

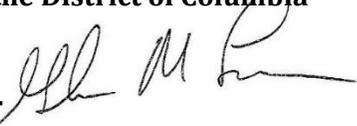
Government of the District of Columbia
Office of the Chief Financial Officer



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: October 18, 2022

SUBJECT: Fiscal Impact Statement – State Small Business Credit Initiative
Venture Capital Program Grant-Making Establishment Act of 2022

REFERENCE: Bill 24-851, Committee Print as provided to the Office of Revenue
Analysis on October 11, 2022

Conclusion

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill.

Background

The bill establishes a State Small Business Credit Initiative Venture Capital Program (VC Program) to facilitate loans and equity investments in District local businesses. The VC Program will be funded by funds allocated in the federal American Rescue Plan Act¹ and any grants issued must comply with the requirements of the State Small Business Credit Initiative Act of 2010.²

The bill expands the Deputy Mayor for Planning and Economic Development's (DMPED) grant-making authority to include the VC Program. DMPED can select a program administrator to receive the grants to manage the VC Program.

The VC Program and DMPED's ability to issue grants for the VC Program are currently in effect under emergency legislation.³

¹ Approved March 11, 2021 (Pub. L. No. 117-2; 135 Stat. 4).

² Approved September 27, 2010 (P.L. 111-240; 12 U.S.C. § 5701 et seq.).

³ State Small Business Credit Initiative Venture Capital Program Grant-Making Establishment Emergency Amendment Act of 2022, enacted July 27, 2022 (D.C. Act 24-536; 69 DCR 9949).

The Honorable Phil Mendelson

FIS: Bill 24-851, "State Small Business Credit Initiative Venture Capital Program Grant-Making Establishment Act of 2022," Draft Committee Print as provided to the Office of Revenue Analysis on October 11, 2022

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. DMPED applied for \$26 million through the American Rescue Plan Act to fund the VC Program. A portion of the federal funding can be used to pay the fees of the program administrator and fund managers. The VC Program is revolving, and the program administrator can reinvest any repayments as further loans and equity investments.

DMPED can absorb the costs of overseeing the VC Program within the agency's existing budgeted resources.