

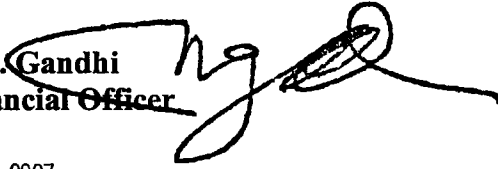
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

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

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: OCT -2 2007

SUBJECT: Fiscal Impact Statement: "Housing Support for Teachers Act of 2007"

REFERENCE: Bill Number 17-095, Amendment in the Nature of a Substitute

Conclusion

Funds are not sufficient in the proposed FY 2008 through FY 2011 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation is subject to the availability of funds.

Background

The proposed legislation would establish the District of Columbia Housing Support for Teachers Program ("Program") within the D.C. Office of the State Superintendent of Education ("OSSE") and would establish the Housing Support for Teachers Fund ("Fund"). The Program and the Fund, which would be a segregated, non-lapsing special revenue fund within the District's General Fund, would assist qualified District teachers with housing-related expenses in the District in exchange for a commitment to remain as a District teacher for 5 years. Specifically, to be eligible to apply to the Program, a person must:

- Be a licensed District public school or public charter school teacher;
- Possess two or more years of full-time teaching experience; and
- Be currently teaching or have an offer to teach in a critical shortage field, which includes mathematics, sciences, and special education.

Successful applicants to the Program would be required to teach in a critical shortage field and maintain residency in the District for a minimum of 5 years in exchange for the following support:

- A one-time grant of up to \$5,000 for relocation and housing-related expenses for applicants who are District residents at the time of application or for non-residents who will reside in the District at the start of their employment;
- An additional one-time grant of up to \$5,000 for teachers who establish proof of District residency for the previous 5 years; and
- A monthly housing stipend of \$400 per month to all selected participants during the first two years of the commitment period.

Financial Plan Impact

The proposed legislation would be subject to the availability of funding from future appropriations. Program awards would be limited to 100 new participants per fiscal year.

If the Program were implemented and the maximum number of new participants received the maximum award in each of the fiscal years from FY 2008 through FY 2011, the Program would cost approximately \$1.5 million in the first year and \$7.4 million over the four-year budget and financial plan period.¹ In addition, any costs incurred by the OSSE to administer and monitor the Program and the Fund would have to be budgeted at the time of Program implementation.

**Table 1. Potential Impacts to the Financial Plan of the
Housing Support for Teachers Act of 2007**
(S in millions)

Item	FY 2008	FY 2009	FY 2010	FY 2011	4-Year Total
Expenditure – Maximum Award Amount	\$1.48	\$1.96	\$1.96	\$1.96	\$7.36

Note: Estimates in Table 1 do not include Program administration costs.

¹ These figures are derived from the assumption that the maximum number of teachers (100) will participate in the Program each year and will be eligible for each of the one-time \$5,000 grants in addition to the monthly housing stipend of \$400 per month for 24 months. It is unlikely that the mix of Program participants would generate the maximum fiscal impact shown here, but this calculation is intended to demonstrate the costs under the highest-cost scenario.