


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



Fitzroy Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Fitzroy Lee
Chief Financial Officer 

DATE: June 7, 2022

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2023 Budget Support Act of 2022”

REFERENCE: Bill 24-714, Amendment in the Nature of a Substitute, as circulated June 6, 2022

Conclusion

Funds are sufficient in the proposed fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the Fiscal Year 2023 Budget Support Act of 2022.

The District’s proposed fiscal year 2023 budget includes \$10.7 billion in Local fund spending supported by \$10.7 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 \$12.0 billion.

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

The bill, the “Fiscal Year 2023 Budget Support Act of 2022,” is the legislative vehicle for adopting statutory changes needed to implement the District’s proposed budget and financial plan for the fiscal years 2023 through 2026. The following pages summarize the purpose and the impact of each subtitle.

Contents

TITLE I – GOVERNMENT DIRECTION AND SUPPORT 5

 Subtitle (I)(A) – Information Technology Innovation and Infrastructure Amendment Act of 20225

 Subtitle (I)(B) - Inspector General Support Fund Enhancement Amendment Act of 2022 5

 Subtitle (I)(C) - Government Space Maintenance and Repair Transparency (GovSMaRT)
 Dashboard Amendment Act of 2022 6

 Subtitle (I)(D) – Public Facilities Environmental Safety Implementation Act of 2022 6

 Subtitle (I)(E) – Agency Budget Request Freedom of Information Clarification Amendment Act of
 2022 7

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION 8

 Subtitle (II)(A) – Heirs Property Legal Assistance Act of 2022..... 8

 Subtitle (II)(B) – Tax Increment Financing Technical Amendment Act of 2022 8

 Subtitle (II)(C) – Reunion Square Tax Increment Financing Amendment Act of 2022..... 8

 Subtitle (II)(D) – DMPED Grants Amendment Act of 2022..... 9

 Subtitle (II)(E) – Central Food Processing Facility Feasibility Study Act of 2022 11

 Subtitle (II)(F) – Department of Small and Local Business Development Grant Act of 2022..... 11

 Subtitle (II)(G) – Home Purchase Assistance Program Amendment Act of 2022 12

 Subtitle (II)(H) – East End Grocery Incentive Amendment Act of 2022 13

 Subtitle (II)(I) – Union Station Expansion Project Delivery and Governance Study Grant Act of
 2022 13

 Subtitle (II)(J) – Food Policy Council Amendment Act of 2022..... 14

 Subtitle (II)(K) – Housing Production Trust Fund Accountability and Transparency Amendment
 Act of 2022 14

 Subtitle (II)(L) – Arts and Humanities Grant Funding Amendment Act of 2022..... 15

 Subtitle (II)(M) - TOPA Study Timeline Extension Amendment Act of 2022..... 15

 Subtitle (II)(N) – Key Bridge Exxon Property Eminent Domain Authority Act of 2022 16

TITLE III – PUBLIC SAFETY AND JUSTICE 17

 Subtitle (III)(A) – Automated External Defibrillator Incentive Program Act of 2022 17

 Subtitle (III)(B) – Emergency Medical Services Transport Contracts Amendment Act of 2022..... 17

 Subtitle (III)(C) – Office of Victim Services and Justice Grants Transparency Amendment Act of
 2022 18

 Subtitle (III)(D) – Office of Unified Communications Telecommunicator CPR Program
 Amendment Act of 2022..... 18

 Subtitle (III)(E) – Access to Justice Initiative Amendment Act of 2022..... 19

 Subtitle (III)(F) – Comprehensive Cognitive Health Training for First Responders Amendment Act
 of 2022..... 19

 Subtitle (III)(G) – Criminal Code Reform Commission Amendment Act of 2022 20

Subtitle (III)(H) – Metropolitan Police Department Budget and Staffing Transparency Amendment Act of 2022.....	20
TITLE IV – PUBLIC EDUCATION SYSTEMS	22
Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2021	22
Subtitle (IV)(B) – Universal Paid Leave Amendment Act of 2022	26
Subtitle (IV)(C) – Recreation Programming Funding Expansion Amendment Act of 2022.....	26
Subtitle (IV)(D) – University of the District of Columbia Fundraising Match Act of 2022	26
Subtitle (IV)(E) – Master Facilities Plan Implementation Amendment Act of 2022.....	27
Subtitle (IV)(F) – School Year Internship Program Amendment Act of 2022.....	27
Subtitle (IV)(G) – University of the District of Columbia IT and Nursing Education Enhancement Amendment Act of 2022.....	28
Subtitle (IV)(H) – Early Childhood Educator Pay Equity Fund Amendment Act of 2022	29
Subtitle (IV)(I) – DC Infrastructure Academy Commercial Driver’s License Mass Transportation Pipeline Pilot Program Amendment Act of 2022	31
Subtitle (IV)(J) – Attendance Zone Boundaries Amendment Act of 2022	32
Subtitle (IV)(K) – Public School Healthy Food Curriculum Grants Amendment Act of 2022.....	33
Subtitle (IV)(L) – Structured Literacy Action Plan Amendment Act of 2022.....	33
Subtitle (IV)(M) – Research Practice Partnership Clarification Amendment Act of 2022.....	34
Subtitle (IV)(N) – Education Funding Adequacy Study Amendment Act of 2022.....	34
Subtitle (IV)(O) New Funding and Organizational Model for the Duke Ellington School of the Arts Act of 2022	35
TITLE V – HUMAN SUPPORT SERVICES	36
Subtitle (V)(A) – Medicaid Home and Community-Based Services Enhancement Fund Establishment Act of 2022	36
Subtitle (V)(B) – Opioid Abatement Fund Establishment Act of 2022	36
Subtitle (V)(C) – Alliance Enrollment Amendment Act of 2022	37
Subtitle (V)(D) – First-Time Mothers Home Visiting Program Amendment Act of 2022	37
Subtitle (V)(E) – Perinatal Mental Health Task Force Establishment Act of 2022	38
Subtitle (V)(F) – Wraparound Supports for Young Women and Girls Act of 2022.....	38
Subtitle (V)(G) – Diaper Affordability and Access Act of 2022	38
Subtitle (V)(H) – Medical Cannabis Social Equity Fund Establishment Amendment Act of	39
2022	39
Subtitle (V)(I) – Targeted Affordable Housing Prioritization Act of 2022	39
Subtitle (V)(J) – Department of Health Grant Act of 2022	40
Subtitle (V)(K) – Direct Care Professional Payment Rate Amendment Act of 2022	40
Subtitle (V)(L) – Flexible Rent Subsidy Pilot Program Extension Amendment Act of 2022.....	42

Subtitle (V)(M) – School Behavioral Health Program Implementation and Funding Analysis Act of 2022	42
TITLE VI – OPERATIONS AND INFRASTRUCTURE	44
Subtitle (VI)(A) – 11 th Street Bridge Park Funding Amendment Act of 2022	44
Subtitle (VI)(B) – Seasonal Business License Fee Amendment Act of 2022	44
Subtitle (VI)(C) – Climate Change Resilience Expenditure Authority Amendment Act of 2022	44
Subtitle (VI)(D) – Boot Damage and Removal Penalty Act of 2022	45
Subtitle (VI)(E) – Green Finance Authority Board Amendment Act of 2022	45
Subtitle (VI)(F) – Sustainable Energy Trust Fund Amendment Act of 2022	46
Subtitle (VI)(G) – Motor Vehicle Registration Fee Amendment Act of 2022	47
Subtitle (VI)(H) – Vision Zero Amendment Act of 2022	48
Subtitle (VI)(I) – Extended Visitor Parking Pass Eligibility Amendment Act of 2022	49
Subtitle (VI)(J) – Fast Ferry Grant Act of 2022	50
Subtitle (VI)(K) – Department of Buildings Technical Amendment Act of 2022	50
Subtitle (VI)(L) – Third Party Inspection Platform Amendment Act of 2022	50
TITLE VII – FINANCE AND REVENUE	52
Subtitle (VII)(A) – District Integrated Financial System Implementation Amendment Act of 2022	52
Subtitle (VII)(B) – Earned Income Tax Credit Expansion Amendment Act of 2022	52
Subtitle (VII)(C) – Capital Improvements Program Funding Amendment Act of 2022	53
Subtitle (VII)(D) – District Unemployment Fund Funding Amendment Act of 2022	53
Subtitle (VII)(E) – Gross Income Exclusion Amendment Act of 2022	54
Subtitle (VII)(F) – Seniors and Individuals with Disabilities Real Property Tax Increase Limit Amendment Act of 2022	54
Subtitle (VII)(G) – Rule 736 Repeals Amendment Act of 2022	55
Subtitle (VII)(H) – Disabled Veterans Homestead Act of 2022	55
Subtitle (VII)(I) – Tax Abatements for Housing in Downtown Act of 2022	56
Subtitle (VII)(J) – Square 5539 Tax Abatement Act of 2022	57
Subtitle (VII)(K) – Community for Creative Non-Violence Real Property Tax Relief Act of 2022	57
Subtitle (VII)(L) – Affordable Housing Opportunities, Inc. Tax Abatement Act of 2022	58
Subtitle (VII)(M) – Events DC Grant Making Act of 2022	58
Subtitle (VII)(N) – Subject to Appropriation Repeals	59
Subtitle (VII)(O) – Flavored Tobacco Prohibition Implementation Act of 2022	60
Subtitle (VII)(P) – Revised Revenue Funding Priority Act of 2022	62
TITLE VIII – SPECIAL PURPOSE AND DEDICATED REVENUE FUNDS	63
Subtitle (VIII)(A) – Designated Fund Transfer Act of	63

TITLE I – GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Information Technology Innovation and Infrastructure Amendment Act of 2022

Background

The subtitle changes the name of the DC-Net Services Support Fund¹ to the DC-NET Services and Innovation Fund and authorizes the fund to be used for District government information technology innovation and Smart DC initiatives². Currently, the fund can only be used to defray operational costs of the DC-NET program.

Financial Plan Impact

This subtitle does not have a cost. The Office of the Chief Technology Officer (OCTO) manages the resources for the DC-Net Services Support Fund and expanding the allowable expenditures to include Smart DC initiatives does not impose a budgetary cost on the agency.

Subtitle (I)(B) - Inspector General Support Fund Enhancement Amendment Act of 2022

Background

The Office of the Inspector General Support Fund³ is a non-lapsing fund that collects 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 Office of the Inspector General (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 first \$284,000 in revenues from these sources each year through 2025 must go to local funds to cover forecasted local fund revenues.

The subtitle increases the deposit cap to \$3 million annually and the total fund balance cap to \$5 million. The subtitle also permits unspent local funds in excess of \$1 million in the operating budget of OIG to be deposited into the fund.

Financial Plan Impact

This subtitle does not have an impact on the budget and financial plan. The subtitle does not change the requirement that sufficient receipts are first directed to cover current forecasted local fund revenues. The subtitle also does not change the certified revenue or the budget for the OIG Support Fund, which are both set at \$1 million for fiscal year 2023.

¹ D.C. Official Code § 1-1432.

² Smart DC initiatives means initiatives and actions to incorporate emerging information and communication technologies into the operations of District government agencies to enhance agency operations and the quality of life for District residents, businesses, and visitors through smart technology, including the internet of things, public Wi-Fi, connected devices, and sensors, innovation competitions, and data analytics.

³ D.C. Official Code § 1-301.115c.

Subtitle (I)(C) - Government Space Maintenance and Repair Transparency (GovSMaRT) Dashboard Amendment Act of 2022

Background

The Department of General Services currently publishes a public dashboard of data regarding maintenance and repair of heating, ventilation, and air conditioning systems (HVAC) in District of Columbia Public Schools (DCPS).⁴ The subtitle requires DGS to expand the public dashboard by providing all current and recent DCPS facility maintenance work orders beginning October 1, 2022, and to update the information weekly.

The subtitle also requires DGS to expand the dashboard to include data on all Department of Parks and Recreation (DPR) facility maintenance work orders beginning October 1, 2023, and to update the information weekly.

Financial Plan Impact

This subtitle will cost \$429,000 in fiscal year 2023, and \$1.7 million over the four year financial plan to implement the requirements. DGS requires two performance analysts to manage the publicly facing dashboard, evaluate data reliability, create visualizations, and respond to inquiries. Additional costs include software licenses and information technology project management costs with the Office of the Chief Technology Officer.

Government Space Maintenance and Repair Transparency (GovSMaRT) Dashboard Amendment Act of 2022					
Total Cost (\$ thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
2 DGS FTEs	\$227	\$232	\$236	\$240	\$935
IT Project Management	\$150	\$150	\$150	\$150	\$600
Software License	\$52	\$52	\$52	\$52	\$208
TOTAL COST	\$429	\$434	\$438	\$442	\$1,743

Subtitle (I)(D) – Public Facilities Environmental Safety Implementation Act of 2022

Background

The remaining unfunded section of the Public Facilities Environmental Safety Amendment Act of 2020⁵ requires the Department of General Services (DGS) to conduct environmental testing on all projects involving “demolition, construction, excavation, or substantial renovation.” DGS interprets the phrase “substantial renovation” to include many small projects for which environmental reviews are not typically done, which increased costs for the agency.

The subtitle removes the phrase “substantial renovation,”⁶ but retains the requirement for environmental testing during construction and excavation. Since DGS already conducts testing for these activities, there is no longer a cost to the provision, and the law is fully funded. Subtitle VII-N removes the law’s subject to appropriations clause.

⁴ <https://dgs.dc.gov/service/dgs-dcps-hvac-public-dashboard>

⁵ Effective from Mar 16, 2021 (D.C. Law 23-0233).

⁶ From D.C. Official Code § 10-711(5a), and D.C. Official Code § 10-712(b-1) and (d-1).

The Honorable Phil Mendelson
Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated
June 6, 2022

Financial Plan Impact

This subtitle does not have a fiscal impact.

Subtitle (I)(E) – Agency Budget Request Freedom of Information Clarification Amendment Act of 2022

Background

The subtitle amends the Freedom of Information Act of 1976⁷ to state that no document created after December 7, 2004 related to budget requests can be exempt from being made public. Such documentation includes submissions and reports available electronically that agencies, boards, and commissions transmit to the Office of the Budget and Planning during the budget development process, as well as reports on budget implementation and execution prepared by the Office of the Chief Financial Officer, including baseline budget submissions and appeals, financial status reports, and strategic plans and performance-based budget submission.

Financial Plan Impact

This subtitle does not have a fiscal impact. It is expected that the volume of requests for these documents can be absorbed within current resources. Additionally, depending on the request, the requestor may be required to pay for the cost of searching and reviewing and reproducing records.⁸

⁷ Effective March 29, 1977 (D.C. Law 1-96; D.C. Official Code § 2-531 et seq.).

⁸ D.C. Official Code § 2-532

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Heirs Property Legal Assistance Act of 2022

Background

The subtitle authorizes the Mayor to issue grants to assist low-income individuals to pay for legal services necessary to obtain clear legal title to property the individual inherited either testate or intestate from a member of the individual’s family. The grants authorized may be issued directly to individuals seeking clear title, to a legal services organization providing the necessary legal services, or to a third-party grant-managing entity for the purpose of making subgrants to such individuals or organizations on behalf of the Mayor.

Financial Plan Impact

The proposed budget and financial plan includes recurring funding of \$1 million in the Department of Housing and Community Development to support the subtitle’s authorized legal assistance.

Subtitle (II)(B) – Tax Increment Financing Technical Amendment Act of 2022

Background

The District’s Tax Increment Financing (TIF) program allows the District to issue bonds in support of an economic development project.⁹ The bond proceeds are used by the private developer to support construction and infrastructure costs. To repay the bonds, the District determines and then pledges the growth in real property¹⁰ and sales¹¹ taxes over a baseline amount within the defined TIF area to support the bond issuance. Currently, the baseline tax amounts are established in the authorizing legislation of each individual TIF area.

The subtitle codifies the Chief Financial Officer’s (CFO) process for establishing the baseline real property and sales tax amounts. For both real property and sales taxes, the subtitle establishes the baseline tax as the amount of tax that the CFO projects to receive from properties and businesses within the TIF area for each fiscal year of the financial plan period. The baseline tax is then set as the final fiscal year of the financial plan period for years outside of the financial plan period.

Financial Plan Impact

The subtitle conforms the establishment of baseline tax amounts in the TIF establishment laws to CFO practices around setting the baseline tax levels. The subtitle does not change CFO practices and the subtitle’s implementation imposes no budgetary costs on the District.

Subtitle (II)(C) – Reunion Square Tax Increment Financing Amendment Act of 2022

Background

In 2020, the Council approved the establishment of the Reunion Square Tax Increment Financing (TIF) area to support a mixed-use development of commercial office space, retail, housing, and a

⁹ Tax Increment Financing Authorization Act of 1998, effective May 4, 1998 (D.C. Law 12-143; D.C. Official Code § 2-1217.01 et seq.).

¹⁰ D.C. Official Code § 47-801 et seq.

¹¹ D.C. Official Code § 47-2001 et seq.

hotel.¹² The District can issue up to \$45.8 million in class A and class B debt, combined, to support the development project. The District's authority to issue up to \$16.9 million in class A debt expires on September 30, 2025. The District's authority to issue class B debt in any amount, such that the total class A and class B debt issuance does not exceed \$45.8 million, expires on September 30, 2030.

The subtitle clarifies that the Chief Financial Officer should not consider the principal amount of any debt issued to refund or refinance class A debt when adhering to the cap of \$16.9 million in class A debt. The subtitle also clarifies that the expiration dates for the class A and class B debt issuances are 11:59 p.m. on September 30, 2025 and September 30 2030, respectively. The subtitle ensures that the expiration dates have no impact on debt issued prior to those dates or on the District's ability to issue refunding or refinancing of class A debt. The subtitle also allows for class A debt issued as draw down bonds to continue to be drawn upon even if the draws extend beyond the class A expiration date.

Financial Plan Impact

The subtitle's changes to the Reunion Square TIF are technical in nature and the subtitle's implementation imposes no budgetary costs on the District.

Subtitle (II)(D) – DMPED Grants Amendment Act of 2022

Background

The subtitle amends and expands the Deputy Mayor for Planning and Economic Development's (DMPED) grant-making authority.¹³ The bill amends an existing small business grant program¹⁴ that was established during the Covid-19 pandemic. The subtitle renames the Covid-19 Small Business Grant Relief Program as the Small Business Relief Grant Program (Program), but maintains its mission to help businesses in the restaurant, retail, hospitality, and entertainment sectors pay rent, make payroll, inventory, or operating expenses. The subtitle authorizes businesses that received federal funding from the Restaurant Revitalization Fund to receive grants under this Program; where they are currently prohibited.

The Deputy Mayor for Planning and Economic Development's (DMPED) also has grant-making authority to attract large businesses to the District that have the potential to attract additional businesses.¹⁵ These businesses must meet certain employment, office space size, sector, and local business contracting requirements to be eligible for grants. The subtitle amends the requirements for eligible applicants of grants under this authority, including the opportunity for existing District-based businesses to apply for the grants. The subtitle reduces the office space size from 20,000 square feet to 7,000 square feet and the lease or ownership term from ten years to five years. Currently, eligible businesses for these grants must enter into a workforce development program with the District and commit to spending at least 5 percent of their contracting spend with local business enterprises. The subtitle no longer requires an eligible recipient to meet both requirements, but it does require that they meet at least one of their choosing.

¹² Reunion Square Tax Increment Financing Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-202; D.C. Official Code § 2-1217.40a et seq.).

¹³ Deputy Mayor for Planning and Economic Development Limited Grant-Making Authority Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-328.04).

¹⁴ D.C. Official Code § 1-328.04(l).

¹⁵ D.C. Official Code § 1-328.304(n).

The subtitle expands a fiscal year 2022 \$800,000 grant to help businesses in certain commercial corridors that are proposed to be included in existing retail priority areas.¹⁶ The subtitle makes the existing grant funding available to these businesses in fiscal year 2023 and includes downtown businesses located on land abutting an area bounded by 6th Street, N.W., I Street, N.W., 5th Street, N.W., and H Street, N.W.

The subtitle authorizes two new broad-based grants. The bill authorizes DMPED to issue grants to rental housing providers to cover the costs of past-due rent amounts from their renters. DMPED can issue the grants to a third-party entity to administer the grants to housing providers. The subtitle also authorizes DMPED to issue grants to help attract more families to the District's central business district and surrounding areas. DMPED should issue the grants to create new attractions or improve existing attractions and applicants should detail how they will spend the funding to enhance or create attractions during the application process. The subtitle allows DMPED to set-aside these grants for specific purposes such as enhancing downtown's Franklin Park or creating family-oriented destinations.

The subtitle also authorizes DMPED to issue grants to specific organizations. First, the subtitle authorizes DMPED to issue a grant up to \$30,000 in fiscal year 2023 to a Capitol Hill based organization founded in 2017 that supports economic development through jazz music. Second, the subtitle authorizes DMPED to issue an annual grant of up to \$250,000 through fiscal year 2026 to an organization located near Farragut Square founded in 2014 that is affiliated with a national organization and provides technical training, job placement, mentorship, and workforce development in 21st century careers. Third, the subtitle authorizes DMPED to issue grants to an organization founded in 2017 that is affiliated with a national organization that promotes and supports the growth of equity impact enterprises. DMPED should issue a grant of up to \$500,000 in fiscal year 2023 to support development of a locally owned mobile application which sells 50 percent of its products from equity impact enterprises. The recipient of this grant must report to DMPED and the Council by November 1, 2024 with a description of the mobile application. DMPED should also issue a \$400,000 annual grant through fiscal year 2026 for advocacy and facilitation of networking opportunities among equity impact enterprises. Recipients of these grants must submit an annual report to DMPED describing the use of the grant funds and DMPED must, in turn, submit an annual report to the Council summarizing the benefits provided by the grantees. Lastly, the subtitle authorizes DMPED to issue a grant of up to \$200,000 annually through fiscal year 2026 to a membership-driven organization founded in 1976 and located on Connecticut Avenue, N.W. that supports Latino and other minority-owned businesses. The grant recipient must annually report to DMPED on its use of the grant funds and DMPED must, in turn, submit an annual report to the Council summarizing the benefits provide by the grantee.

The subtitle also authorizes DMPED to make additional grants to the Equity Impact Fund. The original constitution of the Equity Impact Fund only required DMPED to make an initial deposit.

Financial Plan Impact

This fiscal year 2023 budget includes several one-time grants. First, the budget includes \$8 million for the Small Business Relief Grant Program. Second, the budget includes \$2.5 million in federal funding for DMPED to issue grants to retain or attract new business to the District. The subtitle's changes to the grant eligibility criteria will make more business eligible for grants, but they do not change the amount of grant funding available. Third, the budget includes \$800,000 to assist businesses near 6th and I Streets, N.W. Next, the budget includes \$2.5 million in federal funds for

¹⁶ D.C. Official Code § 1-328.04(s).

The Honorable Phil Mendelson

Fiscal Impact Statement for the "Fiscal Year 2023 Budget Support Act of 2022," Bill 24-714, ANS as circulated June 6, 2022

DMPED to issue downtown destination grants. The grants will be issued on a competitive basis unless DMPED sets aside some or all of the available funding for specific purposes as authorized in the subtitle. Next, the budget includes Local funding of \$30,000 for the Capitol Hill jazz grant and \$500,000 for the locally owned mobile application. Lastly, the budget includes an additional \$2 million grant for the Equity Impact Fund.

The budget also includes \$12 million in fiscal year 2022 and \$200,000 in fiscal year 2023 to support rental housing providers with past-due amounts from their tenants.

The fiscal year 2023 through fiscal year 2026 budget and financial plan also includes \$850,000 annually to cover the three grants supporting 21st Century careers, networking among equity impact enterprises, and Latino and minority-owned businesses along Connecticut Avenue, N.W.

Subtitle (II)(E) – Central Food Processing Facility Feasibility Study Act of 2022

Background

The subtitle requires the Office of Planning to manage a feasibility study for a central food processing facility in coordination with the District Columbia Public Schools (DCPS) and Department of General Services. The study must include a business plan for the development and operation of a central food processing facility, revenue estimates, analyses of transitioning to in-house food at DCPS, a demand analysis for an incubator and storage, a determination of which agency will manage the facility, and a list of potential partners. Additionally, the study must list potential locations for the facility and a description of any transportation and environmental impact studies that will need to be completed.

Financial Plan Impact

This fiscal year 2023 budget includes \$200,000 for the Office of Planning to manage and pay for the study.

Subtitle (II)(F) – Department of Small and Local Business Development Grant Act of 2022

Background

The subtitle authorizes the Department of Small and Local Business Development (DSLBD) to issue four grants to support human services, economic development, revitalization, and the arts. DSLBD must issue a grant of \$180,000 to an organization in Ward 1 that maintains a Main Streets corridor to hire two full-time staff to provide human support services to individuals who spend time near the Columbia Heights Civic Plaza. DSLBD must issue a grant of \$150,000 to the Friendship Heights Alliance to support placemaking, branding, and economic development in the Friendship Heights neighborhood. DSLBD must issue a grant of \$250,000 to District Bridges to coordinate business and community revitalization efforts in Ward 3 in areas that are not supported by an existing Main Streets program. DSLBD must issue a grant of \$100,000 to the VIVA School of Dance to support its operations. DSLBD must issue all of these grants by October 31, 2022.

Financial Plan Impact

These DSLBD grants are funded as one-time grants in the fiscal year 2023 budget.

Subtitle (II)(G) – Home Purchase Assistance Program Amendment Act of 2022

Background

The Home Purchase Assistance Program¹⁷ (HPAP) provides interest-free loans and closing cost assistance to qualified applicants to purchase single family houses, condominiums, or cooperative units in the District. The subtitle increases the maximum amount of assistance available to very low income¹⁸ first-time homebuyers from \$80,000 to \$202,000 and stipulates a minimum assistance of \$70,000. The subtitle provides that allowable use of the assistance includes a “mortgage rate buy-down” and, if originally estimated closing costs are not charged, all the assistance can go towards the down payment or a mortgage rate buy-down.

The subtitle establishes a grant program for repairs of homes purchased using HPAP. Homebuyers may receive a grant of up to \$25,000 for needed repairs identified in the buyer’s home inspection, and the grant amount is in addition to the home purchase assistance.

The subtitle changes the administration of HPAP, which is currently administered by one or more organizations receiving contracts or grants awarded by the Department of Housing and Community Development. Currently DHCD funds the HPAP award within 30 days after receiving documentation of a qualifying housing purchase from the contractor or grantee. The subtitle would require DHCD to advance funding to the contractor or grantee quarterly, and for the contractor or grantee to submit documentation to DHCD within 15 days of a house purchase settlement.

Financial Plan Impact

The subtitle will allow each qualified homebuyer to receive additional assistance, including increased maximum purchase assistance and up to \$25,000 for necessary home repairs. There is no additional funding set aside in the budget and financial plan for larger awards nor for repair grants. HPAP funds are only provided to applicants to the extent funding is available in the Home Purchase Assistance Fund.

The fiscal year 2023 budget includes one-time funding for DHCD to be able to administer the newly authorized home repair grants. DHCD will need to ensure grants were used for work identified in home inspection reports, including ensuring that contractors have completed the work for which they were contracted. DHCD will therefore need to hire two employees in FY23: one grade 12/13 compliance specialist, and one grade 11 inspector. Salary and associated fringe for these employees will cost a total of \$199,000, Both HPAP and these DHCD administration costs are funded on a one-time basis.

¹⁷ D.C. Official Code § 42-2601 et seq.

¹⁸ As defined by 14 DCMR § 2599.1

Subtitle (II)(H) – East End Grocery Incentive Amendment Act of 2022

Background

In 2018, the Council approved the East End Grocery Incentive Act to entice the development of full-service grocery stores, retail shops, and sit-down restaurants as anchor stores in underserved areas.¹⁹ There are currently nine locations designated as underserved areas and eligible for funding through the East End Grocery Construction and Incentive Program. These locations are: Skyland Town Center, Capitol Gateway, East River Park, The Shops at Penn Hill, Parkside Planned Unit Development, St. Elizabeths East Campus, United Medical Center, Columbian Quarter, and Deanwood Town Center.

The subtitle adds the Deanwood Metro Station Parking Lot as an eligible location for the incentive program.

Financial Plan Impact

The East End Grocery Construction and Incentive Program is not funded in the fiscal year 2023 through fiscal year 2026 budget and financial plan. The subtitle’s addition of the Deanwood Metro Station Parking Lot as an eligible location has no impact on the budget or financial plan.

Subtitle (II)(I) – Union Station Expansion Project Delivery and Governance Study Grant Act of 2022

Background

The subtitle requires the Office of Planning to issue a grant of at least \$1 million to InfrastructureDC to conduct a study for the Union Station Expansion Project (“Project”). The study must provide recommendations for an organizational structure for the Project, as well as the legal and financial steps necessary to execute the Project.

Financial Plan Impact

This fiscal year 2023 budget includes \$1,000,000 in grant funding at the Office of Planning.

¹⁹ East End Grocery Incentive Act of 2018, effective April 11, 2019 (D.C. Law 22-284; D.C. Official Code § 2-1212.73 et seq.).

Subtitle (II)(I) – Food Policy Council Amendment Act of 2022

Background

The Food Policy Council (FPC) promotes food access and sustainability and researches best practices in food policy. FPC also analyzes data, evaluates regulatory matters, and promotes the District’s local food economy. FPC comprises thirteen appointed, voting members and ten ex-officio, nonvoting government members who are assigned to various working groups focused on enumerated policy areas.

The subtitle amends the composition of the FPC by re-establishing the membership cohorts as public members and government members and making them all voting members of the FPC. The subtitle adds the Directors or their designees of the District of Columbia Public Schools and the Department of Small and Local Business Development as two new ex-officio government members of the FPC. The subtitle also amends the potential working group topics to include entrepreneurship and food jobs, food equity and access, nutrition and health, sustainable supply chain, urban agriculture, and climate and resiliency. The subtitle authorizes any member of the FPC to receive compensation of up to \$100 for each FPC meeting or formal FPC working group meeting.

The subtitle also authorizes the Office of Planning to issue grants supporting food policy development and implementation.

Financial Plan Impact

The subtitle’s changes to the FPC composition and working groups do not impose any budgetary costs on the District. The fiscal year 2023 through fiscal year 2026 budget and financial plan does not include any resources to compensate FPC members for attending formal meetings, but the FPC is not required to provide the stipend.

Subtitle (II)(K) – Housing Production Trust Fund Accountability and Transparency Amendment Act of 2022

Background

The subtitle updates current law regarding Housing Production Trust Fund (HPTF) priorities to make minimum spending based on legally obligating HPTF funds to new projects each fiscal year, rather than annual HPTF disbursements. Current law requires 50% of obligations each year to go projects serving extremely low-income households, but the subtitle updates the requirement to be a minimum of \$249 million of the fiscal year 2023 out of a \$444 million allocation to HPTF. If, by the end of the third quarter, the Mayor does not receive sufficient viable proposals for projects serving extremely low-income households, she must seek a waiver from this requirement from the Council .

The subtitle requires the Department of Housing and Community Development (DHCD) to submit a written report to Council within 10 days of notice to an applicant that its proposal has been selected by DHCD for underwriting, . The report must include:

- The number of units proposed in each income affordability category;
- The total number of proposals received and the number meeting the RFP’s minimum requirements;
- The median of any ranking score used by DHCD; and
- For proposals selected for underwriting:
 - the names of all entities and principals in the project’s proposed ownership entities;
 - the funding amount requested and its percentage of total project financing sources;

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

- number and levels of affordable units and the level of Local Rent Supplement assistance requested; and
- a written rationale for the selection of each project, including any criteria that may have resulted in a deviation for RFP score ranking, such as including distribution of housing units in planning areas with unmet affordability needs and the efficient utilization of available funding sources.

Finally, the subtitle amends the annual HPTF reporting requirement by clarifying that reporting is based on legal obligations to projects rather than disbursements.

Financial Plan Impact

The subtitle has no impact on the budget or financial plan. DHCD can prepare the new report to Council on projects selected for underwriting and change how it prepares the annual report without additional resources.

Subtitle (II)(L) – Arts and Humanities Grant Funding Amendment Act of 2022

Background

Under current law²⁰, at least 77 percent of the Commission on the Arts and Humanities annual budget must be budgeted to specific grant types. No more than 23 percent can be budgeted for administrative costs. Of the funding dedicated to grants, 50 percent must go to support the Arts and Humanities Cohort, 28 percent to the National Capital Arts Cohort, 17 percent to capital projects in either cohort, and five percent to the Humanities Grant Program.

The subtitle makes a retroactive change and allows that in fiscal years 2021 and 2022, funding for capital projects may have been spent on rent or mortgage expenses for the grant recipient’s workspace. The subtitle extends the allowable rent or mortgage expense through fiscal year 2023.

Financial Plan Impact

Allowing rent or mortgage to continue to be an allowable expense for grants does not affect the value of grants being offered and does not impact the budget and financial plan.

Subtitle (II)(M) - TOPA Study Timeline Extension Amendment Act of 2022

Background

The Fiscal Year 2022 Budget Support Act of 2021²¹ required 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. The grant was only finalized in May 2022, and the subtitle extends the deadline from September 30, 2022 to June 30, 2023.

Financial Plan Impact

DHCD has sufficient non-lapsing budget authority to make final grant payments due upon completion of the study in fiscal year 2023.

²⁰ D.C. Official Code § 39-205(c-1).

²¹ Coalition for Non-Profit Housing and Economic Development TOPA Study and Grant Act of 2021, effective November 13, 2021 (D.C. Law 24-45; 68 DCR 12567).

Subtitle (II)(N) – Key Bridge Exxon Property Eminent Domain Authority Act of 2022

Background

The subtitle authorizes, but does not require, the Mayor to exercise eminent domain to acquire the privately-owned Key Bridge Exxon property located at 3607 M Street, N.W.²²

Financial Plan Impact

There are no costs associated with giving the Mayor the authority to use eminent domain to acquire this property. The 2023 assessed value of the property is approximately \$10.9 million, but the District would obtain private appraisals as part of the eminent domain process to determine the ultimate purchase price. The fiscal year 2023 budget includes \$14 million to support purchasing the property if the Mayor chooses to exercise her authority to purchase the property.

²² Known for tax and assessment purposes as Square 1202, Lot 64.

TITLE III – PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) – Automated External Defibrillator Incentive Program Act of 2022

Background

The subtitle establishes²³ an automated external defibrillator (AED) incentive program within the Fire and Emergency Medical Services Department (FEMS). Rebates will be provided to individuals and entities in the District that purchase and install AEDs in publicly-accessible area in an interior of a building within 150 feet of the building’s entrance. To be eligible for a rebate, a property owner or lessee must register the AED with FEMS and submit a rebate claim. Rebates are contingent on the availability of funding and are not to be considered income for purposes of District income tax,

Financial Plan Impact

The fiscal year 2023 budget includes \$348,000 in fiscal year 2023 and \$1.41 million over the financial plan to fund the subtitle.

The FEMS fiscal year 2023 budget includes \$250,000 of recurring funding to provide rebates to individuals and entities for the purchase and installation of AEDs in publicly accessible areas. The FEMS fiscal year 2023 budget also includes \$98,000 of recurring funding to hire one full time employee to manage the incentive program.

Subtitle (III)(A), Automated External Defibrillator Incentive Program Act of 2022 Implementation Costs Fiscal Year 2023 to Fiscal Year 2026					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
AED Rebates	\$250,000	\$250,000	\$250,000	\$250,000	\$1,000,000
Salary ^(a)	\$82,000	\$84,000	\$85,000	\$87,000	\$338,000
Fringe ^(b)	\$16,000	\$17,000	\$18,000	\$19,000	\$70,000
Total	\$348,000	\$351,000	\$353,000	\$356,000	\$1,408,000

Table Notes:

- (a) Assumes one Grade-12, Step 3 Program Analyst, and cost growth rate of 1.75 percent.
- (b) Assumes fringe rate of 19.9 percent and a cost growth rate of 2.375 percent.

Subtitle (III)(B) – Emergency Medical Services Transport Contracts Amendment Act of 2022

Background

The subtitle repeals²⁴ or amends reporting requirements and repeals the sunset clause for the authority granted to FEMS to contract with third parties to provide supplemental pre-hospital medical care and transportation to persons requiring Basic Life Support.

²³ By amending The Public Access to Automated External Defibrillator Act of 2000, effective April 27, 2001 (D.C. Law 13-278; D.C. Official Code § 7-2371.01 et seq.).

²⁴ By amending Section 1 of An Act To classify the officers and members of the fire department of the District of Columbia, and for other purposes, approved June 20, 1906 (34 Stat. 314; D.C. Official Code § 5-401).

Financial Plan Impact

This subtitle has no impact on the budget or financial plan.

Subtitle (III)(C) – Office of Victim Services and Justice Grants Transparency Amendment Act of 2022

Background

The subtitle requires the Office of Victim Services and Justice Grants (OVSJG) to publish on its website information about the grant awards it has received or granted every six months. The subtitle also requires the Mayor to publish on a publicly available website OVSJG’s grantmaking priorities separated by initiative, in conjunction with transmitting the annual budget.

Financial Plan Impact

Establishing new biannual and annual reporting requirements does not have an impact on the OVSJG’s budget or financial plan.

Subtitle (III)(D) – Office of Unified Communications Telecommunicator CPR Program Amendment Act of 2022

Background

This subtitle requires²⁵ the Office of Unified Communications (OUC) to train all 911 operations staff in telecommunicator cardiopulmonary resuscitation (t-CPR). Staff trained in t-CPR are able to give compression or ventilation instructions to callers who are reporting suspected cases of out-of-hospital cardiac arrest. The trainings must use protocols and scripts based on nationally recognized guidelines for t-CPR.

Financial Plan Impact

The fiscal year 2023 budget includes \$91,000 in fiscal year 2023 and \$109,000 over the financial plan to fund the subtitle. OUC requires funding to train 275 operations staff in t-CPR. OUC also needs funding to pay for overtime cost that result from maintaining minimum staffing levels while staff are being trained in t-CPR.

Subtitle (III)(D) – OUC Telecommunicator CPR Program Amendment Act of 2022					
Implementation Costs					
Fiscal Year 2023 to Fiscal Year 2026					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Training Costs ^(a)	\$28,000	\$2,000	\$2,000	\$2,000	\$34,000
Overtime Costs ^(b)	\$63,000	\$4,000	\$4,000	\$4,000	\$75,000
Total	\$91,000	\$6,000	\$6,000	\$6,000	\$109,000

Table Notes:

- (a) Assumes four-hour training cost of \$100 for each employee and 5 percent employee attrition beginning in fiscal year 2024.
- (b) Assumes overtime rate of \$57 per hour.

²⁵ 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.).

Subtitle (III)(E) – Access to Justice Initiative Amendment Act of 2022

Background

The Office of Victim Services and Justice Grants (OVSJG) is required to award a grant each fiscal year for the purpose of the D.C. Bar Foundation providing support to nonprofit organizations that deliver civil legal services to low-income and under-served District residents, termed the Access to Justice Initiative (ATJ). The subtitle makes²⁶ the annual grant issued to the (ATJ) non-lapsing so the D.C. Bar Foundation may use the funds without fiscal year limitation.

The subtitle raises the Loan Repayment Assistance for Poverty Lawyers Program (LRAP) income cap from \$90,000 to \$100,000 and allows the D.C. Bar Foundation to award repayment assistance to applicants who are ineligible for the federal Public Services Loan Forgiveness Program.

The subtitle also expands covered proceedings to include eviction-adjacent proceedings. Eviction-adjacent proceedings include those involving rent increases, current rent, housing code violations, termination from a housing subsidy program, and human rights violations.

Financial Plan Impact

Making the annual ATJ Initiative grant non-lapsing does not have a cost. Any unspent fiscal year 2023 funding will be available for the D.C. Bar Foundation to spend regardless of fiscal year. Expanding eligibility criteria for LRAP does not have a cost since the program is limited to available funding. Expanding the ATJ Initiative covered proceedings to include eviction-adjacent proceedings does not have a cost.

Subtitle (III)(F) – Comprehensive Cognitive Health Training for First Responders Amendment Act of 2022

Background

This subtitle requires²⁷ the Metropolitan Police Department (MPD) and Fire and Emergency Medical Services Department (FEMS) to develop and operate a training program, in coordination with the Department of Health, the Department of Aging and Community Living, and the Office of Attorney General, that includes instruction and continuing education on Alzheimer’s and other dementias. The training must teach techniques to help identify and communicate with individuals with Alzheimer’s and other dementias and how to refer the individuals to the best available community resources

Financial Plan Impact

Both MPD and FEMS can incorporate trainings on Alzheimer’s and other dementias into each agency’s existing continuing education curriculum. No additional resources are required to implement the subtitle.

²⁶ By amending The Access to Justice Initiative Establishment Act of 2010, effective September 24, 2010 (D.C. Law 18-223; D.C. Official Code § 4-1701.01 et seq.).

²⁷ By amending Title II of the Omnibus Police Reform Amendment Act of 2000, effective October 4, 2000 (D.C. Law 13-160; D.C. Official Code § 5-107.01 et seq.).

Subtitle (III)(G) – Criminal Code Reform Commission Amendment Act of 2022

Background

The subtitle modifies²⁸ the process for selecting, and setting the salary for, the executive director of the Criminal Code Reform Commission (CCRC). The subtitle designates the Chairman of the Council as the personnel authority who in turn will set the salary for the CCRC’s executive director. The subtitle requires that the executive director receive an annual salary consistent with the District of Columbia Government Salary Schedule for Excepted Service employees, at no lower than Grade 10, exclusive of fringe. The Executive Director serving as of the effective date of the Fiscal Year 2023 Budget Support Emergency Act of 2022 will receive this salary retroactive to March 26, 2022. The subtitle stipulates that the CCRC’s executive director will serve as the personnel authority for all other CCRC staff. The subtitle also makes several clarifying changes to the CCRC’s structure and authority.

Financial Plan Impact

Changing the personnel authority for the Executive Director for the CCRC does not have a cost. The Chairman of the Council is already responsible for appointing the CCRC’s executive director and the subtitle statutorily grants the Chairman with personnel authority. Salary and fringe benefits for CCRC staff are included in the agency’s fiscal year 2023 budget. The fiscal year 2022 budget includes sufficient funding to provide retroactive pay to the executive director.

Subtitle (III)(H) – Metropolitan Police Department Budget and Staffing Transparency Amendment Act of 2022

Background

The subtitle requires²⁹ MPD to include a description of the bureau, division, unit, and if applicable, police service area of the officer who conducts a stop in its record of stops beginning April 1, 2023. MPD officers must also record the perceived gender, race, and ethnicity of the stopped individual. Records of stops must be published on the MPD website biannually.

The subtitle also requires MPD to publish on its website, for the prior five fiscal years, a monthly staffing report on the number of sworn officers and civilian employees employed by MPD by bureau, division, unit, and if applicable, police service area and rank, with a crosswalk to compare actual staffing to funded and unfunded full-time equivalents. MPD must also publish the number of employees that separated from MPD each monthly by type of separation and type of employee.

MPD must also publish annually a listing of all full-time equivalents at MPD, a report on MPD’s overtime spending, and the approved, revised, and actual MPD budget for the prior five fiscal years. For the proposed MPD budget for the next fiscal year, MPD must publish the total proposed budget for hiring personnel, the gross net number of personnel for MPD, and a crosswalk identifying any proposed changes to MPD’s internal organization.

Financial Plan Impact

The fiscal year 2023 budget includes \$637,000 in fiscal year 2023 and \$1.06 million over the financial plan to fund the subtitle.

²⁸ The Criminal Code Reform Commission Establishment Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 et seq.).

²⁹ By amending Section 386 of the Revised Statutes of the District of Columbia (D.C. Official Code § 5-113.01).

The Honorable Phil Mendelson

Fiscal Impact Statement for the "Fiscal Year 2023 Budget Support Act of 2022," Bill 24-714, ANS as circulated June 6, 2022

MPD must make changes to its Records Management System to collect additional stop attributes and to combine data streams from the District Department of Transportation and Department of Motor Vehicles to implement the stop data collection requirement. The total cost of completing these upgrades is \$550,000 in fiscal year 2023.

MPD also requires one data analyst to produce monthly budget reports as required in the subtitle. The total cost of the salary and fringe benefits for this employee is \$124,000 in fiscal year 2023 and \$510,000 over the financial plan.

Subtitle (III)(H), MPD Budget and Staffing Transparency Amendment Act of 2022 Implementation Costs Fiscal Year 2023 to Fiscal Year 2026					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
IT Upgrades	\$550,000	\$0	\$0	\$0	\$550,000
Salary ^(a)	\$104,000	\$106,000	\$108,000	\$110,000	\$428,000
Fringe ^(b)	\$19,000	\$20,000	\$21,000	\$22,000	\$82,000
Total	\$673,000	\$126,000	\$129,000	\$132,000	\$1,060,000

Table Notes:

(c) Assumes one Grade-13, Step 5 Data Analyst, and cost growth rate of 1.75 percent.

(d) Assumes fringe rate of 18.3 percent and a cost growth rate of 2.375 percent.

TITLE IV – PUBLIC EDUCATION SYSTEMS

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

Background

The subtitle sets³⁰ the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$12,419. This is a 5.9 percent increase over fiscal year 2022. 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 excludes³¹ from the UPSFF in fiscal year 2023 funding allocated to the District of Columbia Public Schools (DCPS) for stabilization,³² Early Stages,³³ and IMPACTplus bonus payments.³⁴

The subtitle establishes two at-risk concentration supplements to be provided to DCPS and the District of Columbia Public Charter Schools (DC PCS): schools with an at-risk student population that exceeds 40 percent (at-risk > 40%) of the school’s total enrollment, and an additional supplement when a school’s at-risk student population exceeds 70 percent (at-risk > 70%) based on enrollment projections.

The subtitle establishes a special Pandemic Transition Fund (Fund) to be administered by the Mayor. The non-lapsing Fund will be used to provide resources to public schools as they respond to the effects of the COVID-19 pandemic. Funding that is deposited into the Fund will be distributed in the following manner: 52.62 percent to DCPS and 47.38 percent to DC PCS. Individual charter schools will be awarded \$183.74 per enrolled pupil and payments must follow the same quarterly installment payment schedule that is used to make UPSFF quarterly payments. The Fund will sunset at the end of Fiscal Year 2024 and any remaining funds will be transferred to the General Fund.

The subtitle increases the per pupil facility allowance for non-residential and residential facilities by 3.1 percent. The non-residential facility allowance in fiscal year 2023 is increased to \$3,513 per pupil and the residential facility allowance in fiscal year 2023 is increased to \$9,486 per pupil.

The following tables show the base level funding at each grade level and the various add-ons:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Student Allocation in FY 2021
Pre-Kindergarten 3	1.34	\$16,641
Pre-Kindergarten 4	1.30	\$16,145
Kindergarten	1.30	\$16,145
Grades 1-5	1.00	\$12,419
Grades 6-8	1.08	\$13,413

³⁰ 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.).

³¹ By amending D.C. Official Code § 38-2902(b).

³² DCPS is required to allocate to schools no less than 95 percent of its prior year allocation of UPSFF funds.

³³ Early Stages is an evaluation center that works with families to identify and address developmental delays in children under 5 years 11 months of age that have yet to enter the school system or are homeschooled.

³⁴ IMPACTplus is the performance-based compensation system for Washington Teachers’ Union members.

Weightings applied to counts of students enrolled at certain grade levels		
Grades 9-12	1.22	\$15,151
Alternative program	1.52	\$18,877
Special education school	1.17	\$14,530
Adult	0.89	\$11,053

Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$12,046
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$14,903
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$24,465
Level 4: Special Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	\$43,342
Special Education Compliance Funding	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	\$1,229
Attorney’s Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per student basis for attorney’s fees.	0.089	\$1,105
Residential	DCPS or DC PCSthat provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$20,740

General Education Add-ons			
Level / Program	Definition	Weighting	Per Student Supplemental Funds
Elementary ELL	Additional funding for English Language Learners in grades PK3-5.	0.50	\$6,210

General Education Add-ons			
Secondary ELL	Additional funding for English Language Learners in grades 6-12, alternative students, adult students, and students in special education schools.	0.75	\$9,314
At-Risk	Additional funding for students in foster care, who are homeless, on Temporary Assistance for Needy Families or Supplemental Nutrition Assistance Program or behind grade level.	0.24	\$2,981
At-risk High School Over-age Supplement	Additional funding beyond the existing at-risk weight for students who are behind grade level in high school.	0.06	\$745
At-risk > 40% Concentration Supplement	Weighting provided in addition to at-risk weight for the percentage of at-risk students above 40% enrolled in a school where at least 40% of the student population is at-risk.	0.05	\$621
At-risk > 70% Concentration Supplement	Weighting provided in addition to at-risk weight for the percentage of at-risk students above 70% where at least 70% of the student population is at-risk.	0.05	\$621

Residential Add-ons			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Level 1: Special Education - Residential	Additional funding to support the after-hours Level 1 special education needs of students living in a DCPS or DC PCS that provides students with room and board in a residential setting.	0.37	\$782
Level 2: Special Education - Residential	Additional funding to support the after-hours Level 2 special education needs of students living in a DCPS or DC PCS that provides students with room and board in a residential setting.	1.34	\$2,819
Level 3: Special Education - Residential	Additional funding to support the after-hours Level 3 special education needs of students living in a DCPS or DC PCS that provides students with room and board in a residential setting.	2.89	\$6,098
Level 4: Special Education - Residential	Additional funding to support the after-hours Level 4 special education needs of limited and non-English proficient students living in a DCPS or DC PCS that provides students with room and board in a residential setting.	2.89	\$6,098

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

Residential Add-ons			
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or DC PCS that provides students with room and board in a residential setting.	0.668	\$8,296

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Student Supplemental Funds
Special Education Level 1 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.063	\$782
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	\$2,819
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$6,098
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs .	0.491	\$6,098

Financial Plan Impact

The 5.9 percent UPSFF base level increase will result in additional formula-driven local fund expenditures. The proposed fiscal year 2023 budget includes approximately \$1.99 billion for instructional budgets as a result of the UPSFF: \$1.06 billion for DCPS and \$932.23 million for DC PCS. In addition, DC PCS will receive \$166.89 million for facilities allowances in fiscal year 2022, bringing the collective DC PCS formula-driven local fund budget to \$1.10 billion.

The DCPS fiscal year 2023 budget also includes \$9.46 million for stabilization funding, \$9.79 million for Early Stages, and \$19.4 million for IMPACTplus bonuses. These budget allocations fall outside the UPSFF in fiscal year 2023. The Pandemic Transition Fund includes \$18.2 million in local funding of which \$9.6 million is set aside for DCPS and \$8.6 million is set aside for DC PCS.

Subtitle (IV)(B) – Universal Paid Leave Amendment Act of 2022

Background

On March 1, 2022, the Office of the Chief Financial Officer certified³⁵ funding for the expansion of Universal Paid Leave benefits to a maximum of 12 weeks for qualifying parental, family, and medical leave, beginning July 1, 2022. The subtitle delays the expansion of benefits to October 1, 2022.

The subtitle also makes permanent the elimination of the one-week waiting period before receiving Universal Paid Leave benefits. The elimination of the waiting period is set to expire one year following the end of the declared public health emergency, which would be February 15, 2023.³⁶

Financial Plan Impact

Delaying the expansion of benefits by one quarter will increase the available surplus in the Universal Paid Leave Fund by \$7.1 million to a total of \$400 million in fiscal year 2022. Eliminating the one-week waiting period does not have a fiscal impact.

Subtitle (IV)(C) – Recreation Programming Funding Expansion Amendment Act of 2022

Background

The subtitle makes³⁷ technical adjustments to Department of Parks and Recreation (DPR) grants and eliminates the specified amount for grants provided to individual program providers and nonprofit organizations to assist in implementing a comprehensive program of public recreation. The subtitle also requires DPR to issue a \$250,000 grant to the Friends of Carter Barron Foundations for the Performing Arts for restoration planning and a \$50,000 grant to Horton’s Kids to support their work with families in Ward 8.

Financial Plan Impact

The fiscal year 2023 budget includes \$300,000 in one-time local funding for grants to Friends of Carter Barron Foundation for the Performing Arts and Horton’s Kids. The DPR budget also includes over \$3 million to provide grants to individual program providers and nonprofit organizations to implement a comprehensive program of public recreation.

Subtitle (IV)(D) – University of the District of Columbia Fundraising Match Act of 2022

Background

The subtitle grants up to \$2 million to the University of the District of Columbia (UDC), subject to UDC fund-raising. For every \$1 that UDC raises by April 1, 2023, the District will grant \$1, up to a maximum of \$2 million. Of the amount provided by the District, at least one-third must be dedicated to UDC’s endowment fund.

³⁵ See CFO certification letter sent to the Mayor and Council on March 1, 2022.

³⁶ The most recent extension of the public health emergency expired February 15, 2022. (See Mayor's Order 2022-019, issued January 26, 2022.)

³⁷ By amending Section 3(f) of the Recreation Act of 1994, effective March 23, 1995 (D.C. Law 10-246; D.C. Official Code § 10-302(f)).

Financial Plan Impact

The budget and financial plan includes \$2 million in the Non-Departmental Account to fund the matching grant.

Subtitle (IV)(E) – Master Facilities Plan Implementation Amendment Act of 2022

Background

The subtitle changes³⁸ the date by which the Deputy Mayor for Education (DME) must submit to Council a comprehensive 10-year Master Facilities Plan (MFP) for public education facilities. The MFP must be submitted by December 15, 2023.

Financial Plan Impact

The fiscal year 2023 budget includes \$800,000 in one-time local funding to complete the MFP. DME will use this funding to hire a consultant to complete the necessary work to produce the MFP.

Subtitle (IV)(F) – School Year Internship Program Amendment Act of 2022

Background

The subtitle increases the number of youth the Department of Employment Services (DOES) must serve in its School-Year Internship Program (SYIP) from 350 to 1,000. DOES may offer a mid-year application cycle for internships during the 2022-2023 school year. DOES must prioritize applications from students in any of the following categories: students who are homeless, in the foster care system, qualified for Temporary Assistance for Needy Families, qualified for the Supplemental Nutrition Assistance Program, or are a high school student one year or more older than the average age of students in their grade. During fiscal year 2023, DOES must reserve at least 100 internships for “District-involved” youth, who are defined as youth who receive services from the Department of Human Service, the Child and Family Services Agency, the Department of Youth Rehabilitation Services, the Office of Neighborhood Safety and Engagement, an organization receiving District funding to prevent or intervene in truancy, or any organizations under contract with the aforementioned District agencies. During fiscal year 2023, DOES must also offer \$225,000 in grants to organizations able to host at least 5 and up to 15 District-involved youth.

Financial Plan Impact

The fiscal year 2023 budget includes one-time funding of \$334,000 and recurring funding of \$2.04 million for the subtitle. DOES will require 3 additional staff members in order to serve the additional SYIP participants: a grade 13 program analyst; a grade 14 information technology specialist; and a grade 14 manager. DOES also requires \$500,000 for enhanced information technology services to run the expanded program and approximately \$1.1 million for participant wages. The \$225,000 for District-involved youth grants will require a Grade 12 program analyst to administer and monitor the grants. The grant and grant administration costs are one-time costs in fiscal year 2023.

³⁸ By amending Section 1104(a)(6) of the School Based Budgeting and Accountability Act of 1998, effective March 26, 1999 (D.C. Law 12-175, D.C. Official Code § 38-2803(a)(6)).

Subtitle (IV)(F) – School Year Internship Program Amendment Act of 2022 Fiscal Year 2023 to Fiscal Year 2026 (in \$1,000s)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
SYIP additional staff (salary and fringe)	\$422	\$430	\$438	\$446	\$1,736
NPS, including IT enhancements	\$515	\$526	\$538	\$550	\$2,129
Participant wages	\$1,102	\$1,124	\$1,146	\$1,169	\$4,540
District-involved youth grants	\$225	\$0	\$0	\$0	\$225
Grant administration staff (salary and fringe)	\$109	\$0	\$0	\$	\$109
Total	\$2,373	\$2,080	\$2,122	\$2,165	\$8,739

Subtitle (IV)(G) – University of the District of Columbia IT and Nursing Education Enhancement Amendment Act of 2022

Background

The subtitle allows the Workforce Investment Council (WIC) to include in its annual memorandum of understanding with the University of the District of Columbia (UDC) funding for UDC to hire faculty who teach classes in nursing or related health fields³⁹ and funding for the UDC Community College (UDC-CC) to hire faculty who teach classes in information technology, cybersecurity, and computer science.⁴⁰

The subtitle also changes⁴¹ the requirements for students to be eligible for the DC Nurse Education Enhancement Program, which gives District residents financial assistance for tuition, fees, and other costs while they pursue nursing education at UDC. The program is funded by WIC through its memorandum of understanding with UDC. During the 2022-2023 school year, students will no longer need to have a previous certification or experience in nursing to be eligible for the program. However, these program requirements would return for the 2023-2024 school year.

The subtitle goes into effect July 1, 2022.

Financial Plan Impact

The subtitle allows, but does not require, WIC to include funding for UDC nursing and IT faculty in its annual MOU with UDC. In the fiscal year 2023 budget, Council has included \$980,000 in recurring local funding for WIC to fund six full-time, permanent nursing faculty⁴² at UDC through its annual MOU with UDC. The fiscal year 2023 budget does not include funding for additional UDC-CC IT faculty.

Waiving some of the eligibility requirements for the DC Nurse Education Program will not have a fiscal impact.

³⁹ By amending Section 4116(b) of the DC Nurse Education Enhancement Program Amendment Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 32-1693.05(b)).

⁴⁰ By amending Section 4096(a)(2) of the IT Community Training and Advisory Board Establishment Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 32-1691.05(a)(2)).

⁴¹ By amending D.C. Official Code § 32-1693.03.

⁴² Including salary, fringe benefits, instructional materials, software, and training for the new faculty.

Subtitle (IV)(H) – Early Childhood Educator Pay Equity Fund Amendment Act of 2022

Background

The subtitle establishes a framework for how funds in the Early Childhood Educator Pay Equity Fund (PEF) will be spent to improve early childhood educator compensation parity with elementary school teachers employed by District of Columbia Public Schools. The PEF is administered by the Office of the State Superintendent for Education (OSSE).

Funds appropriated in fiscal years 2022 and 2023 will be dispersed directly to assistant teachers and lead teachers via a lump-sum payment that is administered by a third-party entity. Assistant teachers will receive \$10,000 in each fiscal year and lead teachers will receive \$14,000 each fiscal year. Lump-sum payments from the pay parity program cannot be counted as income or assets for determining eligibility or calculating benefits for public housing, the D.C. Health Care Alliance, educational scholarships, the Home Purchase Assistance Program, housing subsidy vouchers, the grandparent caregiver program, the close relative caregiver program, and other District government benefit programs administered with local funds. OSSE is permitted to enter into a sole source grant agreement for the purpose of distributing direct, lump-sum payments to employees of Child Development Facilities (CDFs) in fiscal years 2022 and 2023.

Beginning in fiscal year 2024, the subtitle authorizes OSSE to provide supplemental payments to licensed CDFs operating in the District to implement an early childhood educator (ECE) salary scale. OSSE must publish, by March 1, 2023, a CDF payroll formula that incorporates the estimated cost for CDFs to implement a minimum salary schedule. The payroll formula will be used to disperse funding to CDFs that implement the ECE salary scale and meet eligibility standards as determined by OSSE. Participating CDFs must enter into a contract or an agreement with OSSE to receive CDF payroll formula funding and must offer at a minimum the salary and wages specified below by title and credential level:

Minimum Salaries by Title and Credential Level		
Title	Credential Level	Minimum salary and wages
Assistant Teacher	With less than a Child Development Associate (CDA) Credential	\$39,250 (\$19.00/hour)
	CDA	\$45,488 (\$21.85/hour)
	Associate’s Degree	\$48,216 (\$23.18/hour)
Lead Teacher	CDA or 48 credit hours with greater than or equal to 15 credit hours in early childhood education	\$48,216 (\$23.18/hour)
	Associate’s Degree in early childhood education or Associate’s Degree with greater than or equal to 24 credit hours in early childhood education	\$56,725 (\$27.27/hour)
	Bachelor’s Degree in early childhood education or Bachelor’s Degree with greater than or equal to 24 credit hours in early childhood education	\$66,735 (\$32.08/hour)

Each salary level must annually increase in proportion to the annual average increase in the Consumer Price Index for All Urban Consumers in the Washington Metropolitan Statistical Area published by the Bureau of Labor Statistics, provided that salary increases cannot exceed three percent growth each successive fiscal year.

The subtitle limits the amount of PEF funding that can be used for administrative expenses to \$5.4 million in each of fiscal years 2022 and 2023 and no more than 5 percent of the annual deposit into the PEF. OSSE is also required to maintain the ongoing solvency of the PEF. If funds available in the PEF are insufficient to cover the costs of implementing the salary scale, OSSE can reduce the CDF payroll formula payments to align with the availability of funding or reduce the number of CDFs receiving payroll formula payments. Any excess fund balance in the PEF that is not needed to support administrative expenses, direct payments to educators, or supplemental payments to CDFs, can be used by OSSE to reduce health insurance premiums paid for plans purchased through the DC Health Exchange by employees of CDFs.

Financial Plan Impact

The fiscal year 2023 budget allocates \$72.9 million in fiscal year 2023 and \$299.7 million over the financial plan towards the PEF. This funding will be used to pay for administrative expenses associated with operating the lump-sum payment and supplemental payment program and to increase compensation for the District’s early childhood lead teachers and assistant teachers.

The subtitle directs \$5.4 million in fiscal year 2023 and \$16.7 million over the financial plan from the PEF to cover administrative costs at OSSE. OSSE will use the administrative money allocated in fiscal year 2023 and any carryover from fiscal year 2022⁴³ to put systems in place for the implementation of supplemental payments to CDFs in fiscal year 2024. OSSE will hire eleven employees over the course of the financial plan to implement and manage the long-term CDF supplemental payment program. OSSE will contract with a vendor to upgrade data systems that will allow the agency to monitor compliance with supplemental payment program requirements. Finally, OSSE will contract with a vendor to provide technical assistance to CDFs to aid in implementing payroll and human resource management changes. OSSE will continue to maintain the program’s IT infrastructure and provide technical assistance to CDFs throughout the financial plan.

Subtitle (IV)(H) – Early Childhood Educator Pay Equity Fund Amendment Act of 2022					
OSSE Administrative Expenses					
Fiscal Year 2023 to Fiscal Year 2026 (in \$1,000s)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Grant Administration ^(a)	\$2,000	\$0	\$0	\$0	\$2,000
Salary and Fringe ^(b)	\$823	\$1,289	\$1,312	\$1,335	\$4,760
IT Systems Upgrades and Maintenance ^(c)	\$2,000	\$1,000	\$1,018	\$1,035	\$5,053
Technical Assistance ^(d)	\$1,000	\$1,200	\$1,222	\$1,244	\$4,665
Total	\$5,823	\$3,489	\$3,551	\$3,614	\$16,478

Table Notes:

- (a) Grant expires in fiscal year 2024 when OSSE shifts to supplemental payments to CDFs.
- (b) Includes one Grade-14 Manager, one Grade-13 Management Analyst, one Grade-12 Management Analyst (hired in fiscal year 2024), one Grade-13 Fiscal Analyst, one Grade 13 Community Relations Specialist, one Grade-13 Program Manager, four Grade-12 Pay Equity Monitors (hired midway through fiscal year 2023), and one Grade-12 Pay Equity Specialist (hired in fiscal year 2024). Assumes a fringe rate of 23.6 percent and cost growth of 1.75 percent.

⁴³ The fiscal year 2022 budget allocates \$5.4 million towards administrative purposes and unspent funding in fiscal year 2022 will be carried into fiscal year 2023. The exact of carryover is unknown at this time but will likely be sufficient to cover administrative costs that exceed the \$5.4 million allocated in fiscal year 2023.

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

- (c) Assumes ongoing system maintenance and enhancement costs of \$1 million and cost growth of 1.8 percent.
- (d) Assumes one-time increase in fiscal year 2024 and 1.8 percent cost growth.

The remaining PEF balance, after subtracting OSSE administrative expenses, will be available to increase compensation through direct, lump-sum payments to educators and supplemental payments to CDFs. Expenditures cannot exceed the amount of funds allocated in the PEF each fiscal year. The total money available to be spent on lump-sum payments in fiscal year 2023 is \$67.5 million and the financial plan includes an additional \$282.9 million to be spent on supplemental payments to CDFs.

Subtitle (IV)(H) – Early Childhood Educator Pay Equity Fund Amendment Act of 2022					
Pay Equity Fund Permitted Use					
Fiscal Year 2023 to Fiscal Year 2026 (in \$1,000s)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
ECE Pay Equity Fund Appropriations ^(a)	\$72,889	\$74,245	\$75,581	\$76,942	\$299,657
- Available for OSSE Administrative Costs ^(b)	\$5,391	\$3,712	\$3,779	\$3,847	\$16,729
- Available for direct lump-sum payments to educators ^(c)	\$67,498	\$0	\$0	\$0	\$67,498
- Available for supplemental payments to CDFs	\$0	\$70,533	\$71,802	\$73,095	\$282,928

Table Notes:

- (a) Assumes cost growth of 1.86 percent in fiscal year 2024 and 1.8 percent in fiscal years 2025 and 2026. Does not include anticipated carryover funds from fiscal year 2022.
- (b) Does not include administrative funds carried over from fiscal year 2022. Beginning in fiscal year 2024, administrative funds are limited to 5 percent of the PEF’s total allocation.
- (c) Direct to educator lump-sum payments end in fiscal year 2023.

Subtitle (IV)(I) – DC Infrastructure Academy Commercial Driver’s License Mass Transportation Pipeline Pilot Program Amendment Act of 2022

Background

The subtitle requires⁴⁴ the DC Infrastructure Academy (DCIA), which is run by the Department of Employment Services (DOES), to administer in fiscal year 2023, a pilot program for a Commercial Driver’s License (CDL) mass transportation pipeline. Through the pipeline program DCIA will train and support District residents to work toward employment with local mass transportation agencies such as the Washington Metropolitan Area Transportation Authority. Specifically, the bill requires DCIA to train and recruit program candidates and assist them with applying for employment with a local mass transit agency. DCIA can also refer participants to external training with a local mass transportation agency depending on participants’ suitability and qualifications.

⁴⁴ By amending Section 2e of the Youth Employment Act of 1979, effective December 3, 2020 (D.C. Law 23-149; D.C. Official Code § 32-246).

Financial Plan Impact

Council has funded the bill in fiscal year 2023 with \$1,000,000 in one-time, federal funding from the American Rescue Plan Act (ARPA). DOES estimates this funding will be sufficient to train 66 participants for their CDL through the DCIA.

Approximately \$211,000 of the funding will go towards two FTEs, a Talent & Client Services staff member, and a Workforce Development Specialist. The remaining \$789,000 in funding will be used for participant wages, training, testing, and outreach and recruitment.

The cost breakdown below assumes that DOES will contract out the CDL training. If the agency instead does the training in-house, the cost breakdown may differ from the table the below. The bill allows DOES to decide whether the training is done in-house or contracted out.

Subtitle IV(I) - Cost of DC Infrastructure Academy Commercial Driver’s License Mass Transportation Pipeline Pilot Program Amendment Act of 2022					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
Talent & Client Services Staff (1 FTE)	\$126,000	\$0	\$0	\$0	\$126,000
Workforce Development Specialist (1 FTE)	\$85,000	\$0	\$0	\$0	\$85,000
Participant Wages for CDL Training	\$314,000	\$0	\$0	\$0	\$314,000
Cost of CDL Training	\$330,000	\$0	\$0	\$0	\$330,000
Cost of Work Readiness Training	\$73,000	\$0	\$0	\$0	\$73,000
Participant Wages for Work Readiness Training	\$52,000	\$0	\$0	\$0	\$52,000
CDL Knowledge Test	\$1,000	\$0	\$0	\$0	\$1,000
CDL Road Skills Test	\$1,000	\$0	\$0	\$0	\$1,000
Outreach/Recruitment	\$18,000	\$0	\$0	\$0	\$18,000
Total Cost	\$1,000,000	\$0	\$0	\$0	\$1,000,000

Table Notes:

- (a) Talent & Client Services FTE is Grade 12 and Workforce Development Specialist is Grade 11
- (b) DCIA will train 66 participants
- (c) Participants will earn \$16.10 per hour and receive fringe benefits of approximately 23% of wages
- (d) CDL training will cost \$5,000 per participant

Subtitle (IV)(I) – Attendance Zone Boundaries Amendment Act of 2022

Background

The subtitle requires the Mayor complete a comprehensive review of the District of Columbia Public Schools (DCPS) student assignment policies in calendar year 2023 and every 10 years thereafter. The review must include the following:

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

- Recommendations on assignments to “schools by right” based on attendance zones and feeder patterns for all grades including admission to a zoned school for grades PreK-3 and Pre-K 4;
- Whether there is adequate capacity in zoned DCPS facilities at each grade level to accommodate in-boundary students; and
- Whether there is equitable access among District students to high-quality DCPS schools.

Financial Plan Impact

The fiscal year 2023 budget and financial plan includes \$950,000 in fiscal year 2023 to implement the subtitle. The Deputy Mayor for Education requires \$800,000 to hire a contractor to complete the boundary study and \$150,000 in salary and fringe costs to hire a temporary employee to oversee the study and to conduct community engagement.

Subtitle (IV)(K) – Public School Healthy Food Curriculum Grants Amendment Act of 2022

Background

The subtitle requires the Office of the State Superintendent of Education to issue a \$1.6 million grant to a not-for-profit organization that currently partners with the District of Columbia Public Schools (DCPS) to integrate farming, cooking, and nutrition education curriculum into core academics for the purpose of continuing such programming at DCPS in the 2022-2023 school year.

Financial Plan Impact

The fiscal year 2023 budget includes \$1.6 million of one-time local funds to implement the subtitle. The funding will be used to continue health food programming at DCPS.

Subtitle (IV)(L) – Structured Literacy Action Plan Amendment Act of 2022

Background

The subtitle requires District of Columbia Public Schools (DCPS) to provide 45 hours of structured literacy training to English language arts instructional coaches, English language arts assistant principals, general instructional coaches, literacy assistant principals, and reading specialists who teach kindergarten through grade five over a two-year period starting no later than November 1, 2022. Educators who participate in these trainings will be provided with a \$2,000 stipend each year if the training is completed outside of school hours.

The subtitle establishes an Early Literacy Education Task Force (Task Force) comprised of representatives from the Office of the State Superintendent for Education (OSSE), DCPS, DC Public Charter School Board, State Board of Education, Deputy Mayor for Education (DME), and Council. The Task Force must submit an early literacy education report to the Mayor and Council by September 30, 2023 that identifies implementable steps to expand structured literacy training to all kindergarten through grade five DCPS and District of Columbia Public Charter Schools teachers and school leaders.

Financial Plan Impact

The fiscal year 2023 budget includes \$879,000 in fiscal year 2023 and \$1.42 million over the financial plan to implement the subtitle. DCPS structured literacy trainings and stipends paid to teachers who complete the trainings outside of school hours will cost \$729,000 in fiscal year 2023 and \$1.27 million over the financial plan. OSSE requires a one-time funding of \$150,000 in fiscal year 2023 to

contract with a vendor to provide support to the Task Force and to produce an early literacy education report.

Subtitle (IV)(L), Structured Literacy Action Plan Amendment Act of 2022 Implementation Costs Fiscal Year 2023 to Fiscal Year 2026					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Training Cost ^(a)	\$405,000	\$59,000	\$60,000	\$61,000	\$584,000
Stipend Cost ^(b)	\$324,000	\$324,000	\$92,000	\$92,000	\$832,000
OSSE Contractor	\$150,000	\$0	\$0	\$0	\$0
Total	\$879,000	\$383,000	\$152,000	\$153,000	\$1,416,000

Table Notes:

(a) Assumes training costs of \$2,500 per person, a 14 percent staff turnover rate, and cost growth of 1.75 percent.

(b) Assumes stipend cost of \$2,000 each year per person and a 14 percent staff turnover rate.

Subtitle (IV)(M) – Research Practice Partnership Clarification Amendment Act of 2022

Background

The District of Columbia Education Research Practice Partnership (Partnership) provides independent research to the education sector, stakeholders, and the public. The research conducted by the partnership evaluates the effectiveness of instructional practices in public and public charter schools in the District.

The subtitle requires⁴⁵ the Deputy Mayor for Education (DME) to issue a one-time \$400,000 grant to the Partnership by no later than November 15, 2022. The subtitle also allows the Partnership to provide staff support to the Education Research Practice Partnership Advisory Committee (Advisory Committee).

Financial Plan Impact

The DME fiscal year 2023 budget includes \$400,000 in one-time funding to be awarded to the Partnership. There is no cost for the Partnership to provide staff to support Advisory Committee activities.

Subtitle (IV)(N) – Education Funding Adequacy Study Amendment Act of 2022

Background

The subtitle requires⁴⁶ the Deputy Mayor for Education (DME) to complete an education funding adequacy study by September 30, 2023 and every five years thereafter. The study must review the Uniform Per Student Funding Formula (UPSFF) including the non-capital costs and expenses associated with operating District of Columbia Public Schools (DCPS) and public charter schools and

⁴⁵ By amending The District of Columbia Education Research Practice Partnership Establishment and Audit Act of 2018, effective March 28, 2019 (D.C. Law 22-268; D.C. Official Code § 38-785.01 et seq.).

⁴⁶ By amending Section 202 of the Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-191).

student categories and weights. The study must describe how funding through the formula or outside the formula can contribute to a more equitable allocation of District funds. The study must explore the relationship between funding allocations to individual District public schools and charter schools and student outcomes.

Financial Plan Impact

The fiscal year 2023 budget includes \$300,000 in one-time funding to complete the education funding adequacy study. DME will use this funding to contract with an outside vendor to complete the required elements of the study.

Subtitle (IV)(O) New Funding and Organizational Model for the Duke Ellington School of the Arts Act of 2022

Background

The subtitle requires DCPS to meet with the Duke Ellington School of the Arts Project (DESAP) Board of Directors at least once every four weeks to discuss a proposed new funding and organizational model for the Duke Ellington School for the Arts (DESA) until a Memorandum of Agreement (MOA) is signed by both parties. The new funding model must address the following:

- The conversion of DESA faculty and staff other than the DESA Principal to District of Columbia Public School (DCPS) employee status with levels of pay for all such individuals comparable to those of DCPS employees;
- The absorption of all of DESA's human resources for DESA employees, staff payroll for DESA employees, and student support functions into the budget of DCPS;
- The preservation of, and due regard for, the dual-curriculum nature of DESA, including its arts faculty and staff;
- The continuation of DESA's pre-professional arts program at the same or higher level of quality as the current pre-professional arts program; and
- The continued role of the DESAP Board of Directors in providing guidance and support for the DESA arts program, including partnerships with third party organizations and the Ellington Fund.

DCPS must submit an MOA to Council no later than two weeks after it is signed by DCPS and the DESAP Board of Directors. Both DCPS and DESAP must independently present to the Council a report detailing the funding and organizational model by December 1, 2022 if an MOA is not be obtained.

Financial Plan Impact

Establishing an MOA between DCPS and the DESAP Board of Directors does not have a cost; however, implementing an MOA that address the issues required in the subtitle will have a cost. Sufficient funding must be included in an approved budget and financial plan before DCPS can implement the MOA.

TITLE V – HUMAN SUPPORT SERVICES

Subtitle (V)(A) – Medicaid Home and Community-Based Services Enhancement Fund Establishment Act of 2022

Background

The subtitle establishes⁴⁷ a non-lapsing Medicaid Home and Community-Based Services (HCBS) Enhancement Fund that will be administered by the Department of Health Care Finance (DHCF). The Fund will collect unspent local funds from fiscal years 2021 and 2022 equivalent to the amount of federal funds attributable to the increase in the federal medical assistance percentage (FMAP) authorized by section 9817 of the American Rescue Plan Act of 2021 (ARPA).⁴⁸ Section 9817 of the ARPA provides states with a temporary 10 percentage point increase to the FMAP for certain Medicaid HCBS from April 1, 2021 through March 31, 2022.

The Centers for Medicare and Medicaid Services (CMS) requires that the District use the savings that result from this temporary FMAP increase to implement activities that enhance, expand, or strengthen Medicaid HCBS. The District must adhere to a spending plan provided to and approved by CMS.⁴⁹

Financial Plan Impact

The subtitle will allow DHCF to deposit \$49.3 million of unspent local funding from fiscal years 2021 and 2022 into the HCBS Enhancement Fund. These funds will be used to implement the spending plan approved by CMS across multiple agencies.

Subtitle (V)(B) – Opioid Abatement Fund Establishment Act of 2022

Background

The subtitle establishes a non-lapsing the Opioid Abatement Fund (Fund) to collect funds received by the District from national prescription opiate litigation settlement agreements⁵⁰. Money deposited into the Fund cannot be obligated or expended until the Council passes legislation setting forth the permissible uses of the money in the Fund.

Financial Plan Impact

The District will receive approximately \$80 million from several settlement agreements to help victims of opioid abuse and provide needed support and treatment, and the Office of the Attorney General will determine, based on settlement agreements, the amounts from the settlement which are required to be spent on the treatment and mitigation of the effects of opioid abuse for deposit into the Opioid Abatement Fund. The Fiscal Year 2023 Local Budget Act of 2022 provides the Department of Health with budget authority to spend amounts in the Fund, but Council must first pass legislation

⁴⁷ 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.).

⁴⁸ As authorized by section 9817 of the of the American Rescue Plan Act of 2021, approved March 11, 2021 (135 Stat. 216; 42 U.S.C. 1396d note).

⁴⁹ See: [Initial Spending Plan and Narrative for Enhanced Funding](#).

⁵⁰ Per agreements on three cases: District of Columbia v. Johnson & Johnson, et al., Case No. 2022-CA-001441-B; District of Columbia v. McKesson Corp., et al., Case No. 2022-CA-001401-B; and District of Columbia v. McKinsey & Co., Case No. 2021-CA-00327-B.

authorizing the permitted uses of the Fund. The money in the Fund will be available regardless of fiscal year.

Subtitle (V)(C) – Alliance Enrollment Amendment Act of 2022

Background

The subtitle extends⁵¹ the DC Health Care Alliance (Alliance) program enrollment period from six months to twelve months. Under the subtitle, Alliance enrollees will be required to recertify their enrollment every twelve months either in person, over the telephone, or through electronic means, including through a web-based portal.

Financial Plan Impact

The subtitle is projected to increase Alliance enrollment because the changes will reduce the number of current enrollees who typically fail to re-enroll in the program at their six-month coverage expiration date. The Department of Health Care Finance (DHCF) requires additional funding to cover the monthly premium costs for enrollees who will no longer lose coverage. The DHCF budget and financial plan includes an enhancement of \$4.18 million in fiscal year 2023 and a total of \$47.65 million over the financial plan to implement the subtitle.

Subtitle (V)(C), Alliance Enrollment Amendment Act of 2022 Implementation Costs Fiscal Year 2023 to Fiscal Year 2026 (\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Cost of increased enrollment	\$4,176	\$10,175	\$16,634	\$16,664	\$47,649

Table Notes:

- a. Alliance coverage is estimated to cost \$554 per person, per month, in fiscal year 2023. The cost of Alliance coverage is assumed to decrease slightly in fiscal year 2024 as the pool of enrollees becomes healthier. After enrollment stabilizes, costs per person are assumed to increase by three percent annually beginning in fiscal year 2025 due to inflation.

Subtitle (V)(D) – First-Time Mothers Home Visiting Program Amendment Act of 2022

Background

This subtitle requires⁵² that the Department of Health continue a grant to support a pilot program that provides evidence-based home visiting services exclusively to eligible first-time mothers in the District.

Financial Plan Impact

The fiscal year 2023 budget includes \$150,000 in fiscal year 2023 to fund the grant program.

⁵¹ By amending Section 7b of the Health Care Privatization Amendment Act of 2001, effective December 13, 2017 (D.C. Law 22-35; D.C. Official Code § 7-1407).

⁵² By amending Section 105a of the Birth-to-Three for All DC Amendment Act of 2018, effective September 11, 2019 (D.C. Law 23-16; D.C. Official Code § 4-651.05a).

Subtitle (V)(E) – Perinatal Mental Health Task Force Establishment Act of 2022

Background

The subtitle establishes a Maternal Mental Health Task Force (Task Force) to provide comprehensive policy recommendations to improve perinatal mental health in the District. The Task Force must submit to the Mayor and Council a report on its findings and recommendations by August 31, 2023.

Financial Plan Impact

The fiscal year 2023 budget includes \$150,000 in fiscal year 2023 to fund the grant program.

Subtitle (V)(F) – Wraparound Supports for Young Women and Girls Act of 2022

Background

The subtitle requires the Department of Health (DC Health) to issue a recurring \$75,000 grant to a nonprofit organization that provides support and mentorship to female students in elementary through high school with an emphasis on preventing teen pregnancies, encouraging college attendance, and workforce development. The grant must be used to hire a full-time employee to provide wraparound services to participating students.

Financial Plan Impact

The fiscal year 2023 budget includes \$75,000 in fiscal year 2023 and \$300,000 over the financial plan to fund the subtitle.

Subtitle (V)(F), Wraparound Supports for Young Women and Girls Act of 2022 Implementation Costs Fiscal Year 2023 to Fiscal Year 2026					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Wraparound Supports Grant	\$75,000	\$75,000	\$75,000	\$75,000	\$300,000

Subtitle (V)(G) – Diaper Affordability and Access Act of 2022

Background

This subtitle requires the Department of Health Care Finance (DHCF) to issue grant funds to a diaper bank or program for the purchase and distribution of free diapers to eligible parents and legal guardians with infants three years of age and under. To receive funds, a diaper bank or program must submit a written application to DHCF that details how it serves organizations and individuals within the District and how funds will be used to distribute free diapers.

Financial Plan Impact

The fiscal year 2023 DHCF budget includes recurring funding of \$100,000 in fiscal year 2023, for a total of \$400,000 over the financial plan to fund the subtitle.

Subtitle (V)(H) – Medical Cannabis Social Equity Fund Establishment Amendment Act of 2022

Background

The District imposes a 6 percent tax on the gross receipts of sales of medical marijuana and deposits those proceeds into the Healthy DC and Health Care Expansion Fund (Fund).⁵³ The Fund supports the Department of Health Care Finance’s (DHCF) Medicaid managed care, Health Care Alliance, and other DHCF operations and programs.

The subtitle directs any fiscal year 2023 medical marijuana sales taxes collected, beyond what is certified in the official budget for fiscal year 2023, into a newly established special purpose revenue fund. The Medical Cannabis Social Equity Fund will receive these excess revenues and will support administration of the medical cannabis certified business enterprise program. The Department of Small and Local Business Development should administer this new fund, and work with the Alcoholic Beverage Regulation Administration, which oversees the medical marijuana program.

Financial Plan Impact

The subtitle directs any excess medical marijuana sales tax revenues in fiscal year 2023 to a new Medical Cannabis Social Equity Fund. The fiscal year 2023 budget includes \$2.2 million in medical marijuana sales taxes, but not any excess revenues for the new fund. If excess revenues are experienced, they will be deposited into the new fund and the Mayor will need to request additional budget authority to spend the resources.

Subtitle (V)(I) – Targeted Affordable Housing Prioritization Act of 2022

Background

Targeted Affordable Housing (TAH) is a permanent rental subsidy for families exiting homelessness. TAH has been used for households⁵⁴ who need assistance obtaining and affording housing, often because of limited income possibilities due to a disability in the family, and participants must pay 30% of their gross income toward rent and utilities. The Department of Human Services (DHS) offers case management as a support service to program participants who would like such service. The subtitle requires the District to prioritize 350 TAH vouchers for families who were in the District’s Rapid Rehousing Program and were exited in fiscal year 2022 or will be exited in fiscal year 2023 and who do not earn sufficient income to spend only 30% toward rent.

Financial Plan Impact

The budget and financial plan includes approximately \$12.2 million of new recurring funding for vouchers, for a total of \$50 million over the four-year plan. \$10.6 million of this funding is to pay rent subsidies, which in mid-February 2022 were costing \$2,535 per month per voucher (including voucher administration fees paid to the District of Columbia Housing Authority). The budget also includes approximately \$1.6 million in salary and fringe for 14 new support services staff at DHS, including social workers and case managers. These employees will allow DHS to provide social work and case management services for the new voucher participants.

⁵³ Hospital and Medical Services Corporation Regulatory Amendment Act of 2006, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 31-3514.02).

⁵⁴ Per the Fiscal Year 2022 Budget Support Act of 2021, the Department of Human Services must promulgate rules providing TAH priority for families in rapid rehousing the longest but who are not eligible for the Permanent Supportive Housing program; such rules have not yet been finalized.

Subtitle V(I), Targeted Affordable Housing Prioritization Act of 2022 Fiscal Year 2023 to Fiscal Year 2026 (\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
Costs for subsidized rental vouchers ^(a)	\$10,609	\$10,806	\$11,001	\$11,199	\$43,615
Salaries for new social work and case management employees at DHS ^(b)	\$1,260	\$1,282	\$1,304	\$1,327	\$5,174
<u>Fringe for new employees</u>	<u>\$310</u>	<u>\$317</u>	<u>\$325</u>	<u>\$333</u>	<u>\$1,285</u>
TOTAL COSTS	\$12,179	\$12,406	\$12,630	\$12,859	\$50,074

Table Notes

- (a) Sufficient for \$2,300 average monthly rental costs and 7.6% voucher administration fees.
- (b) Includes 14 FTEs – 8 social workers, 2 supervisory social workers, 2 case managers, and 2 program specialists.

Subtitle (V)(I) – Department of Health Grant Act of 2022

Background

The subtitle requires the Department of Health to issue a grant of \$250,000 in fiscal year 2023 to Joseph’s House to support its work providing comprehensive nursing and support services to homeless men and women with advanced HIV disease and terminal cancer.

Financial Plan Impact

The fiscal year 2023 includes \$250,000 in one-time local funding to implement this subtitle.

Subtitle (V)(K) – Direct Care Professional Payment Rate Amendment Act of 2022

Background

The subtitle updates the Direct Support Professional Payment Rate Act of 2020 (Act). The subtitle updates the definition of “direct care services” to include the names of the applicable Medicaid home and community-based services waiver programs, including adding the waiver program for the elderly and persons with physical disabilities. The subtitle provides that professionals working at least 50% of their work hours providing direct care services are direct care professionals. The Mayor is required, by fiscal year 2025, to set a reimbursement rate for direct care service providers that is sufficient to pay direct care professionals a wage that is, on average, equal to at least 117.6% of the District minimum wage or the District living wage, whichever is greater. The District’s living wage is currently \$15.50 per hour. On July 1, 2022, it will increase to \$16.10 per hour.⁵⁵ The Mayor must report to Council annually, beginning October 1, 2022, on the reimbursement rate to be provided to each direct care service provider. Each direct care service provider reimbursed at this higher rate must pay its direct care professionals, on average, at least 117.6% of the District minimum wage or living wage, whichever is greater, in fiscal year 2025 and in each subsequent year. All provisions of the Act will take effect when the Centers for Medicare and Medicaid Services (CMS) approves any necessary amendments to the Medicaid State Plan or waivers. The Act will no longer be subject to appropriations.

⁵⁵ According to: <https://mayor.dc.gov/release/dc-residents-reminded-new-laws-going-effect-january-1-2022>

Financial Plan Impact

Funds have been included in the budget and financial plan for the subtitle.

Even though it is not required by the subtitle, the Department of Health Care Finance (DHCF) plans on using \$45.6 million in fiscal year 2023 and \$93.8 million in fiscal year 2024 to provide a partial wage increase (a portion of the 117.6% of the minimum or living wage) for direct care professionals during these two years. The District’s portion of these increases will be \$13.7 million and \$28.1 million, respectively, due to federal funding covering 70% of these costs. (DHCF expects to receive any necessary approvals from CMS by the start of fiscal year 2023.)

Much of the District’s cost for these increases in fiscal year 2023 and fiscal year 2024 will be paid from the newly established Medicaid Home and Community-Based Services (HCBS) Enhancement Fund, (see subtitle V.A, above). The Fund will cover the entire District portion of the planned increase in fiscal year 2023 and half of the District portion of the increase in fiscal year 2024. Money in the HCBS Enhancement Fund must be used by March 2024.

Starting in fiscal year 2025, the subtitle requires a wage increase to 117.6% of the living wage, or minimum wage, whichever is higher. The Office of Revenue Analysis estimates this will cost a total of \$144.3 million in fiscal year 2025 and \$147.6 million in fiscal year 2026, with the local costs during these years totaling \$43.3 million and \$44.3 million, respectively. Funding for these years has been included in the financial plan. The cost for fiscal years 2025 and 2026 is based on current wages for direct care professionals totaling \$681 million and assumes the living wage will increase annually based on announced increases and inflation projections.

Subtitle V(K), Direct Care Professional Payment Rate Act of 2022 Implementation Costs Fiscal Year 2023 to Fiscal Year 2026 (\$ in thousands)					
	FY 2023 ^(b)	FY 2024 ^(b)	FY 2025 ^(c)	FY 2026 ^(c)	Four-Year Total
Gross funding for increase to 117.6% of the living wage by FY25	\$45,622	\$93,821	\$144,300	\$147,556	\$431,299
District share ^(a)	\$13,687	\$28,146	\$43,290	\$44,267	\$129,390
Available from HCBS Enhancement Fund	(\$13,687)	(\$14,073)	\$0	\$0	
Remaining Cost, Local Funds	\$0	\$14,073	\$43,290	\$44,267	\$101,630

Table Notes:

- (a) District share is 30 percent of gross funding due to the District’s Federal Medical Assistance Percentage (FMAP) of 70 percent.
- (b) Funding prior to fiscal year 2025 is not required by the subtitle but has been included as a policy choice.
- (c) Funding needed for the subtitle beginning in fiscal year 2025 is based on the current total of \$681 million in direct care professional wages and assumes the following annual increases in the living wage: 5.2 percent in fiscal year 2023, 2.4 percent in fiscal year 2024, 2.2 percent in fiscal year 2025, and 2.2 percent in fiscal year 2026.

Subtitle (V)(L) – Flexible Rent Subsidy Pilot Program Extension Amendment Act of 2022

Background

The Flexible Rent Subsidy Pilot Program gives low-income, working families \$7,200 a year to spend on rent. The subtitle opens the program to individuals and extends⁵⁶ the expiration of the program from September 30, 2021, to September 30, 2026. The extension is necessary for the Department of Human Services to continue the program beyond its current expiration date, which has been extended to October 13, 2022, through temporary legislation.⁵⁷

Financial Plan Impact

The subtitle has no fiscal impact. No additional funding has been allocated to serve individuals, but assistance is limited to the budget authority for the program, so there is no cost to allowing individuals to be served. Extending the program’s expiration date does not have a cost since the program is funded in the budget and financial plan.

Subtitle (V)(M) – School Behavioral Health Program Implementation and Funding Analysis Act of 2022

Background

The Department of Behavioral Health (DBH) operates a school-based behavioral health program (Program) in District of Columbia Public Schools (DCPS) and public charter schools that offers prevention, early intervention, and clinical services to youth and their families.

The subtitle requires⁵⁸ the DBH to submit to the Mayor and Council by December 1, 2022 a cost and program analysis of the Program. The analysis must examine:

- The adequacy of funding to date and projected future costs;
- The program infrastructure costs to DBH, DCPS, and the Office of the State Superintendent for Education (OSSE);
- The cost to expand Primary Prevention Services and Supports (Tier 1) and Focused Interventions/Early Intervention (Tier 2) services through the hiring or use of non-clinical staff;
- The cost to operate and expand the Community Practice program; and
- The cost to implement a community awareness program on the Program’s effectiveness.

DBH must coordinate with the Coordinating Council on School-Based Behavioral Health, OSSE, DCPS, the Public Charter School Board, clinicians employed by DBH to work in District public schools, and representatives of community-based organizations contracted by DBH to provide clinical school-based behavioral health services to inform the program analysis.

⁵⁶ By amending Section 31c of the Homeless Services Reform Act of 2005, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 4-756.05).

⁵⁷ The Flexible Rent Subsidy Pilot Program Extension Temporary Amendment Act of 2021, effective March 2, 2022 (D.C. Law 24-82; 69 DCR 2026).

⁵⁸ By amending Section 202 of the Department of Education Establishment Act of 2007, effective June 12, 2007 (D.C. Law 17-9; D.C. Official Code § 38-191).

The Honorable Phil Mendelson

Fiscal Impact Statement for the "Fiscal Year 2023 Budget Support Act of 2022," Bill 24-714, ANS as circulated June 6, 2022

Financial Plan Impact

The fiscal year 2023 budget includes one-time local funding of \$150,000 in the DBH budget to hire a contractor with clinical expertise to examine the school-based behavioral health program.

TITLE VI – OPERATIONS AND INFRASTRUCTURE

Subtitle (VI)(A) – 11th Street Bridge Park Funding Amendment Act of 2022

Background

The 11th Street Bridge Park is planned to be an elevated public park over the Anacostia River, located on the abandoned piers of the old 11th Street Bridge. The park’s construction will be both publicly and privately funded and current law restricts the release of public funding until the bridge supporters raise 50 percent of the construction cost of the park from private sources.

The subtitle changes the release of public funding point from 50 percent of construction costs to \$35 million in privately raised funds for construction.

Financial Plan Impact

The 11th Street Bridge Park is expected to cost nearly \$78 million. The fiscal year 2023 through fiscal year 2028 capital improvement plan includes over \$45 million to support the park’s construction. The subtitle will allow the park sponsors to access that funding once they raise \$35 million in private funding. The park sponsors have raised over \$31 million toward the subtitle’s goal of \$35 million to access the public funding.

Subtitle (VI)(B) – Seasonal Business License Fee Amendment Act of 2022

Background

The current fee for an initial basic business license (“BBL”) or renewal is \$70 for two years or \$140 for four years.⁵⁹ Each endorsement added to a BBL costs \$25 regardless of length of the license term. The subtitle creates a six-month BBL with a licensee fee of \$35 and an endorsement fee of \$12.50.

Financial Plan Impact

This subtitle does not have financial impact. It is not known how many new licensees might take advantage of the six-month license. Current two- and four-year license holders are not expected to shift to a six-month license, which is more expensive on an annual basis.

Subtitle (VI)(C) – Climate Change Resilience Expenditure Authority Amendment Act of 2022

Background

The Department of Energy and Environment (DOEE) manages resources in the Renewable Energy Development Fund (REDF)⁶⁰ that collects compliance fees from electricity and gas suppliers that are unable to meet the required share of their supply from renewable energy sources. DOEE uses REDF resources to expand solar energy generation in the District.

The subtitle expands the allowable uses of the REDF to include support for projects and programs that increase climate change resilience in the District. The projects and programs should be consistent with REDF’s objectives of enhancing solar and other sustainable energy resources.

⁵⁹ D.C. Official Code § 32–551.02 sets the general business license fee at \$70, and D.C. Official Code § 47–2851.09(a)(2) requires that a four-year license renewal be charged twice the fee of a two-year license.

⁶⁰ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436(c)(1)).

Financial Plan Impact

DOEE manages the resources for the REDF and expanding the allowable expenditure list to include climate resiliency projects and programs does not impose a budgetary cost on the agency. DOEE does not have specific climate resiliency projects or programs planned for fiscal year 2023 and can only expend resources on these new initiatives if funding is available within REDF.

Subtitle (VI)(D) – Boot Damage and Removal Penalty Act of 2022

Background

The Department of Public Works will immobilize a vehicle using a boot if the vehicle has at least two unpaid traffic violations that are over sixty days old. If a vehicle owner wants to remove a boot, they must pay any outstanding tickets that led to the vehicle being immobilized. If a vehicle owner removes a boot illegally, they can be penalized \$300.

The subtitle increases the penalty for illegally removing a boot device to \$750.

Financial Plan Impact

The subtitle increases the penalty to \$750 for the illegal removal of a boot device. The fiscal year 2023 through fiscal year 2026 budget and financial plan does not include any new revenues associated with the increased penalty.

Subtitle (VI)(E) – Green Finance Authority Board Amendment Act of 2022

Background

The Green Finance Authority (Authority) issues loans, loan guarantees, credit enhancements, and grants to support sustainable projects and programs in the District.⁶¹ The Authority is governed by an eleven-member board, comprised of four non-voting members and seven voting members.

The subtitle prohibits the Authority from considering fossil fuel projects and programs as sustainable projects and programs in any applications it receives after September 30, 2022. The subtitle also changes the selection of the chair of the Authority’s board from being appointed by the Mayor to being approved by a majority vote of the voting members of the board. The subtitle reduces the quorum for a board meeting from five voting members to four voting members.

Financial Plan Impact

The subtitle’s prohibition on the Authority supporting fossil fuel programs or changes to the board’s structure do not impose any costs on the District’s budget over the fiscal year 2023 through fiscal year 2026 budget and financial plan period.

⁶¹ 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.).

Subtitle (VI)(F) – Sustainable Energy Trust Fund Amendment Act of 2022

Background

The Department of Energy and Environment (DOEE) manages the Sustainable Energy Trust Fund (SETF)⁶² which collects surcharges on electric, natural gas, and home heating oil providers in the District to fund energy efficiency and renewable energy projects in the District. The SETF pays for the District’s Sustainable Energy Utility which works to reduce energy consumption, increase renewable energy generating capacity, improve energy efficiency in buildings that support low-income residents, and support green collar jobs in the District. The SETF also provides funding for the District’s Green Finance Authority. In 2019, the District approved an increase in the electric utility assessment to \$0.0029016 per-kilowatt hour in fiscal year 2020 and then declining annually until it returned to the fiscal year 2019 rate of \$0.001612 in fiscal year 2032.⁶³ The fiscal year 2022 rate is \$0.0027001 per-kilowatt hour.

The subtitle repeals the planned decline in the per-kilowatt hour electricity assessment and maintains the fiscal year 2022 rate of \$0.0027001. The subtitle also expands the allowable uses of the SETF. DOEE can use the SETF to support renewable energy storage grants, projects and programs that increase climate change resilience in the District, and the pre-funding of two climate and energy bills. The subtitle supports the award of at least \$600,000 in fiscal years 2023, 2024, and 2025 for the installation of energy storage systems tied to renewable energy generation systems. The Sustainable Energy Utility, as the grantor, should allocate at least \$500,000 of the funding for commercial systems and at least \$100,000 for residential systems. The subtitle designates what share of the system costs can be covered through a grant and requires that preferences be given to recipients with Solar for All program installations, facilities that support the District’s climate resiliency goals, District-based organizations, and homeowners who demonstrate financial hardships. The two pre-funded bills are the Climate Commitment Act of 2021⁶⁴ and the Clean Energy DC Building Code Amendment Act of 2021,⁶⁵ both of which are presently pending before the Council.

Financial Plan Impact

The subtitle’s repeal of the planned decline in the per-kilowatt hour electricity assessment will generate additional assessment revenues for the SETF. The rate for each year of the financial plan period will now remain at fiscal year 2022’s level of \$0.0027001 rather than the current legislated levels of \$0.00259935, \$0.0024986, \$0.00239785, and \$0.0022971 in fiscal year 2023 through fiscal year 2026. This provision will generate approximately \$1.1 million in fiscal year 2023 and \$11.2 million over the four-year financial plan period. These assessments are also imposed on the District government’s electric bills, which are paid by the Department of General Services, and will result in increased utility costs of approximately \$40,000 in fiscal year 2023 and \$403,000 over the four-year financial plan period.

DOEE does not have specific climate resiliency projects or programs planned for fiscal year 2023 and can only expend resources on these new initiatives if funding is available within each fund.

The SETF will support renewable energy storage grants of at least \$600,000 in fiscal years 2023, 2024, and 2025. The increased assessment revenue will also be available for the SETF to fund the

⁶² Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10).

⁶³ D.C. Official Code § 8-1774.10(b)(2).

⁶⁴ As introduced on May 24, 2021 (D.C. Bill 24-267).

⁶⁵ As introduced on October 1, 2021 (D.C. Bill 24-420).

estimated operating costs of implementing the Climate Commitment Act beginning in fiscal year 2023 and the Clean Energy DC Building Code Amendment Act in fiscal year 2024.

Subtitle (VI)(F) – Sustainable Energy Trust Fund Amendment Act of 2022					
Net Fiscal Impact					
Fiscal Year 2023 – Fiscal Year 2026					
(\$ thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
New SETF Assessment Revenue	\$1,096	\$2,246	\$3,369	\$4,492	\$11,204
Planned Expenditures					
Government Assessment Costs ^a	(\$40)	(\$81)	(\$121)	(\$161)	(\$403)
Energy Storage Grants	(\$600)	(\$600)	(\$600)	\$0	(\$1,800)
Climate Commitment Act ^b	(\$385)	(\$224)	(\$251)	(\$156)	(\$1,015)
Clean Energy DC Building Code ^c	\$0	(\$618)	(\$453)	(\$998)	(\$2,069)
Total Planned Expenditures	(\$1,025)	(\$1,523)	(\$1,425)	(\$1,315)	(\$5,287)
Net Fiscal Impact	\$71	\$723	\$1,944	\$3,177	\$5,917

Table Notes

^a The government’s costs will not be funded from the SETF, but out of Local funds.

^b Costs assume implementation begins on October 1, 2023.

^c Costs assume implementation begins on October 1, 2024.

Subtitle (VI)(G) – Motor Vehicle Registration Fee Amendment Act of 2022

Background

The Department of Motor Vehicles (DMV) charges annual registration fees for vehicles registered in the District. DMV’s fees vary based on the type and weight of the vehicle. The subtitle amends the weight classes, associated fees, and charges for vehicles according to the following charts. Once DMV system updates are completed during fiscal year 2024, electric passenger and commercial vehicles may subtract 1,000 pounds from the manufacturer’s shipping weight for the purpose of determining its annual registration fee.

Class A – Passenger Vehicles	Current Fee	Proposed Fee
Class I (3,499 pounds or less)	\$72	\$72
Class II (3,500 – 4,999 pounds)	\$115	\$175
Class III (5,000 – 5,999 pounds) ^a	\$155	\$250
Class IV (6,000 pounds or greater) ^{b, c}	\$155	\$500

Table Notes

^a The current Class III vehicle is 5,000 pounds or greater.

^b The current Class IV vehicle, which allows vehicles with an estimated miles per gallon at or above 40 miles per gallon to pay a \$36 registration fee for the first two years, shifts to Class V and applies to all electric passenger vehicles.

^c The proposed changes to Class IV passenger vehicles will not apply until after September 30, 2023.

Class B – Commercial Vehicles	Current Fee	Proposed Fee
Class I (3,499 pounds or less)	\$125	\$125
Class II (3,500 – 4,999 pounds)	\$160	\$175
Class III (5,000 – 6,999 pounds)	\$220	\$250

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

Class IV (7,000 – 9,999 pounds)	\$300	\$500
Class V (10,000 pounds or greater)	\$575 + \$25 ^a	\$700 + \$50 ^a

Table Notes

^a The additional \$25 (current) and \$50 (proposed) charges are for each additional 1,000 pounds over 10,000.

Class C – Trailers	Current Fee	Proposed Fee
Class I (1,499 pounds or less)	\$50	\$50
Class II (1,500 – 3,499 pounds)	\$125	\$150
Class III (3,500 – 4,999 pounds)	\$250	\$275
Class IV (5,000 – 6,999 pounds)	\$400	\$500
Class V (7,000 – 9,999 pounds)	\$500	\$700
Class VI (10,000 pounds or greater)	\$500 + \$50 ^a	\$850 + \$75 ^a

Table Notes

^a The additional \$50 (current) and \$75 (proposed) charges are for each additional 1,000 pounds over 10,000.

Financial Plan Impact

The subtitle increases the annual registration fees and, in some cases, expands the classes across all vehicle types and classes. It also provides a 1,000-pound weight deduction for electric vehicles when calculating the annual registration fee cost. DMV requires nine months in fiscal year 2023 to allow for the system updates and testing required to adjust the fees for the current classes of vehicles. DMV also requires nine months in fiscal year 2024 to perform the system updates and testing associated with the proposed Class IV passenger vehicle category and the 1,000-pound weight deduction for electric vehicles. After incorporating the implementation timeframe, the increased fees and other changes should generate approximately \$2.3 million in fiscal year 2023 and \$29.8 million over the four-year financial plan period. DMV requires \$300,000 in fiscal year 2023 and \$130,000 in fiscal year 2024 to implement the changes.

Subtitle (VI)(G) – Motor Vehicle Registration Fee Amendment Act of 2022					
Net Fiscal Impact					
Fiscal Year 2023 – Fiscal Year 2026					
(\$ thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Additional Registration Revenue	\$2,310	\$9,210	\$9,129	\$9,129	\$29,778
System Updates and Testing	(\$300)	(\$130)	\$0	\$0	(\$430)
Total	\$2,010^a	\$9,080^b	\$9,129	\$9,129	\$29,348

Table Notes

^a DMV expects to implement the increased fees by July 2023.

^b DMV expects to implement the new Class IV passenger vehicle category and the 1,000-pound electric vehicle deduction by July 2024.

Subtitle (VI)(H) – Vision Zero Amendment Act of 2022

Background

In 2020, the Council passed, but did not fund, a minimum deployment of automated traffic enforcement devices across the District. The law required the Mayor to install a total of 75 red light cameras and 10 bus lane cameras by January 1, 2022 and a total of 30 stop sign cameras and 125 red light cameras by January 1, 2024.

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

The subtitle amends the minimum required deployment to be 40 red light cameras, 80 speed cameras, and 6 stop sign cameras by January 1, 2023. The subtitle also requires 67 red light cameras, 267 speed cameras, 29 stop sign cameras, and 20 bus lane cameras by January 1, 2024. The subtitle allows the Director of the District Department of Transportation (DDOT) to alter the required minimum deployment of any camera type if they first provide the Council with written notice as to why the minimum deployment of cameras should be lowered.

The subtitle also repeals the subject-to-funding clause in the Vision Zero Enhancement Omnibus Amendment Act of 2020⁶⁶ associated with this provision because the minimum deployment requirements are now aligned with DDOT’s planned deployment of automated traffic enforcement cameras.

Financial Plan Impact

The number of required cameras in the subtitle is consistent with DDOT’s plan to expand the automated traffic enforcement program and the subtitle does not impose any additional costs on the agency’s fiscal year 2023 through fiscal year 2026 budget and financial plan. The fiscal year 2023 budget includes funding for the expansion of the automated traffic enforcement program by 170 speed cameras; 17 red light, stop sign, truck overweight cameras; 25 no-passing of a school bus cameras; and 20 bus and bike lane cameras.

Subtitle (VI)(I) – Extended Visitor Parking Pass Eligibility Amendment Act of 2022

Background

The District Department of Transportation (DDOT) manages a Visitor Parking Pass (VPP) Program⁶⁷ that has historically involved DDOT sending out a physical parking pass to all eligible residents. In calendar year 2021, DDOT launched a digital parking website, ParkDC,⁶⁸ for residents to be able to obtain a VPP. Simultaneously, DDOT and the Council extended the 2020 physical VPP so that residents could have the option of using the physical pass or the new ParkDC system. The 2020 VPP pass is currently active through November 25, 2022.⁶⁹

The subtitle extends the validity of the physical 2020 VPP through December 31, 2022 and requires DDOT to make a physical pass available to any eligible residents at no cost. Any new physical passes issued by DDOT must also be valid through December 31, 2022.

Financial Plan Impact

The fiscal year 2022 revised budget⁷⁰ includes \$50,000 for DDOT to make the necessary systems updates and print physical passes. The subtitle’s implementation does not impose any additional costs on DDOT’s budget over the fiscal year 2023 through fiscal year 2026 budget and financial plan.

⁶⁶ D.C. Law 23-158

⁶⁷ Annual Visitor Parking Passes and Temporary Parking Permits, effective March 26,

⁶⁸ <https://www.parkdc.com/>

⁶⁹ Visitor Parking Pass Extension Congressional Review Emergency Amendment Act of 2022, enacted April 25, 2022 (D.C. Act 24-384; 69 DCR 4041).

⁷⁰ Fiscal Year 2022 Second Revised Local Budget Emergency Act of 2022, approved May 24, 2021 (D.C. Bill 24-719).

Subtitle (VI)(J) – Fast Ferry Grant Act of 2022

Background

The District Department of Transportation (DDOT) received \$250,000 in fiscal year 2022 to issue a grant to a regional transportation system for the establishment of a commuter fast ferry service along the Occoquan, Potomac, and Anacostia Rivers.⁷¹

The subtitle authorizes DDOT to issue a grant of at least \$50,000 to a regional transportation system to support the commuter fast ferry service. This grant is in addition to any grants previously issued for this purpose.

Financial Plan Impact

The fiscal year 2023 includes \$50,000 for DDOT to issue an additional fast ferry grant.

Subtitle (VI)(K) – Department of Buildings Technical Amendment Act of 2022

Background

Under the Department of Buildings Act, the Department of Consumer and Regulatory Affairs (DCRA) will be split into two successor agencies beginning in fiscal year 2023: the Department of Buildings and the Department of Licensing and Consumer Protection. The subtitle makes technical changes to the code to change references to DCRA to the appropriate successor agency name depending on function.

Additionally, the subtitle requires notification of an Area Neighborhood Commission (ANC) when a property owner appeals a designation of a property as vacant or blighted.

Financial Plan Impact

The proposed budget and financial plan provide \$60,000 in one time funding for the Department of Buildings and \$60,000 in Real Property Tax Appeals Commission in fiscal year 2023 to update systems to make automatic notifications to ANCs.

Subtitle (VI)(L) – Third Party Inspection Platform Amendment Act of 2022

Background

Residential and commercial property owners and managers may engage a certified third-party inspector⁷² only through the Department of Consumer and Regulatory Affairs (DCRA) digital marketplace platform, Teritus⁷³. Third party inspection reports are valid only if they are received through the Teritus platform. DCRA is authorized to set fees⁷⁴ for using the platform, and currently charges a fee of ten percent of the cost of inspection. DCRA had already planned to lower the fee to five percent.

⁷¹ Grants Act of 2021, effective September 27, 2021 (D.C. Law 24-45; 68 DCR 12567).

⁷² D.C. Official Code § 6-1405.04(a).

⁷³ <https://teritus.dcr.dc.gov/>

⁷⁴ D.C. Official Code § 6-1405.04(f).

The Honorable Phil Mendelson

Fiscal Impact Statement for the "Fiscal Year 2023 Budget Support Act of 2022," Bill 24-714, ANS as circulated June 6, 2022

Financial Plan Impact

The fee reduction in the subtitle is consistent with DCRA's plan to reduce third party inspection fees and the subtitle does not impose any costs in the fiscal year 2023 through fiscal year 2026 budget and financial plan.

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – District Integrated Financial System Implementation Amendment Act of 2022

Background

The subtitle conforms the code to budgeting practices that will be part of the new District Integrated Financial System (“D.I.F.S.”), which is planned to go live in fiscal year 2023. First, the subtitle removes requirements and references related to intra-District transfers, which will be accounted for differently under D.I.F.S. Second, the subtitle eliminates the requirement for a purchase card paper agency, which will not be required under D.I.F.S.

Financial Plan Impact

This subtitle does not have a cost. It conforms the budgeting requirements to the procedures which will be implemented under D.I.F.S.

Subtitle (VII)(B) – Earned Income Tax Credit Expansion Amendment Act of 2022

Background

The subtitle expands⁷⁵ eligibility for the District’s Earned Income Tax Credit (EITC) to include District residents who are not citizens or resident aliens of the United States who would otherwise qualify⁷⁶ except for their citizenship or residency status. The expanded eligibility will go into effect for tax returns based on calendar year 2023 income. Those newly eligible will receive the tax credit regardless of whether they have a qualifying child. The EITC is a refundable tax credit which, as of 2024, is refunded to the tax filer on a monthly basis after the tax year is ended and the return is filed.

Financial Plan Impact

The subtitle will cost approximately \$3.7 million in fiscal year 2024 (the first year the new benefit will be paid) and \$11.6 million over the four-year budget and financial plan. These costs have been incorporated in the fiscal year 2023 budget and financial plan.

The majority of the costs – about \$3.4 million of the \$3.7 million total in fiscal year 2024 – comes from income tax revenue loss from the EITC refund. Based on 2019 D.C. income tax data and 2019 data from the Migration Policy Institute on the undocumented population in D.C., we estimate 3,817 tax filers a year will be newly eligible for EITC under the subtitle and in FY 2024 their average EITC benefit will be \$2,294 for filers with qualifying children and \$410 for filers without. The average EITC benefit will grow throughout the financial plan due to inflation adjustments and scheduled increases in the benefit for filers with children.

Other costs include three staff members in the Office of Tax and Revenue (OTR) for customer service, which totals about \$224,000 in fiscal year 2024 and is an ongoing cost, and a one-time cost of \$151,000 in fiscal year 2024 to develop a new D-40 schedule and integrate it into the IT system so OTR can appropriately receive filings, process and track the tax credit.

⁷⁵ By amending Section 47-1806.04(f)(1) of the District of Columbia Official Code.

⁷⁶ Under 26 U.S.C. § 32.

Subtitle VII(B) - Earned Income Tax Credit Expansion Amendment Act of 2022					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
OTR Customer Service Staff (3 FTEs) ^a	\$0	\$224	\$228	\$232	\$684
New D-40 Schedule Development and IT integration	\$0	\$151	\$0	\$0	\$151
EITC Revenue Loss	\$0	\$3,362	\$3,436	\$4,002	\$10,800
TOTAL COST	\$0	\$3,737	\$3,664	\$4,234	\$11,635

Table Notes

^a FTEs are Grades 7-9 and fringe benefits total 22.6% of salaries.

Subtitle (VII)(C) – Capital Improvements Program Funding Amendment Act of 2022

Background

The subtitle authorizes funding from the Infrastructure Investment and Jobs Act⁷⁷ (IIJA) to be counted toward the required minimum amount of local or dedicated funds required to be spent as “Paygo” funding in the Capital Improvement Plan (“CIP”). Under current law⁷⁸ the minimum amount of Paygo funding that must be transferred to the CIP each fiscal year is equal to the sum of \$58.95 million plus 25 percent of any increase in total local funding from the prior fiscal year, except for fiscal year 2025, in which the minimum transfer is set to \$206 million.

Financial Plan Impact

The proposed budget and financial plan rely on approximately \$180 million of funding from the federal IIJA in FY 2026 to meet the required Paygo funding for the CIP.

Subtitle (VII)(D) – District Unemployment Fund Funding Amendment Act of 2022

Background

Under current law⁷⁹, end of year uncommitted fund balance remaining after all reserves are replenished is evenly split and transferred to the Housing Production Trust Fund⁸⁰ (“HPTF”) and the Pay-As-You-Go Capital (“Pay-go”) funding. For end of fiscal year 2022 only, the subtitle transfers \$113 million of uncommitted unrestricted fund balance to the District’s Unemployment Fund⁸¹ first, and then splits the remaining uncommitted fund balance between HPTF and Pay-go.

⁷⁷ Approved November 15, 2021 (Pub. L. 117-58; 135 Stat. 429).

⁷⁸ D.C. Official Code § 47-392.02(f).

⁷⁹ D.C. Official Code § 47-392.02(j-5).

⁸⁰ D.C. Official Code § 42-2801, *et seq.*

⁸¹ D.C. Official Code § 51-102.

Financial Plan Impact

The subtitle will change the allocation of any surplus that may be available after completion of the next Annual Comprehensive Financial Report, but a surplus is not included in the proposed budget and financial plan.

Subtitle (VII)(E) – Gross Income Exclusion Amendment Act of 2022

Background

The subtitle exempts, beginning in 2022, from District income taxes the Downtown Destination grants authorized under subtitle II-D, as well as funding received from the District Department of the Environment or the District of Columbia Sustainable Energy Utility to incentivize solar installations under the Solar for All program, rebates issued for Automatic External Defibrillators, climate change resilience grants authorized under Subtitle VI-C, and lump sum payments received from the educator pay parity program⁸². The current exclusion of assistance to excluded workers funded by EventsDC⁸³ is extended through 2023. The authority of the subtitle is limited to exempting grants from District income taxes. Recipients may still be required to include them in their federal taxable income.

Financial Plan Impact

The cost of exclusion for the Solar for All program is shown below. The remaining provisions do not have a cost.

Subtitle VII(E) - Cost of the Gross Income Exclusion Amendment Act of 2022					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
Income tax	\$0	(\$53)	(\$74)	(\$74)	(\$275)

Subtitle (VII)(F) – Seniors and Individuals with Disabilities Real Property Tax Increase Limit Amendment Act of 2022

Background

Under current law⁸⁴, residential property receiving the homestead deduction⁸⁵ and Senior or Disabled Owner Real Property Tax Relief⁸⁶ are provided a senior assessment cap credit on their property tax bills so that the real property is not taxed more than a 5 percent increase in the property's taxable assessed value, annually. The subtitle lowers the allowable increase to 2 percent.

⁸² D.C. Official Code § 1-325.431(c)(1A)

⁸³ D.C. Official Code § 10-1202.03a

⁸⁴ D.C. Official Code § 47-864.

⁸⁵ D.C. Official Code § 47-850(b).

⁸⁶ D.C. Official Code § 47-863

Financial Plan Impact

The proposed budget and financial plan incorporates a reduction in real property tax revenue from the subtitle as follows:

Subtitle (VII)(F) – Senior and Individuals with Disabilities Real Property Tax Increase Limit Amendment Act of 2022					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Real Property Tax Revenue	(\$879)	(\$1,803)	(\$2,779)	(\$3,814)	(\$9,276)

Subtitle (VII)(G) – Rule 736 Repeals Amendment Act of 2022

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 laws or parts of laws will be repealed:

- The Senior Dental Services Program Act of 2018, effective June 5, 2018 (D.C. Law 22-108; 65 DCR 3806);
- Sections 4 and 7a of the Ensuring Community Access to Recreational Spaces Act of 2018, effective February 22, 2019 (D.C. Law 22-210; 65 DCR 12598; and,
- The Senior Strategic Plan Amendment Act of 2018, effective March 28, 2019 (D.C. Law 22-267; 66 DCR 1428).

Financial Plan Impact

The subtitle has no fiscal impact, since these laws were not funded.

Subtitle (VII)(H) – Disabled Veterans Homestead Act of 2022

Background

The subtitle allows veterans certified as having a total and permanent disability a property tax bill based on a deduction \$445,000 from the assessed value of their homestead property, reducing the tax obligation for that property. Homeowners requesting such a deduction must submit an application to the Office of Veteran’s Affairs (OVA), and qualified applicants must be certified by OVA to the Office of Tax and Revenue (OTR). A real property receiving this deduction would no longer be eligible for two existing credits: the reduction in tax liability for persons over age 65 and for those with disabilities⁸⁷ and the owner-occupied residential tax credit (the homestead deduction)⁸⁸.

Under current law, a residential property’s taxable assessments cannot be less than 40 percent of the current year’s assessed value⁸⁹. The subtitle exempts the Disabled Veterans homestead from this requirement.

Financial Plan Impact

The subtitle will reduce real property tax revenue by \$344,180 in fiscal year 2023 and \$1.4 million over the four-year financial plan. The bill will reduce the real property taxes owed by an estimated

⁸⁷ D.C. Official Code § 47-863.

⁸⁸ D.C. Official Code § 47-864.

⁸⁹ D.C. Official Code § 47-864(e).

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2023 Budget Support Act of 2022,” Bill 24-714, ANS as circulated June 6, 2022

400 eligible homeowners an average of \$860. OTR can absorb the costs of making technology updates to real property billing for the new deduction. OVA can also absorb the costs of receiving applications and certifying eligible disabled veterans to OTR.

Subtitle (VII)(H) – Disabled Veterans Homestead Act of 2022					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Real Property Tax Revenue	(\$344)	(\$356)	(\$369)	(\$382)	(\$1,453)

Subtitle (VII)(I) – Tax Abatements for Housing in Downtown Act of 2022

Background

The subtitle authorizes the Mayor to approve tax abatements for certain real property undergoing a change of use to provide at least ten housing units. The property owner must set aside at least 15 percent of the housing units, for at least 20 years, at rents affordable to households earning 60 percent or less of median family income. The real property must be located in the area defined by the subtitle, which is roughly bounded by Dupont Circle, Washington Circle, the intersection of 9th Street NW and Massachusetts Avenue, and the intersection of I Street NW and Pennsylvania Avenue NW, or any other portion of the central business district designated by the Mayor. Additionally, the owners of the property must contract with certified business enterprises for at least 35 percent of the contract dollar volume of construction and operation and enter into a First Source Agreement for construction and operation of the project.

For each property approved by the Mayor as meeting the requirements, the real property tax shall be abated in an annual amount of \$2.50 per residential square foot of real property and for a maximum of 20 years. The total value of abatements the Mayor may approve across all projects is limited to a maximum of \$2.5 million in each of fiscal years 2024, 2025 and 2026 and \$6.8 million in fiscal year 2027 . The cap is escalated by 4 percent annually thereafter.

Financial Plan Impact

The Deputy Mayor for Planning and Economic Development (DMPED) will hire one employee to review tax abatement applications, at a cost of \$180,000 (including fringe). The subtitle also reduces real property tax revenue by a total of \$7.5 million over the financial plan.

Subtitle (II)(F), Tax Abatements for Housing in Downtown Act of 2022					
Fiscal Year 2023 – Fiscal Year 2026					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
Real Property Tax Revenue Reduction	\$0	(\$2,500)	(\$2,500)	(\$2,500)	(\$7,500)
DMPED Administrative Costs	(\$180)	\$0	\$0	\$0	(\$180)

Subtitle (VII)(I) – Square 5539 Tax Abatement Act of 2022

Background

The subtitle provides a real property tax abatement for a residential development at 3200 Penn Ave, S.E.⁹⁰ for up to 40 years provided certain conditions are met. The abatement is capped at \$362,000 in its first year (which cannot be any earlier than fiscal year 2026) and grows by three percent each subsequent year. The abatement is contingent upon an approved certificate of occupancy for 170,000 square feet of multi-family residential housing and accessory parking, with approximately 180 to 200 rental housing units. Eighty percent of the units must be set aside for households earning an average of 80 percent or less median family income (MFI)⁹¹, and at least ten percent of the units must be affordable to households earning 60 percent or less than MFI. Additionally, the project must contract with at least 35 percent certified business enterprises.

Financial Plan Impact

The abatement will reduce real property tax revenue by \$362,000 in fiscal year 2026, the earliest the abatement can begin. The revenue loss grows by three percent each subsequent year, for up to 40 years, provided conditions for the abatement continue to be met.

Subtitle (VII)(J) – Square 5539 Tax Abatement Act of 2022					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
Real Property Tax Revenue	\$0	\$0	\$0	(\$362)	(\$362)

Subtitle (VII)(K) – Community for Creative Non-Violence Real Property Tax Relief Act of 2022

Background

The subtitle forgives all real property taxes, interest, penalties, fees and other charges assessed between October 1, 1993 and September 30, 1994 on property⁹² located on E Street N.W. between First and Second Streets, N.W., which is owned by the Community for Creative Non-Violence (CCNV)⁹³. Any payments that have already been made will be refunded.

The property was acquired by CCNV from the federal government in 1993 and received a tax exemption beginning October 1, 1994. However the real property taxes assessed in tax year 1994, between the acquisition of the property and the effective date of the tax exemption have remained unpaid, accruing penalties and interest. The subtitle will be effective as of August 15, 2022.

Financial Plan Impact

The budget and financial plan incorporates a \$349,000 reduction in fiscal year 2022 property tax revenue for the cost of the subtitle.

⁹⁰ For tax and assessment purposes the property is located in Square 5539, lots 835 and 840.

⁹¹ “Median family income” as set forth in section 101(5) of the Inclusionary Zoning Implementation Amendment Act of 2006, effective September 23, 2017 (D.C. Law 16-275; D.C. Official Code § 6-1041.01(5)).

⁹² For tax and assessment purposes the property is located in Lots 8, 29, 30, 33, 34, 35, 806, 807, 808, 809, 812, and 813 in Square 571.

⁹³ A non-profit organization that operates the Federal City Shelter on an adjacent property.

<http://www.theccnv.org/>

Subtitle (VII)(J) – Community for Creative Non-Violence Real Property Tax Relief Act of 2022 (\$ in thousands)						
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Real Property Tax Revenue	(\$349)	\$0	\$0	\$0	\$0	(\$349)

Subtitle (VII)(L) – Affordable Housing Opportunities, Inc. Tax Abatement Act of 2022

Background

The subtitle provides retroactive forgiveness and prospective exemptions for real property, deed recordation and transfer taxes for non-exempt portions⁹⁴ of the Conway Center development project located at 4414-4430 Benning Road, N.E., in Ward 7. The retroactive forgiveness of real property taxes is effective November 1, 2015 and the retroactive forgiveness of recordation and transfer tax is effective October 28, 2015. The development is a mixed-use project that includes affordable housing, a health center, and space for other activities including employment training. While residential parts of the development are already certified as tax-exempt, the bill exempts remaining portions that are not eligible for administrative exemption. The subtitle will be effective as of August 15, 2022.

Financial Plan Impact

The subtitle will cost \$1.6 million in fiscal year 2022, \$269,000 in fiscal year 2023 and \$2.76 million through fiscal year 2026. This includes the cost of forgiven taxes as well as reduced future revenues from the exemption.

Subtitle (VII)(J) – Affordable Housing Opportunities Tax Abatement Act of 2022 (\$ in thousands)						
	FY 2022 ^(a)	FY 2023	FY 2024	FY 2025	FY 2026	Total
Real Property Tax Revenue	(\$1,476)	(\$269)	(\$274)	(\$283)	(\$290)	(\$2,592)
Recordation and Deed Tax Revenue	(\$173)	\$0	\$0	\$0	\$0	\$173
TOTAL Revenue	(\$1,649)	(\$269)	(\$274)	(\$283)	(\$290)	(\$2,765)

Table Notes:

(a) Includes penalties and interest on prior year tax liabilities

Subtitle (VII)(M) – Events DC Grant Making Act of 2022

Background

The subtitle establishes two grant programs to be administered by EventsDC. First, EventsDC will provide a matching grant to a nonprofit of \$2 for every \$1 raised in corporate donations by April 30, 2023 for an event or events as part of the official, month-long 2023 Cherry Blossom Festival. The grant cannot exceed \$1.5 million. Second, the subtitle requires Events DC to award a grant in fiscal

⁹⁴ The subtitle exempts lots 2003, 2004, and 2005 in Square 5139. Because the subtitle provides retroactive forgiveness, it also includes predecessor lot numbers 7000, 7001, 7003, 7004, 7005, 7007, 7010, 7012, 808 and 809 in Square 5139 for the same property.

year 2023 to a nonprofit organization occupying space in the Carnegie Library building that is engaged in collecting and interpreting District history, and dedicates \$300,000 to that grant, which may be in addition to other grant funding EventsDC is already authorized to provide. The subtitle extends for fiscal year 2023 a prohibition on expending funds to purchase property at the Robert F. Kennedy Memorial Stadium. Finally, the subtitle requires EventsDC to spend in fiscal years 2022 and 2023 at least \$10 million in grants to support cultural institutions operating in the District, provided funding is available.

Financial Plan Impact

A total of \$1.8 million in non-departmental funding has been set aside in the budget for the Cherry Blossom Festival and District history grants in fiscal year 2023. Any additional spending for grants to cultural institutions would be contingent on EventsDC first meeting its operating expenses and any legally required reserve funding.

Subtitle (VII)(N) – Subject to Appropriation Repeals

Background

The subtitle authorizes expenditures for laws, and portions of 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 costs 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:

Subtitle (VII)(G), Subject to Appropriations Repeals					
Fiscal Year 2023 – Fiscal Year 2026					
(\$ in thousands)					
Act Name	FY 2023	FY 2024	FY 2025	FY 2026	Total
Department of Consumer and Regulatory Affairs Omnibus Amendment Act of 2018 ⁹⁵	\$160	\$20	\$20	\$20	\$220
Safe Fields and Playgrounds Act of 2018 ⁹⁶	\$440	\$0	\$0	\$0	\$440
Advisory Neighborhood Commissions Participation in Planning and Development Amendment Act of 2020 ⁹⁷	\$202	\$194	\$197	\$200	\$793
Zero Waste Omnibus Amendment Act of 2020 ⁹⁸	\$982	\$845	\$857	\$870	\$3,554

⁹⁵ Effective April 11, 2019 (D.C. Law 22-287; 66 DCR 1650).
⁹⁶ Effective September 11, 2019 (D.C. Law 23-16; 66 DCR 8621).
⁹⁷ Effective March 16, 2021 (D.C. Law 23-198; 68 DCR 1371).
⁹⁸ Effective March 16, 2021 (D.C. Law 23-211; 68 DCR 68).

Subtitle (VII)(G), Subject to Appropriations Repeals					
Fiscal Year 2023 – Fiscal Year 2026					
(\$ in thousands)					
Act Name	FY 2023	FY 2024	FY 2025	FY 2026	Total
Public Facilities Environmental Safety Amendment Act of 2020 ⁹⁹	\$0	\$0	\$0	\$0	\$0
Comprehensive Plan Amendment Act of 2021 ¹⁰⁰	\$800	\$0	\$0	\$0	\$0
Evection Record Sealing Authority and Fairness in Renting Amendment Act of 2022 ¹⁰¹	\$447	\$456	\$465	\$474	\$1,842
Developmental Disability Eligibility Reform Amendment Act of 2021 ¹⁰²	\$0	\$523	\$541	\$553	\$1,617

Subtitle (VII)(O) – Flavored Tobacco Prohibition Implementation Act of 2022

Background

The subtitle provides for the revenue loss associated with the Flavored Tobacco Product Prohibition Amendment Act of 2021¹⁰³ to be funded in one of two ways: either through excess revenues (exceeding estimated published in February 2022) which may be certified in the OCFO’s June 30, 2022 or September 30, 2022 revenue estimates, or through a use of \$2.977 million of nondepartmental budget included in the fiscal year 2023 budget.

If the OCFO certifies in June or September that local recurring revenue is sufficient to fund the Flavored Tobacco Product Prohibition Amendment Act, the subtitle directs the \$2.977 million nondepartmental budget to fund an additional 26 FTEs and for \$96,389 for the nuisance abatement fund at the Department of Buildings.

Financial Plan Impact

The Flavored Tobacco Product Prohibition Amendment Act of 2021, which will reduce tax revenue from tobacco and cigarette sales by \$2.977 million in fiscal year 2023 and slightly lower amounts in subsequent years (see table below), will be funded regardless of whether excess revenue is estimated in June or September. Council has set aside \$2.977 million in recurring funding in the fiscal year 2023 budget in the non-departmental agency. The budget and financial plan also includes funding for the Department of Licensing and Consumer Protection to implement and enforce the new prohibition.

⁹⁹ Effective March 16, 2021 (D.C. Law 23-233; 68 DCR 1128. The bill was partially funded in previous years, and changes made to the law by Title 1, subtitle D reduced remaining costs to zero.

¹⁰⁰ Effective August 21, 2021 (D.C. Law 24-20; 68 DCR 6918).

¹⁰¹ D.C. Act 24-357; 69 DCR 2638.

¹⁰² Enacted on March 28, 2022 (D.C. Act 24-359; 69 DCR 2653).

¹⁰³ Effective September 22, 2021 (D.C. Law 24-25; 68 DCR 7332).

Subtitle VII(O) - Flavored Tobacco Prohibition Implementation Act of 2022					
(\$ in thousands)					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
Nondepartmental Budget available to fund Revenue Loss	\$2,977	\$2,963	\$2,948	\$2,933	\$11,821
Department of Licensing and Consumer Protection IT costs	\$45	\$0	\$0	\$0	\$45
Consumer Protection and Enforcement Personnel at the Department of Licensing and Consumer Protection - personnel	\$537	\$546	\$556	\$566	\$2,205
TOTAL Costs	\$3,559	\$3,509	\$3,504	\$ 3,499	\$14,071

If the June and September 2022 revenue estimates for fiscal years 2023 through 2026 are higher than initially projected in February 2022, and the additional revenue is sufficient to fund the revenue loss from the flavored tobacco ban, the \$2.977 million set aside will go to the Department of Buildings for 26 FTEs and \$96,389 for nuisance abatement¹⁰⁴. If excess revenue is insufficient to fund the flavored tobacco ban, the non-departmental agency funding will revert to the general fund and cover the revenue loss from the flavored tobacco ban, and the Department of Buildings will receive no additional funding.

Budget Designation if June or September 2022 Revenue Estimates include sufficient new revenues					
	FY 2023	FY 2024	FY 2025	FY 2026	Four-Year Total
Additional budget for Department of Buildings	\$2,977,000	\$3,032,372	\$3,086,955	\$3,142,520	\$12,238,847

¹⁰⁴ For the fund established by section 1(b) of An Act To provide for the abatement of nuisances in the District of Columbia and by the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01(b)).

Subtitle (VII)(P) - Revised Revenue Funding Priority Act of 2022

Background

The subtitle reserves \$20 million of any new fiscal year 2022 revenues identified in the September 2022 or December 2022 revenue estimates to provide additional funding for excluded workers assistance grants¹⁰⁵ to be issued by Events DC.

Additionally, the subtitle reserves \$2.419 million of additional fiscal year 2024, fiscal year 2025 and fiscal year 2026 revenues that may be identified in September or December for purposes of funding revenue losses of the Clean Hands Certification Equity Amendment Act of 2021¹⁰⁶.

Financial Plan Impact

The spending authorization for \$20 million of excluded workers assistance grants has been included in the Appropriation of Additional Resources section of the Fiscal Year 2023 Local Budget Act of 2022,¹⁰⁷ but such spending will not occur if the September 2022 or December 2022 revenue estimates do not include at least \$20 million of new revenue (as compared to the February 2022 revenue estimates).

The Clean Hands Certification Equity Amendment Act is not included in the proposed budget or financial plan, but the subtitle may allow a portion of the bill to be enacted without a subject to appropriations clause, if the CFO estimates additional revenue prior to passage of the bill. A fiscal impact statement for the bill will be issued once the bill is moved at committee.

¹⁰⁵ D.C. Official Code § 10-1202.03a

¹⁰⁶ Bill 24-237, as introduced May 2, 2021

¹⁰⁷ Passed on 2nd reading on May 24, 2022 (Enrolled version of Bill 24-716)

TITLE VIII – SPECIAL PURPOSE AND DEDICATED REVENUE FUNDS

Subtitle (VIII)(A) – Designated Fund Transfer Act of 2022

Background

The subtitle allows the District to use revenue otherwise dedicated to special purpose funds and accounts and the Universal Paid Leave Fund as a source of general purpose Local Funds for the proposed fiscal year 2023 through fiscal year 2026 budget and financial plan. The affected funds and transfer amounts are listed in the chart below:

Fund Name	FY 2023 Amount (\$)	FY 2024 Amount (\$)	FY 2025 Amount (\$)	FY 2026 Amount (\$)
Central Collection Unit Delinquent Debt Fund ¹⁰⁸	337,654			
Office of the Secretary Distribution Fees ¹⁰⁹	100,000			
Department of Human Resources Agreement with Independent Agencies	10,206			
Economic Development Special Account ¹¹⁰	14,000			
Charter School Administrative Fees ¹¹¹	1,000,000			
State Superintendent of Education Fees (Academic Certification and Testing Fund) ¹¹²	25,000			
Student Residency Verification ¹¹³	20,000			
Sustainable Energy Trust Fund ¹¹⁴	275,000			
Solid Waste Nuisance Abatement (Clean City) Fund ¹¹⁵	123,678			
Subrogation Fund ¹¹⁶	91,483			
Board of Medicine ¹¹⁷	2,918,369	2,969,440	3,021,406	3,074,280
Surplus Property Sales Fund ¹¹⁸	271,410	276,838	282,375	288,022
Universal Paid Leave Fund ¹¹⁹	404,692,417	5,269,923	6,511,694	3,427,291
Total	408,372,357	8,516,201	9,815,475	6,789,593

¹⁰⁸ D.C. Official Code § 1-350.04.

¹⁰⁹ D.C. Official Code § 1-301.01, § 1-1201, and § 2-1703.

¹¹⁰ D.C. Official Code § 2-1225.21.

¹¹¹ D.C. Official Code § 38-1802.11.

¹¹² D.C. Official Code § 38-2602.

¹¹³ D.C. Official Code § 38-2671.

¹¹⁴ D.C. Official Code § 8-1774.10.

¹¹⁵ D.C. Official Code § 8-807.

¹¹⁶ D.C. Official Code § 1-325.391.

¹¹⁷ D.C. Official Code § 3-1205.05 and § 7-731.

¹¹⁸ D.C. Official Code §§ 2-358.01 - 2-358.02.

¹¹⁹ D.C. Official Code § 32-551.01.

The Honorable Phil Mendelson

Fiscal Impact Statement for the "Fiscal Year 2023 Budget Support Act of 2022," Bill 24-714, ANS as circulated June 6, 2022

Financial Plan Impact

The subtitle provides approximately \$433 million to balance the proposed fiscal year 2023 through fiscal year 2026 budget and financial plan. Universal Paid Leave Fund amounts include amounts certified by the CFO in the March 1, 2022, certification letter as well as the \$7.1 million available under Subtitle IV(b).