

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: March 3, 2003

SUBJECT: Fiscal Impact Statement: "District of Columbia Cultural, Arts, Recreation and Education (CARE) Facilities Support Act of 2003 (Revised)"

REFERENCE: Draft Legislation - No Bill Number Available

Conclusion

Funds are not sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to enact the District of Columbia Cultural, Arts, Recreation and Education (CARE) Facilities Support Act of 2003 (revised). **Because the proposed legislation does not cap the amount of assistance that may be provided, passage of this bill could authorize unlimited spending on CARE projects.**

Background

This bill authorizes the Mayor to provide grants, loans and others forms of economic assistance to certain non-profit groups to help defray capital costs. Economic assistance could be generated via general obligation (GO) bonds and/or reductions in property tax payments going to the general fund.

Financial Plan Impact

This bill authorizes the Mayor to provide assistance to qualified CARE organizations. Funds are not sufficient in the proposed FY 2003 through FY 2006 budget and financial plan to implement the bill. The flexibility provided by this bill makes it very difficult to determine the amount and the timing of this spending; however, previous versions of this bill authorized \$75 million of assistance to qualified CARE organizations. **Because the**

proposed legislation does not cap the amount of assistance that may be provided, passage of this bill could authorize unlimited spending on CARE projects.

The bill requires that assistance over \$1 million receive Council approval. Nevertheless, the costs of the program will need to be identified in the District's budget for each fiscal year in which the assistance authorized by this legislation is to be provided.

A fiscal impact statement on a previous version of this bill was transmitted February 3, 2003.