

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: "Public Planning Capital Project Fund Act of 2003"

REFERENCE: Draft Legislation - No Bill Number Available

Conclusion

Funds are not sufficient in the FY 2003 through FY 2006 capital budget and financial plan to implement the Public Planning Capital Project Act of 2003. **There is no fiscal impact in FY 2003 and FY 2004, but the legislation would cost \$2.5 million a year in FY 2005 and FY 2006, for a \$5 million total fiscal impact to the capital budget between FY 2003 – FY 2006.**

Background

This Act would authorize the Office of Planning (OP) to prepare and develop public planning studies for capital projects by setting aside a maximum of \$2.5 million a year of the annual budgeted capital budget into a public planning capital project fund. The total amount in the fund cannot exceed \$2.5 million during any fiscal year. The fund would be treated as a new capital project within the District's capital budget. The Act would allow OP to coordinate planning across agencies. OP would work with individual agencies to create capital plans, ensure that any capital project that moves forward fits into a broad overall plan for the area and that the city's capital funds are used as efficiently as possible. Many other large-city planning departments such as Denver, Baltimore, Philadelphia and New York City tie planning functions to capital improvement budgets.

Financial Plan Impact

The Public Planning Capital Project Fund Act of 2003 would not have a fiscal impact in FY 2003 and FY 2004, but will cost \$2.5 million a year in FY 2005 and FY 2006, for a \$5 million fiscal impact between FY 2003 – FY 2006.

OP's goal for the planning capital project fund is to make the amount in the fund commensurate with overall capital project spending, so that in a period when there is more capital spending there would be more money available for planning, and vice versa. The total amount in the fund cannot exceed \$2.5 million during any fiscal year. OP's current capital funds include \$1.65 million for FY 2003 and \$2.0 million for FY 2004. As a result, the capital budget set aside would not commence until FY 2005.

The following table shows the fiscal impact of the Public Planning Capital Project Fund Act of 2003 on the District's capital budget.

Estimated Cost to the Capital Budget and Financial Plan (\$ in millions)					
	FY 2003	FY 2004	FY 2005	FY 2006	Total
Public Planning Capital Project Fund	\$0.00	\$0.00	\$2.50	\$2.50	\$5.00