (2) For a corporation with authorized shares of corporation capital more than 100,000 shares and up to 500,000 shares: \$500;
- (3) For a corporation with authorized shares of corporation capital more than 500,000 shares and up to 1,000,000 shares: \$1,000; and
- (4) For a corporation with authorized shares of corporation capital more than 1,000,000 shares: \$1,500.

Proposed fees for amendment to articles of incorporation or restated articles of incorporation: \$185; provided, that if the amendment will increase the number of shares, the fee shall be as follows:

- (1) For a corporation with authorized shares of capital up to 100,000 shares: \$185;
- (2) For a corporation with authorized shares of corporation capital more than 100,000 shares and up to 500,000 shares: \$500;
- (3) For a corporation with authorized shares of corporation capital more than 500,000 shares and up to 1,000,000 shares: \$1,000; and
- (4) For a corporation with authorized shares of corporation capital more than 1,000,000 shares: \$1,500.

⁵⁸ By adding a new Chapter 6 (DCRA Corporations Division Schedule of Fees) to Title 17 (Business, Occupations, and Professions) of the District of Columbia Municipal Regulations, and repealing Sections 3502 (Limited Partnership Fees), 3503 (Schedule of Fees for the Registered Limited Liability Partnership), 8911 (Trade Name Registration – Fees and Refunds) and 8912 (Trade Name Registration – Collection and Deposit of Fees).

Additionally, the proposed legislation would establish a tiered fee structure⁵⁹ for Special Event license applications to cover the administrative costs necessary to expedite and process applications.

Financial Plan Impact

The 10 percent surcharge on building permits and corporate filing fees is expected to generate to the local general fund \$2.7 million in FY 2011 and \$8.06 million over the FY 2011 through FY 2014 budget and financial plan. The surcharge on the business license fees would generate to the Basic Business License Fund \$750,000 in FY 2011 and \$2.0 million over the four-year financial plan period. Additionally, the proposed subtitle would have an impact of \$447,750 to local fund in FY 2010, and \$83,333 to Basic Business License Fund.⁶⁰ The impact of the proposed subtitle is incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(C) – Licensing, Permitting, and Corporate Filings Act of 2010						
	FY 2010^a	FY 2011	FY 2012	FY 2013	FY 2014	FY 2011- FY 2014 Total
Additional revenues from building permit fees	\$281,083	\$1,686,500	\$1,686,500	\$1,686,500	\$0	\$5,059,500
Additional revenues from corporation filing fees	\$166,667	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$3,000,000
Total Impact to Local General Fund	\$447,750	\$2,686,500	\$2,686,500	\$2,686,500	\$0	\$8,059,500
Additional revenues from business license (Impact to the Basic Business License Fund)	\$83,333	\$750,000	\$500,000	\$750,000	\$0	\$2,000,000

^a It is assumed that increased fee revenue will be collected only for August and September in FY 2010.

⁵⁹ By the proposed new Chapter 5 (Basic Business License Schedule of Fees) to be added to Title 17 (Business, Occupations, and Professions) of the District of Columbia Municipal Regulations -- new Section 501.1(l): if the application for the license is submitted:

- 30 days or more before the event, \$205 per day of event,
- between 15 and 29 days before the event, \$205 per day of event, plus \$100 expediting fee, and
- 14 or fewer days before the event, \$205 per day of event, plus \$200 expediting fee.

⁶⁰ The Mayor intends to implement the fee change in June 2010. DCRA would need 60 to 90 days from the date of enactment of the legislation for public outreach prior to starting to collect the increased fees.

Subtitle (II)(D) – Vacant Property Disincentivization Act of 2010

Background

The proposed subtitle would establish⁶¹ a graduated scale for vacant property registration fees. Specifically, it would increase the initial registration fee⁶² from \$20 to \$250 and the renewal fees from between \$10 and \$60 for any subsequent years⁶³ to \$500 for the first renewal year, \$1,000 for the second renewal year, \$2,500 for the third renewal year, and \$5,000 for the fourth and each subsequent renewal year.

The proposed legislation would eliminate most of the exemptions from registration and fee requirements, including exemptions for vacant buildings under active construction or rehabilitation, for newly constructed buildings, vacant buildings for which the owner has been actively seeking a buyer or a renter, for properties affected by fire, flood, or other casualty, and for properties subject to a probate proceeding, litigation, or a pending application before the Board of Zoning Adjustment, the Zoning Commission, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor's Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission.⁶⁴

Additionally, the Mayor would no longer be required to notify the Council and affected Advisory Neighborhood Commissions of all requests for, and approval or withdrawal of exemptions due to extraordinary circumstances and substantial undue economic hardship,⁶⁵ and the Mayor would have the authority to issue rules on the implementation of this program without Council approval.⁶⁶

Financial Plan Impact

The proposed legislation is expected to generate \$663,000 revenues in FY 2011 and approximately \$7.8 million over the FY 2011 through FY 2014 budget and financial plan from the registration and renewal fees. Additionally, the proposed fee structure, if implemented by August 2010, could generate \$102,000 in FY 2010.⁶⁷ The fees would be deposited into the Nuisance Abatement Fund, a special-revenue fund. The impact of the proposed subtitle is

⁶¹ An Act to provide for the abatement of nuisances in the District of Columbia, D.C. Law 13-281; D.C. Official Code § 42-3131.01 *et seq.*, approved April 14, 1906.

⁶² By amending Section 9, Subsections (c) and (d) of the D.C. Official Code § 42-3131.

⁶³ The current renewal fees are:

- (1) One-half of the initial applicable registration fee, if paid within 30 days after the renewal date;
- (2) Equal to the applicable initial registration fee, if paid after 30-day period but before the receipt of notice;
- (3) Three times the applicable initial registration fee, if paid after receipt of the notice.

⁶⁴ By repealing D.C. Official Code § 42-3131.06, subsection (b), Paragraphs (3), (3A), (4), (6), (7), and (8), and subsections (f) and (g).

⁶⁵ By amending D.C. Official Code § 42-3131.06, subsection (b), paragraph (5)(B).

⁶⁶ By amending D.C. Official Code § 42-3131.06, subsection (h).

⁶⁷ DCRA would need 60 to 90 days from the date of enactment to complete the set up and public outreach before collecting the increased fees.

incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(D) – Vacant Property Disincentivization Act of 2010						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Revenues from vacant property registration fees ^a	\$102,000	\$522,240	\$11,506	\$10,815	\$10,166	\$554,727
Revenues from vacant property renewal fees ^b	N/A	\$140,760	\$980,669	\$1,938,718	\$4,186,246	\$7,246,393
Total Impact to Nuisance Abatement Fund	\$102,000	\$663,000	\$992,174	\$1,949,533	\$4,196,412	\$7,801,120

^a There are 2,448 identified vacant properties. With the assumption that the legislation would be enacted in the last quarter of FY 2010 and increased registration fees would be collected in August and September 2010, one sixth of the existing vacant properties are assumed to register with the new fee structure in FY 2010 and the rest in FY 2011; then renew their registrations every year. A 2 percent addition per year is assumed for the out years.

^b An 8 percent annual decline in the number of vacant properties is assumed, for a net annual decline of 6 percent when combined with the assumed 2 percent annual addition to vacant properties. A similar fee structure resulted in a 22 percent decline in the number of vacant properties in Wilmington, DE over 3 years. An allowance of 25 percent was made for FY 2012 through FY 2014 for exemptions that would reduce the revenue collection from graduated renewal fees.

Subtitle (II)(E) – Electronic Service of Notice Amendment Act of 2010

Background

The proposed subtitle would amend Department of Consumer and Regulatory Affairs' (DCRA) license and permit application process to require the applicants to provide a viable email address for the receipt of service of process,⁶⁸ and to allow DCRA to send electronic notices of infraction,^{69,70} including notices related to business licenses and construction permits and notices requiring correction of unlawful conditions regarding abatement of nuisance property.

Financial Plan Impact

The proposed legislation makes technical changes to require a valid email address for license and permit applications and to allow electronic service of notices, and does not have an impact on the District's budget and financial plan for FY 2011 through FY 2014.

⁶⁸ By amending D.C. Official Code § 47-2851.04(a) and Section 105.3 (Application for Permit) of Chapter 1A of Title 12A (Building Code Supplement) of the District of Columbia Municipal Regulations.

⁶⁹ By amending the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, D.C. Official Code § 2-1802.05 (D.C. Law 6-42; effective October 5, 1985).

⁷⁰ By amending Section 3(1) of An Act to provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, approved April 14, 1906; 34 Stat. 115; D.C. Official Code § 42-3131.03(1).

Subtitle (II)(F) – Administrative Judgments of Nuisance Property Amendment Act of 2010

Background

The proposed subtitle would allow⁷¹ the collection of nuisance property special assessments through the securing of an administrative judgment enforceable in the Superior Court of the District of Columbia, in the same way as the existing civil infractions judgment process. Specifically, it would authorize the Mayor to request the Office of Administrative Hearings to issue a final order converting a special assessment lien to an administrative judgment. Currently, the special assessment liens are collected through the tax lien and tax sale process, which may cause delays up to two years in collections. Conversion of special assessment liens to administrative judgments enforceable in the Court would allow earlier receipt of outstanding debt.

Financial Plan Impact

The proposed legislation makes technical changes to remove the delays in the collection process of special assessment liens. While it is expected to have a positive impact on the revenues through earlier collection of outstanding debt to the District, there is not sufficient data to reliably estimate this impact.

Subtitle (II)(G) – Department of Consumer and Regulatory Affairs Civil Infractions Amendment Act of 2010

Background

The proposed subtitle would shorten⁷² the Council review period for proposed civil infraction amendments from 60 to 30 days.

Financial Plan Impact

The proposed legislation makes technical changes concerning the Council review period for modifications to schedules of fines, and does not have an impact on the District's budget and financial plan.

⁷¹ By amending an Act to provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes. 34 Stat. 114, Ch. 1626; D.C. Official Code § 42-3131.01; approved April 14, 1906; by adding a new paragraph (1A) to Subsection (a) and Subsection (c).

⁷² By amending Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985, D.C. Law 6-42; D.C. Official Code § 2-1801.04(a).

Subtitle (II)(H) – Funeral Director Licensing Amendment Act of 2010

Background

The proposed subtitle would update⁷³ the operations of the District of Columbia Board of Funeral Directors ("the Board"). Specifically, the proposed subtitle would:

- (a) Amend the definitions of direct supervision and immediate supervision⁷⁴;
- (b) Authorize the Mayor to establish a schedule of fees by rulemaking⁷⁵;
- (c) Require the Board to provide a list of all licensed funeral directors⁷⁶ to the Office of the Chief Medical Examiner and certain health care facilities⁷⁷;
- (d) Authorize the Board to issue a license to an applicant who is licensed in another jurisdiction⁷⁸;
- (e) Restrict persons who can practice funeral directing⁷⁹; and
- (f) Restrict the types of services an apprentice funeral director can perform⁸⁰.

Financial Plan Impact

The proposed subtitle changes the scope of certain functions of the Office of Chief Medical Examiner, and results in minor cost savings to the agency. These cost savings, which are not possible to reliably estimate at present, would reduce the expenditures out of the Office of the Chief Medical Examiner Management Fund, a special-purpose revenue fund.

⁷³ By amending the District of Columbia Funeral Services Regulatory Act of 1984, D.C. Law 5-84; D.C. Official Code § 3-401 *et seq.*; effective May 22, 1984.

⁷⁴ By amending D.C. Official Code § 3-402, paragraphs (6) and (13).

⁷⁵ By amending D.C. Official Code § 3-404. It is also proposed that application fees paid would not be refundable, even if the applicant withdraws his or her application for licensure, certification, or registration, or is found by the Board to be not qualified.

⁷⁶ By amending D.C. Official Code § 3-405 Subsection (e)(5).

⁷⁷ As defined in Section 2(c) of the Health-Care and Community Residence Facility, Hospice and Home Care Licensure Act of 1983, effective February 24, 1984 (D.C. Law 5-48; D.C. Official Code § 44-501(c)).

⁷⁸ By adding a new subsection (i) "Endorsement" to D.C. Official Code § 3-405.

⁷⁹ By amending D.C. Official Code § 3-411 subsections (d) and (g) and adding persons employed in a "physician's office, or the Office of the Chief Medical Examiner" into the list of persons that are not allowed to engage in the practice of funeral directing and to inform a death or impending death; and additionally by clarifying emergency medical transport service operation specified at the end of Subsection (d) in a new subsection (d-1).

⁸⁰ By adding a new section 22b (Services requiring immediate supervision by a funeral director) and restricting the following services unless performed under the immediate supervision of a licensed funeral director: (1) The handling, preparation, or embalming of human remains; (2) The removal or transport of human remains; (3) Conducting or directing a funeral; and (4) Advising consumers making arrangements for the care and disposition of human remains, including arrangements made prior to the death of a person.

Subtitle (II)(I) – Housing Production Trust Fund Amendment Act of 2010

Background

The proposed subtitle would increase⁸¹ the maximum percentage of funds allocated for the administration of the Housing Production Trust Fund⁸² (HPTF) from 10 percent to 20 percent of the funds deposited into the HPTF for fiscal years 2010 and 2011. This maximum percentage allocated for the administrative expenses would go back to 10 percent of the HPTF starting fiscal year 2012.

Financial Plan Impact

The proposed subtitle would have no net impact on the Local General Fund, as it does not increase or reduce the overall funding level; instead, it just increases the share of total HPTF funds used for the administration of the HPTF.⁸³ The financial impact of the proposed subtitle is incorporated into the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(I) - Housing Production Trust Fund Amendment Act of 2010 Trust Fund Dollars Reallocated for Administrative Costs (In millions of dollars)						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2011-FY 2014 Total
Projected Revenue	\$21.3	\$22.0	\$25.2	\$23.8	\$26.4	\$97.4
Current Law (10%)	\$2.1	\$2.2	\$2.5	\$2.4	\$2.6	\$9.7
Proposed Law (20% for FY10 and FY11)	\$4.3	\$4.4	\$2.5	\$2.4	\$2.6	\$11.9
Potential Additional Funds Allocated for Administration	\$2.1	\$2.2	\$0	\$0	\$0	\$2.2

⁸¹ By amending Housing Production Trust Fund Act of 1988, D.C. Law 7-202; D.C. Official Code § 42-2802(b)(10), effective March 16, 1989.

⁸² The Housing Production Trust Fund is a non-lapsing, non-reverting segregated account financed by dedicated taxes, 15 percent of the District’s deed recordation and transfer taxes annually. The HPTF provides funds for the acquisition, construction, and rehabilitation of affordable multifamily housing projects.

⁸³ The increase in the administrative costs cap would shift resources within Department of Housing and Community Development from direct to indirect project costs, and would not have an impact on securitization or debt service, since funds for securitization or debt service are allocated first.

Subtitle (II)(J) – Housing Regulatory Administration Fees Amendment Act of 2010

Background

The proposed subtitle would provide authority^{84,85,86} to the Department of Housing and Community Development (DHCD) to establish and collect fees for conversion applications, certifications, and applications for registration of condominiums.⁸⁷ The proposed fee structure is as follows:

- (a) Application to convert a vacant housing accommodation: \$100;
- (b) Application to convert a non-housing accommodation: \$100;
- (c) Application to convert a property to a low income equity share cooperative: \$100;
and
- (d) Certification fee: \$100 per occupied units or eight hundred dollars \$800, whichever is greater.

Financial Plan Impact

The proposed subtitle is expected to generate \$66,000 in FY 2011 and approximately \$264,000 over the FY 2011 through FY 2014 budget and financial plan. These funds would be deposited into the special-purpose revenue DHCD Unified Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(J) – Housing Regulatory Administration Fees Amendment Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2011-FY 2014 Total
Existing Certification Fees	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Existing Registration Fees	\$40,000	\$40,000	\$40,000	\$40,000	\$160,000
New Application (or Inspection) Fees	\$14,000	\$14,000	\$14,000	\$14,000	\$56,000
Total Impact to the DHCD Unified Fund	\$66,000	\$66,000	\$66,000	\$66,000	\$264,000

⁸⁴ By amending the Rental Housing Conversion and Sale Act of 1980, D.C. Law 3-86; D.C. Official Code § 42-3201 *et seq.*, effective September 10, 1980. A new section 212 would be added to authorize the Mayor to impose and collect fees for the processing of an application for conversion and other services provided by the Mayor and to require that the fees collected would be deposited into the Department of Housing and Community Development (DHCD) Unified Fund.

⁸⁵ By amending the Condominium Act of 1976 Technical and Clarifying Amendment Act, D.C. Law 1-89; D.C. Official Code § 42-1904.03 *et seq.*, effective March 29, 1977. It would be added to Section 403(d) that the application fees for registration of a condominium would be deposited into the DHCD Unified Fund.

⁸⁶ By amending the Fiscal Year 2009 Budget Support Act of 2008, D.C. Law 17-219; D.C. Official Code § 42-2857.01, effective August 16, 2008. A new paragraph 1C would be added to clarify the funds deposited into the DHCD Unified Fund.

⁸⁷ The fees for conversion applications, certifications, and applications for registration of condominiums would be specified by adding a new section 4717 (Application and Certification Fees) into Chapter 47 (Conversion and Sale of Rental Housing) of Title 14 (Housing) of the District of Columbia Municipal Regulations.

Subtitle (II)(K) – Department of Insurance, Securities, and Banking Reorganization Amendment Act of 2010

Background

The proposed subtitle would reorganize the Department of Insurance, Securities, and Banking (DISB) by combining the Banking Bureau and the Securities Bureau into the "Banking and Securities Bureau," which would administer the District's Banking Code and oversee regulation of securities, and would be headed by the Associate Commissioner for Banking and Securities.⁸⁸ Two of the trust funds administered by DISB as special purpose funds within the General Fund, the Securities Regulatory Trust Fund, and the Banking Regulatory Trust Fund would also be combined into a Banking and Securities Regulatory Trust Fund.

Financial Plan Impact

The proposed subtitle would reduce personnel expenditures at DISB by a minimum \$143,000 in FY 2011 and approximately \$572,000 over the proposed FY 2011 through FY 2014 budget and financial plan. These cost savings would accrue to the local component of General Fund, since monies received and deposited in the Securities Regulatory Trust Fund and the Banking Regulatory Trust Fund are used to fund the administrative expenses of the Banking Bureau and the Securities Bureau, and any funds received but not expended in a given fiscal year is returned to the General Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (II)(L) – Title Insurance Producer Act of 2010 and Title Insurance Company Act of 2010

Background

The proposed subtitle would regulate the practices of title insurance producers⁸⁹ and companies in the District.⁹⁰ As a result, approximately 2,500 title insurance producers practicing in the

⁸⁸ By amending the Department of Insurance and Securities Regulation Establishment Act of 1996, D.C. Law 11-268, D.C. Official Code § 31-101 *et seq.*, effective May 21, 1997.

⁸⁹ "Title insurance producer" means a person authorized to perform, on behalf of a title insurer, the following acts for the issuance of a title insurance policy:

- (a) Determining insurability, including underwriting and risk-taking decisions and issuing title insurance commitments or policies based on the performance or review of a search or abstract of title; and
- (b) Performing one or more of the following functions:
 - (1) Collecting or disbursing premiums, escrows, indemnity deposits, or other funds;
 - (2) Handling escrows, settlements, or closings;
 - (3) Soliciting or negotiating title insurance business;
 - (4) Recording closing documents; or
 - (5) Overseeing the execution of settlement documents, although acting as an independent contractor.

"Title insurance producer" does not include:

- (a) A financial institution that does not solicit, procure, or negotiate title insurance contracts for compensation and its employees, or conduct title insurance business.

District would be licensed and supervised by the Insurance Bureau of the Department of Insurance, Securities, and Banking (DISB).

Financial Plan Impact

The proposed legislation is expected to generate \$750,000 additional revenues in FY 2011 and approximately \$1,500,000 over the proposed FY 2011 through FY 2014 budget and financial plan. These funds would accrue to the fund for Assessment on Insurance Companies, a special purpose fund administered by DISB. The costs associated with examination of title insurance producers, including audits and inspection of books and records can be absorbed within DISB's proposed budget. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(L) – Title Insurance Producer Act of 2010 and Title Insurance Company Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Additional revenues from title insurance license fees ^(a)	\$750,000	\$0	\$750,000	\$0	\$1,500,000

^(a) The District of Columbia Land Title Association estimates there are approximately 2,500 title insurance producers in the District that would apply for this license. The revenue estimate is based on a license fee of \$300 and biennial renewal.⁹¹

(b) A bona fide employee of an abstracting company or of a title insurer.
 "Title insurance policy" means a contract insuring owners of real or personal property against loss or damage arising from any of the following conditions existing on or before the policy date and not expressly excepted or excluded from coverage:

- (a) Defects in or liens or encumbrances on the insured title
- (b) Unmarketability of the insured title;
- (c) Invalidity, lack of priority, or unenforceability of liens or encumbrances on the property;
- (d) Lack of legal right of access to the property; or
- (e) Unenforceability of rights in title to the property and other matters affecting the title to or right to use and enjoyment of the property.

⁹⁰ By supplementing the provisions in Chapter 11A of the Producer Licensing Act of 2002 (D.C. Law 14-264; D.C. Official Code § 31-1131 *et seq.* effective March 27, 2003), and the provisions in Chapter 25 of the Fire and Casualty Act.

⁹¹ D.C. Official Code § 31-1131.07a (Insurance Producers -Term of License; Renewal) specifies that for insurance producers, renewal of an existing license expires 2 years after the expiration date of the license period). The estimate assumes that upon enactment of the proposed legislation, all title insurance producers would apply for a license within the fiscal year to be able to continue to practice in the District, and then renew their licenses in alternating years.

Subtitle (II)(M) – Public Insurance Adjuster Licensure Amendment Act of 2010

Background

The proposed subtitle would authorize⁹² the Commissioner the Department of Insurance, Securities, and Banking (DISB) to establish fees by rule.

Financial Plan Impact

The proposed legislation would authorize DISB to change fees by rulemaking. The Public Insurance Adjuster Licensing Fee would continue to be deposited into the local component of the General Fund.

Subtitle (II)(N) – Insurance Premium Assessment Equalization Amendment Act of 2010

Background

The proposed subtitle would create a uniform premium tax rate for all lines of insurance.⁹³ The uniform tax rate would equate the current 1.7 percent rate of the policy and membership fees and net premium receipts, paid by all insurance companies, with the exception of those that provide accident and health insurance, to the 2.0 percent rate paid by the companies that issue insurance contracts against accident and loss of health.

Financial Plan Impact

The proposed legislation is expected to generate approximately \$1.2 million additional revenues in FY 2011 and \$15.4 million over the FY 2011 through FY 2014 budget and financial plan. These funds would accrue to the local component of the General Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (II)(DISB)(D) – Insurance Premium Tax Equalization Amendment Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Additional revenues from increased premium tax rate ^(a)	\$1,186,869	\$4,747,476	\$4,747,476	\$4,747,476	\$15,429,297

^(a) The premium tax is paid for the preceding calendar year. If the legislation is enacted on October 1st, the only additional payment received in FY 2011 would be for the last quarter of 2010.

⁹² By amending the Public Insurance Adjuster Licensure Act of 2002, D.C. Law 14-256; D.C. Official Code § 31-1631.04(a)(1); effective March 27, 2003.

⁹³ By amending Section 650(b) of the Life Insurance Act of 1901; 31 Stat. 1291; D.C. Official Code § 31-205(b); approved March 3, 1901, and by amending Section 47-2608(a)(1) of the District of Columbia Official Code to conform to the new uniform premium tax rate.

Subtitle (II)(O) – Unemployment Compensation Administrative Assessment Account Amendment Act of 2010

Background

The proposed subtitle would eliminate⁹⁴ the cap on the annual amount that may be deposited in the Unemployment Compensation Administrative Assessment Account (Account) starting FY 2014. The FY 2010 Budget Support Act of 2009 removed the cap through FY 2013.

Financial Plan Impact

Repealing the \$4 million cap would increase the collections in the Account by approximately \$5 million starting FY 2014. The impact of the proposed subtitle is already incorporated into the proposed FY 2011 through FY 2014 budget and financial plan period.

Subtitle (II)(P) – Unemployment and Workforce Development Administrative Assessment Fund Amendment Act of 2010

Background

The proposed subtitle would rename the Unemployment Compensation Administrative Assessment Account as "Unemployment and Workforce Development Administrative Fund" (Fund)⁹⁵, and expand the purposes for the Fund could be use to include reemployment services⁹⁶.

Financial Plan Impact

Expanding the allowable uses of the Fund would change the composition of services and activities supported by this Fund. The expenditures from this account still have to be less than the projected revenue collection of approximately \$9 million. The fund has a balance of about \$9 million as of FY 2010, suggesting that expansion of uses could be accommodated with the projected revenues.

⁹⁴ By repealing Section 3(m)(3) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 947; D.C. Official Code § 51-103(m)(3)).

⁹⁵ By amending Section 3(m)(2) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 947; D.C. Official Code § 51-101*et seq.*) and Section 14(d), paragraph (1) of the D.C. Official Code § 51-114(d).

⁹⁶ By amending Section 14(d), paragraph (2) of the D.C. Official Code § 51-114(d).

Subtitle (II)(Q) – Unemployment Compensation Appeals Realignment Amendment Act of 2010

Background

The proposed subtitle would repeal the authority of the Office of Administrative Hearings (OAH) to review cases related to the Department of Employment Services (DOES),⁹⁷ and transfer this authority, together with all records and files related to adjudicated cases, to DOES on or before the effective date of this act.

Financial Plan Impact

The proposed FY 2011 through FY 2014 budget for DOES will staff 12 FTEs to oversee the adjudication of the cases. Previously, DOES had transferred authority for these 12 FTEs to OAH. These FTEs and the associated will now stay within DOES. Funding for adjudication is federal, and distributed on a per-case basis. This per-case fee would cover the cost of these FTEs.

Subtitle (II)(R) – Planning Grantmaking Authority Act of 2010

Background

The proposed subtitle would authorize the Mayor to issue grants to individuals and organizations from local revenue, dedicated tax revenue, special purpose revenue, and capital funds, subject to available appropriations. These grants would include grants made with funds the Mayor or an agency receives through intra-District transfers, memoranda of understanding, or reprogrammings from agencies that do not have grant-making authority.

Financial Plan Impact

The proposed subtitle would expand the pool of funds available for grants, subject to their availability. Any use of funds for grant making must follow the District's appropriation process.

⁹⁷ By repealing Section 6(b)(1) of the Office of Administrative Hearings Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03(b)(1)).

TITLE III– PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Assessment and Collection of the Emergency and Non-Emergency Telephone Calling Systems Fund Fee Amendment Act of 2010

Background

The proposed subtitle would amend the Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000⁹⁸ to make clear that each CMRS⁹⁹ provider and CMRS reseller must remit the existing fee of \$0.76 per line for *postpaid* wireless telephone exchange service, as well as remit a *new* fee in the amount of two percent of the cost of each *prepaid* wireless service or device purchased by a person in the District. It also would require each entity that pays the E-911 fee¹⁰⁰ to maintain sufficient books and records to determine liability for the fee and submit information to the Mayor concerning the amount of tax remitted, the calculation of that fee and other relevant data, as requested.

Financial Plan Impact

Currently, CMRS providers and CMRS resellers are already remitting the fee for postpaid services. However, only a portion of these are remitting fees for prepaid wireless service and are doing so using the existing fee of \$0.76 per line. Clarifying that fees are due on prepaid services and providing new fees for these services would likely lead to increased revenues for the Emergency and Non-Emergency Number Telephone Calling Systems Fund (E-911 Fund),¹⁰¹ which is administered by the Office of Unified Communications. However, there is not sufficient data to reliably estimate this increase, as is it not known how many such prepaid services are purchased in the District.

⁹⁸ Effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1801 *et seq.*).

⁹⁹ "CMRS" means commercial mobile radio service as defined in 47 CFR § 20.3; "CMRS provider" means an entity authorized by the Federal Communications Commission to provide CMRS within the District; and "CMRS reseller" means a person who resells CMRS.

¹⁰⁰ As established under the Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000, effective October 19, 2000, D.C. Law 13-172; D.C. Official Code § 34-1803.

¹⁰¹ See D.C. Official Code § 34-1802 for full details on this fund. Per subsection (b), the fund "shall be used solely to defray personnel and non-personnel costs incurred by the District of Columbia and its agencies and instrumentalities in providing a 911 system, and direct costs incurred by wireless carriers in providing E-911 service."

Subtitle (III)(B) – Emergency Communications Funding Amendment Act of 2010

Background

Under current District law,¹⁰² a fee calculated on the basis of each individual telephone line sold or leased in the District of Columbia is imposed upon all carriers, including wireline and wireless that connect users who dial or enter the digits 9-1-1 to the District's public safety answering points. The revenues are deposited into the Emergency and Non-Emergency Number Telephone Calling Systems Fund (E-911 Fund).¹⁰³ The proposed subtitle would increase the amount of the various E-911 fees as follows:

Proposed E-911 Fee Increases		
Type of Service	Current fee per line	Proposed fee
Exchange access line (wireline)	\$0.76	\$1.15
Centrex line (wireline)	\$0.62	\$1.01
Wireless telephone exchange	\$0.76	\$1.15
Interconnected VoIP	\$0.76	\$1.15

It also would add a number of new fees for multi-line service applications that can access the 911 system.¹⁰⁴ In doing so, it would restructure the fee structure on private branch exchange (PBX) stations, which are currently charged \$.62 per station. The new fees are as follows:

- \$3.00 per each multi-line telephone system PBX path, channel, or trunk;
- \$2.02 per each basic rate interface-integrated services digital network (ISDN) facility;
- \$3.00 per each VoIP H.323 channel, path, or trunk;
- \$3.00 per each VoIP session initiated protocol channel, path, or trunk;
- \$3.00 per each VoIP (or alternate technologies) channel, path, or trunk;
- \$3.00 per each time-division multiplexed channel, path, or trunk; and
- \$70.00 per each primary rate interface-ISDN digital signal 1.

Financial Plan Impact

The E-911 fee increases are estimated to generate an additional \$7 million in FY 2010 and in each of the out-years, which would be deposited into E-911 Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

¹⁰² Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000, effective October 19, 2000, D.C. Law 13-172; D.C. Official Code § 34-1803.

¹⁰³ See D.C. Official Code § 34-1802 for full details on this fund. Per subsection (b), the fund "shall be used solely to defray personnel and non-personnel costs incurred by the District of Columbia and its agencies and instrumentalities in providing a 911 system, and direct costs incurred by wireless carriers in providing E-911 service."

¹⁰⁴ These are all relatively new technologies.

Fiscal Impact of Subtitle (III)(B) – Emergency Communications Funding Amendment Act of 2010					
Estimated Revenue Impact to the E-911 Fund*					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenues	\$7,069,800	\$7,069,800	\$7,069,800	\$7,069,800	\$28,279,200

* Revenue projections for the E-911 Fund, as certified by the OCFO, estimate flat growth in the out-years.

Subtitle (III)(C) – Emergency Communications Personnel and Nonpersonnel Funding Amendment Act of 2010

Background

The proposed subtitle would amend the Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000¹⁰⁵ by repealing the provision that prohibits any monies in the Emergency and Non-Emergency Number Telephone Calling Systems Fund (E-911 Fund)¹⁰⁶ from being used to defray personnel costs after October 1, 2008.

Financial Plan Impact

Implementation of this subtitle would not impact the budget and financial plan.

¹⁰⁵ Effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1802(b-1)).

¹⁰⁶ See D.C. Official Code § 34-1802.

TITLE IV – PUBLIC EDUCATION SYSTEM

Subtitle (IV)(A) – Pre-k Enrollment Amendment Act of 2010

Background

The proposed subtitle would amend¹⁰⁷ rules governing pre-kindergarten enrollment for students at District of Columbia public charter schools. Specifically, Subtitle IV(A) would provide that enrollment for pre-kindergarten programs at public charter schools would follow the same enrollment rules that otherwise apply to charter schools, as set forth in section 2206 of the District of Columbia School Reform Act of 1995.¹⁰⁸

Admission to public charter schools is based on a principle of open enrollment for all students who are District of Columbia residents. If there are more applicants to enroll in a public charter school than there are spaces available, then students are admitted through a random selection process. Preference in admission may be granted to the sibling of a student who is already attending the school or has been admitted to the school, or an applicant who is a child of a member of the public charter school’s founding board.¹⁰⁹

Financial Plan Impact

The proposed subtitle would have no impact on the budget and financial plan, because it does not mandate any pre-kindergarten services not currently required by current law, nor would it change the number of children served or the type or intensity of the services the children receive. As stated above, the only effect of the subtitle is to clarify the provisions for admitting children to pre-kindergarten programs operated by public charter schools.

Subtitle (IV)(B) – Direct Loan Fund for Charter School Improvement Amendment Act of 2010

Background

The proposed subtitle would amend the statutory language governing the “Direct Loan Fund for Charter School Improvement,”¹¹⁰ to elucidate that a \$2 million limit on loans to a charter school applies to a charter school *campus*, and not per charter school. Current law sets a \$2 million cap

¹⁰⁷ The proposed subtitle would amend the “Pre-K Enhancement and Expansion Act of 2008,” D.C. Law 17-202, which took effect on March 25, 2009.

¹⁰⁸ This law was enacted by the U.S. Congress as Public Law 104-134, approved on April 26, 1996.

¹⁰⁹ Enrollment of founders’ children is limited to no more than 10 percent of the school’s total enrollment or to 20 students, whichever is less.

¹¹⁰ The Direct Loan Fund was created by Division C (“District of Columbia Appropriations, 2003”) of P.L. 108-7, the “Consolidated Appropriations Resolution, 2003,” which was approved on February 20, 2003.

“per charter school,”¹¹¹ which has meant that charter school operators who establish additional schools or campuses (such as an elementary school, middle school, and high school) cannot receive more than \$2 million in loans through the Direct Loan Fund.

The Direct Loan Fund provides financing for the construction, purchase, renovation, and maintenance of charter school facilities. The Direct Loan Fund was capitalized by federal payments included in Congressional appropriations acts.

The Office of Charter School Financing and Support (part of the Office of the State Superintendent of Education) administers the Direct Loan Fund and determines the interest rates and terms that apply to its loans.

Financial Plan Impact

The proposed subtitle would have no impact on the budget and financial plan, because it would not make any change in the balance of the Direct Loan Fund. Rather, Subtitle IV(B) could affect the distribution of loans (by allowing schools with more than one campus to get more assistance) but not the total amount of resources committed by the Direct Loan Fund.

As of December 31, 2009, the Direct Loan Fund had an ending fund balance of \$26,907,535 as well as commitments of \$15,740,542. The net funds available totaled \$11,166,993 (ending fund balance minus commitments).¹¹²

Subtitle (IV)(C) – Charles Sumner School Use Fee Establishment Act of 2010

Background

The proposed subtitle would authorize the Office of the State Superintendent of Education (OSSE) to charge and collect fees at published rates for use of the Charles Sumner School Museum and Archives (Sumner School) facility and grounds. The fees would be deposited into the general local fund as non-tax revenue.

The Sumner School is a national historic landmark¹¹³ that was built in 1872 as a school for African-American children. The building underwent a renovation in 1984-1986, and reopened as a museum and archives that would serve as a cultural community space while preserving and interpreting the history of the D.C. Public Schools (DCPS). Administrative responsibility for the Sumner School was transferred from DCPS to OSSE in 2007.

¹¹¹ See D.C. Official Code § 38-1833.02(d).

¹¹² Data provided by the Office of Charter School Financing and Support, Office of the State Superintendent of Education.

¹¹³ The Sumner School was added to the District of Columbia Inventory of Historic Sites in 1978 and to the National Register of Historic Places in 1979.

Since 1986, the Sumner School has offered space to government and non-profit groups at no cost. This subtitle would allow the Sumner School to collect fees for the use of its space and its kitchen.

Financial Plan Impact

Subtitle IV(C) would have a positive fiscal impact, raising general fund revenue by an estimated \$68,475 in FY 2011 and by \$273,900 in the FY 2011 through FY 2014 period. This estimate is based on the assumptions regarding fees and usage of space at the Sumner School outlined below. The impact of this subtitle is already incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle IV(C) – Charles Sumner School Use Fee Establishment Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Revenues from user fees	\$68,475	\$68,475	\$68,475	\$68,475	\$273,900

OSSE proposes to implement separate fee schedules for (1) for profit-organizations, and (2) non-profit and government organizations. Programs and activities sponsored by DCPS or OSSE would not be charged to use the facility. The proposed fee schedules are shown in the following table:

Service	Daily Rate* (more than 4 hours)	Hourly Rate* (under 4 hours)
For-Profit Organization	\$100 to \$250	\$30 to \$60
Non-Profit or Government Organization	\$70 to \$175	\$20 to \$40
Use of Kitchen	\$75	\$75

* The range of costs reflects the charges for different rooms within the Sumner School.

During fiscal year 2009, 664 events were held at the Sumner School. Approximately 80 percent of the users of space at the Sumner School were non-profit organizations, and 10 percent of the users were D.C. government agencies. The other users included federal government agencies and music programs.

Although some non-profit organizations and government agencies might stop using the Sumner School for their events if a fee were imposed, the Sumner School would also gain new business by offering its space to for-profit organizations. Therefore, the fiscal impact estimate is based on a projection of stable usage (664 events annually) for FY 2011 through FY 2014.

DCPS and OSSE programs (which would be exempt from the fee requirement) are expected to account for approximately 10 percent of total users. Among the 600 events that would generate fees each year, the government and non-profit agencies that have historically used the Sumner School are projected to account for 90 percent of the business (540 events) and for-profit organizations projected to account for 10 percent of the business (60 events).

Additional assumptions are as follows: half of the users are projected to use the Sumner School for a daylong event and the other half are projected to use the facility on an hourly basis, with an average usage of two hours. The rate assigned to each type of user falls exactly at the midpoint of the fee schedule: daily and hourly rates of \$175 and \$45, respectively, charged to for-profit organizations, and \$122.50 and \$30, respectively, for non-profit and government agencies. One-quarter of the users are projected to use the kitchen.¹¹⁴ These assumptions produce the annual revenue estimate shown below.

	# of Full-Day Events x Avg. Rate	Revenue, Full-Day Events	# of Part-Day Events x Avg. Rate	Revenue, Part-Day Events	Kitchen Use	Kitchen Revenue	Total Revenue
For-Profit	30 x \$175	\$5,250	30 x \$45 x 2	\$2,700	15 events x \$75	\$1,125	\$9,075
Non-Profit and Government	270 x \$122.5	\$33,075	270 x \$30 x 2	\$16,200	135 events x \$75	\$10,125	\$59,400
Total Revenue		\$38,325		\$18,900		\$11,250	\$68,475

Subtitle (IV)(D) – Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2010

Background

The proposed subtitle, which would amend the "Uniform per Student Funding Formula for Public Schools and Public Charter Schools and Tax Conformity Clarification Amend Act of 1998,"¹¹⁵ has three major effects.

First, Subtitle (IV)(D) would increase the base funding per-student from \$8,770 in FY 2010 to \$8,945 in FY 2011 (a 2 percent increase).

Second, Subtitle (IV)(D) would maintain for FY 2011 the existing weights applied to the base funding level for (1) students enrolled at certain grade levels, (2) students requiring special education, (3) students enrolled at residential schools, and (4) students with special needs who require extended school years as a condition of their Individualized Education Programs.

Third, Subtitle (IV)(D) would delete two categories in the uniform per student funding formula: (1) Level 5 special education – residential, which has a weight of 9.4 under current law, and (2) special education Level 5, extended school year, which has a weight of 1.588 under current law. During the 2008 to 2009 and 2009 to 2010 school years, no students fell into either of these categories.¹¹⁶

¹¹⁴ This estimate was based on information provided by staff of the Sumner School.

¹¹⁵ D.C. Law 12-207, effective March 26, 1999.

¹¹⁶ Government of the District of Columbia, FY 2010 Proposed Budget and Financial Plan: Meeting the Challenge, Agency Budget Chapters, Part II (September 29, 2009), pp. D-22 and D-59, and Government of the District of

The resulting weights for the uniform per student funding formula (UPSFF) during FY 2011 are shown in the tables below.

Weighting and Per Pupil Allocation, Grade Levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2011
Pre-School	1.34	\$11,987
Pre-Kindergarten	1.30	\$11,629
Kindergarten	1.30	\$11,629
Grades 1-3	1.00	\$8,945
Grades 4-5	1.00	\$8,945
Ungraded ES	1.00	\$8,945
Grades 6-8	1.03	\$9,214
Ungraded MS/JHS	1.03	\$9,214
Grades 9-12	1.16	\$10,377
Ungraded SHS	1.16	\$10,377
Alternative Program	1.17	\$10,466
Special Education	1.17	\$10,466
Adult	0.75	\$6,709

General Education Add-ons			
Level/Program	Definition	Weighting	Per Pupil Supplemental FY 2011
LEP/NEP	Limited and non-English proficient students	0.45	\$4,025
Summer	An accelerated instructional program in the summer for students who do not meet literacy standards pursuant to promotion policies of DCPS and the Charter Schools	0.17	\$1,521

Special Education Add-ons			
Level/Program	Definition	Weighting	Per Pupil Supplemental FY 2011
Level 1: Special Education	Eight hours or less per week of specialized services	0.52	\$4,652

Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services	0.79	\$7,067
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services	1.56	\$13,955
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	2.83	\$25,315
Residential	DCPS or Charter School that provides students with room and board in a residential setting, in addition to their instructional program.	1.70	\$15,207

Special Education Residential Add-ons			
Level/Program	Definition	Weighting	Per Pupil Supplemental FY 2011
Level 1: Special Education – Residential	Additional funding to support the after-hours Level 1 special education needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	0.374	\$3,346
Level 2: Special Education - Residential	Additional funding to support the after-hours Level 2 special education needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	1.360	\$12,166
Level 3: Special Education - Residential	Additional funding to support the after-hours Level 3 special education needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	2.941	\$26,308
Level 4: Special Education – Residential	Additional funding to support the after-hours Level 4 special education needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	2.924	\$26,156
LEP/NEP – Residential	Additional funding to support the after-hours Limited and non-English proficiency needs of students living in a DCPS or Charter School that provides students with room and board in a residential setting	0.680	\$6,083

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in their Individualized Education Programs (IEPs)			
Level/Program	Definition	Weight	Per Pupil Supplemental FY 2011
Special Education Level 1 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.064	\$569
Special Education Level 2 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.231	\$2,068
Special Education Level 3 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.500	\$4,472
Special Education Level 4 ESY	Additional funding to support the summer school/program need for students who require ESY services in their IEPs	0.497	\$4,446

Financial Plan Impact

The proposed FY 2011 through FY 2014 budget and financial plan reflects the impact of the base funding per-student level and the add-on weights that are included in Subtitle IV (D).

Under the proposed subtitle, DCPS would receive \$563,538,346 for its instructional budget through the UPSFF, based on the per-student funding and add-on weights described above. The public charter schools would receive \$433,791,938 for their instructional budgets through the UPSFF, also based on the per-student funding and add-on weights above.

Subtitle (IV)(E) – Child Care Policy Enforcement Amendment Act of 2010

Background

The proposed subtitle would amend the "Day Care Policy Act of 1979"¹¹⁷ to authorize the Mayor to impose fines for the violation of District of Columbia and federal child-care laws and regulations.

First, Subtitle (IV)(E) would clarify that any child development center or child development home that contracts with the Mayor to provide day care shall comply with all applicable provisions of District regulations as well as federal law and regulations.¹¹⁸

¹¹⁷ D.C. Law 3-16, effective September 19, 1979.

Second, Subtitle (IV)(E) would authorize the Mayor to impose and collect fines for violations of the Day Care Policy Act of 1979, and for violations of District of Columbia or federal child-care laws or regulations. The Mayor would use existing rule-making authority provided by the Day Care Policy Act of 1979 to establish a schedule of fines. In addition, civil infraction fines, penalties, and fees would be authorized as alternative sanctions for violations of the child-care laws or regulations, pursuant to the "Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985."¹¹⁹ The revenue collected through fines, penalties, and fees would be deposited as non-tax revenue in the local component of the General Fund.

Financial Plan Impact

Fiscal Impact of Subtitle IV(E) – Child Care Policy Enforcement Amendment Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Revenues from fines, penalties, and fees – local revenue	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Revenues from fines, penalties, and fees – Department of Health Regulatory Enforcement Fund	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)

The proposed subtitle would increase local revenue flowing into the general fund by \$10,000 in FY 2011 and by \$40,000 in the FY 2011 through FY 2014 period, but would also result in a reduction of special-purpose revenue by the identical amounts of \$10,000 in FY 2011 and \$40,000 in the FY 2011 through FY 2014 period, as shown in the table above.

The Office of the State Superintendent of Education (OSSE) has estimated that it will collect \$10,000 in fees and fines from child-care enforcement, based on the experience of the Department of Health (DOH), which previously was responsible for inspecting child-care centers and homes, and issuing fees and fines, based on its own statutory authority.

DOH has the power to "regulate health care facilities and social service facilities," granted by D.C. Law 14-28, the "Fiscal Year 2002 Budget Support Act of 2001."¹²⁰ This law further provides that all fines and fees collected pursuant to this authority "shall be deposited in the Department of Health Regulatory Enforcement Fund to the credit of the administration within the Department of Health responsible for collecting the fees to support the activities of those programs."¹²¹

¹¹⁸ Current law only refers to compliance with "Regulation No. 74-34" governing "Child Development Facilities Regulation." See D.C. Official Code § 4-412(a).

¹¹⁹ D.C. Law 6-42, effective October 5, 1985.

¹²⁰ D.C. Law 14-28, effective October 3, 2001. See D.C. Official Code § 7-731(a)(4).

¹²¹ See D.C. Official Code § 7-731(c).

Therefore, this subtitle will result in a loss of \$10,000 in annual special-purpose revenue to DOH, which will be offset by an increase of \$10,000 in annual non-tax revenue flowing into the General Fund.

OSSE officials have stated that they have sufficient staff (10 employees in the licensing division) to implement the child-care enforcement requirements. OSSE also plans to continue the use of an existing schedule of fines for civil infractions that has been published in Title 16, Chapter 32 of the D.C. Municipal Regulations under the heading, "Civil Infractions: Schedule of Fines." The schedule of fines is summarized in the following table. Class 1 violations represent the most serious, egregious violations that are "imminently dangerous" to health, safety, or welfare, whereas Class 5 violations represent the least serious violations that "collectively create a nuisance but individually do not pose a threat to the health, safety, or welfare of persons within the District of Columbia."¹²²

Class of Infractions	Range of Fines (First Offense to Fourth and Subsequent Offenses)
Class 1	\$2,000 to \$16,000
Class 2	\$1,000 to \$8,000
Class 3	\$500 to \$4,000
Class 4	\$100 to \$800
Class 5	\$50 to \$400

Subtitle (IV)(F) – Student Hearing Office Transcript Fee Amendment Act of 2010

Background

The proposed subtitle would add a new section to the "State Education Office Establishment Act of 2000"¹²³ that would authorize the Office of the State Superintendent of Education (OSSE) to charge and collect fees at published rates for duplicating and providing student hearing transcripts for special education due process hearings. The fees would be deposited into the general fund as non-tax revenue.

A special education due process hearing is a formal review conducted by a trained, impartial hearing officer who is under contract with OSSE's Student Hearing Office. The Individuals with Disabilities Education Act (IDEA) requires that each state and the District of Columbia establish and follow procedures to ensure that families have an opportunity to seek mediation and/or an impartial due process hearing to resolve disagreements about the identification, evaluation, educational placement, or the provision of a free, appropriate public education for students with disabilities.

¹²² See Title 16, Section 3200.1 of the D.C. Municipal Regulations.

¹²³ D.C. Law 13-176, effective October 21, 2000.

Financial Plan Impact

Subtitle (IV)(F) would have a positive fiscal impact on the General Fund, raising an estimated \$24,925 in FY 2011 and \$99,700 in the FY 2011 through FY 2014 period. This estimate is based on the assumptions described below regarding the fees and the number of hearing transcripts that would be requested.

Fiscal Impact of Subtitle IV(F) – Student Hearing Office Transcript Fee Amendment Act of 2010					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Revenues from User Fees	\$24,925	\$24,925	\$24,925	\$24,925	\$99,700

OSSE has proposed a fee schedule for certified records, written transcripts, and audio hearing records, as shown in the following table. A "certified record" contains all of the documents entered into evidence at a due process hearing as well as the hearing officer's determination. OSSE based the proposed fee schedule on costs charged by judicial and government agencies in the Washington region.

Service	Fee
Certified Record	\$.50 per page*
Written Transcript	
Standard Delivery (5 days)	\$1.00 per page, up to 250 pp.
Expedited Delivery (3 days)	\$1.00 per page, up to 250 pp.
Next-Day Delivery	\$3.00 per page, up to 250 pp.
Same-Day Delivery	\$3.00 per page, up to 250 pp.
Audio Hearing Record	\$10.00

*There would be no fee for a certified record in the case of a request by a party who is appealing a hearing officer's determination.

Data provided by OSSE indicate that in FY 2009, there were:

- 58 requests for certified records, which had an average length of 445 pages.
- 94 transcript requests, which had an average length of 156 pages.
- 35 requests for audio transcripts.

Based on this data, the estimated annual fee revenue was calculated as follows:

- Certified Records: It was estimated that there would be 50 requests each year for certified records (note that there is no charge for certified records when a party is appealing a hearing officer's determination), and that certified records have an average length of 445 pages. Nevertheless, there is no additional charge for a record of more than 250 pages, and some records that will be shorter than 250 pages. Therefore, this estimate uses 225 as the number of pages for which a typical party would be charged. Thus, the total revenue would be \$5,625 (50 requests X 225 pages per request X \$.50 per-page)

- Written Transcripts: Because audio transcripts are less expensive than written transcripts under the proposed fee schedule, it was estimated that there would be a drop in the number of written transfer requests to 60 each year. An additional assumption is that there would be 15 requests, averaging 156 pages each, for each type of service (standard delivery, expedited delivery, next-day delivery, and same-day delivery). This would translate into \$2,340 in revenue from standard-delivery transcripts, \$2,340 in revenue from expedited-delivery transcripts, \$7,020 in revenue from next-day delivery, and \$7,020 in revenue from same-day delivery. The combined revenue would total \$18,720.
- Audio Hearing Records: It was estimated that there would be 60 requests for audio hearing records, which would raise \$600 in fees (60 X \$10).

The total annual estimated revenue from the Student Hearing Office Transcript Fee Fund is therefore \$24,925.

Subtitle (IV)(G) – Office of the State Superintendent of Education Survey Amendment Act of 2010

Background

The proposed subtitle would amend the "State Education Office Establishment Act of 2000" to require all providers of public education in the District of Columbia to participate in any survey or data collection, including the Youth Risk Behavior Survey, which is related to public school students or to the provision of public education, and is required by the Office of the State Superintendent of Education. Subtitle (IV)(G) specifies that the entities covered by this requirement include the D.C. Public Schools, public charter schools, entities operating publicly-funded educational programs, and the University of the District of Columbia.

The Youth Risk Behavior Survey is a national school-based survey carried out through a partnership of the U.S. Centers for Disease Control and Prevention with state and local education and health agencies. The Survey monitors six categories of high-risk behaviors as well as the prevalence of obesity and asthma among youth and young adults. The six categories of high-risk behavior are (1) behaviors that contribute to unintentional injuries and violence, (2) tobacco use, (3) alcohol and other drug use, (4) sexual behaviors that contribute to unintended pregnancy and sexually-transmitted diseases, (5) unhealthy dietary behaviors, and (6) physical inactivity.

Financial Plan Impact

Subtitle (IV)(G) would have no impact on the budget and financial plan, because it does not require additional employees or other resources to be implemented. There is a possibility that Subtitle (IV)(G) could have a positive impact on the District's revenue from federal grants or private donations because the data provided by the Youth Risk Behavior Survey are regarded as important to the development of well-targeted, evidence-based grant proposals.

TITLE V– HUMAN SUPPORT SERVICES

Subtitle (V)(A) –Medical Assistance Program Amendment Act of 2010

Background

Under current law,¹²⁴ prior to submitting or implementing a Medicaid plan, amendment, or waiver, the Mayor must submit the proposal to Council for approval.¹²⁵ The proposed subtitle would provide that review and approval by the Council of the Fiscal Year 2011 Budget and Financial Plan would constitute the Council review and approval required for any waiver, modification to the state plan, or modification to a waiver during fiscal year 2011.

Financial Plan Impact

Implementation of the proposed subtitle would not impact the District's budget and financial plan.

Subtitle (V)(B) – Hospital Assessment Act of 2010

Background

The proposed subtitle would institute a new assessment on hospitals equal to 1 percent of net patient revenue,¹²⁶ provide that interest at the rate of 1.5 percent per month would accrue on any unpaid balance, implement a monthly administrative penalty equal to 5 percent of the monthly assessment for hospitals that fail to file reports detailing gross patient revenue, deductions from gross patient revenue, and net patient, and implement a penalty equal to the tax owed for a hospital that knowingly provides false information on reports. It would also establish the Hospital Fund (Fund), a non-lapsing account within the General Fund, into which would be deposited: 1) the hospital assessments; 2) interest earned on the assessments; 3) interest and penalties collected under this Act; and 4) matching federal funds on assessments or other amounts collected under this Act. At least 90 percent of the monies in the Fund would have to be used to fund Medicaid services in the District. Lastly, the proposed subtitle would authorize the Mayor to audit the hospital's information, outline the procedures for hospitals to appeal an assessment or related charges, and provide actions to be taken if the federal government makes certain determinations on the assessment.

¹²⁴ 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(a)).

¹²⁵ If the Council does not approve or disapprove the submission within 30 days of receipt from the Mayor, the plan is deemed approved.

¹²⁶ Defined as gross patient revenue less deductions resulting from a hospital's inability to collect full payment of its established charges to patients.

Financial Plan Impact

Implementation of the new hospital assessment is estimated to increase revenues by \$25 million in FY 2011 and \$126 million over the four-year budget and financial plan period. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (V)(B) – Hospital Assessment Act of 2010 Estimated Impact of Assessment on the Hospital Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Annual Revenues^b	\$25,342,150 ^a	\$33,789,534	\$33,789,534	\$33,789,534	\$126,710,752

^a Only three quarters of revenue would be collected in FY 2011.

^b Revenue growth is estimated to be flat.

Subtitle (V)(C) – Contract Between the District and the School of Public Health at the George Washington University Approval Act of 2010

Background

The proposed subtitle would allow the Department of Health Care Finance (DHCF) to use up to \$1.6 million of the gross funds included in its fiscal year 2010 budget for a contract with the School of Public Health at the George Washington University, negotiate rates and services, and use the contract at its discretion to conduct management and administrative projects on an as-needed basis.

Financial Plan Impact

DHCF has sufficient funds available in its FY 2010 budget to cover the \$1.6 million contract.

Subtitle (V)(D) – Medicaid Resource Maximization Amendment Act of 2010

Background

The proposed subtitle would amend the Health Maintenance Organization Act of 1996¹²⁷ to no longer exclude health maintenance organizations (HMOs) from paying taxes equal to 2 percent of their policy and membership fees and net premium receipts or consideration received pursuant to the District Medicaid Program, the Healthy DC Program, or the DC HealthCare Alliance. All new revenues collected exclusively from the expansion of the tax would be deposited into the "Healthy DC and Health Care Expansion Fund" (Fund), the new name the proposed subtitle

¹²⁷ Effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 31-3403.01).

would establish for the currently-named Healthy DC Fund.¹²⁸ The Fund would remain a non-lapsing fund, but monies in the Fund could now be used to fund other medical assistance programs administered by the Department of Health Care Finance (DHCF) instead of solely the Healthy DC program. Monies currently collected from the tax would continue to be deposited as follows: 75 percent would be deposited in the newly named Fund, while the other 25 percent would be deposited into the local component of the General Fund.

The proposed subtitle would also amend the Insurance Regulatory Trust Fund Act of 1993¹²⁹ to change the definition of "direct gross receipts" to exclude policy or membership fees, net premium receipts, or consideration received from or paid by DHCF. Under current law, each insurer and HMO doing business in the District is to be annually assessed 0.3 percent of their direct gross for the purpose of supporting the Department of Insurance, Securities and Banking (DISB) oversight of these entities. However, since DISB does not perform this service for DHCF programs, it has never applied this assessment to these programs. Thus, this change would not have any effect on current practices, but rather would amend the law to accurately reflect them.

Financial Plan Impact

The proposed legislation would result in additional revenue of \$2.2 million in FY 2010, \$4.9 million in FY 2011 and \$26.6 million over the FY 2011 through FY 2014 budget and financial plan period. The proposed revised FY 2010 budget and FY 2011 through FY 2014 budget and financial plan already incorporates the effects of this change.

Fiscal Impact of Subtitle (V)(D) – Medicaid Resource Maximization Amendment Act of 2010						
Estimated Impact of Expanding HMO Tax on the Healthy DC and Health Care Expansion Fund						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2011- FY 2014 Total
Total New Revenue	\$3,376,616	\$8,590,023	\$11,703,901	\$12,039,274	\$12,738,194	\$45,071,393
Increased Payments to MCOs*	(\$1,162,163)	(\$3,661,533)	(\$4,891,070)	(\$4,932,670)	(\$5,004,569)	(\$18,489,841)
Net Revenue	\$2,214,452	\$4,928,490	\$6,812,831	\$7,106,604	\$7,733,626	\$26,581,551

* According to DHCF, a rate increase would be provided to the Managed Care Organizations that would cover the additional tax. This rate increase would be done through regulations. If DHCF declines to do the rate increase, the total fiscal impact would be equal to the Total New Revenue.

¹²⁸ Established by the Hospital and Medical Services Corporation Regulatory Act of 1996, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 31-3514.02).

¹²⁹ Effective October 21, 1993 (D.C. Law 10-40; D.C. Official Code § 31-1201).

Subtitle (V)(E) – Intermediate Care Facilities Amendment Act of 2010

Background

The proposed subtitle would amend Title 47 of the D.C. Official Code to change how the monies in the Stevie Sellows Quality Improvement Fund (Fund)¹³⁰ are to be used. Previously they were to be used for funding quality of care improvements and covering the costs for administering the Fund. Now they are to be used solely for reimbursing Intermediate Care Facilities for the Mentally Retarded (ICF-MRs) for the services they provide. It would also eliminate the requirements that any remaining monies be used to increase the Medicaid *per diem* reimbursement rate for each ICF-MR above the FY 2006 rate and that the Mayor submit to the Council as part of the annual budget a request for appropriation for expenditures from the Fund.

Financial Plan Impact

Changing how the money in the Fund is spent would have no impact on the budget and financial plan.¹³¹

Subtitle (V)(F) – Emergency Housing Assistance Amendment Act of 2010

Background

The proposed subtitle would amend Section 19-701(a) of the D.C. Official Code to transfer cash, including real or personal property reduced to cash, received or obtained by the District from a deceased individual who has no surviving relatives (*i.e.*, escheatment) to the Department of Human Services (DHS) for uses consistent with the emergency assistance described in the Homeless Services Reform Act of 2005, effective October 22, 2005.¹³² These include emergency assistance grants to individuals and families in need of cash assistance for mortgage, rent, or utility bills in arrears or for a security deposit or first month's rent.

Financial Plan Impact

The proposed subtitle establishes the uses for the Escheated Estate Fund, and its implementation of the proposed subtitle would not impact the budget and financial plan.

¹³⁰ This is a non-reverting fund that is separate from the General Fund. Assessments collected from ICF-MRs are deposited into this Fund.

¹³¹ Notwithstanding this provision, the Stevie Sellows Quality Improvement Fund will receive \$1.07 million in annual revenues starting FY 2011.

¹³² D.C. Law 16-35; D.C. Official Code § 4-753.01(e).

Subtitle (V)(G) – Department of Health Fee Modifications Act of 2010

Background

The proposed subtitle would allow the Mayor to adjust by rule the fees established in Section § 47-2827 of the D.C. Official Code, which covers licensing for commission merchants in food, bakeries, markets, restaurants, private clubs, etc.¹³³ *Subtitle (II)(C)- Licensing, Permitting, and Corporate Filings Act of 2010* provides the proposed increases for four of these biennial renewal licensure fees: restaurant food, bakery food, delicatessen food, and food products. These fees are collected by the Department of Consumer and Regulatory Affairs (DCRA) and then transferred to the Department of Health (DOH).¹³⁴ The proposed subtitle would also amend sections of the District of Columbia Municipal Regulations to increase the renewal fees for acupuncturists, chiropractors, nursing home administrators, pharmacists, and social workers; various fees related to pharmacies, and nursing home licensure fees.

Financial Plan Impact

The proposed increases are expected to increase revenue by approximately \$753,000 in FY 2011 and by \$2.26 million over the budget and financial plan period. The impact of the proposed subtitle is already included in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (V)(G) – Department of Health Fee Modifications Act of 2010					
Estimated Impact of Fee Increases on the General Fund ^a					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Biennial Renewal License Fees (DCRA) ^b	\$223,703	\$223,703	\$223,703	\$223,703	\$894,811
Other Fees ^c	\$529,227	\$152,600	\$529,227	\$152,600	\$1,363,654
Total Increases in Revenues	\$752,930	\$376,303	\$752,930	\$376,303	\$2,258,465

^a Assumes no changes in current levels of licenses.

^b Assumes biennial renewals would be spread evenly over two years and that none of the increased revenue would be withheld by DCRA.

^c Funds deposited to various special purpose funds in DOH.

¹³³ In total, it covers licensing for commission merchants in food, bakeries, bottling, candy-manufacturing, ice cream manufacturers, groceries, markets, delicatessens, restaurants, private clubs, wholesale fish dealers, and dairies.

¹³⁴ The other fees listed are the current fees charged. DCRA collects these fees, takes a small portion to cover their administrative costs and then transfers the rest to DOH's Food Handlers Fund, which is a special purpose revenue fund.

Subtitle (V)(H) – Office of Human Rights and Commission on Human Rights Fee Schedule Amendment Act of 2010

Background

The proposed subtitle would amend The Human Rights Act of 1977¹³⁵ to authorize the Office of Human Rights (OHR) to impose an administrative fee on a respondent for any mediation sessions that take place after an initial one, to authorize the Commission on Human Rights (Commission) to impose fees upon losing respondents to cover the adjudication costs, and to authorize the Commission to impose a fee on non-District government individuals or entities attending one of the Commission's trainings, conferences, seminars, or symposiums. It would also amend the Service Improvement and Fiscal Year 2000 Budget Support Act of 1999¹³⁶ to authorize OHR to impose a fee on non-District government individuals or entities attending one of the OHR's trainings, conferences, seminars, or symposiums.

Financial Plan Impact

The proposed subtitle would likely result in additional revenues for the General Fund; however, since no fee schedule has been established to date, it is not possible to estimate this increase.

Subtitle (V)(I) – Children and Youth Investment Trust Corporation Act of 2010

Background

The proposed subtitle require that \$500,000 of the funding provided to the Children and Youth Investment Trust Corporation in FY 2011 be provided for competitive grants to support community-based targeted gang intervention and outreach.

Financial Plan Impact

The proposed subtitle would specify how a part of the funding provided to the Children and Youth Investment Trust Corporation, a non-profit, non-governmental organization, be spent. The funding for this entity is already incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (V)(J) – Department of Health Care Finance Conforming Amendments Act of 2010

Background

¹³⁵ Effective December 13, 1977 (D.C. Law 2-38; D.C. Official Code § 2-1401.01 *et seq.*).

¹³⁶ Effective October 20, 1999 (D.C. Law 13-38; D.C. Official Code § 2-1411.01 *et seq.*).

The proposed subtitle would amend the Health Care Privatization Amendment Act of 2001¹³⁷ to reflect current practices: the Health Care Safety Net Administration resides within the Department of Health Care Finance (DHCF) and not the Department of Health (DOH), and subsequently revenues within the Health Care Safety Net Fund (Fund) are continually available for use by DHCF and not DOH.

Financial Plan Impact

The conforming amendments contained in the proposed subtitle would have no effect on the District's budget and financial plan.

Subtitle (V)(K) – Grandparent Caregivers Program Subsidy Amendment Act of 2010

Background

The proposed subtitle would amend the Grandparent Caregivers Pilot Program Establishment Act of 2005¹³⁸ to require that the subsidy the Mayor must establish by rule be no less than 50 percent and no more than 105 percent of the regular daily rate of the subsidy for a long-term permanent Level 1 guardianship.¹³⁹ Under current law, the subsidy is to be within 5 percent (no less than 95 percent and no more than 105 percent) of the regular daily rate.

Financial Plan Impact

Lowering the minimum of subsidies for grandparent caregivers would not have an impact on the District's budget and financial plan. Subsidies for grandparent caregivers are subject to the availability of appropriations and are not an entitlement.

¹³⁷ Effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1401 *et seq.*).

¹³⁸ Effective March 8, 2006 (D.C. Law 16-69; D.C. Official Code § 4-251.04(b)).

¹³⁹ Established under Section 29-6103.3 of the District of Columbia Municipal Regulations.

TITLE VI - PUBLIC WORKS

Subtitle (VI)(A) - District Department of Transportation Unified Fund Amendment Act of 2010

Background

The proposed subtitle would amend¹⁴⁰ the Department of Transportation Establishment Act of 2002 to require that out of the first \$30 million in revenue derived from the sales and use taxes collected by the District for parking and storing, \$10.2 million would be transferred to the General Fund in FY 2011 and all subsequent years. Any revenue in excess of \$30 million would continue to be deposited into the Highway Trust Fund.

Financial Plan Impact

The proposed subtitle makes permanent section 203 of the FY 2009 Balanced Budget Support Temporary Amendment Act of 2008. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (VI)(B) – Parking Meter and Permit Amendment Act of 2010

Background

The proposed subtitle would amend Title 18, Chapter 24 of the District of Columbia Municipal Regulations to increase all Normal Demand parking zone meter rates to \$1 per hour, and create a Premium Demand parking zone with a \$3 per hour rate and a High Demand parking zone with a \$2 per hour rate. In addition, the proposed subtitle would increase the residential parking permit to \$25 annually.

Finally, the proposed subtitle¹⁴¹ would give the Mayor the authority to make and enforce the rules for on street parking in the District and set parking meter fees.

Financial Plan Impact

The increase in parking meter rates is estimated to generate approximately \$3.6 million in FY 2011 and a total of \$14.4 million over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the District Department of Transportation Unified

¹⁴⁰ The Department of Transportation Establishment Act of 2002, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 50-921.11(c)(2)).

¹⁴¹ By amending the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved February 16, 1942 (56 Stat. 91; DC Official Code §50-2603(5)).

Fund. The residential parking permit rate increase is estimated to generate \$1.2 million in FY 2011 and a total of \$4.8 million over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the General Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle VI(B) Parking Meter Amendment Act of 2010 Revenue Impact of the Proposed Parking Meter Rate and Residential Parking Permit Increases					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Revenue from Parking Meters – Impact on DDOT Unified Fund	\$3,590,778	\$3,590,778	\$3,590,778	\$3,590,778	\$14,363,113
Revenue from Parking Permits – Impact on Local General Fund	\$1,199,100	\$1,199,100	\$1,199,100	\$1,199,100	\$4,796,400

Subtitle (VI)(C) – Public Space Permit Enhancement Amendment Act of 2010

Background

The proposed subtitle¹⁴² would allow the Mayor to charge a technology fee on all public space permit applications equal to 10 percent of the total value of the permit

Financial Plan Impact

The technology fee is estimated to generate \$170,000 in FY 2011 and a total of \$680,000 over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the District Department of Transportation Unified Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle VI(C) Public Space Permit Enhancement Act of 2010 Revenue Impact of the Proposed Technology Fee					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenue to DDOT Unified Fund ^a	\$170,000	\$170,000	\$170,000	\$170,000	\$680,000

^a In FY2009, DDOT received \$1.7 million in public space permit fees.

¹⁴² By amending the Fiscal Year 1997 Budget Support Act of 1996, effective April 9, 1997 (D.C. Law 11-198; D.C. Official Code § 10-1141.04) and Title 24 of the District of Columbia Municipal Regulations.

Subtitle (VI)(D) – Unclaimed Deposits for Excavation Work Amendment Act of 2010

Background

The proposed subtitle would¹⁴³ allow the District of Columbia to keep unclaimed deposits for excavation work in public space if they remain unclaimed one year after notification from the District Department of Transportation. Currently, the District collects a deposit before an excavation project begins and retains the deposit for two years after satisfactory restoration of the excavation site. A permittee can claim his or her deposit two years after excavation. Under the proposed subtitle, the deposit will be transferred to the Department of Transportation Unified Fund unless the permittee claims the deposit within one year of the notice of availability.

Financial Plan Impact

In FY 2011, DDOT plans to notify permittees about unclaimed deposits and will not be able to transfer unclaimed property until FY 2012. It is unknown at this time how many permittees will request a return of their deposit. Because of the uncertainty of the potential revenues, the fiscal impact of this provision is not incorporated into the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (VI)(E) – Steel Plate Fee Amendment Act of 2010

Background

The proposed subtitle would allow¹⁴⁴ the District Department of Transportation (DDOT) to establish a public space permit fee for the use of steel plates in public spaces. The fees would be based on the number of steel plates and days they remain in use, and the time of year they are installed.

Financial Plan Impact

The steel plate public space permit fee is estimated to generate \$3.1 million in FY 2011 and a total of \$10.7 million over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the District Department of Transportation Unified Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

¹⁴³ By amending the Uniform Disposition of Unclaimed Property Act of 1980, effective March 5, 1981 (D.C. Law 3-160; D.C. Official Code § 41-101 *et seq.*) and Title 24 of the District of Columbia Municipal Regulations.

¹⁴⁴ By amending 24 DCMR 225.1.

Fiscal Impact of Subtitle VI(D) Steel Plate Amendment Act of 2010					
Revenue Impact of the Proposed Fee Structure					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenue ^a	\$3,120,000	\$2,808,000	\$2,527,200	\$2,274,480	\$10,729,680

^a This assumes that in FY2011 there are on average 200 plates paying \$300 per plate fee over a five day period 52 weeks a year. The number of plates will decrease by 10 percent each year in the financial plan period.

Subtitle (VI)(F) – Bus Service Bus Stop Fee Amendment Act of 2010

Background

The proposed subtitle would amend Title 24, Chapter 2 of the District of Columbia Municipal Regulations to impose a public space permit fee on buses that park at designated locations in public space on a regular schedule to pick up and drop off passengers.

Financial Plan Impact

The bus public space permit fee is estimated to generate \$220,000 in FY 2011 and a total of \$880,000 over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the District Department of Transportation Unified Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle VI(E) Bus Service Bus Stop Fee Amendment Act of 2010					
Revenue Impact of the Proposed Fee Structure					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenue to DDOT Unified Fund	\$219,960	\$219,960	\$219,960	\$219,960	\$879,840

Subtitle (VI)(G) – Parking Meter Advertisement Amendment Act of 2010

Background

The proposed subtitle would allow¹⁴⁵ the Rights-of-Way Management Administration at the District Department of Transportation (DDOT) to oversee the parking meter advertising program, including entering into agreements with companies to place advertisements on multi-space parking meters and print advertisements on the back of receipts.

¹⁴⁵ By amending the Department of Transportation Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.01 et seq.)

Financial Plan Impact

The revenue generated through advertising on multi-space parking meters and printing advertising on parking meter receipts is estimated to be \$350,000 in FY 2011 and a total of \$2.45 million over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the local components of the General Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle VI(G) Parking Meter Advertisement Amendment Act of 2010					
Revenue Impact of the Proposed Advertising					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenue ^a	\$350,000	\$700,000	\$700,000	\$700,000	\$2,450,000

^a Revenue in FY 2011 is based on the assumption that the District will not enter into an advertising agreement until the middle of the fiscal year.

Subtitle (VI)(H) – Independent Taxicab Operator Business License Fee Amendment Act of 2010

Background

The proposed subtitle would establish a new Independent Taxicab Operator Business License¹⁴⁶ for taxicabs that are owned and operated by individuals. Currently, all independently owned and operated taxicab drivers pay \$125 annually for a license to operate their taxicab in the District. Based on the proposed subtitle, they would be required to pay \$250 annually.

Financial Plan Impact

Implementation of the proposed Independent Taxicab Operator Business License would generate an additional \$100,000 in FY 2011 and \$400,000 over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the local component of General Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle VI(G) Independent Taxicab Operator Business License Fee Amendment Act of 2010 Revenue Impact of the Proposed License					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenue	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000

^a There are approximately 800 independent taxicab operators in the District.

¹⁴⁶ By amending D.C. Code §47-2829

Subtitle (VI)(I) – Environmental Impact Screening Forms and Environmental Impact Statements Amendment Act of 2010

Background

The proposed subtitle would give the authority to the Mayor to increase the fee charged to an applicant for reviewing an EISF or preparing an EIS to \$55 per hour.¹⁴⁷ In addition, the proposed subtitle would allow the District Department of the Environment (DDOE)¹⁴⁸ to issue rules to assist District agencies in the review of an environmental impact screening form (EISF) and preparation of an environmental impact statement (EIS).

Financial Plan Impact

The proposed legislation is expected to generate \$66,000 in additional revenues in FY 2011 and approximately \$264,000 over the proposed FY 2011 through FY 2014 budget and financial plan. These funds would accrue to the local component of the General Fund. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (VI)(H) – Environmental Impact Screening Forms and Environment Impact Statements Amendment Act of 2010					
Estimated Revenue from EISF and EIS Fee Increase					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenues ^a	\$66,000	\$66,000	\$66,000	\$66,000	\$264,000

^a This estimate assumes that DDOE would do 30 EIS and ESIF reviews and on average, each review will take 40 hours.

Subtitle (VI)(J) – Clean and Affordable Energy Amendment Act of 2010

Background

The proposed subtitle would¹⁴⁹ modify the funding levels for the Sustainable Energy Trust Fund (SETF) and Energy Assistance Trust Fund (EATF) programs in FY 2011. Specifically, it would reduce the funding in the SETF for the existing natural gas, renewable energy incentive, and the energy efficiency programs, and would reduce the amount the District of Columbia would pay to a contractor to develop, coordinate, and provide programs to promote the sustainable use of

¹⁴⁷ By amending Title 20, Chapter 72 of the District of Columbia Municipal Regulations.

¹⁴⁸ By amending the District of Columbia Environmental Policy Act of 1989, effective October 18, 1989 (D.C. Law 8-36; D.C. Official Code § 8-109.09).

¹⁴⁹ By amending the Clean and Affordable Energy Amendment Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1773.01 *et seq.*).

energy. In addition, the proposed subtitle would reduce funding in FY 2011 for the EATF that supports existing low-income programs.

Financial Plan Impact

This proposed subtitle will reduce the obligations to be paid from the SETF and EATF by approximately \$13.6 million. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Subtitle (VI)(K) – Assent to the Dingell-Johnson Sport Fish Restoration Act Amendment Act of 2010

Background

The proposed subtitle would¹⁵⁰ update District of Columbia fish and game laws to assent to federal standards and would prohibit the diversion of fishing license fees for any other purpose than the administration of the District's fish and wildlife agency.

Financial Plan Impact

The proposed subtitle updates the fish and game laws to federal standards and would have no impact on the budget and financial plan.

Subtitle (VI)(L) – Motor Vehicle Moving Infractions Civil Fine Increase Amendment Act of 2010

Background

The proposed subtitle would amend Title 18 of the District of Columbia Municipal Regulations to increase civil fines for specified motor vehicle moving infractions, such as speeding, running a red light, running a stop sign, turning from the wrong lane and passing a stopped school bus. In total, it would increase 71 fines.

Financial Plan Impact

The fine increases are estimated to generate an additional \$7 million in FY 2010, \$28 million in FY 2011, and a total of \$112 million over the FY 2011 through FY 2014 budget and financial plan period. These funds would be deposited into the local component of the General Fund. The impact of the proposed subtitle is incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan.

¹⁵⁰ By amending An Act to Modernize the fish and game laws of the District of Columbia, and for other purposes, approved August 23, 1958 (72 Stat. 814; D.C. Official Code § 22-4328)

Fiscal Impact of Subtitle (VI)(K) – Motor Vehicle Moving Infractions Civil Fine Increase Amendment Act of 2010						
Estimated Revenue Impact to General Fund						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2011- 2014 Total
Increased Revenues	\$7,008,542	\$28,034,169	\$28,034,169	\$28,034,169	\$28,034,169	\$112,136,674

* Assumes a payment rate of 60 percent for the automated and 45 percent for other moving violations.

TITLE VII– FINANCE AND REVENUE

Subtitle (VII)(A) – Heights on Georgia Avenue Tax Exemption Amendment Act of 2010

Background

The proposed subtitle would amend the Heights on Georgia Avenue Tax Exemption Act of 2009¹⁵¹ to repeal the subject to appropriations provision.

Financial Plan Impact

Removing the subject to appropriations provision is expected to reduce revenue collections by \$52,000 in FY 2011 and \$447,000 over the budget and financial plan period. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (VII)(A) – Heights on Georgia Avenue Tax Exemption Amendment Act of 2010					
Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Residential Real Property Tax	\$12,000	\$25,000	\$165,000	\$170,000	\$372,000
Permit Fees	\$40,000	\$30,000	\$5,000	\$0	\$75,000
Total Negative Fiscal Impact	\$52,000	\$55,000	\$170,000	\$170,000	\$447,000

Additionally, the proposed subtitle would continue to have a fiscal impact beyond the financial plan period. The real property tax abatement would not expire until 30 years had passed or 50 percent of the units were no longer designated as affordable units as defined by the same law.

Subtitle (VII)(B) - Studio Theatre Housing Property Tax Exemption and Equitable Relief Amendment Act of 2010

Background

The proposed subtitle would amend the Studio Theatre Housing Property Tax Exemption and Equitable Relief Act of 2009¹⁵² to repeal the subject to appropriations provision, as well as the provisions that would have forgiven and refunded any recordation and transfer taxes, and any

¹⁵¹ Signed by the Mayor on January 25, 2010 (D.C. Act 18-286; 57 DCR 1175).

¹⁵² Effective December 17, 2009 (D.C. Law 18-96; 56 DCR 8526).

real property taxes and other related charges assessed against the real property from January 1, 2005 to December 17, 2009.

Financial Plan Impact

Repealing the various provisions is estimated to reduce revenues by \$27,247 in FY 2011 and \$101,084 over the budget and financial plan period. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan

Fiscal Impact of Subtitle (VII)(B) – Studio Theatre Housing Property Tax Exemption and Equitable Relief Amendment Act of 2010					
Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Foregone Property Tax	\$27,247	\$25,885	\$24,591	\$23,361	\$101,084

Note: Estimated assessed values for FY 2012-2014 based on neighborhood trends.

Additionally, the proposed legislation would continue to have a fiscal impact beyond the financial plan period because the real property tax exemption would apply indefinitely.¹⁵³

Subtitle (VII)(C)- First Congregational United Church of Christ Property Tax Abatement Act of 2010

Background

The proposed subtitle would amend Title 47 of the D.C. Official Code to exempt the real property currently subdivided as Lots 833 through 835 and 7000 through 7011 in Square 375 and known as the First Congregational United Church of Christ ("First Congregational") from real property tax. The exemption would remain in place as long as First Congregational owned the property. The proposed subtitle would also exempt the transfer by First Congregational of Lots 834, 835, 7003, 7006, 7007, 7008, 7009, 7010 and 7011 in Square 375 from the transfer tax; and would require that \$951,000 of the transfer tax and real property taxes and other related charges assessed against and paid by First Congregational on the real property located on Lots 823 and 831 in Square 375¹⁵⁴ for the period beginning February 1, 2008, and ending September 2009, when First Congregational sold the property, be forgiven and refunded to First Congregational. The refunds would be issued in three equal payments of \$317, 000 by January 2nd of each year, starting in 2011.¹⁵⁵

¹⁵³ As long as the property is owned by Studio Theater and used for housing in support of the non-profit activities of the theater.

¹⁵⁴ Lots 823 and 831 encompassed all of the lots in Square 375 owned by First Congregational in 2008. In 2009, the lots were subdivided into Lots 833 through 835 and 7000 through 7011.

¹⁵⁵ For details on the history of this property, please see the Fiscal Impact Statement issued on the emergency legislation, B18-04730, on October 2, 2009.

Financial Plan Impact

The refund of transfer and real property tax payments to First Congregational would result in a reduction in revenues of \$317,000 annually in FY 2011, FY 2012, and FY 2013, for a total of \$951,000 over the budget and financial plan period. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan

Fiscal Impact of Subtitle (VII)(C) – First Congregational United Church of Christ Property Tax Abatement Act of 2010 Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Transfer and Real Property Tax Refunds	\$317,000	\$317,000	\$317,000	\$0	\$951,000

**Subtitle (VII)(D) – Park Place at Petworth, Highland Park, and Highland Park Phase II
Economic Development Amendment Act of 2010**

Background

The proposed subtitle would amend the Park Place at Petworth, Highland Park, and Highland Park Phase II Economic Development Act of 2010¹⁵⁶ to repeal the subject to appropriations provision; and exempt The Park Place at Petworth¹⁵⁷, Highland Park¹⁵⁸, and Highland Park Phase II Properties¹⁵⁹ from the real property tax for 20 years starting on October 1, 2010 as follows: 10 years at percent abatement and a 5 percent reduction in abatement in years 11 through 20 until the annual real property taxation equals 100 percent.¹⁶⁰ All interest and penalties associated with real property taxes that have been assessed against these properties for the period beginning October 1, 2008 until 45 days after the effective date of this Act, and refund or credit any payments already made for this period would be forgiven.

Financial Plan Impact

Implementation of the proposed subtitle is estimated to reduce property tax collections by \$695,668 in FY 2011 and approximately \$2 million over the budget and financial plan period.

¹⁵⁶ Signed by the Mayor on January 25, 2010 (D.C. Act 18-290; 57 DCR 1186).

¹⁵⁷ Located in Square 2900, Lot 44. It is assumed Lots 820, 821, and 822 in Square 2900 will be combined to create Lot 44.

¹⁵⁸ Located in Square 2672, Lot 884 (part of Lot 717).

¹⁵⁹ Located in Square 2672, Lot 726.

¹⁶⁰ Under current law, the properties are to be exempt from real property tax for 20 consecutive years, 10 years at 100% and a 10 percent increase in years 11 through 20 until the annual real property taxation equals 100 percent.

The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Fiscal Impact of Subtitle (VII)(D) – Park Place at Petworth, Highland Park, and Highland Park Phase II Economic Development Amendment Act of 2010					
Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Foregone Property Taxes	\$445,200	\$445,200	\$445,200	\$445,200	\$1,780,802
Refunded Payments for Interest and Penalties	\$250,468	\$0	\$0	\$0	\$228,166
Total Negative Fiscal Impact	\$695,668	\$445,200	\$445,200	\$445,200	\$2,031,270

Notes:

- 1) The assessed value of the properties is estimated using neighborhood trends.
- 2) Assumes that approximately 93 percent of the Park Place project is residential and 7 percent commercial, and approximately 91 percent of the Highland Projects is residential and 9 percent commercial.
- 3) Assumes that no payments will be made.

Additionally, the proposed subtitle would continue to have a fiscal impact beyond the financial plan period. The real property tax on the properties would continue to be abated by 50 percent through 2020. Between 2021 and 2028, the abatement would decrease by 5 percent each year until the owners of these properties were fully liable for the real property taxes in FY 2030.

Subtitle (VII)(E) – Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance Amendment Act of 2010

Background

The proposed subtitle would amend the Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance Act of 2009¹⁶¹ to remove the subject to appropriations provision for FY 2010 through FY 2012; the subject to appropriations provisions would still apply for FY 2013 and later.

Financial Plan Impact

Implementation of the proposed subtitle is estimated to reduce property tax collections by \$4,871 in FY 2010, \$2,446 in FY 2011 and \$983,243 over the budget and financial plan period. The fiscal impact of removing the subject to appropriations provisions for FY 2010 through FY 2012 (\$4,871 in FY 2010, \$2,446 in FY 2011, and \$2,446 in FY 2012) is incorporated in the revised FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan. The fiscal impact in FY 2013 (\$486,273) and FY 2014 (\$492,078) is not funded, as the subject to appropriations provisions would still apply to these two years of the four year budget and

¹⁶¹ Effective December 17, 2009 (D.C. Law 18-97; 56 DCR 8528).

financial plan period. In the absence of additional funding, the property would lose its abatement in FY 2013.

Fiscal Impact of Subtitle (VII)(E) – Kelsey Gardens Redevelopment Project Real Property Limited Tax Abatement Assistance Amendment Act of 2010						
Estimated Revenue Impact to General Fund						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Commercial Property Tax Liability ⁴	\$10,634	\$9,623	\$9,623	\$56,823	\$57,391	\$133,461
Residential Property Tax Liability ⁵	\$88,423	\$87,008	\$87,008	\$523,635	\$528,872	\$1,226,523
TOTAL Property Tax Liability	\$99,056	\$96,631	\$96,631	\$580,458	\$586,263	\$1,359,984
Tax Obligation Under Subtitle	\$94,185	\$94,185	\$94,185	\$94,185	\$94,185	\$376,741
Foregone Property Tax Revenues	\$4,871	\$2,446	\$2,446	\$486,273	\$492,078	\$983,243
Fiscal Impact Incorporated into the Proposed Budget	\$4,871	\$2,446	\$2,446	NA	NA	\$4,892
Unfunded Impact	\$0	\$0	\$0	\$486,273	\$492,078	\$978,351

Notes:

- 1) Per the development plan filed by the D.C. Office of Planning, the groundbreaking will take place in FY 2010. It is assumed that the project would have secured the required HUD mortgage by the start date.
- 2) It is assumed that the property would be reassessed to reflect the improvements in FY 2013. The development plan gives the estimated value of the completed project as \$65,000,000.

The proposed subtitle would continue to have an impact after the budget and financial plan period, as the tax abatement would not expire until the stated maturity date of the mortgage with the U.S. Department of Housing and Urban Development (HUD). The developer indicated that they are pursuing a 40-year mortgage with HUD.

Subtitle (VII)(F) – New E-Conomy Transformation Amendment Act of 2010

Background

The proposed subtitle would amend Section 47-1817.06(a)(2)(C) of the District of Columbia Official Code to eliminate the five-year exemption on the 6 percent tax on taxable income for Qualified High Technology Companies¹⁶² currently given to those Qualified High Technology Companies that are located within a high technology development zone,¹⁶³ provided they were not certified prior to October 1, 2010.

¹⁶² Defined in D.C. Official Code § 47-1817.01.

¹⁶³ The term "high technology development zones" mean the geographic areas described in the priority development areas listed in D.C. Official Code § 2-1219.20 and as designated by the Mayor.

Financial Plan Impact

Eliminating the tax exemption is estimated to increase revenues by \$1.28 million in FY 2011 and \$7.4 million over the budget and financial plan period. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan

Fiscal Impact of Subtitle (VII)(F) – New E-Conomy Transformation Amendment Act of 2010 Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenues	\$1,277,994	\$1,840,311	\$2,083,130	\$2,236,489	\$7,437,923

Subtitle (VII)(G) – Earned Income Tax Credit Conformity Amendment Act of 2010

Background

The proposed subtitle would amend the D.C. Official Code¹⁶⁴ to conform the amount of the earned income tax credit (EITC) from 40 percent of the EITC allowed under section 32 of the Internal Revenue Code of 1986 to 39 percent specified by the Fiscal Year 2009 Balanced Budget Support Temporary Amendment Act of 2008. The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

Financial Plan Impact

Lowering the amount of the EITC credit is estimated to result in approximately \$1 million in additional tax revenue for FY 2011 and \$4.4 million over the budget and financial plan period.

Fiscal Impact of Subtitle (VII)(G) – Earned Income Tax Credit Conformity Amendment Act of 2010 Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Increased Revenues	\$1,028,534	\$1,067,953	\$1,124,032	\$1,183,023	\$4,403,542

¹⁶⁴ § 47-1806.04(f)(1)

Subtitle (VII)(H) – Non-Profit Tax Abatement Act of 2010

Background

The proposed subtitle would amend Title 47 of the D.C. Official Code by providing real property tax abatements to non-profit organizations¹⁶⁵ that purchase office space, or to property owners that lease office space to eligible non-profits in designated "emerging commercial neighborhoods" as defined by the legislation. It would designate six neighborhoods as "Eligible Non-Profit Zones" ("Zones"), and authorize the Mayor to designate another location at a later date.¹⁶⁶

Eligible non-profits or property owners would receive a real property tax abatement of \$8 per square foot for 10 consecutive years as long as they:

- Purchase/lease 5,000 square feet of office space;
- Occupy at least 75 percent of the office space purchased or leased;
- Purchase or lease the office space at the market rate, as determined by the Mayor, and net of real estate taxes;

¹⁶⁵ Designated as 501(c)(3), 501(c)(4), or 501(c)(6) entities by the federal government per 68A Stat. 163; 26 U.S.C. § 501 (c)(3), (4), and (6).

¹⁶⁶ Eligible Areas: 1) "Anacostia Non-Profit Zone" means all real property: Fronting on Good Hope Road, S.E., between the Anacostia Freeway and the 18th Street, S.E.; Fronting on Martin Luther King, Jr. Avenue, S.E., between S Street, S.E., and Suitland Parkway; Fronting on Howard Road, S.E., between the Anacostia Freeway and Bowen Road, S.E.; Fronting on Shannon Place, S.E., between U Street, S.E., and Chicago Street, S.E.. 2) "Capitol Riverfront Non-Profit Zone" means the area described as the Capitol Riverfront BID in section 208(b) of the Business Improvements District Act of 1996, effective October 18, 2007 (D.C. Law 17-27; D.C. Official Code § 2-1215.58(b)). 3) "Designated Non-Profit Zone" means an area of the District designated by the Mayor as one that will benefit from the location of a non-profit organization or an area to which a non-profit organization seeks to locate and for which the Mayor determines that it is in the best interests of the District to offer a tax abatement under this section to the non-profit organization. 4) "Minnesota-Benning Non-Profit Zone" means the area bounded by a line beginning at the intersection of Hayes Street, N.E. and Minnesota Avenue, N.E.; continuing northwest to the intersection of Hayes Street, N.E., and Kenilworth Avenue, N.E.; continuing northwest along Hayes Street, N.E., to Anacostia Avenue, N.E.; continuing due west to the eastern shoreline of the Anacostia River; continuing south along the eastern shoreline of the Anacostia River to Benning Road, N.E.; continuing east along Benning Road, N.E., to Anacostia Avenue, N.E.; continuing southerly along Anacostia Avenue, N.E., to Dix Street, N.E.; continuing east along Dix Street, N.E., to 34th Street, N.E.; continuing north along 34th Street, N.E., to Eads Street, N.E.; continuing southeast along Eads Street, N.E., to 36th Street, N.E.; continuing south along 36th Street, N.E., to Kenilworth Avenue, N.E.; continuing southeast along a straight line to the intersection of 35th Street, N.E., and Clay Place, N.E.; continuing southeast along Clay Place, N.E., to Minnesota Avenue, N.E., continuing northeast along Minnesota Avenue, N.E., to Clay Place, N.E.; continuing southeast and then east along Clay Place, N.E., to 40th Street, N.E.; continuing northeast along 40th Street, N.E., to Benning Road, N.E. (and including the area to the immediate east of 40th Street, N.E., that is zoned C-3-A); continuing northwest along Benning Road, N.E., to Minnesota Avenue, N.E. (and including the area to the immediate north of Benning Road, N.E., that is zoned C-3-A); continuing northeast along Minnesota Avenue, N.E., to Hayes Street, N.E. (and including the area to the immediate east of Minnesota Avenue, N.E., that is zoned C-3-A), the starting point. 5) "Mount Vernon Triangle Non-Profit Zone" means the area means the area described as the Mount Vernon Triangle BID in section 205(b) of the Business Improvements District Act of 1996, effective March 17, 2005 (D.C. Law 15-257; D.C. Official Code § 2-1215.55(b)) 6) "NoMA Non-Profit Zone" means the area described as the NoMA Improvement Association BID in section 207(b) of the Business Improvements District Act of 1996, effective March 8, 2007 (D.C. Law 16-245; D.C. Official Code § 2-1215.57(b)).

- Are not receiving any other real property tax abatement for the office space from the District; and
- Occupy the new office space by September 30, 2013, if the space is in the Capitol Riverfront Non-Profit Zone, Mount Vernon Triangle Non-Profit Zone, or NoMA Non-Profit Zone, or by September 30, 2016, if the office space is in the Anacostia Non-Profit Zone, a Designated Non-Profit Zone, or Minnesota-Benning Non-Profit Zone.

Eligible non-profits or property owners could not receive the tax abatement for more than 100,000 square feet of office space; the annual amount of the tax abatement could not exceed the eligible recipients' real property tax liability; and the amount of the abatement would be capped as follows:

- \$600,000 in the Anacostia Non-Profit Zone;
- \$2.6 million in the Capitol Riverfront Non-Profit Zone;
- \$800,000 in all Designated Non-Profit Zones¹⁶⁷;
- \$600,000 in the Minnesota-Benning Non-Profit Zone;
- \$1.2 million in the Mount Vernon Triangle Non-Profit Zone; and
- \$2.6 million in the NoMA Non-Profit Zone.

Lastly, the proposed subtitle would cap the total dollar amount of allowable tax abatements at \$500,000 per year in FY 2011 through FY 2014. During this period, the Mayor would stop issuing abatement certifications for qualified non-profits once the \$500,000 limit is reached.

Financial Plan Impact

Based on an assessment of the current market value and available office space in the designated areas,¹⁶⁸ the OCFO estimates that the \$500,000 limit on the tax abatements would be reached in FY 2011.¹⁶⁹ The impact of the proposed subtitle is incorporated in the proposed FY 2011 through FY 2014 budget and financial plan.

¹⁶⁷ This is an area to be designated by the Mayor as one that would benefit from the location of a non-profit organization or an area to which a non-profit seeks to locate and the Mayor deems to be in the best interest of the District.

¹⁶⁸ According to Delta Associates report on Associations in the Washington Metropolitan Area, in 2003, Associations occupied 24.9 million square feet of office space, with 14.8 million (59 percent) of the office space located in DC. The study reports that from 1993 to 2003 Associations absorbed 600,000 square feet of office space per year, and projected that from 2004 to 2006 Associations would absorb 700,000 square feet annually. Given these data, it seems reasonable to assume Associations could absorb the approximately 85,000 square feet that would be covered by the \$500,000 tax abatement in the emerging commercial neighborhoods defined in the legislation.

¹⁶⁹ For more details, see the fiscal impact statement from June 26, 2009 for "Tax Abatement for Non-profit Organizations Locating in Emerging Commercial Neighborhoods," which is available upon request from the OCFO.

Fiscal Impact of Subtitle (VII)(H) – Non-Profit Tax Abatement Act of 2010					
Estimated Revenue Impact to General Fund					
	FY 2011	FY 2012	FY 2013	FY 2014	Four Year Total
Tax Abatement	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000
Total Negative Fiscal Impact	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000

Additionally, the proposed subtitle would continue to have an impact after the financial plan period, as the tax abatements would remain in effect for ten years.

Subtitle (VII)(I) – Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010

Background

The proposed subtitle would require the Chief Financial Officer (CFO) to transfer to the unrestricted fund balance of the General Fund and recognize as FY 2011 revenue fund balances of \$92,099,968 from the Special Purpose Funds detailed in the table below.

Fiscal Impact of Subtitle (VIII)(I.1)		
Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010		
Transfer of Special Purpose Fund Balances to FY 2011 Local Fund		
Agency	Description	Amount
Office of the Chief Financial Officer	Recorder of Deeds Surcharge	\$2,635,084
	Bank Fees	\$847,113
Commission on the Arts and Humanities	Special Purpose Revenue	\$65,627
Office of the Attorney General	Child Support - Temporary Aid to Needy Families (TANF)/Aid to Families with Dependent Children (AFDC) Collections	\$4,999,999
	Child Support - Reimbursements and Fees	\$67,000
	Child Support - Interest Income	\$66,725
	Anti-Fraud Fund	\$193,541
District of Columbia Public Library	Miscellaneous Customer Service	\$9,630
Department of Employment Services	Workers' Compensation Special Fund	\$7,654,732
	Workers' Compensation Administration Fund	\$16,835,615
	Unemployment Insurance Interest/Penalties	\$107,719
	Unemployment Insurance Administrative Assessment Tax	\$9,299,514
Office of the Tenant Advocate	Condominium Conversion	\$1,026,781
Dept. of Consumer and Regulatory Affairs	Real Estate Guarantee and Education Fund	\$1,509,843
	Occupations and Professions Licensure Special Account	\$306,886
	Board of Engineers Fund	\$72,290
	Construction/Zoning Compliance Management Fund	\$444,340
	Green Building Fund	\$600,066

Fiscal Impact of Subtitle (VIII)(I.1)		
Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010		
Transfer of Special Purpose Fund Balances to FY 2011 Local Fund		
Agency	Description	Amount
Office of Cable TV and Telecommunications	Cable Franchise Fees	\$3,555,982
Dept. of Housing and Community Development	Land Acquisition for Housing Development Opportunities	\$3,806,186
	Multi-Family/ Rehabilitation Repayment	\$3,947,715
	Home Again Revolving Fund	\$949,807
Office of the People's Counsel	Advocate for Consumers	\$164,882
Office of the Deputy Mayor for Planning and Economic Development	Industrial Revenue Bond Program	\$818,275
	Economic Development Special Account	\$10,104,101
Metropolitan Police Department	Sale of Unclaimed Property	\$356,297
	Asset Forfeiture	\$192,744
Fire and Emergency Medical Services Dept.	Special Event Fees	\$93,232
Motor Vehicle Theft Prevention Commission	Insurance Violation Fines	\$159,960
Office of the Chief Medical Examiner	Medical Examiner Fees	\$17,121
District of Columbia Public Schools	Lease Income	\$200,081
	Pepco/Washington Gas	\$22,851
	Custodial	\$3,940
	Nonresident	\$112,877
	Security Deposits	\$80,852
	Cafeteria	\$101,091
	Hoop Dreams Scholarship Fund	\$178,910
	Career Cluster Project at Cardozo	\$14,543
Department of Parks and Recreation	Enterprise Fund Account	\$1,406,051
Department of Health	State Health Planning and Development Agency (SHPDA) Fees	\$74,763
	Vital Records Revenue	\$378,986
	Radioactive Waste Fees	\$11,605
	Food Handlers Certification	\$6,124
	Pharmacy Protection	\$160,382
	Radiation Protection	\$473,269
	Animal Control Dog License Fees and Fines	\$75,323
	Board of Medicine	\$1,409
	Health Facility Fee	\$18,768
	Human Services Facility Fee	\$121,404
	D.C. General Collections	\$71,141
	State Health Planning and Development Agency (SHPDA) Admission Fee	\$879,854
	Emergency Medical Services Fees	\$2,760
	Public Health Laboratory Fees	\$21,136
	Intermediate Care Facilities for Persons with Mental Retardation (ICF-MR) Fees and Fines	\$81,449
Department of Human Services	Social Security Insurance Payback	\$250,700

Fiscal Impact of Subtitle (VIII)(I.1)		
Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010		
Transfer of Special Purpose Fund Balances to FY 2011 Local Fund		
Agency	Description	Amount
District Department of Transportation	Tree Fund	\$539,467
District Department of the Environment	Underground Storage Tank Fines and Fees	\$24,321
	Soil Erosion/Sediment Control	\$800,000
	Pesticide Product Registration	\$1,740,000
	Storm Water Fees	\$69,508
	Renewable Energy Development Fund	\$7,415
	Adjudication Hearings (Water Quality)	\$16,932
	Wells Fund	\$562
	Hazardous Generator Fees	\$16,309
	Economy II	\$62,037
	Sustainable Energy Trust Fund	\$2,927,809
Energy Assistance Trust Fund	\$3,057,652	
Alcoholic Beverage Regulation Administration	Keg Registration Fees	\$42,312
Office of Contracting and Procurement	Surplus Personal Property	\$615
	Supply Schedule Sales Discount	\$135,953
Office of Unified Communications	911 and 311 Assessments	\$7,000,000
TOTAL		\$92,099,968

It would also require the CFO to transfer the certified revenues from the Special Purpose Funds detailed below into the unrestricted fund balance of the General Fund, and recognize them as revenue in the fiscal year specified. For FY 2011, \$41.3 million would be transferred and \$120 million would be transferred over the budget and financial plan period.

Fiscal Impact of Subtitle (VIII)(I.2)						
Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010						
Transfer of Revenues to FY 2011- FY 2014						
Agency	Description	FY 2011	FY 2012	FY 2013	FY 2014	Total
Department of Real Estate Services	Parking Fees	\$318,990	\$318,990	\$318,990	\$318,990	\$1,275,960
Office of the Chief Financial Officer	Payroll Service Fees	\$1,234	\$1,234	\$1,234	\$1,234	\$4,936
	Service Contracts	\$8,836	\$8,836	\$8,836	\$8,836	\$35,344
	Dishonored Check Fees	\$1,322	\$1,322	\$1,322	\$1,322	\$5,288
	Miscellaneous Revenue	\$1,038	\$1,038	\$1,038	\$1,038	\$4,152
	Unclaimed Property Contingency Fund	\$4,012	\$4,012	\$4,012	\$4,012	\$16,048
	Defined Contribution Plan Administration	\$124,372	\$124,372	\$124,372	\$124,372	\$497,488
	DC Lottery Reimbursement	\$9,807	\$9,807	\$9,807	\$9,807	\$39,228
	OPEB Trust Administration	\$13,776	\$13,776	\$13,776	\$13,776	\$55,104
Office of Planning	Historic Landmark and	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000

Fiscal Impact of Subtitle (VIII)(I.2) Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010 Transfer of Revenues to FY 2011- FY 2014						
Agency	Description	FY 2011	FY 2012	FY 2013	FY 2014	Total
	Historic District Filing Fees					
Department of Human Resources	Defined Benefits Retirement Program	\$5,456	\$5,456	\$5,456	\$5,456	\$21,824
	Reimbursables from Other Governments	\$2,952	\$2,952	\$2,952	\$2,952	\$11,808
Office of the Attorney General	DUI	\$2,851	\$2,851	\$2,851	\$2,851	\$11,404
	Antifraud Fund	\$174,688	\$174,688	\$174,688	\$174,688	\$698,752
Department of Employment Services	Unemployment Insurance Administrative Assessment	\$3,936,000	\$3,936,000	\$3,936,000	\$3,936,000	\$15,744,000
Office of the Tenant Advocate	Condominium Conversion	\$600,000	\$600,000	\$600,000	\$600,000	\$2,400,000
	Rental Accommodation Fees	\$576,036	\$576,036	\$576,036	\$576,036	\$2,304,144
Department of Consumer and Regulatory Affairs	Nuisance Abatement	\$80,889	\$80,889	\$80,889	\$80,889	\$323,556
	Real Estate Guaranty and Education Fund	\$501	\$501	\$501	\$501	\$2,004
	OPLA - Special Account	\$14,373	\$14,373	\$14,373	\$14,373	\$57,492
	Basic Business License Fund	\$793,509	\$543,509	\$793,509	\$43,509	\$2,174,036
	Construction/Zoning Compliance Management Fund	\$3,802	\$3,802	\$3,802	\$3,802	\$15,208
	Green Building Fund	\$5,191	\$5,191	\$5,191	\$5,191	\$20,764
Office of Cable Television	Cable Franchise Fees	\$1,875,030	\$1,875,030	\$1,875,030	\$1,875,030	\$7,500,120
Office of the People's Counsel	Advocate for Consumers	\$50,435	\$50,435	\$50,435	\$50,435	\$201,740
Metropolitan Police Department	Data Processing	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
	Miscellaneous	\$994	\$994	\$994	\$994	\$3,976
	Automated Traffic Enforcement	\$1,482,910	\$1,482,910	\$1,482,910	\$1,482,910	\$5,931,640
	Gambling Proceeds	\$2,476	\$2,476	\$2,476	\$2,476	\$9,904
Department of Corrections	Corrections Trustee Reimbursement	\$15,264	\$15,264	\$15,264	\$15,264	\$61,056
District of Columbia Public Schools	Nonresident	\$608	\$608	\$608	\$608	\$2,432
	Parking Fees	\$72,207	\$72,207	\$72,207	\$72,207	\$288,828
Public Charter School Board	Administrative Fees	\$21,051	\$21,051	\$21,051	\$21,051	\$84,204
Office of Public Education Facilities Modernization	Lease Income	\$1,953,213	\$1,953,213	\$1,953,213	\$1,953,213	\$7,812,852
Department of Parks	Enterprise Fund	\$1,298	\$1,298	\$1,298	\$1,298	\$5,192

Fiscal Impact of Subtitle (VIII)(I.2) Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010 Transfer of Revenues to FY 2011- FY 2014						
Agency	Description	FY 2011	FY 2012	FY 2013	FY 2014	Total
and Recreation	Account					
Department of Health	Vital Records Revenue	\$1,678	\$1,678	\$1,678	\$1,678	\$6,712
	Food Handlers Certification	\$227,153	\$227,153	\$227,153	\$227,153	\$908,612
	DOH - Regulatory Enforcement Fund	\$988	\$988	\$988	\$988	\$3,952
Department of Human Services	SSI Payback	\$825,000	\$825,000	\$825,000	\$825,000	\$3,300,000
Department of Disabilities Services	Vocation Rehabilitation Service Reimbursement	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
District Department of Transportation	Child Safety Seat Program	\$2,000	\$2,000	\$2,000	\$2,000	\$8,000
	DDOT Operating Fund	\$10,726,563	\$10,414,563	\$10,133,763	\$9,881,043	\$41,155,932
District Department of the Environment	Underground Storage Tank Fines And Fees	\$13,532	\$13,532	\$13,532	\$13,532	\$54,128
	Storm Water Fees	\$14,035	\$14,035	\$14,035	\$14,035	\$56,140
	Adjudication Hearings (Air Quality)	\$730	\$730	\$730	\$730	\$2,920
	D.C. Municipal Aggregation Program	\$39,253	\$39,253	\$39,253	\$39,253	\$157,012
	General O-Type Revenue Sources	\$200,000	\$200,000	\$200,000	\$200,000	\$800,000
	Solid Waste Disposal Fee Fund	\$208,973	\$208,973	\$208,973	\$208,973	\$835,892
	Clean City Fund	\$1,350	\$1,350	\$1,350	\$1,350	\$5,400
	Sustainable Energy Trust Fund	\$13,608,600	\$0	\$0	\$0	\$13,608,600
Department of Public Works	Fee - Out-Of-State Vehicle Registration	\$21,200	\$21,200	\$21,200	\$21,200	\$84,800
Department of Motor Vehicles	Commercial Drivers License Program	\$72,160	\$72,160	\$72,160	\$72,160	\$288,640
Office of Contracting and Procurement	D.C. Supply Schedule	\$1,531	\$1,531	\$1,531	\$1,531	\$6,124
Department of Mental Health	DMH Federal Beneficiary Reimbursement	\$53,479	\$53,479	\$53,479	\$53,479	\$213,916
Department of Insurance, Securities, and Banking	Insurance Assessment	\$135,341	\$135,341	\$135,341	\$135,341	\$541,364
	Securities Broker/Dealer Licenses	\$1,057,314	\$1,057,314	\$1,057,314	\$1,057,314	\$4,229,256
	Investment Advisors Licenses	\$450,200	\$450,200	\$450,200	\$450,200	\$1,800,800
	Captive Insurance	\$333,510	\$333,510	\$333,510	\$333,510	\$1,334,040
	Banking Trust Fund	\$342,868	\$342,868	\$342,868	\$342,868	\$1,371,472
	Title Insurance Fees (new)	\$750,000	\$0	\$750,000	\$0	\$1,500,000

Fiscal Impact of Subtitle (VIII)(I.2)						
Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010						
Transfer of Revenues to FY 2011- FY 2014						
Agency	Description	FY 2011	FY 2012	FY 2013	FY 2014	Total
D.C. Taxicab Commission	Taxicab Assessment Act	\$2,155	\$2,155	\$2,155	\$2,155	\$8,620
Office of Motion Pictures and Television Development	Production Support	\$5,151	\$5,151	\$5,151	\$5,151	\$20,604
TOTAL		\$41,306,885	\$26,386,285	\$27,105,485	\$25,352,765	\$120,151,420

Lastly, the proposed subtitle would require the CFO to transfer monies from either the fund balances or the certified revenues of the specified funds in the table below to the unrestricted fund balance of the General Fund, and recognize them as revenue in the fiscal year specified. For FY 2011, \$38.2 million would be transferred and \$58.6 million would be transferred over the budget and financial plan period.

Fiscal Impact of Subtitle (VIII)(I.3)					
Fiscal Year 2011 Transfer of Special Purpose Funds Act of 2010					
Transfer of Fund Balance/Revenue to FY 2011-FY 2104					
Fund	FY 2011	FY 2012	FY 2013	FY 2014	Total
Baseball Fund	\$289,000	\$636,360	\$1,796,896	\$17,933,786	\$20,656,042
Federal Commercial Revitalization Fund	\$2,046,579	\$0	\$0	\$0	\$2,046,579
Tobacco Fund	\$21,180,000	\$0	\$0	\$0	\$21,180,000
Medical Captive Liability Fund	\$8,824,000	\$0	\$0	\$0	\$8,824,000
Office on Aging Client Reserve Account	\$5,865,282	\$0	\$0	\$0	\$5,865,282
Total	\$38,204,861	\$636,360	\$1,796,896	\$17,933,786	\$58,571,903

Financial Plan Impact

The proposed subtitle would reduce fund balances and certified special purpose revenue in Special Purpose Funds by a total of \$171.6 million in FY 2011 and \$270.8 million over the budget and financial plan period, and would increase the local general revenue by the same amount. The impact of the proposed subtitle is incorporated in the FY 2010 budget and the proposed FY 2011 through FY 2014 budget and financial plan

Subtitle (VII)(J) – Capital Projects Modification Act of 2010

Background

The proposed subtitle would make substantial changes to the FY 2010 and FY 2011 capital budget authority.

First, it would realign the capital budget authority for 13 projects by rescinding the specified FY 2010 funding and adding that same amount back to the project in FY 2011 (and more in the case of one project).¹⁷⁰

Fiscal Impact of Subtitle (VII)(J) – Capital Projects Modification Act of 2010 Budget Authority Rescinded in FY 2010 and Added to FY 2011				
Agency	Project #	Project Title	FY 2010 Rescission Amount	FY 2011 Addition Amount
Office of the Deputy Mayor for Planning and Economic Development	EB013C	Barry Farm, Park Chester, Wade Rd	\$947,700	\$947,700
Office of the Deputy Mayor for Planning and Economic Development	EB402C	Pennsylvania Ave SE Properties	\$3,400,000	\$3,400,000
Fire and Emergency Medical Services	LB637C	Engine 15	\$2,508,457.43	\$2,508,457.43
Fire and Emergency Medical Services	LC337C	Engine 21	\$479,096.89	\$479,096.89
Fire and Emergency Medical Services	LC437C	Engine 22	\$5,100,000.00	\$5,100,000
Fire and Emergency Medical Services	LC837C	Engine 26	\$2,051,000	\$2,051,000.
Fire and Emergency Medical Services	LE337C	Engine 5	\$479,096.89	\$479,096.89
Fire and Emergency Medical Services	LE737C	Engine 27	\$1,533,743.	\$1,533,743
Fire and Emergency Medical Services	LE937C	Special Operations Facility	\$238,912	\$857,189.64
Fire and Emergency Medical Services	LI237C	Integrated Management Information System	\$860,639	\$860,639
District of Columbia Public Library	MCL03C	Martin Luther King Jr Memorial Library	\$901,351.60	\$901,351.60
Office of the Chief Technology Officer	EQ101C	Master Lease Wireless	\$1,865,215	\$1,865,215
Office of the Chief Technology Officer	N2101C	Mainframe Relocation	\$723,372	\$723,372
TOTAL			\$21,088,583.81	\$21,706,861.45

Second, it would realign the capital budget authority for Roper/Deanwood Recreation Center (QB338) by rescinding \$5 million of the funding for the project in FY 2011 and adding that \$5 million to the project for FY 2010.

Third, it would realign the capital budget authority of 5 projects by rescinding the specified FY 2010 funding for the "old project" and adding that same amount to the "new project" in FY 2011.¹⁷¹

¹⁷⁰ For the same project phases and from the same type of funding sources as the fiscal year 2010 rescinded amounts.

¹⁷¹ For the same project phases and from the same type of funding sources as the fiscal year 2010 rescinded amounts.

Fiscal Impact of Subtitle (VII)(J) – Capital Projects Modification Act of 2010 Budget Authority Rescinded in FY 2010 for Old Projects and Added to FY 2011 to New Projects			
Old Agency, Old Project # and Old Project Name	FY 2010 Rescission Amount	New Agency, New Project # and New Project Name	FY 2011 Addition Amount
D.C. Public Schools, NL937C, Complete Renovation and Modernization	\$1,417,422	Office of Public Education Facilities Modernization, YY130, Modernizations Underway	\$1,417,422
D.C. Public Schools, NR638C, H.D. Woodson	\$4,139,000	Office of Public Education Facilities Modernization, YY131, High School Modernization	\$4,139,000
D.C. Public Schools, SG120C, General Improvement	\$855,952.55	Office of Public Education Facilities Modernization, YY230C, Stabilization	\$855,952.55
D.C. Public Schools, SG138C, General Improvement	\$1,008,000	Office of Public Education Facilities Modernization, YY230C, Stabilization	\$1,008,000
D.C. Public Schools, SG305C, Modernization	\$2,721,939	Office of Public Education Facilities Modernization, YY230C, Stabilization	\$2,721,939
TOTAL	\$10,142,313.55		\$10,142,313.55

Fourth, it would rescind the FY 2010 capital budget authority in the amount of \$21.5 million for the following 5 projects.

Fiscal Impact of Subtitle (VII)(J) – Capital Projects Modification Act of 2010 Budget Authority Rescinded in FY 2010			
Agency	Project #	Project Name	FY 2010 Rescission Amount
Department of Transportation	EDS01C	Georgia Avenue/7th Street	\$4,825,286.30
Department of Transportation	EDS03C	Nannie Helen Burroughs	\$4,851,023.91
Department of Transportation	EDS04C	Minnesota Avenue	\$7,220,863.59
Department of Transportation	EDS06C	MLK Avenue/South Capitol Street	\$3,102,826.20
Master Equipment Lease/Purchase Program	FR102C	Move to Virginia Avenue	1,535,447
TOTAL			\$21,535,447

Fifth, it would increase the FY 2010 capital budget authority for the following 18 projects by a total of \$47.8 million from the specified sources.

Fiscal Impact of Subtitle (VII)(J) – Capital Projects Modification Act of 2010 Budget Authority Increased for FY 2010					
Agency	Project #	Project Name	Project Phase	Funding Source	FY 2010 Addition Amount
Office of Property Management	A1005C	Energy Efficiency at Shelters	Construction	GO Bonds	\$1,600,000

Fiscal Impact of Subtitle (VII)(J) – Capital Projects Modification Act of 2010 Budget Authority Increased for FY 2010					
Agency	Project #	Project Name	Project Phase	Funding Source	FY 2010 Addition Amount
Department of Parks and Recreation	QI937C	Rosedale Recreation Center	Construction	GO Bonds	\$2,042,343.81
Department of Transportation	6EQ02C	Major Equipment Acquisition	Equipment	Master Lease	\$4,000,000
Department of Transportation	CA301C	Repair and Maintain Curbs and Sidewalks	Construction	GO Bonds	\$1,000,000
Department of Transportation	CA302C	Repair/Maintain Curbs/Sidewalks/Alleys	Construction	GO Bonds	\$700,000
Department of Transportation	CE301C	Pavement Marking and Traffic Calming	Construction	GO Bonds	\$300,000
Department of Transportation	SA306C	Streetcars	Construction	GO Bonds	\$10,000,000
Department of Transportation	SA306C	Streetcars	Equipment	Pool Cash	\$20,000,000
Department of Transportation	SR301C	Local Streets Ward 1	Construction	GO Bonds	\$375,000
Department of Transportation	SR302C	Local Streets Ward 2	Construction	GO Bonds	\$375,000
Department of Transportation	SR303C	Local Streets Ward 3	Construction	GO Bonds	\$375,000
Department of Transportation	SR304C	Local Streets Ward 4	Construction	GO Bonds	\$375,000
Department of Transportation	SR305C	Local Streets Ward 5	Construction	GO Bonds	\$375,000
Department of Transportation	SR306C	Local Streets Ward 6	Construction	GO Bonds	\$375,000
Department of Transportation	SR307C	Local Streets Ward 7	Construction	GO Bonds	\$375,000
Department of Transportation	SR308C	Local Streets Ward 8	Construction	GO Bonds	\$375,000
Child and Family Services Agency	RL201C	Performance-Based Contracts	Information Technology	Master Lease	\$124,000
Department of Mental Health	HX403C	Mental Health Housing Initiatives	Construction	GO Bonds	\$5,000,000
TOTAL					\$47,766,343.81

Sixth, it would increase the FY 2011 capital budget authority for Fort Lincoln (EB014C) by \$1.4 million and for Lincoln Theatre (EB404C) by \$500,000.

Lastly, it would allow monies in the capital projects Metrobus (SA202C), Metro Rail Rehab (SA301C) and Washington Metropolitan Area Transit Authority (WMATA) Fund Project (SA311C) to be used to fund streetcar projects in the District, provided that monies in the WMATA Fund Project are not needed to meet WMATA federal matching fund requirements.

Financial Plan Impact

The proposed subtitle would rescind capital budget authority of \$52,766,344 in FY 2010 for twenty-three projects and add capital budget authority of \$52,766,344 in FY 2010 for nineteen projects. For FY 2011, it would rescind capital budget authority of \$5 million for one project and add capital budget authority of \$33,749,175 for twenty projects. The impact of the proposed subtitle is incorporated in the revised FY 2010 capital budget authority, and the proposed FY 2011 through FY 2015 capital expenditure plan.

Subtitle (VII)(K) – Timing of the Issuance of Tax Increment Financing Bonds Amendment Act of 2010

Background

The proposed subtitle would repeal the Tax Increment Finance (TIF) bond authority for the Broadcast Center One project, and would amend the Payment In Lieu of Taxes (PILOT) and TIF bond authority of the Southwest Waterfront Project, the Southeast Federal Center Project, and the Great Streets Retail TIF to establish limits on the authority for timing of bond issuances. This subtitle would restate the authority for the following bond issues to limit the amount to be issued prior to October 1, 2014:

- For the Southwest Waterfront Project, no more than \$70 million of the authorized \$198 million in PILOT bonds may be issued prior to October 1, 2014.
- For the Southeast Federal Center, no more than \$35 million of the authorized \$90 million in PILOT bonds may be issued prior to October 1, 2014.
- For the Great Streets Retail Priority Areas, no more than \$55 million of the authorized \$95 million in TIF bonds may be issued prior to October 1, 2014.

Financial Plan Impact

This subtitle reduces the Economic Development Debt authority by approximately \$229 million during the budget and financial plan period. By restating the timing for these projects, the District will be able to fund additional Capital projects in FY 2011. This subtitle has been incorporated into the proposed FY2011 through FY 2014 budget and financial plan.

Subtitle (VII)(L) – Grant-Making Authority Amendment Act of 2010

Background

The proposed subtitle would amend Section 47-368.06 of the D.C. Official Code to allow an agency with grant-making authority to issue a grant with funds received through an intra-District transfer, memorandum of understanding (MOU), or reprogramming from another agency ("originating agency") provided that if the funds come from an intra-District transfer or MOU, the purpose of the grant is consistent with originating agency's mission and purposes.

Financial Plan Impact

Implementation of the proposed subtitle would not impact the District's budget and financial plan.

Subtitle (VII)(M) – Reprogramming Policy Amendment Act of 2010

Background

The proposed subtitle would amend Section 47-363 of the D.C. Official Code to require the Mayor submit to the Council for approval any reprogramming of operating funds or capital funds of more than \$1 million, along with certification from the Chief Financial Officer of the availability of funds for the reprogramming and an analysis of the effect of the reprogramming on the budget. It would also require that the dollar threshold be adjusted yearly based on the inflation rate. Under current law, the dollar threshold is the lesser of \$500,000 or 10 percent of the original appropriated authority (as long as this is greater than \$25,000).

In addition, currently the Mayor has to submit to the Council for approval a reprogramming request when an agency proposes to transfer \$500,000 or more from one capital project to another capital project, transfer \$500,000 or more from one agency to another, or change the capital project or sub-project description. The proposed subtitle would again increase the dollar thresholds for the transfers to \$1 million and require Council approval only when the description change is for capital projects or sub-projects over \$1 million.

Financial Plan Impact

Implementation of the proposed subtitle would not impact the District's budget and financial plan.

Subtitle (VII)(N) – Capital Improvement Funding Amendment Act of 2010

Background

Under Section 47-339.01(a)(2)(B) of the D.C. Official Code, the Mayor is required to separately provide certain information for any public betterment or improvement included as part of a capital project (i.e., description of the scope and purpose of the project, estimated fully-funded cost, etc.) if the cost of the public betterment or improvement is greater than \$ 500,000 or more than 10 percent of the approved budget for the capital project. The proposed subtitle would amend this section of the Code to increase the dollar threshold to \$1 million.

Financial Plan Impact

Implementation of the proposed subtitle would not impact the District's budget and financial plan.