

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: March 9, 2026

SUBJECT: Fiscal Impact Statement – Place-Based Substance Use Disorder
Outreach Amendment Act of 2025

REFERENCE: Bill 26-226, Draft Committee Print as provided to the Office of Revenue
Analysis on February 12, 2026

Conclusion

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The Department of Behavioral Health (DBH) requires \$115,000 in fiscal year 2027 and \$479,000 over the financial plan to implement the bill.

Background

DBH issues targeted outreach grants in six areas of the District with high rates of substance use, overdoses, and unmet behavioral health needs through a Place-Based Substance Use Disorder Outreach Pilot Program (Program). The fiscal year budget directs one-time funding of \$800,000 from the Opioid Abatement Fund to support outreach at locations in Wards 1, 5, 7, and 8; \$200,000 in one-time Local funds for a location in Ward 6, and \$750,000 in recurring Local funds for a location in Ward 1.

The bill establishes a permanent Program to provide direct support, relationship development, and resource brokering to individuals in need of substance use treatment and behavioral health services in high-need areas, as designated by DBH. DBH must issue grants to experienced non-profit organizations to provide these services.

DBH must designate a specific geographic area as a high-need area for a period of no less than 6 months and not more than 12 months. DBH may designate a high-need area for a short-term surge period of not less than 90 days when DBH determines that emergent conditions warrant immediate

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outreach intervention. DBH may also modify the geographic boundaries of a designated high-need area during the designation period if data indicate that substance use activity has shifted to adjacent locations. The bill specifies what metrics should be used to determine high-need areas, including substantiated reports of substance use in public spaces, hospitalizations, overdoses, deaths, high reoccurrence of use, and areas with a high concentration of pedestrian and business interaction with people experiencing substance use disorder.

For each designated high-need area, DBH must notify local businesses, Business Improvement Districts, and community-based organizations, as appropriate, of the implementation of the Program. DBH must ensure that entities are provided information on the purpose and scope of the Program, including the services and support available; how to contact the outreach team assigned to the area; and how to request services or support for individuals encountered who may need substance use disorder treatment or behavioral health services.

Beginning six months after the applicability date and every six months thereafter, DBH must publish Program performance data, disaggregated by designated high-need area and reporting period, on a publicly-accessible website and submit a report that includes Program performance metrics, broken down by location. DBH must also report a summary of barriers to service connection and the steps taken or planned to address those barriers.

DBH must establish regular interagency coordination meetings or develop written protocols to support collaboration and shall coordinate with relevant District agencies, including the Metropolitan Police Department, Department of Human Services, Child and Family Services Agency, Department of Health, Office of the Deputy Mayor for Planning and Economic Development, and any other appropriate agency. Within 24 months after the establishment of the Program, DBH must submit to the Council a summary evaluation of the Program's effectiveness, including lessons learned, recommendations for improvement, and whether the Program should be expanded, modified, or terminated.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. DBH requires \$115,000 in fiscal year 2027 and \$479,000 over the financial plan to implement the bill.

DBH fiscal year 2026 budget includes \$1 million in one-time funding and \$750,000 in recurring Local funds for outreach grants. Establishing a permanent Program will require one additional employee to manage grants across multiple outreach sites, identify high-need areas, monitor and report on Program performance, communicate with businesses, and coordinate outreach efforts with other District agencies. The salary and fringe benefit cost for this employee is \$115,000 in fiscal year 2026 and \$479,000 over the financial plan.

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Bill 26-226, Place-Based Substance Use Disorder Outreach Amendment Act of 2025					
Total Cost (\$ thousands)					
	FY 2026	FY 2027	FY 2028	FY 2029	Total
Salary	\$91	\$93	\$95	\$96	\$375
Fringe	\$25	\$26	\$27	\$28	\$105
Total	\$115	\$118	\$121	\$124	\$479

Table Notes:

- (a) Assumes salary for one Grade 12, Step 5 Program Specialist. Assumes cost growth of 2.1 percent in fiscal year 2027 and 2.0 percent in fiscal years 2028 and 2029.
- (b) Assumes fringe rate of 27.1 percent with cost growth of 2.1 percent in fiscal year 2027 and 2.0 percent in fiscal years 2028 and 2029.