

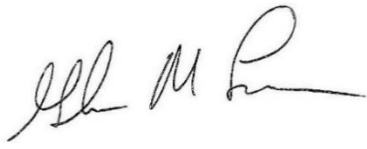
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: May 27, 2025

SUBJECT: Fiscal Impact Statement –Fiscal Year 2025 Revised Local Budget
Adjustment Emergency Act of 2025 (and accompanying temporary
version)

REFERENCE: Draft bill as provided to Office of the Chief Financial Officer May 26,
2025

Conclusion

Funds are sufficient in the proposed revised fiscal year 2025 budget and the proposed fiscal year 2026 through fiscal year 2029 budget and financial plan.

Background

The bill makes adjustments to the Fiscal Year 2025 Local Budget Act of 2024¹. With these adjustments, the District has authorized a total of approximately \$11.6 billion in fiscal year 2025 expenditures and transfers from Local funds, \$773 million from Dedicated Tax funds, and \$985 million from Special Purpose Revenue funds, for a total of approximately \$13.4 billion of General Fund expenditures and transfers.

The bill also includes provisions from the proposed Fiscal Year 2026 Budget Support Act of 2025 that apply to fiscal year 2025, including:

¹ D.C. Law 25-218.

The Honorable Phil Mendelson

FIS: "Fiscal Year 2025 Revised Local Budget Adjustment Emergency Act of 2025," (and accompanying temporary version), Draft Introduction as provided to the Office of the Chief Financial Officer on May 26, 2025

Limitation on retroactive pay increases - This section restricts increases in salaries, wages, or benefits at District agencies² that would be retroactive to fiscal year 2024 or fiscal year 2025. Exceptions are for provided for approved resolutions and laws enacted prior to May 15, 2025; agreements reached on collective bargaining prior to May 15, 2025; and final arbitration awards not subject to judicial review for arbitration initiated prior to May 15, 2025.

Universal Paid Leave Implementation Fund transfer amendment - This section cancels a \$6.5 million transfer out of the Paid Leave Fund to the general fund in fiscal year 2025.

Healthy DC and Health Care Expansion Fund – This section eliminates³ a required \$5.57 million transfer from the Healthy DC and Health Care Expansion Fund to Local Funds in fiscal year 2025

Sustainable Energy Trust Fund amendments – This section reduces a required transfer to the Green Finance Authority from \$7 million to \$3.5 million and increases the allowed use of the fund for the purchase of energy for the District government to approximately \$34.4 million.

Restaurant sales tax holiday – This section exempts sales of food and beverages at restaurants from sales taxes on August 29, 2025.

National, Lincoln, and Howard Theaters grants - This section requires the Commission on Arts and Humanities to provide three different capital grants in fiscal year 2025: \$4 million to the National Theater for acquisition and repairs, \$500,000 to the Howard Theater for debts service payments related to renovations, and \$285,000 to the Lincoln Theater for repairs and renovations.

The bill also provides for certain amounts of fund balance and other revenue in certain special funds (including 8 non-lapsing Local funds, 11 Dedicated Tax funds, and 107 Special Purpose Revenue funds) be made available for general purposes, and provides for two transfers of Local revenue to two Special Purpose Revenue funds.

Finally, the bill provides for capital project funding rescissions and increases in 97 capital projects.

Financial Plan Impact

Funds are sufficient in the proposed revised fiscal year 2025 budget and the proposed fiscal year 2026 through fiscal year 2029 budget and financial plan.

² Including any office, independent agency or instrumentality except for the District of Columbia Housing Authority, the District of Columbia Housing Finance Agency, the District of Columbia Water and Sewer Authority, the University of the District of Columbia, and the Washington Convention and Sports Authority.

³ By amending Section 15b(d) of the Hospital and Medical Services Corporation Regulatory Act of 1996, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 31-3514.02(d)).