


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



Fitzroy Lee
Interim Chief Financial Officer

MEMORANDUM

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

FROM: Fitzroy Lee
Interim Chief Financial Officer 

DATE: August 10, 2021

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2022 Budget Support Act of 2021”

REFERENCE: Bill 24-285, ANS as circulated August 9, 2021 and amended by
Chairman’s Amendments #1 and #2

Conclusion

Funds are sufficient in the proposed fiscal year 2022 through fiscal year 2025 budget and financial plan to implement the Fiscal Year 2022 Budget Support Act of 2021.

The District’s proposed fiscal year 2022 budget includes \$9.4 billion in Local fund spending supported by \$9.4 billion of local resources, with an operating margin of \$0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to Local funds, are \$10.7 billion.

The proposed budget and financial plan accounts for the expenditure and revenue implications of the bill.

The bill, the “Fiscal Year 2022 Budget Support Act of 2021,” is the legislative vehicle for adopting statutory changes needed to implement the District’s proposed budget and financial plan for the fiscal years 2022 through 2025. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I – GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Inspector General Support Fund Establishment Amendment Act of 2021

Background

The subtitle establishes a non-lapsing fund called the Office of the Inspector General (OIG) Support Fund to collect 25 percent of restitutions and recoupments resulting from the OIG’s law enforcement efforts, and 25 percent of District revenue received from recaptured overpayments resulting from an OIG audit. Money in the fund must be used to support the operations of the OIG. Deposits are capped at \$1 million annually, and the total balance of the fund is capped at \$2.5 million. Any additional collections beyond these limits will revert to local funds.

The subtitle requires that the first \$284,000 in revenues collected from restitutions, recoupments, and overpayments continue to go to local funds.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The subtitle ensures that sufficient revenues remain in local funds to cover current forecasted local fund revenues. Collections above that amount will be directed to the new fund and reserved for OIG use.

Subtitle (I)(B) – COVID-19 Public Health Emergency Procurement Analysis Amendment Act of 2021

Background

The subtitle requires the Office of Contracting and Procurement (OCP) to issue a report to Council and the Mayor reviewing and analyzing emergency procurements conducted under the public health emergency. The report must be issued within 90 days after the end of the public health emergency that began on March 11, 2020 (“Emergency”), and must include the following information:

- 1) Emergency procurements conducted during the Emergency, with various details including the award amount and goods or services procured;
- 2) Expenditures on emergency procurements by funding source, including funds reimbursed by the federal government;
- 3) The value of goods and services procured via emergency procurement by each agency;
- 4) An inventory of supplies acquired related to the Emergency;
- 5) List of Indefinite Delivery/Indefinite Quantity contracts awarded under the Emergency;
- 6) Process map of emergency procurement process used during the Emergency;
- 7) Lessons learned about emergency procurements during the Emergency;
- 8) Plan for disposition of excess supplies and equipment;
- 9) Procurements awarded to Certified Business Enterprises (CBEs); and
- 10) Types of goods or services for which no more than two CBEs were capable of performing contract requirements during the Emergency.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The data being requested is tracked by OCP and other District agencies and can be compiled within current resources.

Subtitle (I)(C) – Fair Elections Clarification Amendment Act of 2021

Background

The Fair Elections Program provides a voluntary public financing program for candidates running for Mayor, Council Chairman, At-Large Councilmember, Ward Councilmember, At-Large State Board of Education member, and Ward State Board of Education member. The Office of Campaign Finance (OCF) is charged with calculating the maximum matching payments each participating candidate may receive for each office. The maximum is determined based on formulas specified in District law and is set for each office type.

For the 2022 election cycle, OCF calculated the maximum matching payments for the offices of Councilmember elected at-large and by ward, as well as members of the State Board of Education elected at-large and by ward, using their interpretation of these formulas. Instead of calculating the average expenditures for each office type, OCF calculated the maximum using the average expenditures for specific seats. The subtitle clarifies how the maximum matching payment formulas should be calculated to better align District law with the intent of the Fair Elections Amendment Act of 2018.¹

The subtitle also allows² candidates participating in the District’s Fair Elections Program to use campaign funds for childcare expenses incurred for campaign purposes.

Financial Plan Impact

The fiscal year 2022 budget and financial plan includes a \$3.55 million enhancement in fiscal year 2022 and \$486,000 enhancement in fiscal year 2023 to implement the maximum matching payment formulas as clarified in the subtitle.

Subtitle (I)(D) – Attorney General Support and Restitution Fund Expansion and Clarification Amendment Act of 2021

Background

The subtitle clarifies the sources of funds to be deposited into three special funds administered by the Office of the Attorney General (OAG): the Litigation Support Fund; Attorney General Restitution Fund; and Vulnerable Adult and Elderly Person Exploitation Restitution Fund.

The Litigation Support Fund is a non-lapsing special fund that may receive deposits, subject to a fund balance limit, from recoveries from claims or litigation brought by OAG on behalf of the District. The fund may be used by OAG for its expenses and for crime reduction and violence prevention efforts. The subtitle increases³ the fund balance limit of the Litigation Support Fund from \$17 million to \$19 million. The subtitle further allows OAG to keep recoveries obtained on behalf of the District pursuant

¹ Fair Elections Amendment Act of 2018, effective May 5, 2018 (D.C. Law 22-94; D.C. Official Code § 1-1161.01 et seq.).

² By amending The Board of Ethics and Government Accountability Establishment and Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code § 1-1161.01 et seq.).

³ By amending Section 106b of the Attorney General for the District of Columbia Clarification and Elected Term Amendment Act of 2010, effective October 22, 2015 (D.C. Law 18-160; D.C. Official Code § 1-301.86b).

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to contingency fee contracts until contractors or other fees related to the payment of contingency fee contracts are paid (not withstanding the fund balance limit).

The subtitle also repeals the annual audit requirement for the Attorney General Restitution Fund.

Financial Plan Impact

Fund revenues will depend upon recoveries successfully collected by OAG and can be unpredictable on an annual basis. The Litigation Support Fund ended fiscal year 2020 with approximately \$10.6 million in fund balance. The subtitle increases the overall balance that OAG can carry in the Fund to \$19 million. OAG’s fiscal year 2022 budget anticipates \$11.4 million in Litigation Support Fund revenues and \$7.2 million of fund balance use. There is no cost to repealing the annual Attorney General Restitution Fund audit.

Subtitle (I)(E) – Attorney General Stay of Parallel Private Attorney General Actions Amendment Act of 2021

Background

The subtitle provides⁴ that an action or continuation of a previously commenced action by the Attorney General serves to stay any civil action made by a public interest organization on behalf of the general public. The public interest organization’s civil action will be suspended until the Attorney General’s action concludes. A public interest organization plaintiff acting on behalf of the general public must provide notice to the Office of the Attorney General within ten days of filing an action that includes a claim made under the subtitle.

Financial Plan Impact

Allowing consumer protection cases brought by the Attorney General on behalf of District residents to take precedent over the same case brought by the private sector does not have a cost. No additional resources are required to implement the subtitle.

Subtitle (I)(F) – Medical Marijuana Program Patient Employment Protection Regulation Clarification Amendment Act of 2021

Background

The subtitle clarifies⁵ that D.C. Council’s rulemaking authority for the purposes of implementing the Medical Marijuana Program Patient Protection Act of 2020 is limited to Council employees. The Act prohibits District government agencies from taking adverse employment actions against applicants and employees who are qualifying medical marijuana patients.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. It simply clarifies existing law regarding Council personnel authority.

⁴ By amending § 28-3905(k) of the D.C. Official Code.

⁵ 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.).

Subtitle (I)(G) – Disability Insurance Overpayment Remedy Act of 2021

Background

The subtitle requires the Department of Human Resources (DCHR) to reimburse, by September 30, 2022, any current or former employee who overpaid their disability insurance premium between January 1, 2010 and December 31, 2020. DCHR estimates approximately 18,000 employees overpaid their premiums by a collective \$9.6 million between 2007 and 2018 due to an error in the People Soft system.

Financial Plan Impact

The District expects insurance provider payments will meet the obligation of the subtitle and, therefore, the subtitle does not require funds to be included in the budget and financial plan.

Subtitle (I)(H)– District Government Employee Residency Research Amendment Act of 2021

Background

The subtitle requires⁶ the Department of Human Resources (DCHR) to study the residency of District government employees and job applicants and submit a report to the D.C. Council with its findings by October 1, 2022. The study will look at current patterns related to District government employees’ jurisdictions of residence; barriers to higher rates of District residency; reasons for District residency; effectiveness of current residency-related policies; and factors or policies that, if changed, could increase the rates of District residency for District government employees.

Financial Plan Impact

The budget includes \$150,000 in fiscal year 2022 in non-personnel funding for DCHR to complete the study.

Subtitle (I)(I) – Delinquent Debt Recovery Amendment Act of 2021

Background

The subtitle authorizes⁷ the Office of the Attorney General (OAG) to transfer and refer certain delinquent debts associated with settlements and judgments to the Central Collection Unit for collection and directs any amounts collected to the Litigation Support Fund, Attorney General Restitution Fund, and the Vulnerable Adult and Elderly Person Exploitation Restitution Fund.

Financial Plan Impact

The subtitle does not have a cost. Any money collected by the CCU will be deposited into the appropriate OAG special fund.

⁶ By amending the Jobs for D.C. Residents Amendment Act of 2007, effective February 6, 2008 (D.C. Law 17-108; D.C. Official Code § 1-515.01 et seq.).

⁷ By amending The Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.01 et seq.).

Subtitle (I)(I) – Tenant Receivership Amendment Act of 2021

Background

The subtitle authorizes the court to extend the length of a multifamily building receivership where need can be demonstrated and allows the receiver to sell the property or, if the owner is a DC-based corporation, to file a petition to place the owner into bankruptcy proceedings. The subtitle establishes⁸ the special, non-lapsing Tenant Receivership Abatement Fund. Pursuant to a court order, the Attorney General may provide money from the fund to a receiver for initial and emergency repairs when the owner of the rental property lacks sufficient funds to pay for rehabilitation. The owner is required to repay any money disbursed from the Fund and amounts remaining unpaid after 30 days accrue interest at a rate of six percent per year. The obligation to repay dispersed funding becomes a lien on the owner’s property, and if the Attorney General petitions the Court for, and receives a final judgement, the Attorney General may take authorized actions to collect any unpaid balance.

Financial Plan Impact

The Tenant Receivership Abatement Fund may receive funds from the Attorney General Restitution Fund, but no receipts or disbursements have been included in the proposed budget. The subtitle caps the balance of the Fund at \$2 million at any time.

Subtitle (I)(K) – Early Childhood Educator Equitable Compensation Task Force Act of 2021

Background

The subtitle establishes the Early Childhood Educator Equitable Compensation Task Force, led by the Chairman of the Council, to assess the overall readiness for early childhood development providers to implement a competitive employee compensation scale. The Task Force will be comprised of the Chairman, the State Superintendent of Education, and twelve District residents with specialized experience. The Task Force will review the findings and recommendations of the Early Childhood Educator Compensation in the Washington Region study completed by the Urban Institute and any completed employee compensation scale and other relevant materials provided by the Office of the State Superintendent of Education, culminating with a report to provide recommendations for implementing the employee compensation scale, due by January 15, 2022.

Financial Plan Impact

The Council will provide administrative support to the Early Childhood Educator Equitable Compensation Task Force. No additional resources are required to implement the subtitle.

Subtitle (I)(L) – False Claims and Vacant Property Amendment Act of 2021

Background

The subtitle amends the False Claims Act to allow the Office of the Attorney General (OAG) to bring forth false claims actions related to taxation against owners of vacant and blighted property. Actions can only be brought if the claim occurred after January 1, 2015. Current law allows for actions to be brought for claims related to income and sales taxes.

⁸ By amending Section 506 of the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3651.06).

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. It is unknown at this time whether allowing OAG to bring forth vacant and blighted property false claims actions will increase property tax revenue.

Subtitle (I)(M) – Chief Financial Officer Authority to Create New Agencies Amendment Act of 2021

Background

The subtitle allows the Chief Financial Officer to create and re-designate agencies in the financial system, and to reallocate budgeted funds for the purposes of implementing the Child Wealth Building Act (proposed bill 24-36 currently under Council review) and the Department of Buildings Establishment Act of 2020⁹ (effective with this Budget Support Act).

Financial Plan Impact

The fiscal year 2022 budget includes funding at the Office of the Chief Financial Officer (OCFO) to implement the Child Wealth Building Act, and it includes funding in the Nondepartmental account to implement the Department of Buildings Establishment Act. When and if necessary, the subtitle allows the OCFO to create new agencies in the financial system and reallocate designated funding to those new agencies.

Subtitle (I)(N) – Residential Reentry Development Plan Amendment Act of 2021

Background

The subtitle requires the Council to develop an analysis on how to open at least eight small to mid-sized residential reentry centers across the District, including one in each Ward, with the goal of producing a proposed plan for how returning citizens can be accommodated in halfway houses throughout the District.

Financial Plan Impact

The Council’s fiscal year 2022 budget includes amounts to contract for an independent reentry assessment at a cost of approximately \$100,000.

Subtitle (I)(O) – LGBTQ Community Business Evaluation and Support Amendment Act of 2021

Background

The subtitle requires the Office of Gay, Lesbian, Bisexual, and Transgender Affairs to consult with the LGBTQ community and submit a report to Council by July 31, 2022 on the state of LGBTQ community businesses. The report must include an evaluation of the LGBTQ community business economy and how it has changed, discussion of the economic and social value of LGBTQ community businesses to the District’s economy, challenges faced by the community, and recommendations for ensuring that LGBTQ community businesses remain open and welcoming to all members of the LGBTQ community.

⁹ Law 23-269

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Financial Plan Impact

The proposed budget for the Office of Gay, Lesbian, Bisexual, and Transgender Affairs includes one-time funding of \$150,000 for a contractor to research and write the report.

Subtitle (I)(P) – K.C. Lewis School Lease Authorization Act of 2021

Background

The subtitle authorizes the Mayor to lease property at 355 W Street, N.W.¹⁰ to Howard University for no more than four years, provided that Howard University makes improvements to the building at its own expense. The property is also known as the former Washington Metropolitan High School or the former K.C. Lewis Elementary School.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Depending on the final terms of the lease, additional revenues could be generated from lease payments, and the Department of General Services may be able to reduce expenditures by not having to maintain and secure the property.

¹⁰ For tax and assessment purposes the property is located in Square 3069, Lots 0067, 0854, 0855, and 0856.

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Equity in the Arts and Humanities Amendment Act of 2021

Background

The subtitle allows Commissioners and members of grant review advisory panels for the Commission on the Arts and Humanities (CAH) to receive a stipend of up to \$250 per day. The subtitle also gradually reduces the number of Commission members from 16 to 12. The subtitle reduces the number of terms a Commissioner may serve from 6 to 4, prohibits Commissioners from serving in a hold-over capacity without a confirming Resolution, and permits CAH to accept and utilize gifts to the Commission without prior Mayoral approval. Lastly, the subtitle revises the allocations required by law for grantmaking by the CAH and eliminates a set-aside grant for the National Capital Arts Cohort.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The stipends can be accommodated within the budget of CAH and the remaining provisions have no impact.

Subtitle (II)(B) – Great Streets Amendment Act of 2021

Background

The Deputy Mayor for Planning and Economic Development (DMPED) supports over a dozen retail priority areas in the District to promote small businesses, expand retail opportunities, and grow job opportunities. The subtitle amends the eligible boundaries for two of the retail priority areas to open access to grants for more businesses. The subtitle allows any business located on a parcel, lot, or square abutting the H Street/Bladensburg Road/Benning Road, N.E.¹¹ and the Ward 4 Georgia Avenue¹² Retail Priority Areas. Currently, only businesses located within the enumerated boundaries for these retail priority areas can avail themselves of DMPED’s funding opportunities.

All other retail priority areas allow businesses both within and abutting the enumerated boundaries to participate in DMPED funding opportunities.

The subtitle also expands the Rhode Island Avenue, N.E., Retail Priority Area¹³ to include additional businesses along 12th Street, N.E. This zone will now include businesses abutting the west side of 12th Street, N.E. from Otis Street, N.E. to Michigan Avenue, N.E. and businesses abutting the east side of 12th Street, N.E. from Otis Street, N.E. to Franklin Street, N.E.

Financial Plan Impact

The fiscal year 2022 budget includes approximately \$7 million to support all the District’s retail priority areas. Expanding these three areas to include parcels, lots, and squares abutting the enumerated boundaries and changing boundaries does not change the amount of funding available, but increases the number of businesses that can compete for that funding.

¹¹ Retail Incentive Act of 2004, effective September 8, 2004 (D.C. Law 15-158; D.C. Official Code § 2-1217.73(g)).

¹² D.C. Official Code § 2-1217.73(o).

¹³ D.C. Official Code § 2-1217.73(f).

Subtitle (II)(C) – Supermarket Tax Incentives Amendment Act of 2021

Background

A supermarket may be eligible for ten-year property and sales and use tax exemptions¹⁴ if it is in one of six codified census tracts or in a Historically Underutilized Business Zone (“HUBZone”).¹⁵ HUBZone boundaries are defined by the United States Small Business Administration (SBA) and are subject to change regularly.

The subtitle changes the definition of eligible area. An eligible area will now include:

- Neighborhoods with over 20 percent participation in Supplemental Nutrition Assistance Program (SNAP) or other public assistance programs as designated in the District of Columbia Health Equity Report; and
- Properties in low-income census tracts where residents are more than a half mile from the nearest supermarket as defined by the United States Department of Agriculture Food Access Research Atlas. The Mayor may exclude tracts that are low income primarily due to the proximity to a college or university.

The subtitle allows supermarkets under construction in the current eligible areas as of January 1, 2021 to be eligible for the incentives, provided they are issued a Certificate of Occupancy prior to September 30, 2022. If the Mayor determines additional eligible areas are warranted, the Mayor must submit a plan and rationale, along with a fiscal impact statement, to Council for a 45-day passive approval process.

To be eligible for the incentive, the subtitle requires (1) at least five percent of a store’s selling area must be dedicated to selling each of at least six of these seven categories of food: fresh and uncooked meats; poultry and seafood; dairy products; canned foods; frozen foods; dry groceries and baked goods; and non-alcoholic beverages, and (2) at least 50 percent of the store’s square footage of selling area or a total of 6,000 square feet must be dedicated to selling the seven food categories.

Lastly, the subtitle requires applicants for the incentive to agree to accept as payment SNAP benefits and Special Supplemental Nutrition Program for Women, Infants, and Children benefits. The applicant must also conduct “community listening sessions” on the store’s product offerings and operations once every two years.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. DMPED indicates there are two supermarkets under construction in the current eligible areas that will remain eligible for the credit provided they are issued a Certificate of Occupancy before September 30, 2022. DMPED is unaware of any planned supermarkets in the new eligible areas.

We cannot know if the change in eligible locations will affect the business decision of a given store to open. However, because the monetary value of the tax incentive is not changing, and because of the lead time it takes to plan and open a supermarket, the subtitle is not likely to significantly change the number of supermarkets taking advantage of the credit during the financial plan period.

¹⁴ D.C. Official Code § 47-3802.

¹⁵ For more information on the Supermarket Incentive Program visit:
<https://dmped.dc.gov/page/supermarket-tax-incentives>.

Subtitle (II)(D) – Real Property Tax Appeals Commission Membership Amendment Act of 2021

Background

The subtitle authorizes the Real Property Tax Appeals Commission (“the Commission”) to hire up to eight Hearing Examiners with a term not to exceed six months each year. Currently this role is performed by contracted part-time Commissioners; these positions will be abolished.

The subtitle also requires the Chairperson of the Commission to have at least three years’ experience as a certified District appraiser, or at least five years’ experience in commercial real estate property appraisal. Currently, a person cannot serve as Chairperson without five years of experience as a certified District appraiser. The subtitle also amends the Commission’s conflict of interest provisions.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Funding currently utilized for part-time Commissioners will be used to fund the Hearing Examiner positions.

Subtitle (II)(E) – Local Rent Supplement Program Enhancement Amendment Act of 2021

Background

The District has a locally-funded Rent Supplement Program to provide housing assistance to extremely low-income District residents, including those who are homeless and those in need of supportive services. The Program, which is subject to appropriation, may be used for operating subsidies to particular housing buildings (“project-based voucher assistance”), housing providers (“sponsor-based voucher assistance”), or for rental assistance awarded directly to individuals (“tenant-based voucher assistance”). The subtitle clarifies the roles of the District of Columbia Housing Authority (DCHA) and the Department of Housing and Community Development (DHCD) regarding this locally-funded housing assistance, providing that DHCD will award project-based voucher assistance while DCHA will award sponsor-based and tenant-based assistance. The subtitle also allows the Program to be used for a new category of capital gap financing (“capital-based assistance”) for housing development projects receiving project-based or sponsor-based vouchers.

The subtitle requires DCHA to issue emergency and final rules for the award of tenant-based assistance that establishes a process to allow applicants to self-certify eligibility factors when an applicant cannot easily obtain verification documentation. The Department of Human Services (DHS) is required to issue emergency and final rules for the referral of applicants for tenant-based assistance to DCHA, including eligibility criteria for Targeted Affordable Housing, and, in fiscal year 2022, a prioritization for families that have been in rapid re-housing the longest but are not eligible for Permanent Supportive Housing.

The subtitle repeals the Rent Supplement Fund and establishes three new, non-lapsing special funds. The Rent Supplement Program Project-Based Allocation Fund will receive amounts appropriated for new project-based voucher assistance and will be administered by DHCD. The Rent Supplement Program Tenant-Based Allocation Fund, to be administered by DHS, will receive amounts appropriated for new tenant-based voucher assistance and any unspent local appropriations for supportive services under certain homeless service and housing programs. The Housing Authority Rent Supplement Program Fund (Program Fund) will be administered by DCHA and will receive monies appropriated for sponsor-based voucher assistance, capital-based assistance, ongoing

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tenant-based voucher assistance, and project-based voucher assistance previously awarded by DHCD. The Program Fund will also receive any monies remaining in the Rent Supplement Fund at the end of fiscal year 2021. Finally, the Program Fund will receive monies transferred to it by DHCD from the Rent Supplement Program Project-Based Allocation Fund once projects receive their Certificate of Occupancy. The Program Fund will also receive monies from DHS from the Tenant-Based Allocation Fund once DHS determines DCHA requires such amount to fund tenant-based vouchers it has awarded.

The subtitle updates the District of Columbia Code to refer to Program assistance for individuals as well as families. The subtitle requires DCHA to submit, to the Mayor and Council, a quarterly report on the Program, including spending from, and balance of, the Program Fund; the allocations between the different types of Program assistance; and any spending on administrative expenses. For project-based and sponsor-based assistance, reporting must include occupancy status, contract rent including tenant-paid and subsidized portions, and income level of households occupying each unit. Reporting on project-based awards must include contract end date and expected contract start date if the project has received an award but the contract has not yet been finalized. Reporting on tenant-based assistance must include total number of households (broken out by individuals and families) receiving assistance, average monthly rent paid, and amounts paid for security deposits and other non-rental expenses. The subtitle also requires DHCD to submit quarterly reports on the Rent Supplement Program Project-Based Allocation Fund and requires DHS to submit quarterly reports on the Rent Supplement Program Tenant-Based Allocation Fund.

Financial Plan Impact

There are no costs to the District to implement the subtitle. The subtitle creates new non-lapsing funds in the District’s General Fund, which will hold any unspent funds and maintain them for the Rent Supplement Program. Currently the Program is funded with Local Funds but operates from a fund outside of the District’s General Fund.

Subtitle (II)(F) – Housing Production Trust Fund Pipeline Advancement Amendment Act of 2021

Background

The subtitle allows¹⁶ the Department of Housing and Community Development (DHCD) to enter into contracts for the Housing Production Trust Fund (HPTF) in the year prior to which funding is appropriated. Currently, DHCD can solicit proposals and rank recipients in the year prior to which funding is appropriated but it cannot enter into contracts.

The purpose of the subtitle is to allow DHCD to send HPTF projects forward to the D.C. Council for approval prior to the start of a new fiscal year. Currently the projects must wait until the new fiscal year starts for approval, resulting in projects piling up and not closing until November or December of the new fiscal year. Under the subtitle, the projects would be sent to the D.C. Council for approval subject to appropriations. In addition, each agreement will have an anti-deficiency clause.

¹⁶ By repealing Section 3(f)(2) of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(f)(2)).

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. HPTF contracts sent to the D.C. Council prior to appropriation of funding will be approved subject to appropriations and include anti-deficiency clauses. Therefore, funding will still be limited annually by the HPTF budget.

Subtitle (II)(G) – Property Tax Relief for Low Income Housing Harmonization Act of 2021

Background

An exemption from deed, recordation, real property tax, and payment-in-lieu-of-taxes (PILOT) is currently available to property financed with Low Income Housing Tax Credits if the owner is organized as a nonprofit entity or if the owner is controlled by a nonprofit member.¹⁷ Such exemptions are available during the property’s development, the LIHTC period, and any extended use period during which property covenants restrict the income of residents leasing the property’s affordable housing units. The subtitle extends these exemptions to properties that are leased to a nonprofit entity or an entity controlled by a nonprofit, as long as the property owner certifies that the benefit of the exemption is passed through to the lessee.

The subtitle further provides a deed, recordation, real property tax, and PILOT exemption to certain properties receiving, after the effective date of the subtitle, a grant or loan from the Housing Production Trust Fund (HPTF) or other District government low income housing assistance program designated by the Mayor to provide housing affordable to households earning not in excess of 80 percent of the median family income. Eligible properties would need to be owned by a nonprofit entity, a limited liability company controlled by a nonprofit entity,¹⁸ a limited equity cooperative, or the properties would need to be leased to a nonprofit entity or entity controlled by a nonprofit (with the proof of the benefits of the exemption flowing through to the lessee). The exemption is available during development and while property covenants restrict the income of residents leasing the property’s affordable housing units.

The subtitle also expands the Nonprofit Workforce Housing tax exemption¹⁹ to include new limited equity cooperatives as eligible properties. Under the subtitle, new limited equity cooperatives could claim the Nonprofit Workforce Housing real property and deed and recordation tax exemptions, provided they meet all of the exemption’s requirements other than being owned or controlled by a nonprofit entity.

Financial Plan Impact

The subtitle’s proposed exemptions are expected to exempt limited equity cooperatives that are undergoing substantial rehabilitation with the assistance of the District’s HPTF and reduce District revenue by \$50,000 in fiscal year 2022 and \$411,000 over the financial plan. Other types of projects assisted by the HPTF generally either meet the conditions to qualify for one of the nonprofit affordable housing exemptions available under current law or would not benefit from the subtitle because of they do not have a nonprofit owner or controlling nonprofit member. The subtitle’s leased property provisions are not expected to change the status of any currently taxed properties. New limited equity cooperatives have an existing five-year tax exemption available²⁰, so the impact of

¹⁷ D.C. Office Code § 47-1005.02.

¹⁸ With a determination letter issued by the Internal Revenue Service providing for recognition under Section 501(c)(3) of the Internal Revenue Code.

¹⁹ D.C. Official Code § 47-1005.03.

²⁰ D.C. Official Code § 47-3503.

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expanding the Nonprofit Workforce Housing tax exemption to new limited equity cooperatives falls outside of the financial plan period.

Subtitle (II)(G), Property Tax Relief for Low Income Housing Harmonization Act of 2021					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Property Tax Revenue Loss	(\$50)	(\$93)	(\$120)	(\$148)	(\$411)

Subtitle (II)(H) – Section 108 Debt Reserve Account Establishment Act of 2021

Background

The subtitle requires the Office of the Chief Financial Officer (OCFO) to create a fund or account, either within the District government or at an outside financial institution, to hold money in reserve in case of default on a Section 108 loan. The Section 108 Loan Guarantee Program, run by the U.S. Department of Housing and Urban Development (HUD), allows jurisdictions to leverage their Community Development Block Grants to secure low-interest loans from HUD to finance development projects that meet certain criteria. The Department of Housing and Community Development (DHCD) is working with HUD to secure Section 108 loans, which it will use for affordable housing acquisition and rehabilitation projects.

Financial Plan Impact

The subtitle will not impact the budget and financial plan. DHCD will make debt service payments for the Section 108 loans from its Community Development Block Grants until it has program income from the loans it makes to projects. The reserve account is being established in case of default of any of the projects.

Subtitle (II)(I) – Park Morton Redevelopment Act of 2021

Background

The Park Morton Redevelopment is part of the District’s New Communities Initiative which will revitalize certain subsidized housing developments. The subtitle requires the District to use any funds allocated for the Park Morton Redevelopment only for this project and restricts the project to the requirements in Zoning Commission Orders 16-11 and 16-12 and any future Zoning Commission orders.

Financial Plan Impact

The six-year capital improvements plan includes approximately \$38 million in fiscal years 2022 and 2023 to support the Park Morton Redevelopment. There are no additional costs associated with requiring that funds allocated for this project are spent only on this project and that activities are restricted to Zoning Commission orders.

Subtitle (II)(I) – Reentry Housing and Services Program Act of 2021

Background

This subtitle creates a project-based assistance program for qualifying housing projects. To qualify, projects must produce and maintain no fewer than 60 new affordable housing units for short- to medium-term residents, provide on-site services, and give preference to returning citizens as tenants. Program funds will be used to subsidize the monthly rent and on-site services for tenants. The Department of Housing and Community Development (DHCD) will issue a request for proposals by January 31, 2022 with an award date no later than July 1, 2022. Further, the Mayor shall establish rules for the implementation of this subtitle. These rules will be submitted to the Council for a 45-day period of review.

Financial Plan Impact

The subtitle includes a \$1.4 million recurring amount for project-based assistance to implement the program beginning in fiscal year 2022. In fiscal year 2022, DHCD may use up to \$174,000 of the total funds allocated for this program for administrative costs.

Subtitle (II)(I), Reentry Housing and Services Program Act of 2021 Implementation Costs Fiscal Year 2022 – Fiscal Year 2025 (\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Project-based Assistance	\$1,266	\$1,400	\$1,400	\$1,400	\$5,426
DHCD Administrative Costs					
Salaries	\$143				\$143
Fringe	\$31				\$31
Total Salaries and Fringe	\$174				\$174
TOTAL	\$1,400	\$1,400	\$1,400	\$1,400	\$5,600

Subtitle (II)(K) – Emory Beacon of Light Tax Exemption and Equitable Tax Relief Act of 2021

Background

The Emory Beacon of Light Center is a mixed-used facility²¹ owned by Emory United Methodist Church that includes affordable housing, church offices, and community space. The community space is used by the church’s service arm to offer a food pantry and an immigration clinic, among other services. There are also plans to open a commercial restaurant staffed by returning citizens, a youth leadership academy, and a health clinic. Project financing involved multiple sources,²² including Department of Housing and Community Development’s Housing Production Trust Fund, low-income housing tax credits, Neighborhood Investment Funds from the Office of the Deputy Mayor for Planning and Economic Development, and New Market tax credits.

²¹ <http://emorybeaconoflight.org/index.php/beacon-center-mixed-use-project/>.

²² <https://www.bizjournals.com/washington/news/2017/04/27/the-beacon-center.html>

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The subtitle exempts real property,²³ transfer,²⁴ and recordation²⁵ taxes on the portion of the development not attributed to the affordable housing (The affordable housing portion of the development does not have a tax obligation.). The exemptions will apply to new tax lots created at the start of construction that have never received an administrative exemption. The exemption will apply only while the property is owned by the church or entities controlled by the church, leased to Beacon Center QALICB LLC or a nonprofit organization, and used by or held for use by one of these entities for affordable housing or a community-serving purpose.²⁶

The subtitle allows for separate leases to other business entities to occur, but if any transfer of interest or lease of the property occurs to an entity not eligible for administrative exemption, then that portion will become taxable.

The subtitle also forgives all recordation and transfer taxes, interest, and penalties assessed on the property since 2016, including those associated with the long-term leases. For additional information, please refer to the Tax Abatement Financial Analysis.²⁷

Financial Plan Impact

The subtitle reduces real property tax revenue and deed and recordation tax revenue by \$1.1 million in fiscal year 2022, and by \$1.8 million over the four year financial plan. Approximately \$230,000 in taxes paid since 2016 will be refunded and the remaining cost is for taxes forgiven or foregone.

Subtitle (II)(K), Emory Beacon of Light Tax Exemption and Equitable Tax Relief Act of 2021 Reduced Real Property and Deed and Recordation Taxes Fiscal Year 2022 – Fiscal Year 2025 (\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Property Tax Revenue	(\$971)	(\$223)	(\$226)	(\$231)	(\$1,651)
Recordation and Deed Tax Revenue	(\$149)	\$0	\$0	\$0	(\$149)
TOTAL	(\$1,120)	(\$223)	(\$226)	(\$231)	(\$1,800)

Subtitle (II)(L) – Department of Small and Local Business Development Grant Act of 2021

Background

The subtitle establishes three grant programs for fiscal year 2022 at the Department of Small and Local Business Development (DSLBD). The subtitle requires DSLBD to issue a grant by November 1, 2021 to Columbia Heights Day Initiative DBA District Bridges in the amount of \$175,000. The organization should hire two full-time employees to provide direct support to individuals facing systemic challenges and mental health and substance abuse issues who spend time in the Columbia Heights Civic Plaza.

²³ D.C. Official Code Title 47, Chapters 7-10, 13, 13a.

²⁴ D.C. Official Code Title 42, Chapter 9.

²⁵ D.C. Official Code Title 42, Chapter 11.

²⁶ Including a church, gymnasium, classroom, food pantry, community or incubator kitchen, immigration clinic, small-business services, restaurant staffed by returning citizens, youth leadership academy, or health clinic.

²⁷ <https://cfo.dc.gov/node/1545201>

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The subtitle also requires DSLBD to issue a grant of up to \$250,000 to the DC Community Development Consortium to develop a Ward 8 Community Investment Fund (Fund). Residents in Ward 8 should sit on the Fund’s investment committee to help direct Fund resources to eligible Ward 8 entrepreneurs. The Consortium should also seek private capital to match the DSLBD grant.

The subtitle requires DSLBD to issue a grant of at least \$300,000 to an organization in the Friendship Heights neighborhood to support place making, branding, economic development, and place management.

Financial Plan Impact

The subtitle requires DSLBD to issue three grants in fiscal year 2022. The fiscal year 2022 DSLBD budget includes \$175,000 for a grant to Columbia Heights Day Initiative DBA District Bridges, \$250,000 to the DC Community Development Consortium, and \$300,000 for economic development efforts in Friendship Heights. The subtitle establishes how each of the grant recipients should expend their grants.

Subtitle (II)(M) – Redevelopment of the Center Leg Freeway (Interstate 395) Amendment Act of 2021

Background

The subtitle authorizes an additional payment-in-lieu-of-taxes (PILOT)²⁸ due for the Capitol Crossing project from fiscal year 2027 through fiscal year 2037 and reduces the required payment by 75 percent to support the development of the final three buildings of the project. The current PILOT will end in fiscal year 2023. The subtitle caps the real property tax abatement at \$100 million. Please see the separate Tax Abatement and Financial Analysis for more information on this proposal.²⁹

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. However, beginning in fiscal year 2027, which is outside the current financial plan, the subtitle will result in reduced real property tax revenue through 2037. The total amount of real property taxes that may be abated is capped at \$100 million.

Subtitle (II)(N) – Deputy Mayor for Planning and Economic Development Grants and Initiatives Amendment Act of 2021

Background

The subtitle authorizes the Deputy Mayor for Planning and Economic Development (DMPED) to issue several grants using both Local Funds, federal funds, and DMPED’s Economic Development Special Account³⁰ to support the District’s economic recovery from the COVID-19 public health emergency. The subtitle authorizes DMPED to issue grants to Business Improvement Districts (BID) and Main Street corridors to support the development and implementation of neighborhood brand identities,

²⁸ The Center Leg Freeway (Interstate 395) PILOT and Air Rights Amendment Act, effective October 26, 2010 (D. C. Law 18-257; D.C. Official Code § 47-4640).

²⁹https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/Center%20Leg%20Freeway%20Capitol%20Crossing_TAFAs.pdf

³⁰ National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).

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marketing campaigns, wayfinding infrastructure, public shuttles, market studies, and public space improvements. The subtitle authorizes specific grants to three BIDs. DMPED can issue a grant to the Anacostia BID to support an art and culture district, a grant to the Southwest Waterfront BID to support autonomous vehicle shuttles, and a grant to the Golden Triangle BID to develop an innovation district. The subtitle enumerates what information a BID or Main Street must provide in its application to DMPED for a grant.

The subtitle authorizes DMPED to issue small business³¹ rent relief grants to restaurants, taverns, nightclubs, entertainment venues, and retail businesses that are past-due on rent that should have been paid between April 1, 2020 and June 30, 2021. The subtitle establishes the grant eligibility criteria, including that the business should have been in continuous operation since December 1, 2018, have experienced a 50 percent decrease in revenue over any three-month period,³² be operating under a lease that extends through at least December 31, 2023, be independently owned and operated, and have received no federal funding through the Restaurant Revitalization Fund³³ or the Shuttered Venue Operators Grant.³⁴ DMPED should give preference to a grantee that did not receive a Paycheck Protection Program (PPP) loan. DMPED can issue a grant to pay for up to one-third of the past-due rent amount and the business owner must demonstrate that they can also pay one-third of the past-due amount. The business owner’s landlord must also certify that they will forgive one-third of the past-due amount and that the business owner will be considered current on their rent. The Mayor, or any third-party entity chosen to issue the grants on the Mayor’s behalf, must maintain the grantee’s business name, location, and licensing information; proof of revenue declines; dates and amounts of any PPP loans; and the date, amount, the landlord’s rent forgiveness certification, and intended uses of the grant award. The Mayor should report this information to the Council by June 1, 2022. The subtitle also authorizes the Mayor to use up to one percent of these grant funds to support DMPED’s administrative expenses associated with implementing this and any of the other grant programs authorized under this subtitle.

The subtitle authorizes DMPED to issue a grant to support the buildout or acquisition of office and community space for the DC Center for the LGBTQ Community. This Center is currently located in District-owned property at the Frank D. Reeves Center.

The subtitle authorizes DMPED to issue grants to attract large companies in designated industries that can attract additional businesses to the District. The subtitle enumerates what information must be included and considered by DMPED when reviewing grant applications, which entities are eligible for grants, and how grant funds can be spent.

The subtitle authorizes the DMPED to issue grants and loans that support the equitable distribution of food businesses in Wards 7 and 8. The subtitle authorizes grants and loans to assist in start-up, growth, and long-term sustainability of these businesses and grants for technical assistance to individuals looking to start a food business. These businesses must be located within eligible areas.³⁵

³¹ These small businesses should be brick and mortar stores with \$5 million or less in 2020 revenues.

³² Over the period of April 2020 through March 2021 as compared to the same three-month period in 2019.

³³ American Rescue Plan Act of 2021, approved March 11, 2021 (135 Stat. 85; 15 U.S.C. § 9009c).

³⁴ Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, approved December 27, 2020 (134 Stat. 2022; 15 U.S.C. § 9009a).

³⁵ Food, Environmental, and Economic Development in the District of Columbia Act of 2010, effective April 8, 2011 (D.C. Law 18-353; D.C. Official Code § 47-3801(1D)).

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The subtitle authorizes DMPED to issue a grant of \$1.5 million in fiscal year 2022 to support direct, unrestricted cash assistance to District individuals and households. The grant, which should be issued to one or more nonprofit organizations, must be issued by December 1, 2021. The grantee must submit a report to DMPED by September 30, 2022 describing the cash assistance program, including eligibility requirements, number of participants served, the funding structure, and how cash assistance was used by the participants. DMPED should provide a report with this information to the Council with a summary of the efficacy of cash assistance programs by December 1, 2022.

The subtitle authorizes DMPED to issue grants in fiscal year 2022 in an aggregate amount of \$1 million to Community Development Financial Institutions (CDFI) or Minority Depository Institutions (MDI). CDFIs and MDIs should use the grant funds to support equitable economic recovery, loans, grants, technical assistance, and financial services to equity impact enterprises.³⁶ The subtitle establishes the grant application process and for what purposes a CDFI or MDI may expend the grant funds. Grantees must report to DMPED by November 1, 2022, detailing the services they provided with the grant funds, the number of businesses that received assistance, and which businesses received assistance. DMPED should provide a report with this information to the Council with a summary of the efficacy of the services provided by the CDFIs and MDIs December 1, 2022.

The subtitle authorizes DMPED to issue a \$400,000 grant in fiscal year 2022 to a District-based organization founded in 2017 that promotes and supports equity impact enterprises. The grantee must report to DMPED by November 1, 2022 detailing the services they provided with the grant funds. DMPED should provide a report with this information to the Council with a summary of the efficacy of services provided by the grantee by December 1, 2022.

The subtitle authorizes DMPED to provide grants in an aggregate amount of up to \$800,000 to businesses³⁷ located in commercial zones that are proposed to be included in expansions of existing retail priority areas under separately introduced legislation.³⁸ That bill would expand the Connecticut Avenue, U Street, N.W./Adams Morgan/Mt. Pleasant, Wisconsin Avenue, and 7th Street/Georgia Avenue Retail Priority Areas along adjacent commercial corridor.

The subtitle authorizes DMPED to issue grants, loans, and other financial assistance, including fee waivers, to support the reopening, recovery, and long-term viability of restaurant, retail, hospitality, art, cultural, and entertainment establishments. DMPED should issue this financial assistance to establishments that incurred significant financial losses due to the impacts of COVID-19.

The subtitle authorizes DMPED to issue grants to local business enterprises³⁹ to support activities that will increase business' revenue, help those businesses hire more employees, and enhance the short- and long-term viability of those businesses. Eligible businesses should be independently owned and operated, have fewer than 100 employees, and have annual revenues of less than \$15 million. Grant recipients can use the funds for capital improvements to existing property, digital technology upgrades, or acquiring or improving equipment. The subtitle authorizes DMPED to issue the grant funds to a third-party that would then issue the grants to eligible local business enterprises.

³⁶ Small and Certified Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(8A)).

³⁷ Grant recipients should meet the same criteria as eligible businesses located within existing retail priority areas.

³⁸ Great Streets Neighborhood Retail Priority Amendment Act of 2021, introduced March 31, 2021.

³⁹ Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.31).

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The subtitle authorizes DMPED to issue grants for down payment assistance to equity impact enterprises or businesses that would otherwise qualify as equity impact enterprises. Eligible businesses should be independently owned and operated, have fewer than 100 employees, have annual revenues of less than \$15 million, and commit to owning and operating a business in at least 25 percent of the acquired property for at least seven years. DMPED can grant an eligible business down payment assistance up to \$750,000 or 25 percent of the purchase price, whichever is less. The subtitle authorizes DMPED to issue the grant funds to a third-party that would then issue the grants to eligible equity impact enterprises. DMPED should report to the Committee on Business and Economic Development by April 1, 2022, explaining how the grant program was promoted, the number of applications received, and details on the grants awarded. The subtitle authorizes DMPED to recover any funds used improperly by a grant recipient.

Financial Plan Impact

The fiscal year 2022 through fiscal year 2025 budget and financial plan includes over \$66 million in fiscal year 2022 and over \$110 million over the four-year financial plan period to support DMPED grants, loans, and other financial assistance for each of the new grant programs authorized in the subtitle. DMPED will review grant, loan, and other assistance program applications and provide support to eligible businesses and entities. There is no fiscal year 2022 funding for the equitable distribution of food grants, but there is approximately \$24 million in fiscal year 2021 and approximately \$33.5 million over the four-year financial plan period. The employment center grants are the only other grants currently funded outside of fiscal year 2022 with an additional \$10 million allocated in fiscal year 2023. The subtitle allows DMPED to utilize up to one percent of the \$40 million allocated for the small business rent relief grants to support the agency’s administrative needs associated with administering all the subtitle’s grants. The following chart outlines the fiscal year 2022 allocations by grant program:

Grant Program	Fiscal Year 2022 Funding Level
BIDs and Main Streets	\$7,800,000
Small Business Rent Relief	\$40,000,000
DC Center for the LGBTQ Community	\$1,000,000
Employment Centers	\$10,000,000
Guaranteed Income Pilot	\$1,500,000
CDFI and MDI Small Business Support	\$1,000,000
Equity Impact Enterprise Growth	\$400,000
Retail Priority Area Expansions	\$800,000
Equity Impact Enterprise Property Acquisition	\$4,000,000

Subtitle (II)(O) – Business Improvement Districts Clarification Amendment Act of 2021

Background

The Adam’s Morgan Business Improvement District (BID) has been in existence since 2005⁴⁰ and enhances the quality of life for residents, visitors, businesses, and property owners in the Adams Morgan commercial district. The subtitle establishes an inception date of June 30, 2005 for the BID and an expiration date of September 30, 2011 for the first term of the BID. The subtitle makes this codification of the first term of the BID effective as of January 1, 2010.

⁴⁰ Mayor’s Order 2005-121, August 22, 2005.

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This establishment is currently in effect under temporary legislation.⁴¹

Financial Plan Impact

This BID first term establishment is currently in effect under temporary legislation and there are no costs associated with making the change permanent through the subtitle.

Subtitle (II)(P) – District of Columbia Housing Authority Board of Commissioner Reform Amendment Act of 2021

Background

The subtitle amends the District of Columbia Housing Authority Act of 1999 to add two additional commissioners, one nominated by the Mayor and approved by Council resolution, and one appointed by the Council. The appointees must have professional experience designing and developing multi-family housing. The subtitle also increases the minimum value of contracts that must be approved by the Board from \$250,000 to \$500,000.

Financial Plan Impact

The subtitle has no impact on the proposed budget and financial plan. Commissioners receive a stipend from the Housing Authority and the Housing Authority will absorb the cost of the additional stipends.

Subtitle (II)(Q) – The Coalition for Non-Profit Housing and Economic Development TOPA Study and Grant Act of 2021

Background

The subtitle requires the Department of Housing and Community Development (DHCD) to issue a \$250,000 grant to the Coalition for Non-Profit Housing and Economic Development to study outcomes of the Tenant Opportunity to Purchase Act.⁴²

Financial Plan Impact

The fiscal year 2022 budget includes one-time funding of \$250,000 for DHCD to issue the grant.

Subtitle (II)(R) – McMillan Site Development Amendment Act of 2021

Background

In 2016, the Mayor broke ground on a redevelopment project at the McMillan Sand Filtration Site,⁴³ but the development has been delayed due to ongoing litigation. The redevelopment project has received approvals from elected officials, the Zoning Commission, and historic preservation agents and the District has issued permits necessary for demolition and construction.

⁴¹ Adams Morgan Business Improvement District Temporary Amendment Act of 2021, effective May 13, 2021 (D.C. Law 24-3; 68 DCR 5596).

⁴² D.C. Official Code § 42-3404.01 et seq.

⁴³ Located at 2501 1st Street, N.W.

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The subtitle declares that the community center component of the McMillan redevelopment project should proceed expeditiously, consistent with permits issued by the Department of Consumer and Regulatory Affairs.⁴⁴

Financial Plan Impact

The fiscal year 2022 to fiscal year 2026 capital improvements plan includes approximately \$55.7 million in fiscal years 2022 through 2024 to support several McMillan redevelopment projects, including the community center. There are no additional costs associated with directing that the project proceeds consistent with the permits that have been issued.

Subtitle (II)(S) – COVID-19 Hotel Recovery Grant Program Act of 2021

Background

The subtitle authorizes the Mayor to issue grants to licensed hotels, motels, inns, and bed and breakfasts that experienced significant occupancy reductions due to the 2020 COVID-19 public health emergency. To be eligible for a grant, transient lodgings must be appropriately licensed; physically located in the District; be in good standing with the Office of Tax and Revenue; newly opened in 2020 or 2021 or remained open and operating during those years;⁴⁵ and experienced at least a 40 percent decrease in occupancy, revenue, or revenue per room in 2020 compared to 2018 or 2019, depending on the establishment’s 2019 status as enumerated in the subtitle. If a business newly opened in 2020 or 2021, it must show it incurred significant costs related to COVID-19 as determined by the Mayor. The subtitle requires the Mayor to prioritize transient lodgings that did not receive federal funding through the Paycheck Protection Program (PPP). The subtitle authorizes transient lodgings to spend grant funding on employee wages and benefits, and related employee costs such as recruitment, training, uniforms, and personal protective equipment.

The Mayor, or any third-party entity chosen to issue the grants on the Mayor’s behalf, must maintain the grantee’s business name, location, and licensing information; proof of eligibility; dates and amounts of any PPP loans; and the date, amount, and proof the funds were used for eligible purposes. The Mayor should report this information to the Council by June 1, 2022. The subtitle requires a grant recipient to repay its grant funds or a portion thereof if the Mayor determines that funds were used for ineligible purposes.

Financial Plan Impact

The fiscal year 2022 budget includes \$40 million for the Mayor to issue grants for hotels, motels, inns, and bed and breakfasts that experienced a greater than 40 percent occupancy reduction in 2020 due to COVID-19.

Subtitle (II)(T) – Equitable Impact Assistance for Local Businesses Amendment Act of 2021

Background

The Deputy Mayor for Planning and Economic Development (DMPED) was required to establish an Equity Impact Fund (Fund) in fiscal year 2021 to facilitate investments in equity impact enterprises that lack access to capital and to make direct investments in businesses consistent with the Fund’s

⁴⁴ Specifically, demolition permit D1600814 and foundation permit FD1800040 as enumerated in the subtitle.

⁴⁵ With the exception of any closures related to a public health emergency.

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investment strategy.⁴⁶ DMPED will select a Fund investment manager and provide resources for the Fund, but the Fund will be managed outside the District government.

The subtitle amends the eligibility criteria that DMPED must consider when selecting a Fund investment manager. The subtitle now requires an investment manager to have completed at least one round of funding in an amount greater than the District’s initial Fund investment; have five or more years of experience investing in small businesses, businesses run by economically disadvantaged individuals, equity impact enterprises, District-based businesses, and businesses owned by individuals subject to racial, ethnic, or cultural bias; and reduces the size of another fund that the investment manager can manage from \$100,000,000 to \$50,000,000. The subtitle also requires DMPED to give additional preference in its selection process to managers that have experience working with District entrepreneurs or are themselves an equity impact enterprise.

The subtitle expands the District’s ability to recover its investments in the Fund to include any subsequent investments in addition to its initial investment.

Financial Plan Impact

DMPED is currently in the process of selecting a Fund investment manager and has anticipated these eligibility changes. DMPED does not expect there to be any costs or delays due to the subtitle’s changes.

Subtitle (II)(U) – DC Low Income Housing Tax Credit Amendment Act of 2021

Background

The District of Columbia Low-Income Housing Tax Credit Clarification Amendment Act of 2020⁴⁷ allowed investors in housing properties receiving federal Low Income Housing Tax Credits (LIHTC) (allocated after October 1, 2021) to also receive a credit against District franchise tax liability or insurance premium taxes, in the amount of 25 percent of the federal LIHTC allocation.

The subtitle amends the minimum consideration an owner must receive before transferring, selling, or assigning the District of Columbia low-income housing tax credit, from at least 80 percent of the per dollar sale price for a federal low-income housing tax credit associated with the qualified project to the lesser of the 80 percent amount or \$0.70 for each dollar of the District low-income housing tax credit. Further, it amends the allowable amount of District credit to be “up to” 25 percent rather than “equal to.”

Financial Plan Impact

The subtitle has no impact on the budget or financial plan. The subtitle is not likely to increase the credit usage beyond what is already accounted for in the financial plan. Per current law, the credits are only available for properties allocated a federal LIHTC after October 1, 2021.

⁴⁶ Equitable Impact Assistance for Local Businesses Act of 2020, effective December 3, 2020 (D.C. Law 23-149; D.C. Official Code § 2-281.01 et seq.).

⁴⁷ Fiscal Year 2021 Budget Support Act of 2020, Subtitle VII-R, effective December 3, 2020 (D.C. Law 23-149; 67 DCR 14601).

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Emergency Transportation and Pre-Hospital Medical Service Fees Amendment Act of 2021

Background

The Fire and Emergency Medical Services Department (FEMS) collects fees to offset the cost of providing emergency medical transportation (EMT) to patients in the District. FEMS charges a flat fee for basic life support transportation⁴⁸ and advanced life support transportation⁴⁹ and charges a fee for each mile traveled from an incident location to a receiving hospital. The actual cost⁵⁰ of transporting each patient is more expensive than what is collected in fees. The current fee schedule has not been adjusted since 2009. The table below shows the actual costs per EMT compared to what is currently billed by FEMS.

	Actual Cost	FEMS EMT Fee Schedule
Basic Life Support	\$2,446	\$428
Advanced Life Support - Level 1	\$2,446	\$508
Advanced Life Support - Level 2	\$2,446	\$735
Cost per mile of Transportation	\$30.06	\$6.55

On March 1, 2021, FEMS was approved as a Medicaid provider, allowing the Department of Health Care Finance (DHCF) to provide Medicaid reimbursements to FEMS based on the actual cost of providing EMT to fee-for-service (FFS) Medicaid patients rather than a set fee schedule. EMT patients insured through Medicaid Managed Care Organizations (MCOs), Medicare, private insurance, auto insurance, workers compensation, as well as those who self-pay, continue to be billed using the 2009 fee schedule.

Even though FEMS bills MCOs, Medicare, and private insurers at the same rate, actual payment varies considerably from payor to payor. MCOs negotiate payment rates directly with FEMS that are at or below current billing fees. Medicare pays FEMS at rates that are set by the federal Centers for Medicare and Medicaid Services. Private insurers pay at rates that depend on whether FEMS is a preferred provider and whether agreements require or prohibit FEMS from billing patients directly for deductibles and copays.

The subtitle gradually increases⁵¹ the EMT fee schedule to align the fee amount more closely with actual costs. The subtitle sets specific rates for basic life support transportation, advanced life support transportation, and mileage fees for calendar years 2021 through 2026. Each year the transport fee is increased by \$250 and the mileage fee by \$3.75 per mile. The subtitle allows⁵² FEMS to revise these fees through rulemaking. The table below summarizes each fee and each fee increase over the course of the next six years.

⁴⁸ Basic life support includes minimal or basic treatment and vital signs monitoring. In some cases, oxygen may also be given. Reasons for transport are usually considered non-life threatening.

⁴⁹ Advanced life support includes breathing tube insertion, CPR, multiple medications, or other extended care. Reasons for transport are usually considered immediately life threatening.

⁵⁰ As calculated in the fiscal year 2019 FEMS Cost Report Audit.

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Fee Schedule Implementation Timeline			
Fee start date:	Basic Life Support	Advance Life Support	Cost per mile
1/1/2021	\$750	\$750	\$11.25
1/1/2022	\$1,000	\$1,000	\$15.00
1/1/2023	\$1,250	\$1,250	\$18.75
1/1/2024	\$1,500	\$1,500	\$22.50
1/1/2025	\$1,750	\$1,750	\$26.25
1/1/2026	\$2,000	\$2,000	\$30.00

The subtitle clarifies⁵³ that only ambulance fees collected from non-Medicaid sources will be deposited into the Fund.

Financial Plan Impact

The fee increase will allow FEMS to negotiate payment rates in fiscal year 2022 that are more closely aligned with actual costs. Until possible preferred provider agreements are negotiated with private insurers, the Office of Revenue Analysis will not adjust revenue estimates for fee revenue from privately insured patients. Negotiated payment rates are not expected to apply until calendar year 2023.

Federal Medicaid payments are treated by the Department of Health Care Finance (DHCF) as revenue, therefore FEMS cannot book Medicaid reimbursement for ambulance fees as special purpose revenue. Limiting the Fund deposits to non-Medicaid revenue sources prevents double counting of Medicaid revenue. Medicaid payments will be transferred from DHCF to FEMS through an intra-district transfer in fiscal year 2022.

Subtitle (III)(B) – Office of Resiliency and Recovery Amendment Act of 2021

Background

The fiscal year 2021 budget moved the Office of Resiliency and Recovery (ORR) from the Office of the City Administrator to the Homeland Security and Emergency Management Agency (HSEMA). The subtitle changes the agency statutorily responsible for overseeing the ORR to reflect this transition.

Financial Plan Impact

The fiscal year 2022 ORR program budget is included in HSEMA fiscal year 2022 budget. The subtitle does not have a financial impact.

⁵¹ By amending Section 502 of the Revenue Act of 1978, effective April 19, 1977 (D.C. Law 1-124; D.C. Official Code § 5-416).

⁵² Pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et seq.).

⁵³ By amending Section 502(c)(2) of the Revenue Act of 1978, effective April 19, 1977 (D.C. Law 1-124; D.C. Official Code § D.C. Code § 5-416(c)(2)).

Subtitle (III)(C) – Concealed Pistol Licensing Review Board Stipend Amendment Act of 2021

Background

In 2015, the District established a Concealed Pistol Licensing Review Board (Board).⁵⁴ The Board hears appeals related to the denial of a new or renewal application for a license to carry a concealed pistol, the suspension or limitation of a concealed carry license, and the revocation of a concealed carry license. The Board is comprised of eleven members, including three federal or local government officials, a former sworn law enforcement officer, three members of the public,⁵⁵ and four District residents.⁵⁶

The subtitle establishes⁵⁷ a compensation rate of \$1,000 monthly for each member of the Board except for members that are District or federal government employees.

Financial Plan Impact

Nine members of the Board will qualify for stipend payments in fiscal year 2022. Each member will receive an annual stipend of \$12,000. The Board’s fiscal year 2022 budget includes \$108,000 in local funds to support the subtitle’s implementation.

Subtitle (III)(D) – Services in Support of Violence Prevention, Interruption, and Response Amendment Act of 2021

Background

The subtitle authorizes the Mayor to offer several financial, housing, and support services to victims of gun violence, those at-risk of gun violence, and in support of District’s violence interruption efforts. The Mayor may issue housing vouchers and financial assistance for housing related services to support eligible individuals and families. The Mayor may provide this assistance to eligible residents to relocate from their current housing and for short-term and mid-term housing support. The subtitle authorizes the Mayor to waive or pay for various fees for eligible residents. The Mayor may waive some statutory, regulatory, and administrative fees such as those imposed by the Department of Health and Department of Motor Vehicles. The Mayor may pay some private, state, local, and federal licenses and fees such as licenses and certifications, educational, and background and suitability checks. The subtitle also allows the Mayor to provide social, educational, economic, health, and other services such as transportation, housing relocation, tests and test preparation, post office boxes, document storage, cell phones, and driver education. The Mayor may provide counseling services to individuals eligible for assistance.

The subtitle also allows the Mayor to make direct financial payments to eligible residents and issue grants in support of violence prevention, violence interruption, and victim services programs.

⁵⁴ License to Carry a Pistol Amendment Act of 2014, effective June 16, 2015 (D.C. Law 20-279; D.C. Official Code § 7-2509.08).

⁵⁵ These members currently include one mental health professional and two District residents with experience in the operation, care, and handling of firearms.

⁵⁶ Residents with mental health, victim services or advocacy, violence prevention, law, or firearms experience.

⁵⁷ By amending Section 908(b)(4) of the Firearms Control Regulations Act of 2014, effective June 16, 2015 (D.C. Law 20-279; D.C. Official Code § 7-2509.08(b)(4)).

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Financial Plan Impact

The Office of Victim Services and Justice Grants fiscal year 2022 budget includes \$2.2 million in federal funding to support the subtitle’s implementation. In total, \$6.6 million in federal funding is allocated over the financial plan.

Subtitle (III)(E) – Human Rights Case Management Metrics Amendment Act of 2021

Background

The subtitle requires the Mayor to report quarterly to Council on the number and size of cases before the Office of Human Rights (OHR), including: complaints broken down by protected characteristics, intake interviews held, mediation sessions held and the result of mediation sessions, the number of determinations, the number of cases awaiting determinations, the number of investigations per investigator, matters withdrawn, and the number of matters pending since OHR has issued a determination. OHR must also provide explanations for any metrics that cannot be provided.

Financial Plan Impact

The Office of Human Rights requires one FTE to support the compiling and reporting of the data. Currently, the agency is using contractors to migrate data into a new case management system, and the contractors are also assisting with reporting.

Subtitle (III)(E), Human Rights Case Management Metrics Amendment Act of 2021					
Implementation Costs					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
1 FTE, Office of Human Rights	\$75	\$76	\$78	\$79	\$308

Subtitle (III)(F) – Alternative Responses to Calls for Service Amendment Act of 2021

Background

The subtitle establishes⁵⁸ an Alternative Responses to Calls for Service Pilot Program (Pilot) to be administered by the Office of Unified Communications (OUC), in consultation with the Deputy Mayor for Public Safety and Justice (DMPSJ) and the Department of Behavioral Health (DBH). The Pilot will dispatch non-law enforcement agency personnel and community-based responders to calls for service, including calls related to individuals experiencing mental health crises, homelessness, or substance abuse.

The subtitle also requires OUC, DMPSJ, and DBH to develop publicly accessible and lay-friendly educational materials to raise awareness about the Pilot’s purpose and goals. OUC, DMPSJ, and DBH must also convene a working group of community-based experts and practitioners to advise the Pilot’s development, training, operations, and community engagement. The OUC must report quarterly to Council on Pilot participation and outcomes.

⁵⁸ By amending The Office of Unified Communications Establishment Act of 2004, effective December 7, 2004 (D.C. Law 15-205; D.C. Official Code § 1-327.51 et seq.).

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Financial Plan Impact

The fiscal year 2022 budget and financial plan includes \$7.03 million in fiscal year 2022 and a total of \$20.83 million of federal recovery funds over the financial plan to implement the Pilot. These funds will support new 9-1-1 call takers at OUC, Metropolitan Police Department Behavioral Health Coordinators, community mediation training through a public information campaign in the Office of the Mayor, and DBH staff to expand its Community Response Team and Access Helpline.

Subtitle (III)(G) - Access to Justice Initiative Amendment Act of 2021

Background

The subtitle clarifies that grants awarded by the Office of Victim Services and Justice Grants (OVSJG) may go to nonprofit organizations serving District residents and their nonprofit organization partners. The subtitle also amends the Expanding Access to Justice Amendment Act of 2017⁵⁹ to increase the income eligibility of tenants who may be assisted with civil legal counsel funded by grants from the Office of Victim Services and Justice Grants, from 200 percent of the Median Family Income (MFI) poverty to 250 percent of MFI.

Financial Plan Impact

The proposed fiscal year 2022 budget and fiscal year 2022 through fiscal year 2025 financial plan includes a \$1 million local funds recurring annual enhancement for the Access to Justice program and an additional \$15 million in federal funding spread across fiscal years 2022 and 2023. While eligible individuals are not guaranteed legal representation under the program, the enhancement may assist in meeting additional need stemming from the expanded eligibility criteria.

Subtitle (III)(H) – Office of the Chief Medical Examiner and Child Fatality Review Committee Amendment Act of 2021

Background

The subtitle allows⁶⁰ the Office of the Chief Medical Examiner (OCME) to provide pathology and toxicology services to private entities and other local, state, and federal agencies. OCME can establish a fee schedule to cover the cost of providing these services. The subtitle establishes the non-lapsing Office of the Chief Medical Examiner Fund (Fund) to collect any revenues from these fees. Money in the Fund can be used to support personnel and non-personnel expenses associated with District fatality reviews, in addition to other agency expenses.

The subtitle expands⁶¹ the scope of the Child Fatality Review Committee (CFRC) to include all child death in the District. The CFRC must also complete individual fatality reviews within six months after the final determination of the cause and manner of death. The subtitle expands the membership of the CFRC to include the Director of Gun Violence Prevention and the Chairs of the Council committees with jurisdiction over judiciary and human services matters.

⁵⁹ D.C. Law 22-33, Sec. 3052, D.C. Official Code § 4-1801(4)

⁶⁰ By amending The Establishment of the Office of the Chief Medical Examiner Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 5-1401 et seq.).

⁶¹ By amending the Child Fatality Review Committee Establishment Act of 2001, effective October 3, 2001 (D.C. Law 14-28; D.C. Official Code § 4-1371.01 et seq.).

Financial Plan Impact

No additional resources are required to allow OCME to provide pathology and toxicology service to entities outside the District government. OCME will charge a fee to cover the cost of completing any of the services that are provided to customers.

OCME requires additional resources to expand the scope of the CFRC to include all child death. OCME must hire one Fatality Review Specialist and one Staff Assistant to carry out the additional work generated by the subtitle. OCME also needs to purchase additional supplies to support its expanded responsibilities. The fiscal year 2022 budget includes \$229,000 in fiscal year 2022 and \$946,000 over the financial plan to implement the subtitle.

Subtitle (III)(H), Office of the Chief Medical Examiner and Child Fatality Review Committee Amendment Act of 2021 Implementation Costs Fiscal Year 2022 – Fiscal Year 2025 (\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Salary ^(a)	\$180,000	\$183,000	\$187,000	\$190,000	\$740,000
Fringe ^(b)	\$39,000	\$40,000	\$42,000	\$44,000	\$165,000
Supplies ^(c)	\$10,000	\$10,000	\$10,000	\$11,000	\$41,000
Total	\$229,000	\$233,000	\$239,000	\$245,000	\$946,000

Table Notes:

- (a) Assumes one Grade 11, Step 5, Staff Assistant and one Grade 13, Step-5, Fatality Review Specialist and cost growth of 1.75 percent.
- (b) Assumes fringe 21.4 percent and cost growth of 2.375 percent.
- (c) Assumes cost growth of 1.75 percent.

Subtitle (III)(I) – Reducing Law Enforcement Presence in Schools Amendment Act of 2021

Background

The Metropolitan Police Department (MPD) School Safety Division (SSD) regularly deploys 86 school resources officers (SROs) to the District of Columbia Public Schools (DCPS) and public charter schools. The subtitle gradually reduces⁶² the number of sworn officers assigned to the SSD and dissolves the unit by July 1, 2025.

The subtitle prohibits SROs from reporting information regarding a student’s suspected crew or gang affiliation to law enforcement agencies for the purpose of including the information in a law enforcement database.

The subtitle limits the law enforcement actions that SROs can take against students. Specifically, SROs are prohibited from seizing, serving a custody order on, and taking into custody DCPS or public charter school students while on school grounds for school-based offenses. SROs can still use these actions in situations that involve a crime of violence or when exigent circumstances exist. Prior to seizing, serving a custody order on, or taking into custody a DCPS or public charter school student on

⁶² By amending The School Safety and Security Contracting Procedures Act of 2004, effective April 13, 2005 (D.C. Law 15-350; D.C. Official Code § 5-132.01 et seq.).

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school grounds, SROs must consult with school administrators, MPD Youth and Family Engagement leadership, and the Office of the Attorney General to determine if there are alternative solutions. SROs must present a custody order to a school's principal or assistant principal before conducting a prohibited action.

Financial Plan Impact

The subtitle does not have a financial impact. MPD can reassign sworn officers to different divisions within the department as the number of SROs are reduced. There is no cost to limiting the types of police actions that SROs can use while on school grounds.

TITLE IV – PUBLIC EDUCATION SYSTEMS

Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2021

Background

The subtitle sets⁶³ the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$11,730. This is a 3.6 percent increase over fiscal year 2021. Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per student funding at that level or for those services. The subtitle also increases the weighting for the alternative program add-on from 1.445 to 1.52 and the at-risk add on from 0.2256 to 0.24. The subtitle establishes three new general education add-ons that include Elementary ELL, Secondary ELL, and At-risk High School Over-age Supplement. These additional weights were included in the recommendations of the 2020 UPSFF Working Group.⁶⁴

The subtitle also excludes⁶⁵ from the UPSFF formula stabilization funding allocated to DCPS schools to meet the requirement that schools be provided with not less than 95 percent of the prior year’s allocation.

Finally, the subtitle increases the per pupil facility allowance for Public Charter Schools beginning with Fiscal Year 2024, by 3.1% annually.

Financial Plan Impact

The 3.6 percent UPSFF increase will increase formula-driven local fund expenditures. The proposed fiscal year 2022 budget includes approximately \$1.86 billion for instructional budgets: \$1.01 billion for the District of Columbia Public Schools (including \$12.32 million in stabilization funding), and \$851 million for the public charter schools. Charter schools will receive \$158.8 million for facilities allowances in fiscal year 2022, bringing the collective public charter school local budget to \$1.01 billion.

Subtitle (IV)(B) – DCPS Intra-School Reprogramming Flexibility Amendment Act of 2021

Background

District agencies must allocate their non-personal expenditures to specific object classes such as supplies and materials, contractual services, utilities, rent, and other fixed costs. School budgets follow this practice, too. Under current practices, any time a school chooses to spend their non-personal funds differently, in an amount over \$10,000, the District of Columbia Public Schools (DCPS) must request a budget reprogramming from the Office of the Chief Financial Officer (OCFO). The subtitle increases⁶⁶ this amount to \$25,000. DCPS must follow rules established by the OCFO to reallocate funding.

⁶³ By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 et seq.).

⁶⁴ See: <https://osse.dc.gov/page/2020-21-uniform-student-funding-formula-upsff-working-group>

⁶⁵ By amending D.C. Official Code § 38-2902(b).

⁶⁶ By amending Section 4012(a) of the DCPS Contracting and Spending Flexibility Amendment Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 38-2955(a)).

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Financial Plan Impact

Increasing the maximum amount that can be reallocated within non-personal expenditure object classes without OCFO approval does not have a cost. DCPS can implement the subtitle without additional resources.

Subtitle (IV)(C) – Parks and Recreation Grant-Making Authority Amendment Act of 2021

Background

The subtitle establishes⁶⁷ several grant programs at the Department of Parks and Recreation (DPR). These grants include:

- \$150,000 to promote Eastern Market Metro Park;
- \$235,000 to assist the DPR in implementing a comprehensive program of public recreation;
- \$7,000 to conduct community run or walk event series;
- \$50,000 for regular activation of spaces in Columbia Heights Civic Plaza, 14th and Girard Park, and Unity Park;
- \$500,000 to develop urban farm and community wellness space in Oxon Run Park; and
- \$350,000 to support the design of a welcome center at the C&O Canal in Georgetown.

Financial Plan Impact

The budget and financial plan includes \$1,292,000 in local funds (one-time in fiscal year 2022) to provide grants to organizations that provide programming and services as required in the subtitle.

Subtitle (IV)(D) – University of the District of Columbia Fundraising Match Act of 2021

Background

The subtitle grants up to \$1.5 million to the University of the District of Columbia (UDC), subject to UDC fund-raising. For every \$2 that UDC raises by April 1, 2022, the District will grant \$1, up to a maximum of \$1.5 million. Of the amount provided by the District, at least one-third must be dedicated to UDC’s endowment fund.

Financial Plan Impact

The budget and financial plan includes \$1.5 million in the Non-Departmental Account to fund the matching grant.

Subtitle (IV)(E) – Apprenticeship Fines Amendment Act of 2021

Background

The subtitle requires⁶⁸ that fines for violating the District’s apprenticeship requirement law⁶⁹ be remitted to the Department of Employment Services (DOES) instead of the District of Columbia Public Schools, as current law requires. The apprenticeship requirement law requires certain contractors

⁶⁷ By amending Section 3 of the Recreation Act of 1994, effective March 23, 1995 (D.C. Law 10-246; D.C. Official Code § 10-302).

⁶⁸ By amending Section 5(c)(3) of the Amendments to An Act To Provide For Voluntary Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-156; D.C. Official Code § 32-1431(c)(3)).

⁶⁹ An Act To Provide For Voluntary Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-156; D.C. Official Code § 32-1431(c)(3)).

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of the District of Columbia government⁷⁰ and beneficiaries of large projects funded by the District of Columbia government⁷¹ to register an apprenticeship program with the District of Columbia Apprenticeship Council. Those violating the law will be subject to a fine imposed by DOES equal to 5 percent of the direct and indirect labor costs of the contract. Fine revenue is to be used solely for the support of vocational education programs.

Financial Plan Impact

The subtitle will not have an impact on the budget and financial plan since it will align the D.C. Official Code with current practice. Currently, DOES collects the fines and the fines are included in the DOES budget as revenue collections. In recent years, about \$30,000 a year has been collected. The fines are deposited as “Other Revenue” for the DOES Office of Apprenticeship and Trainings. The subtitle will allow DOES to use the money for vocational education programs.

Subtitle (IV)(F) – Scholarship and Tuition Assistance Payment Method Amendment Act of 2021

Background

The subtitle authorizes⁷² the Office of the State Superintendent of Education (OSSE) to award scholarships and financial assistance for tuition, fees, room, board, dual enrollment programs, and other costs of post-secondary education. OSSE can also pay for scholarships and financial assistance through direct vouchers issued to institutions of higher education.

Financial Plan Impact

The budget includes \$2.4 million in fiscal year 2022 and \$7.79 million over the financial plan to implement the subtitle. These funds will be used to support scholarships and financial assistance for post-secondary education.

Subtitle (IV)(G) – Universal Paid Leave Amendment Act of 2021

Background

Under the District’s Universal Paid Leave Program (“Program”),⁷³ administered by the Department of Employment Services, eligible workers in the District can receive eight weeks of paid leave to bond with a new child, six weeks to care for a family member with a serious health condition, and two weeks to care for a worker’s own serious health condition. The amount of benefit depends on a given eligible worker’s earnings during the previous five quarters and is currently capped at \$1,000 per week. The program is funded by a 0.62 percent payroll tax on covered District employers.

⁷⁰ Contractors and subcontractors who work for the District of Columbia government to perform construction, renovation work, or information technology work with a single contract, or cumulative contracts, of at least \$500,000 within a 12-month period.

⁷¹ Large projects are projects in excess of \$1 million funded in whole or in part with funds which, in accordance with a federal grant or otherwise, the District of Columbia government administers, and in which the District of Columbia is a signatory to any agreement of a contractual nature.

⁷² By amending Section 3(b) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2602(b)(29)).

⁷³ <https://does.dc.gov/page/dc-paid-family-leave>

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The tax rate was set to generate sufficient revenue to cover the rate at which eligible workers having a qualifying event will utilize the program instead of (or in addition to) their employer's benefit offerings. The Program began paying benefits on July 1, 2020, and benefit expenses have been significantly lower than projections for the maximum operations. Prior to the pandemic, revenues had also been slightly higher than anticipated due to faster than forecasted wage increases since 2016. This has resulted in a one-time projected surplus of \$420.5 million in the Program fund through fiscal year 2022. Fiscal year 2022 benefits are currently forecasted to remain below those originally projected but to return to forecasted levels by fiscal year 2023.

The subtitle establishes, for fiscal year 2022 only, a new benefit for pre-natal medical leave of up to two weeks and increases the maximum number of weeks one can receive for medical leave from two to six weeks. Qualifying pre-natal leave is defined as leave for medical care of a pregnant claimant prior to the birth. With the addition of pre-natal leave, the maximum leave new parents with prenatal medical needs in fiscal year 2022 can receive under the Program is ten weeks: two weeks of pre-natal leave plus eight weeks of parental leave. The new benefits will sunset at the end of fiscal year 2022.

The subtitle also makes several clarifications and administrative changes to the Program. First, it clarifies that a pregnancy ending in stillbirth is considered an eligible medical leave event. Second, for a period beginning with the approval of the subtitle and ending one year following the end of the public health emergency, the subtitle removes the one-week waiting period required before a claimant can receive benefits. Third, it allows claimants to receive benefits retroactively for leave taken prior to the date the claim was filed, provided the leave occurs after the date of the qualifying event, and the claim occurs within 30 days of the qualifying leave event. The 30-day requirement may be waived under exigent circumstances.

The subtitle lists, in order of priority, how benefits are to be expanded if sufficient future surpluses are certified in the Universal Paid Leave Fund ("Fund"). It requires the Office of the Chief Financial Officer (OCFO) to provide a certification every March 1st, which must include: the balance of the Fund; the projected revenues and expenditures under existing benefits; the projected tax rate necessary to maintain the current benefit levels; and the projected cost of expanding benefits on the priority list. The subtitle requires the Mayor to incorporate the changes authorized by the certification in the annual proposed budget to Council and requires any expanded benefits or tax changes to be effective July 1 of the same calendar year. The Mayor must provide notification to employers at least 60 days prior to Program changes using electronic notices to all employers, webinars, and mailers to residents enrolled in Medicaid.

The subtitle also requires the OCFO to analyze the estimated costs and actual costs of the Program each quarter beginning December 31, 2021 and continuing until the full implementation of the prioritized benefit expansion is funded. If the estimated cost is more than three times the actual cost, the OCFO must notify Council of the overestimation, and whether funds might be sufficient to implement any expanded benefits or tax rate change.

The subtitle prohibits short-term or temporary disability insurers from offsetting or reducing benefits or income based on payments made from the Fund and allows complaints of violations of the prohibition to be filed with the Department of Insurance, Securities and Banking.

Lastly, the subtitle eliminates the Workplace Leave Navigators Program and removes the statutory requirement to spend at least \$500,000 from the Fund for that program.

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Financial Plan Impact

There is an estimated \$420.5 million surplus in the Fund through fiscal year 2022. The new and expanded benefits established by the subtitle for fiscal year 2022 will cost \$105.7 million and the elimination of the Workplace Leave Navigators requirement reduced expenses by \$3 million over the financial plan. The other clarifications and administrative changes to the Program in the subtitle do not impact the Fund estimates. The Fiscal Year 2021 Revised Local Budget Adjustment Emergency Act of 2021 and the Fiscal Year 2022 Budget Support Act transfer a total of \$268.8 million of surplus out of the Fund for local fund uses and \$49 million for the Unemployment Insurance Trust Fund. Following these actions, the balance of the Fund is estimated to be at nine months of benefits and, therefore, to remain above the threshold that would require the OCFO to request a policy change in the fund⁷⁴.

Subtitle (IV)(H) – Student Activity Fund Theatrical and Music Performance Expenditures Act of 2021

Background

District of Columbia Public Schools (DCPS) Student Activity Funds (SAFs) are used by individual schools to finance extra-curricular activities for students. These accounts are separate from a school’s operating budget and are activated by the Office of the Chief Financial Officer (OCFO), which require monthly reporting and adherence to a set of internal controls. The subtitle allows schools to use SAFs for expenditures related to school-administered theatrical and music performances, including stipends for non-DCPS employees.

Financial Plan Impact

The subtitle does not have a cost since SAFs operate outside of the District’s budget and financial plan.

Subtitle (IV)(I) – UDC HEI Qualified Applicants Expansion Amendment Act of 2021

Background

The subtitle expands⁷⁵ the parameters for the Higher Education Incentive (HEI) scholarship program to include high school graduates who are enrolled in a post-secondary institution and who are working toward an associate degree in education or early childhood education or a Bachelor of Arts degree in education, human development, or early childhood education. The subtitle establishes a scholarship preference for District residents, bilingual educators who work in a child development facility in the District, and educators who are required by the Office of the State Superintendent of Education to obtain an associate degree or bachelor’s degree

Financial Plan Impact

The subtitle does not have a financial impact as it expands the pool of applicants qualified to receive HEI scholarships and establishes an award preference.

⁷⁴ D.C. Official Code, § 32-551.01(i).

⁷⁵ By amending Pre-k Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C. Law 17-202, D.C. Official Code § 38-274.02(b)).

Subtitle (IV)(J) - IT Community Training and Advisory Board Establishment Act of 2021

Background

The subtitle requires the Workforce Investment Council (WIC) to establish the Information Technology Investment Program in collaboration with the University of the District of Columbia (UDC), the University of the District of Columbia Foundation, Inc., and community training providers. The program will provide IT training free-of-charge to eligible District residents who have faced unemployment or loss of income due to the public health emergency or have barriers to employment. Subject to availability of funds, WIC will award grants⁷⁶ totaling no less than \$1,875,000 a year to community organizations to provide the training. It will also enter into a memorandum of understanding with UDC to provide UDC with funding for training.

The subtitle also requires WIC to research existing IT occupational advisory boards and make a recommendation to the WIC Board on the structure and membership of a new IT Occupational Board to advise future IT programming.

The subtitle has a sunset date of September 30, 2024.

Financial Plan Impact

The budget and financial plan includes approximately \$6.18 million to fund the subtitle. The funding is allocated to WIC for fiscal years 2022, 2023, and 2024. There is no funding in fiscal year 2025 since the subtitle sunsets at the end of fiscal year 2024.

About \$470,000 of this amount will go to WIC for administration needs, specifically a program manager and a contractor for grant making. The remaining \$5.7 million will be used to fund training through UDC and community training providers. UDC expects to serve 156 students a year with its funding. The funds will cover tuition and student support, supplies and tools, memberships, and one-time equipment purchases and facility upgrades.

Subtitle (IV)(J), IT Community Training and Advisory Board Establishment Act of 2021 Implementation Costs Fiscal Year 2022 to Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Four-Year Total
Salary for WIC Program Manager - IT training (1 FTE Grade 13/5)	\$100,926	\$102,692	\$104,489	\$0	\$308,107
Fringe for WIC Program Manager - IT training (1 FTE Grade 13/5)	\$20,387	\$20,871	\$21,367	\$0	\$62,625
Contractor for Technical Writing/Grant making support (NPS)	\$100,000	\$0	\$0	\$0	\$100,000
UDC Funding	\$874,000	\$538,258	\$547,677	\$0	\$1,959,935

⁷⁶ Pursuant to section 4(c) of the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code § 32-1603(c)).

Grants for Community Training Providers	\$1,875,000	\$1,875,000	\$0	\$0	\$3,750,000
Total Cost	\$2,970,313	\$2,536,821	\$673,533	\$0	\$6,180,668

Subtitle (IV)(K) – DC Nurse Education Enhancement Program Amendment Act of 2021

Background

The subtitle requires the Workforce Investment Council (WIC) to establish the DC Nurse Education Enhancement Program in collaboration with the University of the District of Columbia (UDC), the University of the District of Columbia Foundation, Inc., and direct care worker training grantees. The program will provide eligible District residents with free training that leads to certifications required for nursing care occupations.

WIC will enter into a memorandum of understanding with UDC to provide UDC with funding for training. It will also grant no less than \$900,000 per year, if funding is available, to community organizations to provide training.

The subtitle requires WIC to report program outcomes to the Mayor and D.C. Council.

The subtitle also requires⁷⁷ employers of long-term care services to become members of the Healthcare Workforce Partnership. The Partnership must submit feedback on the nursing care community training grants funded through the DC Nurse Education Enhancement Program.

The DC Nurse Education Enhancement Program will expire on September 30, 2024.

Financial Plan Impact

The budget and financial plan includes approximately \$5.79 million to fund the subtitle. The funding is allocated to WIC for fiscal years 2022, 2023, and 2024. There is no funding in fiscal year 2025 since the DC Nurse Education Enhancement Program sunsets at the end of fiscal year 2024.

WIC will use about \$370,000 of the funding to hire a program manager. WIC will award the remaining \$5.4 million to UDC and community organizations for training. UDC expects to serve 164 students a year with its funding. The funds will cover tuition and student support, supplies and uniforms, memberships, and one-time equipment purchases and facility upgrades.

⁷⁷ By amending the Healthcare Workforce Partnership Act of 2020, effective December 3, 2020 (D.C. Law 23-149, D.C. Official Code § 32-1681 et seq.).

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Subtitle (IV)(K), DC Nurse Education Enhancement Program Amendment Act of 2021 Implementation Costs Fiscal Year 2022 to Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Four-Year Total
Salary for WIC Program Manager - Nurse training (1 FTE Grade 13/5)	\$100,926	\$102,692	\$104,489	\$0	\$308,107
Fringe for WIC Program Manager - Nurse training (1 FTE Grade 13/5) - Fringe	\$20,387	\$20,871	\$21,367	\$0	\$62,625
UDC Funding - Nursing	\$1,211,000	\$748,880	\$761,985	\$0	\$2,721,865
Grants for Community Training Providers	\$900,000	\$900,000	\$900,000	\$0	\$2,700,000
Total Cost	\$2,232,313	\$1,772,443	\$1,787,841	\$0	\$5,792,598

Subtitle (IV)(L) – School Year Internship Program Amendment Act of 2021

Background

The subtitle makes permanent a school year internship pilot⁷⁸ that was implemented in fiscal year 2021. The School Year Internship Program (Program) will be administered by the Department of Employment Services (DOES) to provide 350 youth with work-based learning opportunities during the school year. During fiscal year 2022, the program will run between January and May, while in subsequent years it will run from October through May.

Financial Plan Impact

DOES will need to hire one Program Manager and three staff to work on recruitment and case management. Program funding also includes approximately \$500,000 for intern wages. In total, the proposed budget and financial plan includes \$839,000 of recurring funding for DOES to implement the Program, as follows:

⁷⁸ By amending D.C. Official Code § 32-242(a)(2A).

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Subtitle (IV)(L), School Year Internship Program Amendment Act of 2021					
Implementation Costs					
Fiscal Year 2022 to Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Four-Year Total
Salary for 4 FTEs	\$255,792	\$274,975	\$295,599	\$317,769	\$1,144,135
Fringe	\$76,405	\$82,136	\$88,296	\$94,918	\$341,755
Intern Wages	\$497,000	\$505,698	\$514,547	\$523,552	\$2,040,796
Misc. NPS Costs	\$10,000	\$10,175	\$10,353	\$10,534	\$41,062
Total	\$839,197	\$872,984	\$908,795	\$946,773	\$3,567,749

Subtitle (IV)(M) – Jobs First DC Pilot Program Establishment Act of 2021

Background

The subtitle establishes a Jobs First DC Pilot Program for the purpose of issuing grants to assist in the placement of at least 300 District residents in unsubsidized permanent employment and to fund 12 months of job retention support. The Department of Employment Services (DOES) must issue a minimum of two \$250,000 grants to nonprofit organizations to operate the Program. The Program should provide career services such as resume development, job search, interview preparation, networking coaching, and 12 months of employment retention support to unemployed District residents facing specified barriers to employment. Grantees must pay Program participants retention bonuses of \$250 when they are employed for 180 days and again at 365 days, and grantees will receive the same bonuses for such outcomes.

The subtitle further requires grantees to report on Program outcomes to DOES every six months, and it requires DOES to report to the Mayor and Council annually on Program outcomes of all grantees.

Financial Plan Impact

The proposed budget and financial plan includes federal funding for the Program in fiscal years 2022 and 2023, totaling \$1.2 million. There is no funding in subsequent years, but the subtitle makes the Program subject to the availability of funds. Funding will cover two grants and a staff member at DOES to administer and monitor grants and complete the required reporting.

Subtitle (IV)(M), Jobs First DC Pilot Program Establishment Act of 2021					
Implementation Costs					
Fiscal Year 2022 to Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Four-Year Total
Salary and fringe for 1 FTE	\$105,000	\$106,000	\$0	\$0	\$211,000
Grants	\$500,000	\$500,000	\$0	\$0	\$1,000,000

Total	\$605,000	\$606,000	\$0	\$0	\$1,211,000
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Subtitle (IV)(N) – Workplace Rights Grant Program Amendment Act of 2021

Background

The subtitle establishes⁷⁹ the Workplace Rights Grant Program within the Office of the Attorney General (OAG). The program will award at least two grants a year to community-based organizations to conduct activities with eligible individuals related to employment laws and to inform the OAG’s work related to employment laws.

Financial Plan Impact

The budget and financial plan includes recurring funding in OAG for the new grants program, including \$117,899 for one Grade 13 FTE (a grants administrator) and \$750,000 for grants.

Subtitle (IV)(O) – Unemployment Compensation Improvements Amendment Act of 2021

Background

The subtitle clarifies that benefits paid to unemployment insurance claimants will not be charged to an employer’s experience rating if the claim stemmed from the Public Health Emergency. The subtitle further requires the Department of Employment Services to issue a grant or contract for the production of two educational videos to address common questions about unemployment insurance, including one video addressing benefit year earnings and one video addressing work search requirements.

Financial Plan Impact

The budget and financial plan includes annual recurring funding of \$40,000 for DOES to produce the required videos. Benefits paid to unemployment insurance claimants have not been charged to employers’ experience rating through the Public Health Emergency and any impact of the clarification is expected to be minimal.

Subtitle (IV)(P) – Learning Loss Program Act of 2021

Background

The subtitle establishes a multi-year learning loss program using federal American Rescue Plan Act dollars through the Office of the State Superintendent of Education (OSSE). The program must support evidence-based approaches to learning acceleration or high impact tutoring, and 50 percent of each year’s funds must be used on grant awards. The subtitle specifies that OSSE must allocate \$10 million in fiscal year 2022, \$10.25 million in fiscal year 2023, and \$7 million in fiscal year 2024 towards the program. Grants must be awarded on a formula or competitive basis to District of Columbia Public Schools, public charter schools, or community-based organization. OSSE is permitted to use up to ten percent of grant funding to cover administrative costs associated with carrying out the grant program. The grant program must submit an annual report on award determinations, grant disbursements, and program results.

⁷⁹ By amending Subtitle J of Title II of the Fiscal Year 2020 Budget Support Act of 2019, effective September 11, 2019 (D.C. Law 23-16; D.C. Official Code § 32-171.01 et seq.).

Financial Plan Impact

The budget and financial plan includes federal funding of \$10 million in fiscal year 2022, \$10.25 million in fiscal year 2023, and \$7 million in fiscal year 2024 to allocate towards the program.

Subtitle (IV)(Q) – OSSE Data Planning for the Future Amendment Act of 2021

Background

The subtitle requires⁸⁰ the Office of the State Superintendent of Education (OSSE) to develop a plan for:

- Creating a standardized course coding system for the courses offered by the District’s Local Education Agencies (LEAs) and include credit hours, student enrollment, and grades;
- Building and implementing an early warning system to flag students at risk for disengaging from school; and
- Making improvements to the District’s Statewide Longitudinal Data System that align with the National forum of Education Statistics.

OSSE must complete and submit the plan to the Council by March 14, 2022. The plan must include a detailed cost analysis and implementation timeline.

Financial Plan Impact

OSSE can complete the required plan with resources allocated in the fiscal year 2022 budget.

Subtitle (IV)(R) – Teacher Preparation Amendment Act of 2021

Background

The subtitle establishes a competitive grant program through the Office of the State Superintendent of Education (OSSE) to develop and grow teachers from within the District of Columbia in a “grow your own” model. OSSE will award, at minimum, two grants annually totaling no less than \$550,000. At least one grant will be awarded for a purposes of funding a District high school graduate seeking a baccalaureate or master’s degree in teaching or education at a participating institution, and one for purposes of funding a current paraprofessional within the District working towards a baccalaureate or master’s degree in teaching or education. Prior to April 30, 2022 and every four years thereafter, OSSE must conduct an assessment to determine areas of high need in the District’s elementary and secondary education workforce. This assessment shall include information on the District’s progress towards diversity in teachers and matching of educators to the District’s student population. The first grants shall be awarded beginning no later than April 30, 2022.

Furthermore, the subtitle creates a specific program at the University of District of Columbia (UDC), beginning with School Year 2022-2023. Under this portion of the subtitle, UDC will create a teacher preparation pipeline program and select current enrollees for the program. Beginning with School Year 2022-2023, the subtitle directs UDC to use \$200,000 of their subsidy from the District of Columbia towards the program to pay for student expenses such as tuition, required academic fees,

⁸⁰ By amending Section 7c of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2609).

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bootcamp preparation or training academies, required examination fees, and book and supply costs for those in the program.

Financial Plan Impact

The fiscal year 2022 budget includes \$700,000 for OSSE to dedicate to one FTE, for program implementation and administration along with fringe, administrative costs, and grants. An additional \$750,000 has been allocated on a recurring basis to UDC for program costs. The table estimates costs for fiscal years 2023-2025, with a total for the four years of approximately \$5.9 million.

Subtitle (IV)(R), Teacher Preparation Amendment Act of 2021					
Implementation Costs					
Fiscal Year 2022 – Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
OSSE Salary ^(a)	\$98,947	\$100,679	\$102,440	\$104,233	\$406,299
Fringe ^(b)	\$23,351	\$23,906	\$24,474	\$25,055	\$96,787
OSSE Administrative Costs ^(c)	\$27,702	\$28,186	\$28,860	\$29,181	\$113,749
OSSE Grants ^(d)	\$550,000	\$550,000	\$550,000	\$550,000	\$2,200,000
UDC Program Costs ^(e)	\$750,000	\$763,125	\$776,480	\$790,068	\$3,079,673
Total	\$1,450,000	\$1,465,896	\$1,482,074	\$1,498,538	\$5,896,507

Table Notes:

- Assumes one CS-13 FTE for OSSE and cost growth of 1.75 percent.
- Assumes fringe 23.6 percent and cost growth of 2.375 percent.
- Assumes cost growth of 1.75 percent.
- Assumes that the grant amount is fixed at \$550,000 annually, subject to availability of funds.
- Assumes cost growth of 1.75 percent.

Subtitle (IV)(S) – Public Charter Schools Equity in Stabilization Funding Amendment Act of 2021

Background

The subtitle establishes⁸¹ a public charter school stabilization fund, administered by the Office of the State Superintendent of Education (OSSE), to provide financial assistance to adult, pre-K, and residential public charter schools whose enrollment for school year 2021-2022 is expected to be less than it was in school year 2019-2020 due to the long-lasting impact of the Public Health Emergency. Any funding that is not expended by December 31, 2021 will be transferred to the Office of Victim Services and Justice Grants for the Access to Justice program.

⁸¹ By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective April 13, 2005 (D.C. Law 15-348; D.C. Official Code § 38-2901 et seq.).

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Financial Plan Impact

The fiscal year 2022 budget contains \$10.2 million in one-time local funding in the Non-Departmental Account for the charter school stabilization fund. Funds will be disbursed to qualifying public charter schools based on the formula specified in the subtitle.

Subtitle (IV)(T) - Delayed Unemployment Compensation Payments Relief Amendment Act of 2021

Background

The subtitle requires the Department of Employment Services (DOES) to provide a \$500 payment to the first 10,000 unemployment insurance claimants who were District residents and who waited the longest between initial claim and first payment, or between initial monetary determination and monetary redetermination, provided that the delay was at least 60 days and all necessary supporting documentation was received. Claimants must have been approved for their claim between March 16, 2020 and July 1, 2021.

Financial Plan Impact

The fiscal year 2022 budget contains one-time funding of \$5 million to fund 10,000 payments of \$500 each plus \$100,000 at DOES to fund associated administrative expenses.

Subtitle (IV)(U) – Duke Ellington School of the Arts Project Grant Act of 2021

Background

The subtitle requires that OSSE provide a one-time, \$1.5 million grant in fiscal year 2022 to the Duke Ellington School of the Arts to address teacher pay equity. Duke Ellington is governed and operated by a Board of Directors on behalf of DCPS and its employees are not DCPS employees. Due to programmatic staffing requirements and in order to cover the salary costs of employing a higher than average number of teachers, the Board pays its teachers less on average than other DCPS schools.

Financial Plan Impact

The budget and financial plan includes \$1.5 million in one-time local funding to increase teacher pay at the Duke Ellington School of the Arts.

Subtitle (IV)(V) – District of Columbia Public Schools INSIGHT Survey Data Act of 2021

Background

The subtitle requires District of Columbia Public School (DCPS) to publicly release, prior to the start of fiscal year 2022, the full analysis conducted by American University’s School of Education on DCPS’s evaluation and feedback system for school-based personnel (also known as IMPACT). The subtitle requires DCPS to publicly release the de-identified raw, aggregate quantitative data from American University’s survey of teachers.

Financial Plan Impact

The subtitle does not have a cost. DCPS can release the full analysis and de-identified data to the public with resources budgeted in fiscal year 2022.

Subtitle (IV)(W) – Healthy Schools Amendment Act of 2021

Background

The subtitle increases the dedication of sales tax revenue to the Healthy Schools Fund⁸² by \$100,000 annually. The Healthy Schools Fund is used by the Office of the State Superintendent of Education to reimburse public schools for certain specified purposes such as meals reimbursement and health education. The Zero Waste Omnibus Amendment Act of 2019 that is being partially funded in the Budget Support Act, requires OSSE to fund \$100,000 of grants for the implementation of “share tables” in schools.

The subtitle further updates procedures under the Childhood Lead Exposure Prevention Amendment Act of 2017⁸³ (Act) for public charter schools to affirm their compliance with the Act. A public charter school shall submit proof of compliance to the Public Charter School Board, which shall provide proof of compliance to the Department of General Services (DGS). The subtitle also requires the Mayor to cover the costs of compliance with the Act.

Financial Plan Impact

A total of \$5.69 million of District sales tax revenue will be reserved for purposes of the Healthy Schools Fund in fiscal year 2022 and each year of the financial plan.

The budget includes direct funding of \$3.4 million annually to public charter schools so they can comply with the Act, so the subtitle removes a requirement that the schools provide proof of compliance to DGS in order to be reimbursed by the Mayor.

Subtitle (IV)(X) – Duke Ellington School of the Arts New Funding and Organization Model Act of 2021

Background

The subtitle requires District of Columbia Public Schools (DCPS) to discuss with the Duke Ellington School of the Arts Project a proposed new funding and organization model for the Duke Ellington School of the Arts and to present it to the Council by December 31, 2021.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. DCPS does not require any additional resources to hold the required discussions and present a model to Council.

⁸² D.C. Official Code § 38–821.02.

⁸³ Effective September 23, 2017 (D.C. Law 22-21; 64 DCR 10159).

TITLE V – HUMAN SUPPORT SERVICES

Subtitle (V)(A) – Medicaid Hospital Outpatient Payment Amendment Act of 2021

Background

The Department of Health Care Finance (DHCF) assesses a fee on District hospitals’ outpatient gross revenue. The outpatient fee revenues are deposited in the Hospital Provider Fee Fund (Fund). The Fund is used to make Medicaid outpatient hospital access payments to private hospitals in the District for services provided to Medicaid fee-for-service (FFS) patients. The Fiscal Year 2021 Budget Support Act changed how money in the Fund could be used and permitted DHCF to provide direct outpatient supplemental payments to managed care organizations (MCOs). The statutory language in the Fiscal Year 2021 Budget Support Act inadvertently limited the use of the Fund balance to only provide supplemental payments to MCOs. The subtitle corrects how money in the Fund can be spent to again include FFS payments directly to hospitals.

Financial Plan Impact

The subtitle allows DHCF to use Fund balance in a way that conforms with existing practice. DHCF will be able to provide direct outpatient supplemental payments to MCOs and hospital access payments for FFS patients.

Subtitle (V)(B) – Medical Assistance and Immigrant Children’s Program Amendment Act of 2021

Background

The District of Columbia’s Immigrant Children’s Program (Program) is administered by the Department of Health Care Finance (DHCF) and provides health coverage to approximately 4,000 children under the age of twenty-one who are not eligible for Medicaid. Services covered under the Program are identical to those covered under Medicaid, but eligibility criteria differ between the two programs.

The subtitle increases⁸⁴ the Program’s eligible household income threshold from 300 percent of the federal poverty level to 319 percent for children 18 years old or younger and 216 percent for children ages 19 and 20. This increase creates uniform eligibility thresholds across both Medicaid and the Program. The subtitle allows DHCF to implement an income disregard amount, based on family size, of up to five percent of the federal poverty level or higher percentages as authorized by the federal government as an income disregard for the determination of eligibility for Medicaid.

Residents that are determined to be eligible for the Program will be automatically enrolled in a health maintenance organization by DHCF. Program enrollees have 30 days to choose a different maintenance organization if they wish to do so.

The subtitle allows DHCF to modify the standards for eligibility to enroll in a program to increase the number of District residents who would be eligible to enroll in the program, to the extent such expansion is consistent with the District’s budget and financial plan.

⁸⁴ By amending Section 2202 of the Medical Assistance Expansion Program Act of 1999, effective October 20, 1999 (D.C. Law 13-38; D.C. Official Code § 1-307.03).

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Financial Plan Impact

DHCF projects that expanding eligibility criteria will increase the number of Program beneficiaries by nine. Recurring funding of \$28,527 is included in DHCF’s fiscal year 2022 budget to cover the costs of these additional beneficiaries.

Subtitle (V)(C) – Medicaid Reserve Fund Amendment Act of 2021

Background

The subtitle eliminates⁸⁵ the Medicaid Reserve Fund which is a paper agency of the Department of Health Care Finance. The Fund is used to pay for expenses associated with increased Medicaid enrollment or service utilization as a result of the public health emergency.

Financial Plan Impact

The fiscal year 2022 budget does not include funding in the Medicaid Reserve Fund and there is no fiscal impact to its removal.

Subtitle (V)(D) – Unjust Convictions Amendment Act of 2021

Background

Any person unjustly convicted of, and subsequently imprisoned for, a felony offense contained in the District of Columbia Official Code may present a claim for damages against the District of Columbia or petition the District for compensation. If an unjustly convicted person petitions the District for compensation and the Office of Victim Services and Justice Grants approves the petition, the petitioner is eligible to receive cash payments from the District for each year of incarceration and each year of probation. The petitioner is also eligible to receive health care for life through the D.C. Health Care Alliance program, among other benefits.

The subtitle allows the Department of Health Care Finances (DHCF) to deliver health care and mental health benefits to eligible unjustly convicted and imprisoned individuals using a fee-for-service (FFS) model instead of only the using the D.C. Health Care Alliance (Alliance) program.

Financial Plan Impact

There is currently only one individual that has been awarded health benefits for unjust imprisonment that will be transferred from the Alliance program to the FFS model. The annual cost difference between the Alliance program and the FFS model is \$34,000 per person. The proposed DHCF fiscal year 2022 budget includes recurring funding to implement the subtitle.

⁸⁵ By amending The Department of Health Care Finance Establishment Act of 2007, effective February 27, 2008 (D.C. Law 17-109; D.C. Official Code § 7-771.01 *et seq.*).

Subtitle (V)(E) – Maternal Health Resources and Access Amendment Act of 2021

Background

The subtitle requires Medicaid and the DC HealthCare Alliance and Immigrant Children’s Program (Alliance/ICP) to cover doula⁸⁶ services beginning on October 1, 2022. The District must seek approval from the Centers for Medicare and Medicaid Services (CMS) to amend the District’s Medicaid State Plan to include payments for doulas. Doulas practicing in the District must complete training and requirements to obtain certification by the Board of Medicine.

The subtitle also requires Alliance health insurance to include transportation costs via public transport or vehicle-for-hire for travel to and from non-emergency prenatal and postpartum health care appointments.

Financial Plan Impact

The fiscal year 2022 budget includes \$480,000 in recurring local funding to cover non-emergency transportation to prenatal and postpartum health care appoints for Alliance patients. Beginning in fiscal year 2023, the financial plan includes \$320,000 in recurring local funds to provide Alliance patients with doula services and \$396,000 in recurring local funds to provide Medicaid patients with doula services. Assuming that CMS will approve a State Plan Amendment to include doula services as is required in the subtitle, CMS will provide \$924,000 in federal matching payments to support doula coverage. The financial plan includes \$4.2 million in local funds and \$2.8 million in federal matching payments to implement the subtitle.

Subtitle (V)(E), Maternal Health Resources and Access Act of 2021					
Total Cost					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Alliance Transportation Coverage ^(a)	\$480	\$488	\$497	\$506	\$1,971
Alliance Doula Coverage ^(b)	0	\$320	\$326	\$332	\$978
Medicaid Doula Coverage - Local Share ^(c)	0	\$396	\$403	\$410	\$1,209
Total Local Cost	\$480	\$1,204	\$1,226	\$1,248	\$4,158
Medicaid Doula Coverage - Federal Share ^(d)	0	\$924	\$940	\$956	\$2,820
Grand Total (Local and Federal)	\$480	\$2,128	\$2,166	\$2,204	\$6,978

Table Notes:

- (a) Assumes 24,000 trips will be covered each year at a cost of \$20 per trip. Assumes cost growth of 1.75 percent.
- (b) Assumes 160 Alliance patients will use a doula services each year at a cost of \$2,000 per each pregnancy event. Assumes cost growth of 1.75 percent.
- (c) Assumes 660 Medicaid and Alliance/ICP patients will use a doula services each year at a cost of \$2,000 per each pregnancy event. Assumes cost growth of 1.75 percent.
- (d) Assumes federal match of 70 percent.

⁸⁶ Doulas are individuals certified by the Board of Medicine to provide culturally competent and continuous physical, emotional, and informational support to the birthing parent during pregnancy, labor, birth, and postpartum.

Subtitle (V)(F) – Howard University Hospital Centers of Excellence Fund Amendment Act of 2021

Background

In 2020, the District authorized operating support, subject to available funding, for five Centers of Excellence at Howard University Hospital (Centers) through fiscal year 2025 and a tax abatement for property being redeveloped by Howard University, beginning no earlier than fiscal year 2025 subject to conditions including operation of the Centers.⁸⁷ The five Centers will focus on sickle cell disease, women’s health, substance use and co-occurring disorders, trauma care and violence prevention, and oral health.

The subtitle establishes a non-lapsing Howard University Hospital Centers of Excellence Fund (Fund) to collect unspent local funds that were appropriated in the fiscal year 2021 to support the Centers and will serve as a repository for funds appropriated in fiscal year 2022 or later. The Fund will be administered by the Department of Health.

Financial Plan Impact

The approved fiscal year 2021 budget includes \$4.2 million in one-time funding to support the Centers of Excellence at Howard University Hospital. Any unspent money from this appropriation will be deposited into the newly established Fund to be spent in fiscal year 2022 or later.

Subtitle (V)(G) – SNAP Reinvestment Fund Establishment Amendment Act of 2021

Background

Each year the Department of Human Services (DHS) submits Supplemental Nutrition Assistance Program (SNAP) quality control reports to the United States Department of Agriculture’s Food and Nutrition Service (FNS) for independent review. If the District’s SNAP program is found to have an excessive benefit payment error rate, a penalty is assessed, and the program is required to take corrective action. The penalty must be repaid in full to the U.S. Treasury or half of the penalty amount can be reinvested in program enhancements that reduce errors.

The District’s SNAP program was issued a \$1.95 million penalty for fiscal year 2018 payment errors and \$1.68 million for fiscal year 2019 payment errors. The District negotiated a settlement agreement to invest half of the 2018 penalty amount towards program enhancements and is in the process of negotiating an agreement for the fiscal year 2019 penalty. SNAP error reduction settlement agreements typically extend over multiple fiscal years.

The subtitle establishes a non-lapsing SNAP Reinvestment Fund to collect unspent local funds remaining in the operating budget of DHS at the end of each fiscal year in an amount necessary to meet SNAP excessive payment error rate liability settlement agreements.

Financial Plan Impact

Creating a non-lapsing SNAP Reinvestment Fund will allow DHS to implement error reduction program enhancements without limitation to fiscal year. The amount of surplus local funds deposited into the Fund at the end of each fiscal year will be equal to the outstanding penalty balance as determined through settlement agreements with FNS.

⁸⁷ D.C. Code § 47-4673(f)(1).

Subtitle (V)(H) – Veteran Transportation Program Expansion Amendment Act of 2021

Background

The subtitle requires the Office of Veterans Affairs, through the Vets Ride transportation program, to provide up to 15 free (one-way) on-demand transportation or public transportation trips per month to veterans with household income less than or equal to 80 percent of the area median income. The trips must be available six days per week, to any District destination. The subtitle limits the benefit to the availability of existing funds.

Financial Plan Impact

The Office of Veterans Affairs has budgeted \$186,000 for the program and provides approximately 10 rides per month to about 130 veterans. The program sees an average cost of \$12 per ride, so the 5 additional trips per month will cost an estimated \$93,600 to serve the same number of veterans. The subtitle limits the benefit to the availability of existing funds, so the program cannot exceed its budget.

Subtitle (V)(H), Veteran Transportation Program Expansion Amendment Act of 2021 Implementation Costs Fiscal Year 2022 – Fiscal Year 2025 (\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Cost of additional rides under the subtitle	\$94	\$95	\$97	\$99	\$384

Subtitle (V)(I) – Still Leverage for Our Future Amendment Act of 2021

Background

This subtitle amends the Birth-to-Three for All DC Amendment Act⁸⁸ (Act) to add a new paragraph providing \$150,000 of Fiscal Year 2022 funding for Sec. 105(b) for the Home Visiting Program.

Financial Plan Impact

The fiscal year 2022 budget includes one-time funding in the amount of \$150,000 for the home-visiting provider who has been awarded the competitive grant as designated by the Act.

Subtitle (V)(J) Stevie Sellow’s Direct Support Professionals Quality Improvements Act of 2021

Background

District law provides for a Stevie Sellows Quality Improvement Fund⁸⁹ that is used by the Department of Health Care Finance to fund quality of care improvements for facilities providing care to individuals with intellectual and developmental disabilities (ICF/IID). The subtitle corrects all D.C. Official Code references to “Sellow’s” and expands the allowable uses of the fund to cover quality of

⁸⁸ D.C. Law 23-16; D.C. Official Code § 4-651.05a(a)

⁸⁹ D.C. Official Code § 47-1270 (and ...)

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care improvements for residential, in-home, day, or support services provided under the District's Medicaid Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities. The subtitle further requires that any quality of care improvements for ICF/IID that are used for salary increases for qualifying direct support professionals must be used for salary pay which is, on average, 117.6% of District minimum wage.

Financial Plan Impact

The proposed budget and financial plan includes Medicaid payments to ICF/IID that are sufficient for them to pay their direct support professional employees on average at 117.6 percent of the District minimum wage.

Expanding the allowable uses of the Fund to include payments to residential, day or support services does not have an impact on the budget or financial plan. The proposed budget does not currently include funding for payments for community-based services out of the Fund.

Subtitle (V)(K) - Early Childhood Educator Pay Equity Fund Establishment Act of 2021

Background

The subtitle establishes a non-lapsing Early Childhood Educator Pay Equity Fund at the Office of the State Superintendent of Education (OSSE). and specifies the amounts of local funds to be deposited into the Fund each year. The Fund must be used to support the cost of implementing an employee compensation salary scale to increase the compensation for employees of early childhood development providers, as passed or approved by Council.

Financial Plan Impact

The proposed budget and financial plan sets aside \$54 million in the Fund in fiscal year 2022 and a total of \$275.6 million through fiscal year 2025 to implement a compensation salary scale for early childhood development educators. The final features of the salary program, including costs for grants and administration, will be determined through subsequent legislation and rule-making. The subtitle allows up to 10% of the Fund to be used toward Office of State Superintendent of Schools (OSSE) administration costs of implementing the program.

Subtitle (V)(L) - DC HealthCare Alliance Conforming Amendments and Non-Lapsing Fund Amendment Act of 2021

Background

The subtitle allows⁹⁰ DC HealthCare Alliance enrollees to complete an application for recertification with the Department of Human Services (DHS) in person, over the telephone, and through electronic means. Applicants are not required to complete face-to face interviews to establish eligibility in fiscal year 2022. Beginning April 1,2025, enrollees are only required to recertify once every 12 months.

The subtitle also establishes a non-lapsing DC HealthCare Alliance Reform Fund to be administered by the Department of Health Care Finance (DHCF). All local funding appropriated for DHCF in fiscal years 2022 through 2024 that remains unspent at the close of each fiscal year must be deposited into

⁹⁰ By amending The Health Care Privatization Amendment Act of 2001, effective July 12, 2001 (D.C. Law 14-18; D.C. Official Code § 7-1401 et seq.).

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the Fund. Money in the Fund must be used to implement the Alliance reforms including the permanent elimination of a face-to-face interview as a recertification requirement and extending eligibility determination periods from six months to twelve months.

Financial Plan Impact

The fiscal year 2022 budget includes funding to allow Alliance enrollees to recertify using the telephone and through electronic means once every six months. Beginning in fiscal year 2023, Alliance enrollees will be required to complete at least one face-to-face recertification in person at DHS in a 12-month period.

The requirement to provide twelve months of eligibility to individuals enrolled in the Alliance program beginning April 1, 2025 will create costs that fall outside the financial plan. Sufficient funding must be budgeted in fiscal year 2026 in order to implement twelve-months of eligibility. It is unknown at this time whether there will be sufficient funding in the DC HealthCare Alliance Reform Fund in fiscal year 2026 to implement an extension to twelve months of eligibility.

Subtitle (V)(M) - Department of Health Care Finance Grant-Making Amendment Act of 2021

Background

The subtitle provides the Department of Health Care Finance (DHCF) with authority to provide competitive grants subject to the availability of funding in fiscal year 2022. Authority is provided for five grants as follows: (1) up to \$150,000 for medical respite care for individuals who are homeless; (2) up to \$200,000 for initiatives focused on addressing the social determinants of health in Wards 7 and 8; (3) up to \$200,000 to study the barriers to telehealth services for clients of the Department of Behavioral Health and the Department of Disability Services; (4) up to \$250,000 to assist Federally Qualified Health Centers in educating their patients in Wards 7 and 8 on how to properly access telehealth services; and (5) up to \$100,000 for purposes of deploying non-physician healthcare practitioners, such as social workers, to facilitate and improve care coordination for pregnant mothers receiving health benefits through Medicaid or the DC HealthCare Alliance.

Financial Plan Impact

There is no impact on the proposed budget or financial plan. The subtitle allows for, but does not require, the grants and no funds have been budgeted for the grants. In order to implement the grants, the Mayor would need to submit a reprogramming.

TITLE VI – OPERATIONS AND INFRASTRUCTURE

Subtitle (VI)(A) – Highway Trust Fund Reprogramming Amendment Act of 2021

Background

Since fiscal year 2012, the District Department of Transportation (DDOT) allocated funding for federally funded capital projects through the Highway Trust Fund in “master” projects with associated “related” projects. DDOT does not spend directly from the master projects, but transfers the funds to approved related projects. In fiscal year 2019,⁹¹ the Council granted flexibility for DDOT to reallocate funds between master projects and related projects or between related projects under the same master project without going through the Council reprogramming process.⁹²

The subtitle further exempts from the Council reprogramming process transfers of funds between master projects. The subtitle requires that any transfers be consistent with the District’s State Transportation Improvement Plan and makes this change effective July 1, 2021.

Financial Plan Impact

The subtitle does not change the amount of authorized funding and exempting these transfers from Council’s reprogramming approval process has no impact on the District’s budget or financial plan.

Subtitle (VI)(B) –Department of Consumer and Regulatory Affairs Transition Amendment Act of 2021

Background

The Department of Buildings Establishment Act of 2020 (Act) requires certain functions of the Department of Consumer and Regulatory Affairs (DCRA) to be transferred to a new Department of Buildings by October 1, 2021. The subtitle extends such date to October 1, 2022.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The budget and financial plan separately includes the additional resources necessary to establish the Department of Buildings during fiscal year 2022, subsequent to the production of an implementation plan. Subtitle I-M allows for the Chief Financial Officer to transfer budget authority from DCRA to the new Department of Buildings as required by the Act’s required transfers of functions.

Subtitle (VI)(C) – Business Recovery and Sustainability Fee Reductions Amendment Act of 2021

Background

The subtitle reduces the cost for obtaining or renewing a general business license by eliminating the application fee for a license or an endorsement and reducing general license fees from \$200 to \$90, employment services license fees from \$1,300 to \$90, and Limited Liability Partnership filing fees

⁹¹ Master Capital Projects Funding Reallocation Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 47-310).

⁹² D.C. Official Code § 47-363.

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from \$220 to \$99.⁹³ The technology enhancement fee remains at 10 percent of total license costs, but because total license costs will be reduced, the enhancement fee will also be proportionally reduced.

The subtitle also temporarily reduces the cost of obtaining or renewing professional and non-health occupation licenses⁹⁴ during fiscal year 2022, by eliminating the application fee for a license or exam, and reduces the license fee (which varies by profession) to \$99 for all professions.

The subtitle authorizes the Mayor to implement a fee forgiveness program for corporate entity filing requirements.⁹⁵ The Department of Consumer and Regulatory Affairs (DCRA) plans to implement a two to three-month amnesty program in fiscal year 2021 for businesses with 50 employees or fewer whose corporate registration was revoked at any time due to a failure to file a biennial report. The amnesty period will allow businesses to file the most recent report without having to pay filing or late fees for past due reports. Fees will still apply for the current report.

The subtitle waives certain fees for public vehicles-for-hire and their operators during fiscal year 2022. The subtitle waives Department of For-Hire Vehicles (DFHV) fees for any annual operator ID renewals, the per vehicle registration cost, and certificate of operating authority fees for independent taxicab owners, taxicab companies, fleets, associations, and out-of-state independent luxury vehicle businesses. The subtitle also waives certain Department of Motor Vehicles (DMV) fees for public vehicles-for-hire and their operators. The waived DMV fees include fees for operator records, vehicle inspections, and vehicle registrations.

Financial Plan Impact

The subtitle waives or reduces other fees charged across several District agencies. The subtitle waives various fees expected to be paid in fiscal year 2022 by the owners and operators of public vehicles-for-hire at both DFHV and DMV. The DFHV license, registration, and certificate of operating authority fee waivers will reduce DFHV special purpose revenues in fiscal year 2022 by approximately \$1.8 million. The DMV inspection, registration, and document request fees for this will reduce both local fund revenues and special purpose revenues in fiscal year 2022 by approximately \$745,000. The subtitle reduces some DCRA business and occupational licensing fees and filing fees, reducing both local fund revenue and special purpose revenues by \$3 million in fiscal year 2021 and approximately \$26 million over the fiscal year 2021 to fiscal year 2025 budget and financial plan period. The subtitle also authorizes a three-month amnesty program in fiscal year 2021 that will reduce local fund revenues by \$231,000 in fiscal year 2021.

The chart on the following page summarizes the subtitle's fiscal impact.

⁹³ See 17 DCMR 513.1, 500.2, 516.1(c), 602(a)(1), 606.1(a), 607.1(a), 608.1(a), and 611.1(a) for fees being adjusted.

⁹⁴ See 17 DCMR 3500.6.

⁹⁵ D.C. Official Code 29-102.12

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Subtitle (VI)(C), Business Recovery and Sustainability Fee Reductions Amendment Act of 2021					
Lost Fee Revenues					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Waive certain DFHV license, registration, and certificate of operating authority fees	(\$1,811)	\$0	\$0	\$0	(\$1,811)
Waive DMV inspection, document request, and registration fees for public vehicles-for-hire	(\$745)	\$0	\$0	\$0	(\$745)
Reduced business and occupational licensing fees	(\$6,155)	(\$4,942)	(\$5,654)	(\$6,506)	(\$23,256)
Total Revenue Reductions	(\$8,711)	(\$4,942)	(\$5,654)	(\$6,506)	(\$25,812)

Subtitle (VI)(D) – Sustainable Energy Trust Fund Amendment Act of 2021

Background

The Department of Energy and Environment (DOEE) imposes a fee on the District’s electricity, natural gas, and oil providers. The fees, whose rates were increased in fiscal year 2020,⁹⁶ are deposited into the Sustainable Energy Trust Fund (SETF). SETF resources are used to support the District’s energy efficiency efforts through grants, loans, bill support and weatherization for the District’s low-income residents, and to support job training in energy efficiency fields. The fiscal year 2020 changes also dedicated \$70 million of the SETF resources to the Green Finance Authority (Authority) from fiscal year 2020 to fiscal year 2025. This Authority funding commitment was in addition to a \$35 million commitment (\$7 million annually) from fiscal year 2018 through fiscal year 2022 from the Renewable Energy Development Fund (REDF) made when the Authority was first established.⁹⁷

The subtitle maintains the \$70 million transfer to the Authority through fiscal year 2025, but gives DOEE more flexibility to transfer between \$10 million and \$15 million annually from fiscal year 2022 to fiscal year 2025. Currently, DOEE is only authorized to transfer \$10 million per year over those fiscal years.

The subtitle also makes a technical change to the motor efficacy standard for residential ventilating fans to call them in-line residential ventilating fans, while maintaining the standard fan motor efficiency of no less than 2.8 cubic feet.⁹⁸

Financial Plan Impact

Through fiscal year 2020, DOEE has transferred \$14 million from REDF and \$12 million from SETF. DOEE was expected to fund the Authority from SETF at \$15 million in each of fiscal year 2020 and fiscal year 2021, but was unable to meet that level of funding in FY 2020 and plans to meet that level in fiscal year 2021. The subtitle gives DOEE flexibility to transfer between \$10 million and \$15 million

⁹⁶ Clean Energy Implementation Amendment Act of 2019, effective March 22, 2019 (D.C. Law 22-257; D.C. Official Code § 8-1774.10).

⁹⁷ Green Finance Authority Establishment Act of 2018, effective August 22, 2018 (D.C. Law 22-155; D.C. Official Code § 8-173.01 et seq.).

⁹⁸ Energy Efficiency Standards Amendment Act of 2020, effective March 16, 2020 (D.C. Law 23-195; D.C. Official Code § 8-1771.03(b)).

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from fiscal year 2022 through fiscal year 2025 so that DOEE can still meet its planned commitment of \$70 million by fiscal year 2025.

Subtitle (VI)(E) – WMATA Dedicated Funding Amendment Act of 2021

Background

In 2018, the District passed the Dedicated Funding for the Washington Metropolitan Transit Authority (WMATA) Act of 2018,⁹⁹ providing for a dedication of sales tax revenue to be used for a grant to WMATA for the purposes of WMATA capital improvements. The Act provided for an initial annual dedication of \$178.5 million, to be increased by three percent annually, beginning in fiscal year 2021. At that time, the District expected a funding compact with surrounding jurisdictions which would require such annual increase, but these jurisdictions have not increased their funding allocations annually.

The subtitle will eliminate the three percent annual increase in the sales tax dedication. The subtitle also allows the District to reduce its contribution if Maryland and Virginia reduce theirs, by a proportional amount.

Financial Plan Impact

The District’s revenue estimates included the annual increase provided for in the Act; the subtitle increases sales tax revenue available for general fund purposes by \$5.35 million in fiscal year 2021 and \$83.6 million through fiscal year 2025.

Subtitle (VI)(E), WMATA Dedicated Funding Amendment Act of 2021 Local Fund Revenue Increase Fiscal Year 2022 - Fiscal Year 2025 (\$ thousands)						
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Additional sales taxes remaining in Local Funds	\$5,355	\$10,871	\$16,552	\$22,403	\$28,430	\$83,611

Subtitle (VI)(F) – Urban Agriculture Funding Amendment Act of 2021

Background

In 2015, the Council passed a comprehensive urban farming initiative that includes access to public land for urban farming through a land leasing program and real property tax abatements.¹⁰⁰ The Department of Energy and Environment (DOEE) certifies applicants as eligible for the real property tax abatements, which were limited to \$150,000 annually in fiscal year 2021.¹⁰¹

⁹⁹ Fiscal Year 2019 Budget Support Act of 2018, Subtitle VI-A.

¹⁰⁰ Urban Farming and Food Security Amendment Act of 2014, effective April 30, 2015 (D.C. Law 20-248; 62 DCR 1504).

¹⁰¹ Urban Agriculture Funding Amendment Act of 2020, effective December 3, 2020 (D.C. Law 23-149; D.C. Official Code § 48-402.02).

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The subtitle further limits the real property tax abatement expenditure limit to \$90,000 annually and allows an urban farm to submit the required annual planting plan to DOEE at any point to be eligible for a tax abatement. The subtitle also clarifies the definition of an urban farm to exclude backyard and community gardens.

Financial Plan Impact

DOEE’s Office of Urban Agriculture certifies the real property tax abatements and has certified or expects to certify approximately \$50,000 in tax abatements in fiscal year 2021. The subtitle reduces the District’s potential expenditures on the urban farming real property tax abatements to \$90,000 and allows the fiscal year 2022 through fiscal year 2025 budget and financial plan to realize \$60,000 annually in revenues that will no longer be available for tax abatements. There are no costs or revenue implications associated with the changes to the annual planting plan requirement or the urban farm definition.

Subtitle (VI)(F), Urban Agriculture Funding Amendment Act of 2021					
Revenue Increase					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Revenue Increase	\$60	\$60	\$60	\$60	\$240

Subtitle (VI)(G) – Zero Waste Funding and Clarification Amendment Act of 2021

Background

In 2020, the Council passed comprehensive updates to the District’s waste, source separation, reuse, and recycling efforts.¹⁰² The legislation requires the District to work with private property owners and District agencies on their source separation processes, develop consistent waste receptacles both in public space and across government agencies, study and pilot a public composting program, establish a battery stewardship program, and makes changes to some existing waste reduction and recycling programs.

The subtitle makes changes to the Zero Waste legislation to support implementation of several of the legislation’s provisions and increases several fees charged by the Department of Public Works (DPW) for solid waste and recycling disposal. The subtitle clarifies that commercial food waste be donated only to the extent practical and that the employee work areas that require food waste containers are only those work areas where back-of-house employees are handling commercial food waste. The subtitle also eliminates the requirement that the District provide composting technical assistance to commercial food entities. The subtitle requires commercial on-site composters – as is currently required of residential on-site composters – to compost in a manner that does not create a public nuisance or promote the development, attraction, or harborage of vectors.

The subtitle clarifies which products with batteries do not meet the definition of a ‘battery-containing product’ and are thus are not subject to direct participation in a battery stewardship plan. The subtitle eliminates a restriction on how battery components can be recycled. The subtitle delays the date by which a battery stewardship organization must submit its first annual report from April 1,

¹⁰² Zero Waste Omnibus Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-211; 68 DCR 68).

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2023 to June 1, 2023. The subtitle also amends recent changes to the registration requirements for the covered electronics stewardship program.¹⁰³ Registrants must certify that the vendors they use for recycling or reuse of electronics have e-Stewards certification.

The subtitle increases DPW’s solid waste diversion and recycling disposal fees and sets a minimum solid waste transfer fee. The subtitle doubles the solid waste diversion fee from \$1 per ton to \$2 per ton. The subtitle increases the recycling disposal fee by \$20 from \$31.59 to \$51.59 for each ton of recycling disposed at a District transfer station. The subtitle establishes, beginning on January 1, 2023, a minimum solid waste transfer fee of \$13.38 per ton for entities that only use DPW facilities to transfer waste.

In 2010, Council banned the use of certain mixtures of polybrominated diphenyl ethers and authorized the Mayor to establish de minimis exemptions for certain products if deemed appropriate.¹⁰⁴ The subtitle further establishes an exemption for the sale of products containing 0.1 percent or less by mass of penta mixtures of polybrominated diphenyl ethers due to the presence of recycled raw materials.

Financial Plan Impact

The subtitle’s food waste and composting changes and changes to the battery and covered electronics stewardship programs do not impose any additional costs on the District. The de minimis exemption for products containing 0.1 percent or less of penta mixtures of polybrominated diphenyl ethers does not impose any additional costs on the District.

The subtitle changes various solid waste and recycling fees imposed by DPW that will generate additional revenues for two DPW special purpose revenue funds. DPW will collect an additional \$333,000 annually in the Solid Waste Diversion Fund¹⁰⁵ by increasing the solid waste diversion fee from \$1 to \$2. DPW will also collect an additional \$445,000 annually into the Solid Waste Disposal Cost Recovery Fund¹⁰⁶ by increasing the recycling disposal fee by \$20 per ton. DPW currently charges solid waste transfer fees to two companies through special agreements. Since the agreements currently charge the companies less than what the subtitle proposes as a minimum fee, DPW will collect an additional \$486,000 on January 1, 2023 when the minimum fee goes into effect and an additional \$649,000 annually thereafter. DPW will deposit these additional fees into the Solid Waste Disposal Cost Recovery Fund.

Subtitle (VI)(G), Zero Waste Funding and Clarification Amendment Act of 2021					
Special Purpose Fund Revenue Increases					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Solid Waste Diversion Fund	\$333	\$333	\$333	\$333	\$1,330
Solid Waste Disposal Cost Recovery Fund ^a	\$445	\$931	\$1,094	\$1,094	\$3,562

Table Notes: ^a Changes to the minimum solid waste transfer fee begin January 1, 2023.

¹⁰³ D.C. Official Code § 8-1041.03(b)(8).

¹⁰⁴ Human and Environmental Health Protection Act of 2010, effective March 31, 2011 (D.C. Law 18-336; D.C. Official Code § 8-108.02).

¹⁰⁵ Sustainable Solid Waste Management Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-154; D.C. Official Code § 8-1031.12).

¹⁰⁶ Solid Waste Disposal Cost Recovery Act, effective September 18, 2007 (D.C. Law 17-20; D.C. Official Code § 1-325.91).

Subtitle (VI)(H) – Department of Motor Vehicles Kiosk Fund Amendment Act of 2021

Background

The Department of Motor Vehicles (DMV) is developing a 24/7, self-service kiosk program for residents to interact with DMV and obtain services. DMV expects to launch the program late in fiscal year 2022. DMV expects to provide services such as duplicate REAL ID requests, REAL ID renewals, vehicle registrations, driver record requests, and other vehicle sticker renewals. Residents who utilize one of the self-service kiosks will pay a small convenience fee for the service.

The subtitle establishes the Department of Motor Vehicles Kiosk Fund (Fund) as a nonlapsing special purpose revenue fund. DMV will deposit the convenience fees collected by the kiosks into the Fund to support the installation, rent, operating, maintenance, and related supplies costs associated with operating the kiosks.

Financial Plan Impact

The convenience fees that DMV will charge for use of the kiosks will be determined as DMV finalizes negotiations with the kiosk vendor. DMV will deposit the fees into the new Fund, but the budget and financial plan does not include any revenues for the Fund. The Mayor will need to seek budget authority to spend any revenues that are received once the program is underway.

Subtitle (VI)(I) – DC Circulator Amendment Act of 2021

Background

The District Department of Transportation (DDOT) manages the six-line intracity DC Circulator bus network. Riders currently pay \$1 per trip to ride a DC Circulator bus¹⁰⁷ and those fees are deposited into the DC Circulator Fund.¹⁰⁸ One of the routes, along the National Mall, is also partially funded by parking meter revenues from meters installed along the National Mall. Those fees are deposited into the DC Circulator Fund, but they are accounted for separately as they are dedicated to the operations of the National Mall route.

The subtitle requires DDOT to charge \$1 fares and establishes exceptions for the Mayor to offer reduced fares. The Mayor can provide discounts to seniors, veterans, students, children, and disabled persons; all riders during public health emergencies; all riders during promotional periods;¹⁰⁹ and ride transfers.

Financial Plan Impact

The subtitle requires DDOT to charge a \$1 fare for Circulator trips with limited exceptions. The fiscal year 2022 through fiscal year 2025 budget and financial plan includes \$1.6 million dollars in fare revenue in fiscal year 2022, \$1.8 million in fiscal year 2023, \$2 million in fiscal year 2024, and \$2.4 million in fiscal year 2025 which will be deposited into the DC Circulator Fund. The fiscal year budget also includes approximately \$200,000 in annual operating costs needed for DDOT to physically collect Circulator fares.

¹⁰⁷ Fare payments were suspended during the 2020 and 2021 public health emergency.

¹⁰⁸ District Department of Transportation DC Circulator Amendment Act of 2006, effective March 6, 2007 (D.C. Law 16-225; D.C. Official Code § 50-921.33).

¹⁰⁹ The subtitle limits promotional periods to no more than 2 months per year.

Subtitle (VI)(J) – Low-Income Weatherization Assistance Amendment Act of 2021

Background

The Department of Energy and Environment (DOEE) charges an assessment on gas and electric utility companies to support low-income residents with their home heating and electrical bills through the Low-Income Home Energy Assistance Program (LIHEAP). These assessments are deposited into DOEE’s Energy Assistance Trust Fund (EATF).¹¹⁰ LIHEAP is also supported by federal grants.

The subtitle authorizes DOEE to expend EATF resources in fiscal year 2022 for low-income weatherization programs.

Financial Plan Impact

DOEE plans to spend approximately \$1 million of EATF resources on low-income weatherization programs in fiscal year 2022. DOEE does not expect this expenditure to have a negative impact on DOEE’s ability to provide utility payment support to low-income residents through LIHEAP.

Subtitle (VI)(K) – ATE System Revenue Designation Amendment Act of 2021

Background

In 2020, the Council approved legislation¹¹¹ to amend or impose planning, reporting, enforcement, infrastructure, and operational changes across multiple District agencies that are responsible for the movement of people in the District and achieving the District’s Vision Zero¹¹² goals. The legislation, which is not presently funded, requires the District Department of Transportation (DDOT) to lead a public outreach campaigns, the construction of sidewalks and bicycle lanes, reduces speed limits, and expands the automated traffic enforcement (ATE) program. The Department of Motor Vehicles (DMV) must also enhance its knowledge tests, requirements for who must take DMV tests, and support the ATE program expansion under the legislation.

The Mayor also funded an expansion and refresh of the ATE program at DDOT. However, the budget does not include any revenue from the ATE program expansion.

The subtitle establishes the Vision Zero Enhancement Omnibus Amendment Act Implementation Fund (Fund) as a new nonlapsing special purpose revenue fund. The subtitle directs the Mayor to deposit any ATE program revenues above \$98,757,000 annually into the Fund. The subtitle requires the Fund’s resources to be expended to implement, in priority order, the Vision Zero Enhancement Omnibus Amendment Act of 2020 (Act) and other enhancements to pedestrian and bicyclist safety. The subtitle also authorizes DDOT to enter into agreements and intra-District fund transfers from the Fund with the Department of Health, DMV, the Department of Public Works, and the Metropolitan Police Department to support the Act’s implementation.

¹¹⁰ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.11).

¹¹¹ Vision Zero Enhancement Omnibus Amendment Act of 2020, effective December 23, 2020 (D.C. Law 23-158; 67 DCR 13057).

¹¹² Vision Zero is a strategy to eliminate all traffic fatalities and sever injuries while also increasing safe and equitable transportation opportunities for all users and modes.

Financial Plan Impact

The ATE program is expected to generate revenues of \$98,757,000 in fiscal year 2022, \$96,781,000 in fiscal year 2023, \$94,845,000 in fiscal year 2024, and \$92,949,000 in fiscal year 2025. The subtitle dedicates any ATE program revenues that the District receives above \$98,757,000 to the new Fund to support implementation of the Act. DDOT plans to expand the ATE program over the next few years, but the District does not expect to receive any revenues beyond what is currently projected because of the program expansion. If revenues are generated beyond the projected amount, the Mayor would deposit them in the Fund and would need to initiate a subsequent budget action to spend those resources on the subtitle’s allowable uses.

Subtitle (VI)(L) – Electric Mobility Device Amendment Act of 2021

Background

The District Department of Transportation (DDOT) requires the permitting of shared fleet device operators and regulates the operations of shared fleet electric scooters in the District. Current law requires electric scooters operating under a DDOT permit to weigh less than 60 pounds and to measure no more than 24 inches in width and 48 inches in length.¹¹³

The subtitle increases the allowable specifications of shared fleet electric scooters from 60 pounds to 75 pounds and from 48 inches in length to 55 inches in length. The subtitle also authorizes DDOT to issue a fine of \$100 per device that does not meet the legally allowed specifications for a shared fleet scooter. The subtitle also updates the minimum size of a personal mobility device¹¹⁴ from 60 pounds to 75 pounds.

Financial Plan Impact

DDOT is currently enforcing shared fleet device permits and can continue to enforce the expanded shared fleet scooter specifications with the resources provided in its budget. DDOT can also issue fines under the subtitle’s new enforcement authorization for non-compliant scooters with resources provided in its budget. We expect shared fleet device operators to comply with the expanded specifications for scooters and there are no fine revenues recognized in the budget or financial plan.

Subtitle (VI)(M) – Green Building Fund SETF Disbursement Amendment Act of 2021

Background

The Green Building Act of 2006¹¹⁵ set requirements for newly constructed and existing buildings to meet certain energy and efficiency benchmarks, including meeting LEED¹¹⁶ certification and requiring energy benchmarking for all buildings over a prescribed timeline. Contractors seeking building permits at the Department of Consumer and Regulatory Affairs (DCRA) are required to pay a green building fee based on the size or value of the construction project, which is deposited into the Green Building Fund.¹¹⁷ DCRA can use Green Building Fund resources to streamline administrative

¹¹³ Shared Fleet Devices Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-20; D.C. Official Code § 50-2201.02(6a)).

¹¹⁴ D.C. Official Code § 50-2201.02(13).

¹¹⁵ Effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.01 et seq.).

¹¹⁶ Leadership in Energy and Environmental Design.

¹¹⁷ Green Building Act of 2006, effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.07).

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green building processes, develop and oversee professionals with green building knowledge and skills, and promote the sustainability of green building practices.

The subtitle requires DCRA to transfer \$900,000 annually from the Green Building Fund to the Department of Energy and Environment's (DOEE) Sustainable Energy Trust Fund (SETF) from fiscal year 2022 through fiscal year 2025. Beginning in fiscal year 2026, DCRA should annually transfer 50 percent of all Green Building Fund resources to the SETF. The subtitle requires DOEE to expend Green Building Fund resources transferred to the SETF for the same purposes as authorized for the Green Building Fund.

Financial Plan Impact

DCRA has transferred Green Building Fund resources to DOEE under a memorandum of understanding (MOU) for several years now. The amount of the MOU has fluctuated over time, but has been at \$900,000 for each of the last two fiscal years. The subtitle maintains the \$900,000 transfer that DOEE expects to support its green building efforts and there are no negative impacts on DCRA's planned green building efforts. The subtitle guarantees the \$900,000 transfer from the Green Building Fund to the SETF and eliminates the need for the two agencies to enter into an MOU for the transfer. Beginning in fiscal year 2026, DOEE will receive 50 percent of the Green Building Fund's resources.

Subtitle (VI)(N) – Lead Pipe Replacement Assistance Program Subsidy Amendment Act of 2021

Background

In 2018, the Council approved the Lead Pipe Replacement Assistance Program (LPRAP) for households where DC Water had previously done a full or partial public space lead service line replacement, but did not replace the lead service pipe located in private space.¹¹⁸ LPRAP provides income-contingent payment assistance for these households to replace the lead service pipes located on their property. LPRAP provides 100 percent of the replacement cost for any household whose income is below 80 percent of the area median income, 80 percent of the first \$2,000 of the replacement cost and 100 percent of any costs over \$2,000 for households whose income is between 80 percent and 100 percent of the area median income, and 50 percent of the replacement costs for households whose income is over 100 percent of the area median income.

The subtitle enhances the payment assistance to be 100 percent of the replacement cost for any household whose income is below 100 percent of the area median income. The subtitle maintains the LPRAP parameters for households whose income is over 100 percent of the area median income.

Financial Plan Impact

The Department of Energy and Environment (DOEE) processes LPRAP applications, determines eligibility, and provides the payment assistance. In fiscal year 2020, DOEE approved nearly 225 applications and processed payments for 131 completed replacements at a cost of approximately \$440,000. Through May of fiscal year 2021, DOEE has approved nearly 250 applications and processed payments for 131 completed replacements at a cost of approximately \$420,000. Providing for 100 percent of the replacement costs for households whose income is between 80 percent and 100 percent of the area median income should create additional demand for the program; a category

¹¹⁸ Lead Water Service Line Replacement and Disclosure Amendment Act of 2018, effective March 13, 2019 (D.C. Law 22-241; D.C. Official Code § 34-2159).

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of households that previously saw the least demand of the three available assistance levels. DOEE received substantial funding through recent federal grants and plans to allocate approximately \$2.3 million annually from fiscal year 2022 through fiscal year 2024 to support direct payment assistance under LPRAP.¹¹⁹ In fiscal year 2025, when the federal grants are no longer available, the LPRAP program funding will be reduced to approximately \$280,000.

Subtitle (VI)(O) – Lead Service Line Planning Task Force Establishment Amendment Act of 2021

Background

The Department of Energy and Environment (DOEE) and DC Water work together to ensure that lead water pipes are replaced throughout the District. DC Water replaces pipes through its regular pipe replacement efforts, but also through two District-funded programs managed by DOEE. The two programs are the Lead Pipe Replacement Assistance Program and the Capital Improvement Project and Emergency Repair Replacement program.

The subtitle establishes a six-member¹²⁰ Lead Free DC Planning Task Force to develop an interagency plan to replace all lead water pipes in the District. The plan, which must be submitted within ten months of the subtitle’s effective date, should include a description of any District agency’s role in removing lead pipes, an analysis of any barriers to removing all lead pipes by 2030, identification of any interagency coordination opportunities, an interagency spending proposal and funding sources, and an account of any legislative, regulatory, or policy changes that are needed to support full lead pipe replacement. The Task Force should also look at and recommend any changes to the DC Water Lead Service Line Replacement Plan released on June 13, 2021. The subtitle designates DOEE as the agency to administer the Task Force. The subtitle dissolves the Task Force upon its plan submission to the Mayor, Council, and Chairperson of the DC Water Board of Directors.

The subtitle also requires DOEE and DC Water to each transmit a report, twice a year,¹²¹ to Council on their spending of local and federal funds on service line replacements across the current pipe replacement programs.

Financial Plan Impact

DOEE will provide administrative support for the Task Force and can do so with the agency resources included in the fiscal year 2022 budget. DOEE can also provide its twice-a-year spending reports with resources included in its fiscal year 2022 budget and over the financial plan period.

¹¹⁹ An additional \$750,000 of federal grants will support DC Water’s direct and indirect costs associated with the LPRAP program.

¹²⁰ Membership includes a representative each from DOEE, DC Water, the District Department of Transportation, the Department of Consumer and Regulatory Affairs, one representative appointed by each of the Chairs of the Council Committees with oversight of DC Water and DOEE.

¹²¹ The reports should be submitted on February 1st to cover the period from July 1st through December 31st of the prior year and on August 1st to cover the period of January 1st through June 30th of the same year.

Subtitle (VI)(P) – Protect Local Wildlife Specialty License Plate and Anacostia River Clean Up and Protection Fund Eligible Use Amendment Act of 2021

Background

The subtitle requires the Mayor to design and offer for issuance a new specialty vehicle identification tag. The Protect Local Wildlife tag will allow vehicle owners to display support for the protection, rescue, and rehabilitation of wildlife in the District. Any resident who chooses the Protect Local Wildlife tag will need to pay a one-time application fee of \$25 and an annual display fee of \$20. The subtitle directs these fees to be deposited into the Anacostia River Clean-up and Protection Fund (Fund).¹²²

The subtitle amends the Fund’s allowable uses to include a grant that does not exceed \$200,000 to support the provision of wildlife rehabilitation services in the District. The subtitle also authorizes DOEE to expend at least \$50,000 from the Fund in fiscal year 2022 to produce a report that analyzes the projected effects of banning beverages packaged in single-use plastic containers.

Financial Plan Impact

The Mayor can design and the Department of Motor Vehicles (DMV) can offer for issuance the Protect Local Wildlife Tag to District residents with resources provided in the fiscal year 2022 budget and over the four-year financial plan period. There are over 300,000 active vehicle tags in the District, but the number of residents willing to pay additional fees for a Protect Local Wildlife tag is unknown. When a tag is requested and the fees are paid, the fees will be deposited into the Fund. The Mayor would need to initiate a subsequent budget action to expend any new Fund revenues.

The Department of Energy and Environment, which administers the Fund, has sufficient Fund resources to offer a grant of up to \$200,000 for wildlife rehabilitation services and \$50,000 for a report on the projected impact of single-use plastic containers on the District’s environment, economy, and residents.

Subtitle (VI)(Q) – Rail Safety and Security Rulemaking Amendment Act of 2021

Background

The Department of Energy and Environment (DOEE) operates the Rail Safety Division that works with the Federal Railroad Administration to protect District residents and railroad employees and ensure that railroad operators follow federal railroad safety laws.

The subtitle clarifies that DOEE can issue rules to establish fees for the purpose of covering certain costs of rail oversight in the District, including emergency response, rail safety, and rail security programs. The subtitle does not set specific fee levels.

Financial Plan Impact

The subtitle clarifies DOEE’s rulemaking authority related to fees for emergency response, rail safety, and rail security efforts. The subtitle does not set fees, but when rules are issued to set fees and the

¹²² Anacostia River Clean Up and Protection Act of 2009, effective September 23, 2009 (D.C. Law 18-55; D.C. Official Code § 8-102.05).

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fees are paid, those fees will be deposited into the Rail Safety and Security Fund (Fund).¹²³ The Mayor must seek further budget authority in order to spend any revenues received into the Fund.

Subtitle (VI)(R) – Grants Act of 2021

Background

The subtitle requires the Department of Energy and Environment (DOEE) to issue competitive grants in fiscal year 2022 in amounts not exceeding \$50,000 per grant or \$150,000 in total to community-based groups. The community-based groups should be focused on removing trash and invasive species, maintaining trails, and engaging residents in the District’s parklands.

The subtitle also requires the District Department of Transportation (DDOT) to issue a grant not exceeding \$200,000 to a local airport authority to study aircraft operations and noise impacting residents along the Potomac River related to activity at Ronald Reagan Washington National Airport. The subtitle requires DDOT to issue a second grant of at least \$250,000 to support establishing M-495 Commuter Fast Ferry Service on the Occoquan, Potomac, and Anacostia rivers.

Financial Plan Impact

The fiscal year 2022 budget includes \$150,000 for DOEE to issue grants for enhancing the District’s parklands.

The fiscal year 2022 budget includes \$200,000 for DDOT to issue a grant to study the impacts of aircraft activity along the Potomac River deriving from operations at Ronald Reagan Washington National Airport. The subtitle also includes \$250,000 for DDOT to support the commuter fast ferry development efforts on rivers around the District.

Subtitle (VI)(S) – Residential Parking Study Act of 2021

Background

The subtitle requires the District Department of Transportation (DDOT) to study innovative parking practices on residential streets, including those located near commercial corridors. DDOT should work with advisory neighborhood commissioners, business improvement districts, and other stakeholders to evaluate reducing residential parking permit (RPP) zones to match advisory neighborhood commission boundaries and combining RPP with pay-by-phone technology. The DDOT study must include the evaluation of any costs associated with implementing RPP changes. DDOT must begin the study by January 1, 2022 and transmit the study to the Council by September 30, 2022.

Financial Plan Impact

The fiscal year 2022 budget includes \$150,000 for DDOT to complete the study evaluating potential RPP changes, including the costs to implement any proposed changes.

¹²³ Rail Safety and Security Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 8-151.08h).

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – Revised Uniform Unclaimed Property Act of 2021

Background

The subtitle changes requirements for how some unclaimed property¹²⁴ must be managed by the District. Unclaimed property consists of money and other personal assets (but not real estate) that are lost or abandoned when an owner cannot be located after an established period. Examples of unclaimed property include checking accounts, uncashed checks, death benefits, dividends, insurance payments, and stocks. Under current law most property is considered unclaimed if it has been inactive for three years, at which point a custodian is required to transfer the property to the District’s Unclaimed Property Unit within the Office of Finance and Treasury (OFT). Cash is deposited in the District’s general fund, although an owner may come forward to retrieve his or her property at any time. If the abandoned property is a marketable security or stock, current law requires the District to hold that security for three years from when it was transferred to the District. OFT generally sells such securities after three years.

The subtitle reduces the amount of time a security must be held by the District from three years to 60 days. After 60 days, the District may sell the security and deposit sales proceeds in the general fund. The subtitle also expands the type of properties that may be considered unclaimed and entities must transfer to the Unclaimed Property Unit to include virtual currency, payroll cards, stored-value cards, municipal bonds, health savings accounts, commissions, employee reimbursements, and custodial accounts for minors.

The subtitle makes several other changes to the requirements of the Unclaimed Property Program operations. It provides rules for managing confidential information; it authorizes the use of electronic/internet notifications rather than traditional paper publications; it provides rules for cooperation among states to locate owners; it sets a cap on the fee a third-party contract auditor may receive to ten percent of the value of the property; it allows the District to offset against proceeds of unclaimed property to a given owner, including for taxes and child support; and it increases civil penalties for egregious conduct of holders who have unreasonably refused transfer of abandoned property to the District.

Lastly the subtitle obligates life insurance companies to undertake periodic comparisons of their insureds with the Death Master File maintained by the Social Security Administration to ensure unclaimed proceeds from life insurance policies are transferred to the custody of the District.

Financial Plan Impact

The subtitle increases nontax revenue in fiscal year 2022 by \$6.9 million, and \$7.7 million over the four-year financial plan. Because much unclaimed property goes unclaimed, the District can record some revenue for the general fund even though OFT is holding property and cash proceeds on behalf of the owner. Revenue is recorded non-cash assets when they are converted to cash. Two provisions in the subtitle will therefore increase revenue in the financial plan period: changing the required holding period for securities; and expanding the types of unclaimed property. Decreasing the required holding period for securities will shift revenue that would have previously been recognized after a three-year delay and increase revenue by \$6.2 million in fiscal year 2022 only. Expanding the

¹²⁴ <https://cfo.dc.gov/page/unclaimed-property-frequently-asked-questions>

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types of unclaimed property that must be transferred to the District will increase revenue by \$600,000 in fiscal year 2022, and \$120,000 in subsequent years. Additionally, by shortening the period that securities must be held by third party asset managers, the subtitle will reduce expenditures from the Unclaimed Property Contingency Fund¹²⁵ by \$120,000 annually. This is a special purpose revenue fund for unclaimed property operations, **and excess funds are transferred to the District’s local fund at the end of each fiscal year.**

Subtitle (VII)(A), Revised Uniform Unclaimed Property Act of 2021					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Increased Revenue by reducing required securities hold time	\$6,200	\$0	\$0	\$0	\$6,200
Increased Revenue from expanded property types	\$600	\$120	\$120	\$120	\$960
Special Purpose Revenue Cost Savings	\$120	\$120	\$120	\$120	\$480
Total available for Local Fund	\$6,920	\$240	\$240	\$240	\$7,640

Subtitle (VII)(B) – Paygo Capital Funding Amendment Act of 2021

Background

Current law¹²⁶ requires a minimum amount of funding from local revenue sources to be allocated annually to the Capital Improvements Program. This “Paygo” funding requirement is equal to \$58,950,000 plus 25 percent of the amount by which the projected local funds revenue for that fiscal year exceeds the local funds revenue included in the budget and financial plan approved for fiscal year 2020. The subtitle revises the required Paygo capital funding for fiscal year 2025 to be a minimum of \$206 million. The subtitle also clarifies that local sales taxes dedicated to WMATA capital improvements are included to meet the funding requirements.

Financial Plan Impact

The subtitle’s revised required minimum amount of fiscal year 2025 local source Paygo capital funding is included in the proposed financial plan, with \$206.5 million allocated in fiscal year 2025. In total, the proposed financial plan includes \$714 million for WMATA capital improvements and approximately \$238 million of additional Paygo funds for District capital improvements.

Subtitle (VII)(C) – Taxable Income Exclusions Amendment Act of 2021

Background

The subtitle exempts from District income taxes several categories of grants and benefits provided by this Budget Support Act and makes permanent exemptions from District income taxes provided under current temporary legislation.

¹²⁵ D.C. Official Code § 42-223.

¹²⁶ D.C. Official Code § 47-392.02(f)(2).

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Paragraphs (GG), (HH), and (II) will permanently extend District income tax exclusions already provided for in temporary acts, including CARES Act Paycheck Protection Program loans awarded and subsequently forgiven and certain District public health emergency grants¹²⁷.

The subtitle further exempts:

- District cash assistance provided to excluded workers through EventsDC grants, including amounts paid in 2020, 2021 and 2022;
- public health emergency response grants issued in 2021 or after;
- unemployment insurance benefits provided by the District or any other state, including federally-funded benefits such as Federal Pandemic Unemployment Compensation and Disaster Unemployment Assistance, beginning with the 2021 tax year, as well as delayed unemployment compensation payments made pursuant to subtitle IV-T;
- a \$2 million grant received in 2020 by Check IT Enterprises¹²⁸ for purposes of purchasing and leasing property along Martin Luther King, Jr. Boulevard, S.E. used by Check IT, We Act Radio; and The District Culture; and
- Grants made by the Deputy Mayor for Planning and Economic Development pursuant to this Budget Support Act, including for:
 - Small business rent relief;
 - DC Center for the LGBTQ Community;
 - Large company grants;
 - Local food access grants;
 - Guaranteed Income Pilot Program grants;
 - Grants awarded to Community Development Financial Institutions or Minority Depository Institutions;
 - Equity growth impact grants;
 - Great Streets program grants;
 - Small and medium business recover and growth program grants;
 - Equity impact enterprise commercial property acquisition grants; and
 - COVID-19 hotel recovery grants.

The authority of the subtitle is limited to exempting benefits and grants from District income taxes; recipients may still be required to include them in their federal taxable income.

¹²⁷ Pursuant to section 2316 of the Small and Certified Business Enterprise Development and Assistance Act of 2005, effective June 24, 2021 (D.C. Law 24-9; 68 DCR 6913) and section 16(m)(1) of the Advisory Neighborhood Commissions Act of 1975, effective March 26, 1976 (D.C. Law 1-58; D.C. Official Code § 1-309.13(m)(1)).

¹²⁸ Pursuant to the Deputy Mayor for Planning and Economic Development Limited Grant Making Authority for Check IT Enterprises Amendment Act of 2019, effective May 5, 2020 (D.C. Law 23-83; D.C. Official Code § 1-328.04(h)(1)(A)).

Financial Plan Impact

The proposed budget and financial plan includes a one-time reduction in District income tax revenue of \$167,000 for the estimated loss of tax revenue due to the exemption for the Check IT Enterprises grant. In addition, the exemption of unemployment insurance benefits from income taxes beginning in tax year 2021 will lower projected income tax revenue by \$21.9 million in fiscal year 2022 and \$28.6 million over the four-year financial plan. Due to the public health emergency and significant spike in unemployment benefits in tax year 2021, which would have been taxable absent this subtitle, the cost of the proposal is higher in fiscal year 2022 than the rest of the financial plan. None of the other exclusions have a cost, as the grants were not anticipated, or not anticipated to be included in taxable income, in the revenue estimates.

Subtitle (VII)(C), Taxable Income Exclusions Amendment Act of 2021					
Fiscal Year 2022 – Fiscal Year 2025					
(\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Income Tax Revenue Reduction	(\$22,118)	(\$2,228)	(\$2,228)	(\$2,228)	(\$28,802)

Subtitle (VII)(D) – District of Columbia Retirement Board Executive Leadership Amendment Act of 2021

Background

Currently members of the District of Columbia Retirement Board (“Board”) can receive compensation up to \$10,000 per year for performing official duties. The subtitle increases that cap to \$25,000 for the Chairman of the Board and \$15,000 for each Board Trustee. The subtitle also increases the maximum compensation for the Executive Director of the Board from \$235,214 to 135 percent of the highest step of Grade 5 of the Executive Service.¹²⁹ The changes are retroactive to fiscal year 2021.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The District of Columbia Retirement Board has sufficient funds in its budget to absorb the increases.

¹²⁹ Under the current compensation schedule, 135 percent of the highest step of Grade 5 of the Executive Service would be \$294,470.
https://dchr.dc.gov/sites/default/files/dc/sites/dchr/page_content/attachments/non_union_executive_ser vice_fy20.pdf

Subtitle VII(E) - Tax Abatements for Affordable Housing in High-Need Areas Amendment Act of 2021

Background

The Tax Abatements for Affordable Housing in High-Need Areas Act¹³⁰ (Act) authorized real property tax abatements to be awarded on a competitive basis to qualifying rental housing located in areas designated as having a high-need for affordable housing (Rock Creek West, Rock Creek East, Capitol Hill, and Upper Northeast). The maximum value of the abatement that may be awarded was set at \$200,000 in fiscal year 2024 and \$4 million annually thereafter. The subtitle increases, beginning in fiscal year 2026, the maximum value by 4 percent annually.

The subtitle further amends the Act to allow the Mayor to award tax abatements to properties in the Downtown Business Improvement District or Golden Triangle Business Improvement District undergoing a change of use (e.g. commercial to residential). At least 20 percent of the rental units must be affordable to, and rented on average to households earning less than 80 percent of median family income with each occupied by households not earning more than 100 percent of median family income; the property must use at least 35 percent certified business enterprises for construction and operation; and the developer must enter into a First Source agreement and place covenants onto the property for the affordability and income restrictions. The maximum value of the abatements the Mayor can award to such properties is limited to \$125,000 in fiscal year 2025, \$2.5 million in fiscal year 2026, and \$4 million in fiscal year 2027 and thereafter.

Financial Plan Impact

The subtitle results in a loss of property tax revenue of \$125,000 in fiscal year 2025. The rest of the subtitle’s impacts fall outside of the financial plan, totaling for example \$2.6 million in fiscal year 2026, and just over \$4 million in subsequent years.

Subtitle (VII)(F) – EventsDC Grant-Making Act of 2021

Background

The subtitle establishes a grant program to be administered by EventsDC. EventsDC will provide a matching grant of \$2 for every \$1 raised, up to \$1 million, in corporate donations by March 31, 2022 by a nonprofit for an event or events as part of the official, month-long Cherry Blossom Festival.

Financial Plan Impact

The fiscal year 2022 budget includes a one-time funding allocation of \$1 million to support the National Cherry Blossom matching grant.

Subtitle (VII)(G) – Excluded Worker Payment Amendment Act of 2021

Background

The subtitle amends the Washington Convention Center Authority Act¹³¹ to provide for the issuance of funds, grants or contracts to nonprofit entities in fiscal year 2022 to use to provide cash assistance to District residents who are otherwise excluded from District and federal aid related to COVID-19.

¹³⁰ Effective December 3, 2030 (D.C. Law 23-149, § 2062(b); D.C. Official Code § 47-859.06).

¹³¹ Effective September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.03a(a)).

Financial Plan Impact

The proposed fiscal year 2022 budget includes a one-time enhancement of local funds transfer to EventsDC of \$26 million for excluded workers grants.

Subtitle (VII)(H) - Council Period 24 Rule 736 and Other Repeals Amendment Act of 2021

Background

Council Rule 736 requires laws approved subject to appropriation to be funded within two fiscal years or they will be subject to repeal. Due to this rule, the following thirteen laws or parts of laws will be repealed:

- Section 5(b)(1) of the District of Columbia Public Emergency Act of 1980, effective March 5, 1981 (D.C. Law 3-149; D.C. Official Code § 7-2304(b)(1));
- The Trash Compactor Tax Incentive Amendment Act of 2014, effective March 11, 2015 (D.C. Law 20-223; 62 DCR 227);
- The Maternal Mental Health Task Force Establishment Act of 2018, effective July 17, 2018 (D.C. Law 22-139; 65 DCR 8182);
- The Hearing Aid Assistance Program Act of 2018, effective July 27, 2018 (D.C. Law 22-151; 65 DCR 6123);
- Sections 2(a), (b)(2), (c)(1), (c)(2)(A), (c)(3), (c)(4)(B), (f), (g), (h), and (i) of the Traffic and Parking Ticket Penalty Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-175; 65 DCR 9546); amendatory section 207 of the District of Columbia Traffic Adjudication Act of 1978, effective October 30, 2018 (D.C. Law 22-175; D.C. Official Code § 50-2302.07); and section 2(e) of the Traffic and Parking Ticket Penalty Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-175; 65 DCR 9546);
- Section 101 of the Save Good Food Amendment Act of 2018, effective February 22, 2019 (D.C. Law 22-212; 65 DCR 12927);
- The Rental Housing Smoke Free Common Area Amendment Act of 2018, effective March 22, 2019 (D.C. Law 22-260; 66 DCR 1370);
- The Paperwork Reduction and Data Collection Act of 2018, effective March 22, 2019 (D.C. Law 22-264; 66 DCR 1388);
- The District Historical Records Advisory Board Amendment Act of 2018, effective March 28, 2019 (D.C. Law 22-271; 66 DCR 1446);
- The Language Access for Education Amendment Act of 2018, effective April 11, 2019 (D.C. Law 22-282; 66 DCR 1606);
- The Disabled Veterans Homestead Exemption Act of 2018, effective April 11, 2019 (D.C. Law 22-283; 66 DCR 1615);
- The Safe Disposal of Controlled Substances Act of 2018, effective April 11, 2019 (D.C. Law 22-285; 66 DCR 1621); and
- The D.C. Healthcare Alliance Reform Amendment Act of 2019, effective September 11, 2019 (D.C. Law 23-16; 66 DCR 8621).

Financial Plan Impact

The subtitle had no fiscal impact on the fiscal year 2022 through fiscal year 2025 budget and financial plan. Since these laws had not been funded, their repeal has no impact on the District budget.

Subtitle (VII)(I) – Subject-to-Appropriations Amendment Act of 2021

Background

The subtitle authorizes expenditures for thirty-six laws (see table below) which were passed subject to appropriations. Each required expenditures or revenue reductions that have now been included in the proposed budget and financial plan.

Financial Plan Impact

The expenditures and revenue reductions that have been funded in the budget and financial plan are listed below for each law or act that will become effective under the subtitle:

Subject to Appropriations Amendment Act of 2021 – Subtitle (VII)-(I) Fiscal Year 2022 – Fiscal Year 2025					
Act Name	FY 2022	FY 2023	FY 2024	FY 2025	Total
Childhood Lead Exposure Prevention Amendment Act of 2017	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$13,600,000
Campaign Finance Reform Amendment Act of 2018	\$1,071,891	\$865,398	\$884,400	\$903,914	\$3,725,603
Public Restroom Facilities Installation and Promotion Act of 2018	\$66,000	\$62,000	\$62,000	\$62,000	\$252,000
Care for LGBTQ Seniors and Seniors with HIV Amendment Act of 2020	\$108,000	\$108,000	\$108,000	\$108,000	\$432,000
Autonomous Vehicles Testing Program Amendment Act of 2020	\$1,270,000	\$0	\$0	\$0	\$1,270,000
Dementia Training for Direct Care Workers Support Amendment Act of 2020	\$170,000	\$0	\$0	\$0	\$170,000
Helping Children Impacted by Parental Incarceration Amendment Act of 2020	\$0 (absorbed)	\$0	\$0	\$0	\$0
MLK Gateway Real Property Tax Abatement Amendment Act of 2019	\$275,000	\$0	\$0	\$0	\$275,000
Postpartum Coverage Expansion Amendment Act of 2020 (local portion of cost shown)	\$255,905	\$271,771	\$288,349	\$305,650	\$1,121,673

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Subject to Appropriations Amendment Act of 2021 – Subtitle (VII)-(I) Fiscal Year 2022 – Fiscal Year 2025					
Act Name	FY 2022	FY 2023	FY 2024	FY 2025	Total
Office for the Deaf, Deaf-Blind, and Hard of Hearing Establishment Amendment Act of 2020	\$850,435	\$832,386	\$847,358	\$862,608	\$3,392,787
Commission on Poverty in the District of Columbia Establishment Amendment Act of 2020	\$667,248	\$658,332	\$666,315	\$674,448	\$2,666,343
Residential Housing Environmental Safety Amendment Act of 2020	\$85,000	\$86,590	\$88,210	\$89,861	\$349,661
Psychology Interjurisdictional Compact Act of 2020	\$25,000	\$0	\$25,000	\$0	\$50,000
Addressing Dyslexia and Other Reading Difficulties Amendment Act of 2020	\$274,038	\$3,201,840	\$5,794,718	\$3,127,964	\$12,398,560
Initiative and Referendum Process Improvement Amendment Act of 2020	\$100,000	\$50,000	\$50,000	\$50,000	\$250,000
Electric Vehicle Readiness Amendment Act of 2020	\$116,000	\$87,000	\$87,000	\$87,000	\$377,000
Energy Efficiency Standards Amendment Act of 2020	\$120,000	\$122,234	\$124,511	\$126,831	\$493,576
Diverse Washingtonians Commemorative Works Amendment Act of 2020	\$30,000	\$0	\$0	\$0	\$30,000
Shared Fleet Devices Amendment Act of 2020	\$161,000	\$161,000	\$161,000	\$161,000	\$644,000
Students Right to Home and Hospital Instruction Act of 2020	\$137,000	\$672,000	\$677,000	\$679,000	\$2,165,000
Ban on Non Compete Agreements Amendment Act of 2020	\$104,895	\$212,529	\$190,321	\$168,166	\$675,911
Zero-Waste Omnibus Amendment Act of 2020	\$2,154,764	\$1,799,791	\$1,820,185	\$1,839,950	\$7,614,690
DC Water and Sewer Authority Omnibus Amendment Act of 2020	\$246,000	\$246,000	\$246,000	\$246,000	\$984,000

Subject to Appropriations Amendment Act of 2021 – Subtitle (VII)-(I) Fiscal Year 2022 – Fiscal Year 2025					
Act Name	FY 2022	FY 2023	FY 2024	FY 2025	Total
Public Facilities Environmental Safety Amendment Act of 2020	\$1,463,000	\$1,463,000	\$1,463,000	\$1,463,000	\$5,852,000
Department of Buildings Establishment Act of 2020	\$6,065,541	\$10,765,400	\$10,826,607	\$11,016,072	\$38,673,620
Voluntary Agreement Moratorium Amendment Act of 2020	\$0	\$5,000	\$52,000	\$142,000	\$199,000
Office of the Ombudsperson for Children Establishment Act of 2020	\$935,000	\$813,000	\$825,000	\$863,000	\$3,436,000
Omnibus Public Safety and Justice Amendment Act of 2020	\$278,837	\$284,036	\$289,333	\$294,730	\$1,146,936
Medical Marijuana Program Patient Employment Protection Amendment Act of 2020	\$139,465	\$142,057	\$0	\$0	\$281,522
Restore the Vote Amendment Act of 2020	\$532,000	\$262,000	\$262,000	\$264,000	\$1,320,000
Bella Evangelista and Tony Hunter Panic Defense Prohibition and Hate Crimes Response Amendment Act of 2020	\$241,000	\$236,000	\$237,000	\$237,000	\$951,000
Green Food Purchasing Amendment Act of 2021	\$491,000	\$940,219	\$747,281	\$752,440	\$2,930,940
D.C. Central Kitchen, Inc. Tax Rebate Amendment Act of 2021	\$151,000	\$151,000	\$207,000	\$213,000	\$722,000
Comprehensive Plan Amendment Act of 2021	\$800,000	\$250,000	\$0	\$0	\$1,050,000

Subtitle (VII)(I) – Income Tax Fairness Amendment Act of 2021

Background

This subtitle changes District income tax brackets and rates¹³² beginning in tax year 2022. The subtitle would split the current bracket of \$60,000 to \$350,000 and the \$350,000 to \$1,000,000 to create new brackets. These new brackets would be taxed at 9.25 percent and 9.75 percent, respectively for income exceeding the lower bound. Finally, the subtitle would raise the percentage

¹³² By amending D.C. Official Code § 47-1806.03(a).

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on income in excess of \$1,000,000 from the current 8.95 percent to 10.75 percent. The new rates by income bracket are as follows:

Bracket	Tax
Not over \$10,000	4 percent of the taxable income
Over \$10,000 but not over \$40,000	\$400, plus 6 percent of the excess over \$10,000
Over \$40,000 but not over \$60,000	\$2,200, plus 6.5 percent of the excess over \$40,000
Over \$60,000 but not over \$250,000	\$3,500, plus 8.5 percent of the excess over \$60,000
Over \$250,000 but not over \$500,000	\$19,650, plus 9.25 percent of the excess over \$250,000
Over \$500,000 but not over \$1,000,000	\$42,775, plus 9.75 percent of the excess over \$500,000
Over \$1,000,000	\$91,525, plus 10.75 percent of excess over \$1,000,000

Financial Plan Impact

The addition of tax brackets and change in income tax percentages will increase projected income tax revenues by \$101.1 million in fiscal year 2022, and a total of \$608.1 million through fiscal year 2025.

Income Tax Fairness Amendment Act of 2021 Subtitle (VII)(J) Fiscal Year 2022 – Fiscal Year 2025 (\$ thousands)					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Income Tax Revenue	\$101,089	\$161,761	\$169,836	\$175,408	\$608,094

Subtitle (VII)(K) – Earned Income Tax Credit as Basic Income Amendment Act of 2021

Background

This subtitle amends Section 7232, Chapter 18 of Title 47 of the D.C. Code with respect to the Earned Income Tax Credit (EITC). Currently, the tax credit is a refundable credit that is eligible for those with and without a qualifying child so long as the taxpayer meets all the guidelines for applicability. The amount of EITC is currently 40 percent of the federal EITC for those with a qualifying child, and 100 percent for those without. As a refundable credit, the households filing with EITC receive a payment for the excess of EITC when it exceeds the taxes owed.

This subtitle would do the following:

- Increase, for filers with a qualifying child, the amount of federal EITC matched by the District from 40 percent to 70 percent for tax years 2022 through 2024, 85 percent for tax year 2025, and 100 percent for tax years after 2025; and
- Provide the anticipated refundable amounts as payments over the course of a 12-month period.

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Under this subtitle, no interest will be paid on amounts throughout the duration of the 12-month period. For tax year 2022, recipients will receive 40 percent of the total owed in a lump-sum payment, with the remaining amounts paid in 11-monthly installments. If the remaining credit owed is less than \$600, than the recipients will be paid the full credit in the one lump-sum. For every year thereafter, individuals owed at least \$1,200 will receive the entire amount in equal installments over a 12-month period. Otherwise, payments for those owed less than \$1,200 will be paid as a lump-sum.

The credit would be immediately subject to any offset provisions, such as taxes owed to the District or federal government other state, local, or municipality taxes, or any additional provisions as set for by subchapter III of Chapter 44 or Title 47 in the D.C. Code.

The subtitle dictates that the Office of the Chief Financial Officer shall provide a notice to individuals who qualify for monthly payments. Furthermore, the subtitle provides that the Mayor’s Office, subject to availability of funds, shall issue grants to a non-profit organization to provide additional outreach and education about this change in the EITC.

Finally, by January 1, 2025, the Mayor’s Office will issue a grant of \$250,000 to a research institution located in D.C. to collect data, and issue a report to the Council describing the impact of the changes made by this subtitle on households that received these payments.

Financial Plan Impact

This subtitle outlines the timeline and method by which refundable EITC payments will occur beginning in 2023 for the tax year ending on December 31, 2022. The financial plan impact will include a revenue impact beginning in fiscal year 2023 from expanded refundable EITC, administrative costs borne by the Office of Taxation and Revenue for administrative changes and processes, and funding for the Mayor’s Office to issue grants during the financial plan period.

Outside of the financial plan, by fiscal year 2027, the cost of the 100 percent match of the federal EITC is expected to cost approximately \$65 million for the refundable credit only, or \$36 million more than in fiscal year 2025.

Subtitle (VII)(K), Earned Income Tax Credit as Basic Income Amendment Act of 2021					
Fiscal Year 2022 – Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
Administrative Costs					
Communications – 1 FTE		\$65,000	\$66,138	\$67,295	\$198,432
Customer Service Unit					
5 Staff Members		\$275,000	\$279,813	\$284,709	\$839,522
1 Manager		\$85,000	\$86,488	\$88,001	\$259,489
Fringe for all new FTEs		\$93,925	\$96,156	\$98,439	\$288,520
Equipment/Phone Systems		\$20,500	\$20,859	\$21,224	\$62,583
Marketing		\$10,000	\$10,000	\$10,000	\$30,000
Total Admin Costs		\$549,425	\$559,452	\$569,668	\$1,678,545
Technology and Banking Costs					

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Subtitle (VII)(K), Earned Income Tax Credit as Basic Income Amendment Act of 2021 Fiscal Year 2022 - Fiscal Year 2025					
	FY 2022	FY 2023	FY 2024	FY 2025	Total
TSG – MITS Programming	\$252,000	\$108,000	\$0	\$0	\$360,000
Banking/Postage		\$198,000	\$396,000	\$403,000	\$997,000
Total Technology and Banking Costs	\$252,000	\$306,000	\$396,000	\$403,000	\$1,357,000
Mayoral Grant for Research and Report					
Outreach Grants		\$100,000	\$100,000	\$100,000	\$300,000
Research Grant		\$0	\$0	\$250,000	\$250,000
Total Mayoral Grants		\$100,000	\$100,000	\$350,000	\$550,000
EITC Payments					
Revenue Loss		\$30,024,311	\$29,131,281	\$28,264,813	\$87,420,405
TOTAL COST	\$252,000	\$30,979,736	\$30,186,733	\$29,587,481	\$91,005,950

TITLE VIII – SPECIAL PURPOSE REVENUE AND FUND TRANSFERS

Subtitle (VIII)(A) – Designated Fund Transfer Act of 2021

Background

The subtitle allows the District to use fund balance available in four funds as a source of funding for the proposed fiscal year 2022 through fiscal year 2025 budget and financial plan. The affected funds and transfer amounts are listed in the chart below:

Fund Name	Amount (\$)
Small Business Access to Capital Fund	813,313
911 and 311 Assessments	150,000
SERV US Program	48,761
Universal Paid Leave Fund	171,462,418

Financial Plan Impact

The subtitle provides approximately \$172.5 million to balance the proposed fiscal year 2022 through fiscal year 2025 budget and financial plan. After all fiscal year 2021 and fiscal year 2022 transfers authorized from the Universal Paid Leave Fund, the balance of the Fund is estimated to be at nine months of benefits and, therefore, to remain above the threshold that would require the OCFO to request a policy change in the fund.¹³³

¹³³ D.C. Official Code, § 32-551.01(i).