

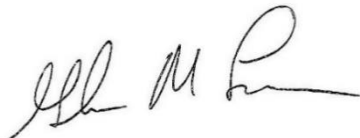
Government of the District of Columbia
Office of the Chief Financial Officer



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: April 3, 2024

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2025 Budget Support Act of 2024”

REFERENCE: Draft bill as provided to the Office of Revenue Analysis on April 2, 2024

Conclusion

Funds are sufficient in the proposed fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the Fiscal Year 2025 Budget Support Act of 2024.

The District’s proposed fiscal year 2025 budget includes \$11.4 billion in Local fund spending supported by \$11.4 billion of Local resources, with an operating margin of \$0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to Local funds, are \$13.0 billion.

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

The bill, the “Fiscal Year 2025 Budget Support Act of 2024,” is the legislative vehicle for adopting statutory changes needed to implement the District’s proposed budget and financial plan for the fiscal years 2025 through 2028. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I – GOVERNMENT DIRECTION

Subtitle (I)(A) – Office of the Inspector General Law Enforcement Authority Amendment Act of 2024

Background

The subtitle includes employees in the Office of the Inspector General (OIG) who investigate alleged felonies in the definition of "law enforcement officers."¹ OIG personnel working on felony investigations will have the rights and responsibilities of District law enforcement officers.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. Relevant OIG personnel will require training, and OIG plans to provide the training within its existing training budget.

Subtitle (I)(B) – Public Sector Workers’ Compensation Across-the-Board Increase Clarification Amendment Act of 2024

Background

Whenever an across-the-board salary increase is awarded to District employees, the Mayor must also increase public sector workers’ compensation payments (for disability or death) by the same percentage amount. Current law² defines “across-the-board” as pay applicable to a “claimant’s service of specific pay schedule”. The subtitle clarifies that “across-the-board” is applicable to the Career Service salary schedule only.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan, as it conforms the code to current practice.

Subtitle (I)(C) – Captive Insurance Agency Amendment Act of 2024

Background

The Medical Captive Agency provides medical malpractice insurance to not-for-profit health centers, real and personal property insurance for District assets, and liability insurance to minimize the risk of loss to the District.³ The medical malpractice gap insurance provided to health centers is limited by the amount in the Captive Trust Fund. The subtitle would change that liability limit to the amount available in the Medical Captive Insurance Claims Reserve Fund (instead of the Captive Trust Fund).

Financial Plan Impact

The subtitle does not have an impact on the financial plan. This is a technical change so that liabilities and assets are both recorded to the Medical Captive Insurance Reserve Fund.

¹ D.C. Official Code § 23-501(2).

² D.C. Official Code § 1-623.41(b).

³ D.C. Official Code § 1-307.91a.

Subtitle (I)(D) – Highly Compensated Employee Definition Amendment Act of 2024

Background

Under current law, the salary threshold that defines a “highly compensated appointee”⁴ in the District cannot be increased at a higher rate than compensation for non-union employees in the same fiscal year. The salary threshold determines which employees are subject to residency requirements.

The subtitle authorizes the Mayor to increase the threshold by the rate of inflation if it is greater than the rate increase in non-union compensation. The subtitle also authorizes the Mayor to further increase the threshold by amounts not adjusted by this formula in prior years going back to 2019.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The subtitle does not affect salaries of employees, only how the threshold for defining a highly compensated employee is calculated.

⁴ D.C. Official Code § 1-515.03(c)(2).

TITLE II – ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Direct Cash Assistance Program Amendment Act of 2024

Background

The Direct Cash Assistance program provides cash payments to new and expectant mothers in certain areas of the District to support economic mobility and maternal health. The District launched the program with the Strong Families, Strong Futures DC pilot in 2022.⁵ The subtitle expands the Office of the Deputy Mayor for Planning and Economic Development’s (DMPED’s) grantmaking authority for this program and modifies the reporting dates for the organization receiving the grant (from September 30, 2024 to 30 days after the end of the fiscal year) and DMPED’s final report (from November 1, 2024 to 90 days after the end of the fiscal year).

Financial Plan Impact

The fiscal year 2025 budget includes one-time funding of \$1 million for Strong Families, Strong Futures DC.

Subtitle (II)(B) – The Vitality Fund Amendment Act of 2024

Background

The Office of the Deputy Mayor for Planning and Economic Development (DMPED) has grant-making authority⁶ under the Vitality Fund to attract and retain businesses in the District. The subtitle modifies the criteria for the Vitality Fund to prioritize retaining or attracting businesses that will have a significant positive economic impact on the District as measured by new or retained jobs, employment, average wages, tax revenue, or other measures of economic activity as determined by DMPED. The subtitle also creates a nonlapsing special fund for the Vitality Fund.

Financial Plan Impact

The fiscal year 2025 budget includes a one-time enhancement of \$5 million for the Vitality Fund. Unexpended funds will be available in future fiscal years, subject to authorization in an approved budget and financial plan.

Subtitle (II)(C) – Local Rent Supplement Program Accounts Amendment Act of 2024

Background

The subtitle eliminates three funds established within the District of Columbia Housing Authority (DCHA): the DCHA Rehabilitation and Maintenance Fund;⁷ the Housing Authority Rent Supplement Fund;⁸ and the Rent Supplement Program Project Based Allocation Fund.⁹

⁵ [Mayor Bowser Announces \\$1.5 Million Direct Cash Assistance Program to Support New and Expectant Moms | mayormb \(dc.gov\)](https://www.mayor.gov/news/2022/05/11/mayor-bowser-announces-1.5-million-direct-cash-assistance-program-to-support-new-and-expectant-moms)

⁶ D.C. Official Code §1-328.04(n).

⁷ D.C. Official Code § 6-202(c-1).

⁸ D.C. Official Code § 6-226.01.

⁹ D.C. Official Code § 6-227.

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The only active fund is the non-lapsing Rehabilitation and Maintenance Fund, which is intended for use for maintenance, repair, and rehabilitation projects to increase the availability of public housing units for residents listed on the DCHA wait list.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Eliminating these special non-lapsing funds does not affect the subsidy provided to the District of Columbia Housing Authority by the District.

Subtitle (II)(D) – Robert F. Kennedy Stadium Expenditure Amendment Act of 2024

Background

This subtitle permits the Convention and Sports Authority (Events DC) to spend funds on transferring the Robert F. Kennedy memorial stadium campus to District control and preparing the property for redevelopment. The subtitle has an effective date of July 1, 2024.

Financial Plan Impact

This subtitle has no impact on the budget and financial plan. The subtitle allows, but does not require, Events DC to make expenditures, and Events DC would need to include any such expenditures in its budget.

Subtitle (II)(E) – Emergency Rental Assistance Program Reports Sunset Amendment Act of 2024

Background

The Department of Human Services is required to transmit a report to the Council monthly, beginning October 2023, on the status of the Emergency Rental Assistance Program.¹⁰ The subtitle eliminates that requirement effective March 10, 2023.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan.

Subtitle (II)(F) – Downtown Activation Program Amendment Act of 2024

Background

The subtitle establishes a program to provide a real property tax credit for buildings that are converting from primarily commercial office space to other commercial or non-residential use (including hotels, restaurants, or retail).¹¹ The credit could also be awarded to properties improving their office space to Class A.

Eligible properties are those located downtown that are planning to undergo a repositioning. Repositioning, as defined in the subtitle, is the construction, reconstruction, alteration, or renovation

¹⁰ D.C. Official Code § 4-753.08(c-1).

¹¹ The Housing in Downtown program (D.C. Official Code § 47-860.01 et. seq.) provides a tax incentive for buildings converting from primarily commercial use to primarily residential use.

of a property with at least 50,000 square feet that results in the conversion of the property from primarily office use to primarily non-office use.

The Mayor may establish a process for selecting the properties eligible for the tax credits. Upon award, the properties’ real property tax due will be frozen, with the taxes owed on the property held at the same amount for 15 years. The subtitle defines the base year (for the purpose of the freeze) as the year of award.

During the 15-year period when the tax credit is in effect, any improvements on the property (such as a new building) or a change in building use would not be incorporated into the taxable assessed value.¹² At year 16, the tax credit would expire, and the taxable assessed value would reset to the actual assessed value.

Financial Plan Impact

The Office of the Deputy Mayor for Planning and Economic Development (DMPED) will need to issue requirements for the program and conduct a selection process, so the first year that properties are expected to claim the credit is fiscal year 2027. The value of the total tax credits across all properties awarded by the Mayor is subject to a cap each year. That amount is \$6 million in 2027, \$7 million in 2028, \$8 million in 2029, and \$20 million in 2030. The program cap grows by 4 percent each year thereafter.

Subtitle (II)(F) - Downtown Activation Program Amendment Act of 2024 Reduction in Real Property Taxes (\$ thousands)					
	FY2025	FY2026	FY2027	FY2028	Total
Reduction in Real Property Tax Revenue	\$0	\$0	\$6,000	\$7,000	\$13,000

Subtitle (II)(G) - Retail Recovery Grantmaking Authority Amendment Act of 2024

Background

The Retail Recovery Grant Program¹³ provides support to qualifying businesses that open in vacant retail locations. Funds can be used for a range of investments and operating costs. The subtitle modifies the criteria for Retail Recovery Grants to include any businesses that submit a grant application to open in a vacant storefront (versus only locations that had been vacant for six months or more) and to include additional areas as designated by the Deputy Mayor for Planning and Economic Development.

¹² The actual assessed value for each property will grow as it does under current law, incorporating market growth, changes in use, new construction, property improvements, or changes in the property’s underlying financial position.

¹³ As established and funded in the Fiscal Year 2024 Budget Support Act of 2023, effective September 6, 2023 (D.C. Law 25-50; 70 DCR 012679).

Financial Plan Impact

The fiscal year 2025 budget includes one-time funding of \$2.5 million for the Retail Recovery Grant Program.

Subtitle (II)(H) - Housing Subsidy Contracts Extensions Amendment Act of 2024

Background

A recently enacted law¹⁴ exempted the renewal of project-based, long-term subsidy contracts with housing providers from the competitive bidding process and extended the maximum length allowed for an initial subsidy contract from 15 to 20 years.¹⁵

The subtitle makes technical changes to the law, removing references to the Procurement Practices Reform Act of 2010¹⁶ (“PPRA”), as these long-term contracts are grants and not subject to the PPRA.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan.

Subtitle (II)(I) - Creative and Open Space Modernization Tax Rebate Program Amendment Act of 2024

Background

Since 2017, companies operating in the District in certain industries may apply for and be awarded tax rebates for Creative and Open Space Modernization¹⁷ investments, such as property improvements, purchase of heavy equipment to be used on-site, or other enhancements. The Office of the Deputy Mayor for Planning and Economic Development (DMPED) administers this program through a competitive award process. Qualifying investments must provide a tangible public benefit to the District, meet the criteria of a Qualified High Technology Company, and be in certain eligible sectors.

The subtitle modifies the eligibility criteria to remove a requirement that DMPED certify the company’s eligibility within a certain timeframe. The subtitle also clarifies that the language establishing qualifications for companies does not confer an entitlement to the tax rebate.

Financial Plan Impact

The budget and financial plan does not include funding for Creative and Open Space Modernization tax rebates. The subtitle results in the following savings:

¹⁴ Housing Subsidy Contract Stabilization Amendment Act of 2023, projected law date May 14, 2024 (D.C. Act 25-408; 71 DCR 2305).

¹⁵ For more information see the law’s fiscal impact statement dated December 15, 2023 (http://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/FIS%20Bill%2025-282%20Housing%20Subsidy%20Contract%20Stabilization.pdf).

¹⁶ Effective April 8, 2011 (D.C. Law 18-371; 58 DCR 1185)..

¹⁷ Creative and Open Space Modernization Amendment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; Official Code § 47-4665).

Subtitle (II)(I) - Creative and Open Space Modernization Tax Rebate Program Amendment Act of 2024					
Total Savings (\$ thousands)					
	FY2025	FY2026	FY2027	FY2028	Total
Reduction in Local funds	\$124	\$126	\$128	\$130	\$509
Reduction in SPR funding	\$475	\$475	\$475	\$475	\$1,900
Total savings	\$599	\$601	\$603	\$605	\$2,409

Subtitle (II)(I) - WorldPride Grants Act of 2024

Background

Washington, DC will host WorldPride 2025 from May 23 through June 8, 2025. The subtitle gives the Mayor the authority to provide grants to support the WorldPride event.

Financial Plan Impact

The fiscal year 2025 budget includes one-time grant funding in the nondepartmental budget agency under two categories: \$5,000,000 funding for WorldPride overall, and \$250,000 for a WorldPride Black LGBTQIA+ history program.

Subtitle (II)(K) - Entertainment Districts Establishment Authority Act of 2024

Background

The subtitle gives the Mayor the authority to establish temporary entertainment districts around arenas, sports facilities, or other large event spaces in the District. The Mayor could establish rules and processes designed to improve resident and visitor experience, ensure public safety, and maintain public spaces during a public event (such as a concert, sporting event or festival).

Financial Plan Impact

The subtitle has no impact on the budget and financial plan.

TITLE III – PUBLIC SAFETY

Subtitle (III)(A) – Sunset of the Criminal Code Reform Commission Amendment Act of 2024

Background

The Criminal Code Reform Commission (CCRC) was established as an advisory agency in 2016¹⁸ to provide the Council and Mayor with a comprehensive assessment of the District’s criminal code, including recommendations, if necessary. The CCRC developed recommendations for the District’s criminal statutes and transmitted them to the Council and Mayor in 2021.

This subtitle would disband the CCRC effective July 1, 2024.

Financial Plan Impact

The fiscal year 2024 Supplemental¹⁹ includes a rescission of funds for fiscal year 2024. The proposed budget and financial plan does not include any spending for CCRC. The Fiscal Year 2024 Budget Support Act of 2023²⁰ included recurring funding for the commission, including five staff.

Subtitle (III) (A) - Sunset of the Criminal Code Reform Commission Amendment Act of 2024						
Total Savings (\$ thousands)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Reduction in spending	\$190	\$906	\$924	\$942	\$961	\$3,923

Subtitle (III)(B) – Emergency and Non-Emergency Number Telephone Calling Systems Hospitality Tax Amendment Act of 2024

Background

Starting in October 2025 (FY2026), the subtitle imposes an 80 cent-per-night fee for occupied hotel rooms. The revenue would be deposited in the Emergency and Non-Emergency Number Telephone Calling Systems Fund.

Financial Plan Impact

The subtitle will increase special purpose revenue in the Emergency and Non-Emergency Number Telephone Calling Systems Fund by \$7.5 million starting in fiscal year 2026 and a total of \$22.703 million over the financial plan.

¹⁸ 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.).

¹⁹ Fiscal Year 2024 Revised Local Budget Emergency Act of 2024.

²⁰ Effective September 6, 2023 (D.C. Law 25-50; 70 DCR 012679).

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Subtitle (III) (B) - Emergency and Non-Emergency Number Telephone Calling Systems Hospitality Tax Amendment Act of 2024 (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Increase in special purpose revenue	\$0	\$7,543	\$7,595	\$7,565	\$22,703

TITLE IV – PUBLIC EDUCATION SYSTEMS

Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2024

Background

The subtitle sets²¹ the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$14,668. This is a 12.4 percent increase over fiscal year 2024. The base level funding is multiplied by the weighting for each grade level or add-on service to determine the per-student funding at that level or for those services.

The subtitle also delays until fiscal year 2029 the requirement that services provided by District of Columbia government agencies to public schools be provided on an equitable basis to the District of Columbia Public Schools (DCPS) and public charter schools (“DC PCS”).

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 specific grade levels		
Grade Level	Weighting	Per Student Allocation in FY 2025
Pre-Kindergarten 3	1.34	\$19,655
Pre-Kindergarten 4	1.30	\$19,068
Kindergarten	1.30	\$19,068
Grades 1-5	1.00	\$14,668
Grades 6-8	1.08	\$15,841
Grades 9-12	1.22	\$17,895
Alternative program	1.58	\$23,175
Special education school	1.17	\$17,162
Adult	1.00	\$14,668

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	\$14,228
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$17,602
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$28,896

²¹ 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 § 38-2901 et seq.).

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	\$51,191
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	\$1,452
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	\$1,305
Residential	DCPS or DC PCS that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$24,496

General Education Add-ons including English Language Learners (ELL)			
Level / Program	Definition	Weighting	Per Student Supplemental Funds
Elementary ELL	Additional funding for English Language Learners in grades PK3-5.	0.50	\$7,334
Secondary ELL	Additional funding for English Language Learners in grades 6-12, alternative students, adult students, and students in special education schools.	0.75	\$11,001
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	\$4,400
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	\$880
At-risk > 40 percent Concentration Supplement	Weighting provided in addition to at-risk weight for the percentage of at-risk students above 40 percent enrolled in a school where at least 40 percent of the student population is at-risk.	0.07	\$1,027
At-risk > 70 percent Concentration Supplement	Weighting provided in addition to at-risk weight for the percentage of at-risk students above 70 percent where at least 70 percent of the student population is at-risk.	0.07	\$1,027

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 facility that provides students with room and board in a residential setting.	0.37	\$5,427
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 facility that provides students with room and board in a residential setting.	1.34	\$19,655
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 facility that provides students with room and board in a residential setting.	2.89	\$42,391
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 facility that provides students with room and board in a residential setting.	2.89	\$42,391
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DC PS or DC PCS facility that provides students with room and board in a residential setting.	0.668	\$9,798

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 supports the summer school/program needs for students requiring extended school year services in their IEPs.	0.063	\$924
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	\$3,330

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	\$7,202
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	\$7,202

Financial Plan Impact

The 12.4 percent UPSFF base level increase will result in additional formula-driven Local fund expenditures. The proposed fiscal year 2025 budget includes approximately \$2.49 billion for instructional budgets as a result of the UPSFF: \$1.32 billion for DCPS and \$1.17 billion for DC PCS.

DCPS will also receive Local funding outside of the UPSFF, including stabilization funding, early stages funding, and IMPACT Bonuses. These additions bring the collective DCPS funding to \$1.36 billion in fiscal year 2025. DC PCS will also receive \$182.64 million for facility allowances in fiscal year 2025, bringing the collective DC PCS formula-driven Local fund budget to \$1.35 billion.

The subtitle also increases the formula weight for Alternative programming, from 1.52 to 1.58, and for Adult students, from 0.91 to 1.00. These weight increases result in an additional \$1.49 million for DCPS²² and \$7.24 million for DC PCS.²³

Subtitle (IV)(B) – Healthy Schools Fund Amendment Act of 2024

Background

The Healthy Schools Fund (Fund) is a non-lapsing fund that receives a sales tax dedication of \$5.69 million each fiscal year. The Fund is used to support various programs that promote health, wellness, and nutrition in schools. The subtitle eliminates²⁴ the Fund and the dedication of sales tax and instead uses one-time Local funds to support Healthy Schools programs.

Financial Plan Impact

The fiscal year 2025 budget includes \$5.69 million in one-time Local funding that will be used to support programs that the Healthy Schools Fund currently supports. Dedicated sales tax is no longer a funding source for these programs. Local funds revenue is increased by \$5.69 million annually and a total of \$22.76 million over the four-year financial plan.

²² DCPS is projected to enroll 997 Alternative Students and 462 Adult Students in fiscal year 2025.

²³ DC PCS is projected to enroll 1,041 Alternative Students and 4,793 Adult Students in fiscal year 2025.

²⁴ By amending Section 102 of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02).

Subtitle (IV)(C) - IMPACTplus Bonus Payments Act of 2024

Background

The subtitle repeals²⁵ the requirement that the cost of IMPACT Bonus payments must be paid from operating budget appropriations as calculated in the Uniform Per Student Funding Formula (UPSFF).

Financial Plan Impact

IMPACT Bonus payments are budgeted outside of the UPSFF at an amount equal to \$26 million in fiscal year 2025.

Subtitle (IV)(D) - District of Columbia Public Schools Budgeting Amendment Act of 2024

Background

The subtitle repeals²⁶ The Schools First in Budgeting Amendment Act of 2022 (Act) and revives language that the Act repealed. The Act requires District of Columbia Public Schools (DCPS) to develop individual school budgets that adjusts year-to-year school-level funding using a specific “Schools First” formula.

Financial Plan Impact

The subtitle does not result in savings and it does not have a cost, however it changes how funds are distributed to individual DCPS schools. The fiscal year DCPS budget uses the proposed Uniform Per Student Funding Formula level, enrollment projections, targeted supports, and stability funding to arrive at individual school budget levels for the upcoming school year rather than the Schools First formula.

Subtitle (IV)(E) - Library Location Authority Amendment Act of 2024

Background

The subtitle repeals²⁷ a requirement that the District of Columbia Public Library (DCPL) keep the Juanita E. Thornton-Shepard Park Library branch open. It also repeals the authority of the Mayor or a subordinate agency to acquire land for a new Ward 4 library and use funds provided for a Ward 4 library for that purpose.

Financial Plan Impact

The Fiscal Year 2024 Revised Local Budget Emergency Act of 2024 reflects a rescission of \$5 million in capital budget funding that could have been spent to acquire land for a new library. The subtitle has no other impact on the budget and financial plan.

²⁵ Section 103(b-1) of 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 § 38-2902(b-1)).

²⁶ By amending The Schools First in Budgeting Amendment Act of 2022, effective March 10, 2023 (D.C. Law 24-300; D.C. Official Code § 38-2851.01 et seq.).

²⁷ By amending The Ward 4 Libraries Act of 2023, effective September 6, 2023 (D.C. Law 25-50; 70 DCR 012679).

Subtitle (IV)(F) - Grow Your Own Program Amendment Act of 2024

Background

The subtitle makes permissive²⁸ the requirement that the Office of the State Superintendent of Education (OSSE) establish and administer a competitive grant program to provide Grow Your Own teacher preparation support grants to eligible universities or colleges located in the District for the purposes of educating, training, and providing financial support to District residents pursuing a pathway to teacher licensure or certification. The subtitle also makes permissive the requirement that OSSE provide two grants totaling not less than \$550,000 per year towards the Grow Your Own program.

Financial Plan Impact

The subtitle results in \$550,000 of local savings in fiscal year 2025 by making the Grow Your Own program a permissive grant.

Subtitle (IV)(G) - Flexible Schedule Pilot Program Amendment Act of 2024

Background

The subtitle limits²⁹ a Flexible Schedule Pilot Program at the Office of the State Superintendent of Education (OSSE) to one year instead of two. The pilot program will conclude at the end of school year 2023-2024. The Flexible Scheduling Pilot Program issues competitive grants to local education agencies (LEAs) to implement flexible schedules, such as varying the instructional calendar and format. OSSE is required to issue a report that analyzes the pilot program's impact.

Financial Plan Impact

Limiting the pilot program to one year results in \$1.05 million savings of Local funds in fiscal year 2025 and \$312,000 in savings in fiscal year 2026. OSSE will still issue a report on the results of the Flexible Schedule Pilot Program using current staff members.

Subtitle (IV)(H) - Universal Paid Leave Implementation Fund Amendment Act of 2024

Background

Under current law, no more than 15 percent of money estimated to be deposited in the Universal Paid Leave Fund³⁰ (“Fund”) may be transferred to the Universal Paid Leave Administration Fund³¹ for administration of the Universal Paid Leave Program by the Department of Employment Services (DOES).

The subtitle sets the maximum that may be transferred for this purpose to the greater of 15 percent of money estimated to be deposited in the Fund in a given fiscal year or a set dollar amount that the

²⁸ By amending Section 4195 of the Teacher Preparation Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 38-2254).

²⁹ By amending Section 7k(a) of the State Education Office Establishment Act of 2000, effective September 6, 2023 (D.C. Law 25-50; D.C. Official Code § 38-2617(a)).

³⁰ D.C. Official Code § 32-551.01.

³¹ D.C. Official Code § 32-551.02.

subtitle lists for fiscal years 2024 through fiscal year 2028. The subtitle sets maximum dollar amounts at \$24.05 million in fiscal year 2024, \$26.96 million in fiscal year 2025, \$27.47 million in fiscal year 2026, \$27.98 million in fiscal year 2027, and \$28.53 million in fiscal year 2028. Beginning in fiscal year 2029, the maximum that may be transferred reverts to 15 percent of the money estimated to be deposited in the Fund.

The subtitle does not change the maximum that may be transferred to the Office of Human Rights (OHR) and the Office of Administrative Hearings (OAH) for their roles in administering the program. Those maximums remain at 0.75 percent of money estimated to be deposited in the Fund for OHR and 0.5 percent for OAH.

The subtitle will apply as of July 1, 2024.

Financial Plan Impact

The subtitle increases the maximum amount of funds that may be transferred from the Universal Paid Leave Fund to the Department of Employment Services by approximately \$19 million over the four-year financial plan. The Mayor’s proposed fiscal year 2025 budget and financial plan also includes a transfer of \$70.85 million from the Fund for other purposes. After accounting for expected benefits to paid out of the fund and transfers from the Fund included in the proposed budget and financial plan for General Fund purposes, the Universal Paid Leave Fund has sufficient funds to accommodate the subtitle’s increased amounts for DOES’s use for administration of the Program.

Subtitle (IV)(I) - Early Childhood Educator Pay Equity Fund Amendment Act of 2024

Background

The subtitle eliminates^{32,33} the Early Childhood Educator Pay Equity Fund (ECE Pay Equity Fund) and the child development facility payroll formula payments. The ECE Pay Equity Fund distributes funding to child development facilities through a payroll funding formula that pays eligible teachers and assistant teachers a salary established in the D.C. Code.

Financial Plan Impact

The fiscal year 2025 budget includes Local fund savings of \$70.50 million in fiscal year 2025 and \$290.15 million over the financial plan due to eliminating the ECE Pay Equity Fund and child development facility payroll formula payments.

Subtitle (IV)(I) - Early Childhood Educator Pay Equity Fund Amendment Act of 2024					
Total Savings (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
ECE Pay Equity Fund Repeal Savings	\$70,503	\$71,842	\$73,207	\$74,598	\$290,151

Table Notes: Assumes 1.9 percent cost growth.

³² By repealing The Early Childhood Educator Pay Equity Fund Establishment Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 1-325.431).

³³ By repealing Section 11b of the Day Care Policy Act of 1979, effective October 30, 2018 (D.C. Law 22-179; D.C. Official Code § 4-410.02).

Subtitle (IV)(J) - Commission on Poverty Amendment Act of 2024

Background

Under current law³⁴, the Commission on Poverty (the Commission) must have at least three paid staff persons, including an Executive Director.

The subtitle eliminates this requirement and authorizes the Department of Employment Services and other agencies, as may be designated by the Mayor, to provide administrative and technical support to the Commission.

Financial Plan Impact

By removing staffing requirements, the subtitle permits the Commission's budget to be redirected to other purposes.

Subtitle (IV)(J) - Commission on Poverty Amendment Act of 2024					
Total Savings (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Budget savings, Department of Employment Services	\$525	\$534	\$545	\$555	\$2,159

Subtitle (IV)(K) - Charter School Facility Allowance Amendment Act of 2024

Background

The subtitle repeals the required annual 3.1 percent per pupil facility allowance increase for Public Charter Schools. The subtitle amends the D.C. Code to reflect the current fiscal year 2024 per pupil facility allowance of \$3,622 per pupil for non-residential facilities and \$9,780 per pupil for residential facilities. The subtitle sets the fiscal year 2025 per pupil facility allowance at \$3,734 per pupil for non-residential facilities and \$10,083 per pupil for residential facilities. The subtitle is effective July 1, 2024.

Financial Plan Impact

The fiscal year 2025 budget includes \$178.56 million for the Public Charter School non-residential facility allowances and \$4.08 million for residential facility allowances. Repealing the 3.1 percent annual increase in current law saves \$11.66 million over the financial plan.

³⁴ D.C. Official Code § 3-641.05.

TITLE V – HUMAN SUPPORT SERVICES

Subtitle (V)(A) - Direct Support Professional Payment Rate Amendment Act of 2024

Background

Starting in fiscal year 2025, the Department of Disability Services and the Department of Health Care Finance (DHCF) must provide base payments to direct care service providers³⁵ to account for a provider wage equal to 117.6 percent of the minimum wage or 117.6 percent of the living wage, whichever is greater. The subtitle delays³⁶ incorporating the cost of these pay increases into Medicaid fee-for-service base payment rates until fiscal year 2026. Instead, the DHCF fiscal year 2025 budget uses unspent Medicaid Home and Community-Based Services (HCBS) Enhancement Fund balance to provide supplemental payments to direct service providers for wage increases. The supplemental payment will be equal to the amount needed to fund direct service provider wage increases for the entire 2025 calendar year. The HCBS Enhancement Fund was also used in fiscal year 2024 to provide supplemental payments to direct service providers to pay for the cost of increasing wages for the entire 2024 calendar year.

The HCBS Enhancement Fund was established to 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). Section 9817 of the ARPA provided states with a temporary ten 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 resulted from this temporary FMAP increase to implement activities that enhance, expand, or strengthen Medicaid HCBS. DHCF must spend all HCBS Enhancement Funds by March 31, 2025.

Financial Plan Impact

The fiscal year 2025 budget includes \$20.19 million of local HCBS Enhancement Fund money and \$47.10 million of federal Medicaid funding³⁷ to pay for wage increases for HCBS professionals. DHCF will make a one-time supplemental payment to fund the wage increase for all of calendar year 2025. Delaying the inclusion of HCBS provider pay increases into fee-for-service base reimbursement rate and instead using a one-time supplemental payment using HCBS Enhancement Funds will result in local savings of \$15.14 million in fiscal year 2025 and \$5.14 million in fiscal year 2026. Savings in fiscal year 2026 occur because three months of calendar year 2025 fall within fiscal year 2026. All HCBS Enhancement Fund money must be spent prior to March 31, 2025.

³⁵ Direct care services are home and community-based, rehabilitative, and Intermediate Care Facilities for individuals with intellectual disabilities, services authorized under the District of Columbia Medicaid State Plan, including the District's Medicaid Home and Community-Based Services Waiver for Persons with Intellectual and Developmental Disabilities program, the District's Medicaid Home and Community-Based Services Waiver for Individual and Family Supports, and the District's Medicaid Home- and Community-Based Services Waiver for the Elderly and Persons with Physical Disabilities.

³⁶ By amending Section 3(a) of the Direct Support Professional Payment Rate Act of 2020, effective April 16, 2020 (D.C. Law 23-77; D.C. Official Code § 4-2002(a)).

³⁷ The Federal Medical Assistance Percentage (FMAP) for the fee-for-service population is 70 percent.

Subtitle (V)(A) - Direct Support Professional Payment Rate Amendment Act of 2024					
Total Local Savings (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Local Savings	\$15,139	\$5,142	\$0	\$0	\$20,281

Subtitle (V)(B) - Health Services Planning Program Amendment Act of 2024

Background

The subtitle exempts ambulatory care centers or clinics that employ or contract with less than ten staff on a full-time basis from applying for a Certificate of Need (CON) from the State Health Planning and Development Agency (SHPDA). All persons currently proposing to offer or develop a new institutional health service or to obligate a capital expenditure to obtain a medical or health asset must obtain a CON from SHPDA that demonstrates a public need for the new health service, facility, or expenditure. Under the subtitle, small ambulatory care centers or clinics must obtain a registration from SHPDA instead of applying for a CON. SHPDA will require an application fee for registration of these ambulatory care centers and clinics.

Financial Plan Impact

The subtitle is revenue neutral since SHPDA plans to charge small ambulatory care centers and clinics a registration fee instead of a CON application fee. All fees collected by SHPDA are deposited into the non-lapsing State Health Planning and Development Fund and are used to pay all salaries and all other expenses necessary to carry out the duties of the agency.

Subtitle (V)(C) - Medicaid Inpatient Hospital Directed Payment Act of 2024

Background

The subtitle allows the District to charge each hospital a fee based on inpatient net patient revenue³⁸ beginning October 1, 2024 or the effective date established by the Centers for Medicare and Medicaid Services (CMS) in its approval of the Medicaid State Direct Payment preprint. The fee must be charged at a uniform rate among all hospitals. The rate of the fee must equal the rate necessary to generate an amount equal to:

- The non-federal share of the quarterly inpatient hospital directed payment consistent with the applicable State Directed Payment preprint approved by CMS; and
- The District retention.³⁹

The Department of Health Care Finance (DHCF) must retroactively adjust fees for all hospitals to account for a new hospital once the new hospital files its first Hospital and Hospital Health Care Complex Cost Report.⁴⁰ The subtitle exempts St. Elizabeths Hospital and Howard University Hospital

³⁸ Inpatient net patient revenue is equal to the quotient of the number appearing in Column 1 of Line 28 on Worksheet G-2 of the hospital's most recently available filed Hospital and Hospital Health Care Complex Cost Report (Form CMS-2552-10) divided by the number appearing in Column 3 of Line 28 on Worksheet G-2 of that report; multiplied by the number appearing in Column 1 of Line 3 of Worksheet G-3 of that report.

³⁹ An amount equal to 12 percent of the fees collected pursuant to Section 5034(a), plus the salary and fringe benefits for one full-time equivalent staff position at the Department of Health Care Finance.

⁴⁰ See: <https://www.cms.gov/data-research/statistics-trends-and-reports/cost-reports/hospital-2552-2010-form>

from paying the inpatient net patient revenue fee. Any hospital that fails to pay the total amount of the inpatient net patient revenue fee on a quarterly basis will be charged a 1.5 percent interest rate per month on its unpaid balance. If a hospital system owns, operates, or maintains more than one hospital licensed by the Department of Health, the hospital system must pay the fee for each separate hospital. The Mayor may issue rules to implement the subtitle. The subtitle is set to expire on September 30, 2029.

All inpatient net patient revenue fees, interest, and penalties owed will be deposited into a newly established, non-lapsing Inpatient Hospital Directed Payment Provider Fee Fund to be administered by DHCF. The revenue collected from fees must be used to:

- Make separate payments to Medicaid Managed Care Organizations (MCOs);
- Provide refunds to hospitals; and
- Through the District retention:
 - Pay the salary and fringe benefits of one full-time staff position,
 - Fund the local match for Medicaid fee-for-service (FFS) hospital reimbursements, and
 - Make a transfer to the General Fund in an amount not to exceed twelve percent of the fees collected.

The subtitle requires all Medicaid MCOs to make inpatient directed payments to hospitals beginning October 1, 2024, that are consistent with the applicable State Directed Payment preprint approved by CMS.

Financial Plan Impact

The subtitle will generate an additional \$81.16 million in dedicated tax revenue in fiscal year 2025 and \$324.66 million in dedicated tax revenue over the financial plan. After using a portion of this revenue to fund the local portion of the salary and fringe cost of one full-time employee at a cost of \$70,000 and reserving \$8.69 million to fund the local match for Medicaid fee-for-service hospital reimbursements, \$72.41 million is available in fiscal year 2025 to make local separate payments to Medicaid MCOs. Because 12 percent of the revenue will be used for Medicaid fee-for-service Local funding, the budget, and financial plan do not include any transfer of revenue from the fund to Local funds.

Subtitle (V)(C) - Medicaid Inpatient Hospital Directed Payment Act of 2024						
Total Dedicated Tax Revenue and Uses (\$ thousands)						
		FY 2025	FY 2026	FY 2027	FY 2028	Total
Total Dedicated Tax Revenue^(a)		\$81,164	\$81,164	\$81,164	\$81,164	\$324,655
Uses	MCO Local Separate Payment	\$72,406	\$72,406	\$72,406	\$72,406	\$289,622
	Salary and Fringe ^(a)	\$70	\$71	\$72	\$74	\$286
	Medicaid FFS Local Funding ^(b)	\$8,689	\$8,687	\$8,686	\$8,685	\$34,747

Table Notes:

- (a) Assumes salary one Grade 13, Step 1, Reimbursement Specialist, and a fringe rate of 21.9 percent. DHCF pays 55 percent of salary and fringe costs with Local funding, and the remaining portion is paid for through the District’s FMAP. Assumes 1.9 percent cost growth.
- (b) Assumes a twelve percent District retention.

The local separate payments are eligible to receive federal matching funds at a rate equal to the District’s weighted average Federal Management Assistance Percentage (FMAP).⁴¹ This will result in additional federal Medicaid funding in the amount of \$237.96 million in fiscal year 2025 and \$976.37 million over the financial plan. In total, MCOs will receive an additional \$310.36 million in fiscal year 2025 and \$1.24 billion over the financial plan to provide directed payments to hospitals for inpatient services.

Subtitle (V)(C) - Medicaid Inpatient Hospital Directed Payment Act of 2024					
Total MCO Separate Payments (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
MCO Local Separate Payment	\$72,406	\$72,406	\$72,406	\$72,406	\$289,622
Federal FMAP ^(a)	\$237,955	\$237,955	\$237,955	\$237,955	\$951,820
Total Separate Payments	\$310,360	\$310,360	\$310,360	\$310,360	\$1,241,442

Table Notes:

(a) Assumes 76.7 percent weighted average Federal Medical Assistance Percentage.

Subtitle (V)(D) - Medicaid Outpatient Hospital Directed Payment Act of 2024

Background

The subtitle allows the District to charge each hospital a fee based on outpatient gross patient revenue⁴² beginning October 1, 2024. The fee must be charged at a uniform rate among all hospitals. The rate of the fee must equal the rate necessary to generate an amount equal to:

- The non-federal share of the quarterly outpatient hospital directed payment consistent with the applicable State Directed Payment preprint approved by the Centers for Medicare and Medicaid Services (CMS); and
- The District retention.⁴³

The Department of Health Care Finance (DHCF) must retroactively adjust fees for all hospitals to account for a new hospital once the new hospital files its first Hospital and Hospital Health Care Complex Cost Report.⁴⁴ The subtitle exempts St. Elizabeths Hospital and Howard University Hospital from paying outpatient gross patient revenue fee. Any hospital that fails to pay the total amount of the outpatient gross patient revenue fee on a quarterly basis will be charged a 1.5 percent interest rate per month on its unpaid balance. If a hospital system owns, operates, or maintains more than one hospital licensed by the Department of Health, the hospital system must pay the fee for each

⁴¹ The weighted average FMAP for the MCO inpatient services 76.7 percent.

⁴² Outpatient gross patient revenue is the amount that is reported in column 2 of line 28 of Worksheet G-2 of the hospital’s most recently available Hospital and Hospital Health Care Complex Cost Report (Form CMS 2552-10). For a hospital that has not yet filed its first Hospital and Hospital Health Care Complex Cost Report (Form CMS-2552-10), outpatient net patient revenue is the dollar value determined by the Department of Health Care Finance based on projected utilization volume and projected utilization migration from other area hospitals.

⁴³ An amount equal to 12 percent of the fees collected pursuant to Section 5034(a), plus the salary and fringe benefits for one full-time equivalent staff position at the Department of Health Care Finance.

⁴⁴ See: <https://www.cms.gov/data-research/statistics-trends-and-reports/cost-reports/hospital-2552-2010-form>

separate hospital. The Mayor may issue rules to implement the subtitle. The subtitle is set to expire on September 30, 2029.

All outpatient gross patient revenue fees, interest, and penalties owed will be deposited into a newly established, non-lapsing Outpatient Hospital Directed Payment Provider Fee Fund to be administered by DHCF. The revenue collected from fees must be used to:

- Make separate payments to Medicaid Managed Care Organizations (MCOs);
- Provide refunds to hospitals; and
- Through the District retention:
 - Pay the salary and fringe benefits of one full-time staff position,
 - Fund the local match for Medicaid fee-for-service (FFS) hospital reimbursements, and
 - Make a transfer to the General Fund in an amount not to exceed twelve percent of the fees collected.

The subtitle requires all Medicaid MCOs to make outpatient directed payments to hospitals beginning October 1, 2024, that are consistent with the applicable State Directed Payment preprint approved by CMS.

Financial Plan Impact

The subtitle will generate an additional \$46.40 million in dedicated tax revenue in fiscal year 2025 and \$185.59 million in dedicated tax revenue over the financial plan. After reserving \$4.97 million to fund the local match for Medicaid fee-for-service hospital reimbursements, \$41.43 million is available in fiscal year 2025 to make local separate payments to Medicaid MCOs. Because 12 percent of the revenue will be used for Medicaid fee-for-service Local funding, the budget and financial plan does not include any transfer of revenue from the fund to Local Funds.

Subtitle (V)(D) - Medicaid Outpatient Hospital Directed Payment Act of 2024						
Total Dedicated Tax Revenue and Uses (\$ thousands)						
		FY 2025	FY 2026	FY 2027	FY 2028	Total
Total Dedicated Tax Revenue		\$46,398	\$46,398	\$46,398	\$46,398	\$185,591
Uses	MCO Local Separate Payment	\$41,427	\$41,427	\$41,427	\$41,427	\$165,706
	Medicaid FFS Local Funding ^(a)	\$4,971	\$4,971	\$4,971	\$4,971	\$19,885

Table Notes:

(a) Assumes a twelve percent District retention.

The Local separate payments are eligible to receive federal matching funds at a rate equal to the District’s weighted average Federal Medical Assistance Percentage (FMAP).⁴⁵ This will result in additional federal Medicaid funding in the amount of \$130.80 million in fiscal year 2025 and \$523.18 million over the financial plan. In total, MCOs will receive an additional \$172.22 million in fiscal year 2025 and \$688.89 million over the financial plan to provide directed payments to hospitals for outpatient services.

⁴⁵ The weighted average FMAP for the MCO outpatient services 75.9 percent.

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2025 Budget Support Act of 2024,” Draft bill as provided to Office of Revenue Analysis, April 2, 2024

Subtitle (V)(D) - Medicaid Outpatient Hospital Directed Payment Act of 2024					
Total MCO Separate Payments (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
MCO Local Separate Payment	\$41,427	\$41,427	\$41,427	\$41,427	\$165,706
Federal FMAP ^(a)	\$130,796	\$130,796	\$130,796	\$130,796	\$523,182
Total Separate Payments	\$172,222	\$172,222	\$172,222	\$172,222	\$688,889

Table Notes:

(a) Assumes 75.9 percent weighted average FMAP.

Subtitle (V)(E) - Medicaid Hospital Outpatient Supplemental Payment and Hospital Inpatient Rate Supplement Adjustments Amendment Act of 2024

Background

The subtitle updates the definition of outpatient gross patient revenue⁴⁶ and inpatient net patient revenue⁴⁷ to conform with the definitions used in subtitle V(C) and subtitle V(D). The subtitle also exempts Howard University Hospital from certain fees.

Financial Plan Impact

The subtitle does not have a cost since it makes conforming changes to make definitions and exemptions consistent in the D.C. Code.

Subtitle (V)(F) - Repeal of the Duplicative Ombudsperson for Children Office Amendment Act of 2024

Background

The subtitle repeals the Office of the Ombudsperson for Children Establishment Amendment Act of 2020, eliminating the Office of the Ombudsperson for Children (Office).

Financial Plan Impact

The subtitle saves the cost of funding the Office in the budget and financial plan as follows:

Subtitle (V)(F) - Repeal of the Duplicative Ombudsperson for Children Office Amendment Act of 2024					
Total Savings (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Personal Services	\$1,031	\$1,052	\$1,072	\$1,094	\$4,251
Non-Personal Services	\$96	\$97	\$99	\$101	\$393
Total Savings	\$1,127	\$1,149	\$1,172	\$1,195	\$4,644

Table Notes: Assumes 1.9 percent growth.

⁴⁶ By amending The Medicaid Hospital Outpatient Supplemental Payment Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 44-664.01 *et seq.*).

⁴⁷ By amending The Medicaid Hospital Inpatient Rate Supplement Act of 2017, effective December 13, 2017 (D.C. Law 22-33; D.C. Official Code § 44-664.11 *et seq.*).

Subtitle (V)(G) - Rapid Re-Housing Program Amendment Act of 2024

Background

The Rapid Re-Housing program is a short-term subsidy program in the Department of Human Services (DHS) that subsidizes housing for families and individuals experiencing homelessness.⁴⁸ The subtitle establishes a statutory time limit on the duration of services provided by the program and waives the right for an individual or family to continue services while the program exit decision is in the appeal process.

Financial Plan Impact

The subtitle does not add cost to the program, as it may allow DHS to discontinue services for individuals and families who have remained in the program past the deadline. It is unknown, however, if this will create savings or if other individuals will backfill participation in the program.

Subtitle (V)(H) - Healthy DC Fund Amendment Act of 2024

Background

The subtitle requires⁴⁹ a transfer of \$5.567 million from the Healthy DC Fund to Local funds in fiscal years 2025, 2026, 2027, and 2028.

Financial Plan Impact

The fiscal year 2025 budget includes a transfer of \$5.567 million in dedicated taxes from the Healthy DC Fund to Local funds, reducing revenue available to be budgeted in the Healthy DC dedicated tax fund and increasing Local funds. This transfer is also included in each fiscal year throughout the financial plan.

Subtitle (V)(I) – Not-For-Profit Hospital Corporation Subsidy Amendment Act of 2024

Background

The subtitle allows⁵⁰ for the payment of a subsidy to the Not-For-Profit Hospital Corporation (NFPHC) of up to a maximum of \$26 million in fiscal year 2025. Current law caps this subsidy at \$22 million. The NFPHC, commonly known as United Medical Center (UMC), is an independent District instrumentality, created by legislation adopted by the Council of the District of Columbia. It provides inpatient, outpatient, psychiatric, and emergency care services.

Financial Plan Impact

The fiscal year 2025 budget includes \$25.2 million in subsidy payments to support the operation of inpatient, outpatient, psychiatric, and emergency care services at UMC.

⁴⁸ <https://dhs.dc.gov/page/rapid-rehousing-individuals>

⁴⁹ By amending Section 15b 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).

⁵⁰ By amending The Not-for-Profit Hospital Corporation Establishment Amendment Act of 2011, effective September 14, 2011 (D.C. Law 19-21; D.C. Official Code § 44-951.01 et seq.).

The Honorable Phil Mendelson

Fiscal Impact Statement for the “Fiscal Year 2025 Budget Support Act of 2024,” Draft bill as provided to Office of Revenue Analysis, April 2, 2024

Subtitle (V)(I) – Career Mobility Action Plan Program Amendment Act of 2024

Background

Under current law, the Department of Human Services is required to administer the Career Mobility Action Plan program⁵¹. The program provides a range of services to help families that are at risk of losing food, health care, child care, housing, and other benefits more quickly than their income can cover the lost resources, which are also known as “benefits cliffs”⁵². The subtitle makes the statutorily required program optional.

Financial Plan Impact

The subtitle does not have an impact on the proposed budget and financial plan. The proposed budget and financial plan contains funding for the program to continue.

Subtitle (V)(K) – Flexible Rent Subsidy Pilot Program Amendment Act of 2024

Background

The Department of Human Services (DHS) manages the Flexible Rent Subsidy Pilot Program⁵³, which subsidizes the cost of monthly rent for individuals and families receiving or eligible to receive Continuum of Care⁵⁴ services. Authorization for the program expires on September 30, 2026.⁵⁵ The subtitle authorizes DHS to restrict new individuals and families from entering the Flexible Rent Subsidy Pilot program prior to the expiration date of the program.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. It allows for the agency to stop taking on new participants prior to the end of the pilot program. Remaining budget will be used for existing participants to complete the full intended program cycle of four-years until the program is phased out.

Subtitle (V)(L) - Universal Paid Leave Program Amendment Act of 2024

Background

The subtitle requires covered employers to pay a contribution rate of 0.62 percent of the wages of covered employees to the Universal Paid Leave Fund⁵⁶ (UPL Fund). Funds not required for use by the Universal Paid Leave program, as determined annually⁵⁷ by the annual certification of the Office of the Chief Financial Officer (OCFO), will be deposited in the General Fund.

⁵¹ D.C. Official Code § 4-281.02.

⁵² <https://dhs.dc.gov/page/career-map>

⁵³ [https://dhs.dc.gov/sites/default/files/dc/sites/dhs/page_content/attachments/DC%20Flex%20One-Page 2022.pdf](https://dhs.dc.gov/sites/default/files/dc/sites/dhs/page_content/attachments/DC%20Flex%20One-Page%202022.pdf)

⁵⁴ D.C. Official Code § 4-753.01.

⁵⁵ D.C. Official Code § 4-756.05(e).

⁵⁶ D.C. Official Code § 32-551.01.

⁵⁷ D.C. Official Code § 32-541.04a(b)(1).

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Currently, the contribution rate is set annually by the certification of the Office of the Chief Financial Officer, based on the projected expenses of the UPL Fund.

Financial Plan Impact

The subtitle increases revenue in the General Fund by the amounts in the table below. This additional revenue is calculated as the difference between the expected total revenue at a 0.62 percent contribution rate and the revenue required by the OCFO’s certification dated March 1, 2024, to maintain the solvency of the UPL Fund.

Subtitle (V)(L) – Universal Paid Leave Program Amendment Act of 2024					
Additional General Fund Revenue (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Additional General Fund Revenue	\$246,100	\$255,469	\$265,094	\$271,621	\$1,038,000

Subtitle (V)(M) - Birthing Hospital Grants Amendment Act of 2024

Background

The subtitle allows⁵⁸ the Department of Health (DC Health) to issue grants to address emergency childcare needs of pregnant and birthing parents obtaining necessary treatment at the District’s birthing hospitals.

Financial Plan Impact

The DC Health fiscal year 2025 budget includes one-time Local funding of \$300,000 to implement an emergency childcare grant program for birthing parents receiving treatment at the District’s birthing hospitals.

⁵⁸ By amending Section 4907a of the Department of Health Functions Clarification Act of 2001, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 7-736.01).

TITLE VI – OPERATIONS AND INFRASTRUCTURE

Subtitle (VI)(A) – Unclaimed Deposits for Excavation Work Amendment Act of 2024

Background

The District Department of Transportation (DDOT) requires anyone seeking a construction permit that involves excavation work in public space to make a refundable excavation deposit. The fees vary depending on the type and size of the excavation work. DDOT holds these deposits to ensure the permittee properly restores public space. DDOT can draw on the deposit, with notice to the permittee, if the public space restoration is unsatisfactory upon inspection and DDOT needs to undertake actions to restore it. After the permittee restores public space, they must wait two years before they can request the return of their deposit. If the permittee does not request the deposit within thirty days after the two-year waiting period, DDOT must notify the permittee at their last known address. Currently, DDOT regulations allow DDOT to deposit, into the repealed Department of Transportation Unified Fund,⁵⁹ any unclaimed deposits if the permittee has not responded to DDOT’s notice after one year.⁶⁰

The subtitle deems the excavation deposits to be forfeit by the permittee if the permittee does not respond to the DDOT notice within the one-year period and directs the deposits to the District’s General Fund. The subtitle requires DDOT to maintain a publicly accessible website that is searchable electronically and maintains a list of all deposits held by DDOT and the name of each permittee.

The subtitle also exempts excavation deposits from the District’s unclaimed property laws⁶¹ in favor of the DDOT regulations.

Financial Plan Impact

DDOT holds approximately \$60 million in excavation deposits for permittees. Approximately two-thirds of these deposits have been deposited since 2018 and the Office of the Chief Financial Officer’s Office of Revenue Analysis (ORA) assumes that the related projects are still under construction, public space has not been fully restored, or the two-year holding period after public space restoration to ensure proper restoration has not been completed.

The remaining \$22 million was deposited between 1998 and 2017 and encompasses nearly 3,900 deposits that DDOT must notice and wait the required one-year period before DDOT can deem the deposits forfeited. DDOT must also provide a searchable, public website for permittees to search for any unclaimed deposits. ORA expects that 45 percent of these deposits will be claimed and that in fiscal year 2026, DDOT can deem \$9.97 million forfeited and deposit it into the District’s General Fund.

⁵⁹ District Department of Transportation Unified Fund Amendment Act of 2007, effective September 18, 2007 (D.C. Law 17-20; D.C. Official Code § 50-921.11). [Repealed]

⁶⁰ Miscellaneous Provisions, effective February 14, 2020 (24 DCMR 3405.5, 3405.9).

⁶¹ Revised Uniform Unclaimed Property Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 41-151.01 et seq.).

Subtitle (VI)(B) – Renewable Energy Portfolio Standard Amendment Act of 2024

Background

The District has a renewable energy portfolio standard (“standard”) that establishes the share of electricity supplied in the District that needs to come from renewable sources. For example, in 2025, 52 percent of electricity must come from tier one⁶² renewable sources and 4.3 percent from solar energy sources. Electricity suppliers that do not meet the standard must pay a compliance fee. In 2025, an electricity supplier must pay five cents for each kilowatt-hour shortfall from tier one renewable sources and forty-six cents for each kilowatt-hour shortfall from solar sources. Compliance fees, if they are the least-cost measure to ratepayers or there are insufficient tier one sources available, can be recovered from ratepayers through their electricity bills. These compliance fees are paid to the District and deposited into the Renewable Energy Development Fund⁶³ (REDF), managed by the Department of Energy and Environment.

The subtitle changes the compliance fee remittance date from between October 1 and November 1 following the year of the supplier’s standard shortfall to between June 1 and July 1 following the year of the shortfall. The subtitle makes this change effective January 1, 2025.

The subtitle also clarifies that any compliance fees paid into the REDF from the District government’s energy usage and are subsequently transferred to the District’s General Fund, and it clarifies that the fees should be transferred whether they originated from bill surcharges or any other means of assessment.

Financial Plan Impact

Over the fiscal year 2025 through fiscal year 2028 budget and financial plan period, the District government will no longer purchase renewable energy credits, but will pay the compliance fee. The District would pay an average of \$17.2 million annually over the financial plan period if it purchased renewable energy credits. The District will pay an average of \$21.5 million annually when it pays the compliance fee. Because these fees are deposited into REDF and the fees paid by the District are transferred to the General Fund, the transfer will offset the cost of paying the compliance fees.

The chart on the following page outlines the subtitle’s overall fiscal impact.

⁶² Tier one sources include solar; wind; geothermal; ocean; and certain biomass, methane, fuel cells, and wastewater sources.

⁶³ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436).

Renewable Energy Portfolio Standard Amendment Act of 2024					
Impact on the District’s Budget					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Renewable Energy Savings ^a	\$13,723	\$16,015	\$18,404	\$20,697	\$68,839
Compliance Fee Costs	(\$17,783)	(\$20,313)	(\$22,813)	(\$25,097)	(\$86,006)
Net Cost Increase	(\$4,060)	(\$4,298)	(\$4,409)	(\$4,399)	(\$17,167)
New REDF Revenue^b	\$17,783	\$20,313	\$22,813	\$25,097	\$86,006

Table Notes

^a The District will no longer purchase renewable energy credits; costs which are not recoverable through REDF or any other sources. This expenditure is a reduction in costs, or a savings to the budget.

^b The Compliance Fee Costs are paid by the electricity provider to the District’s REDF. Costs paid by the District into REDF are transferred back to the District’s Local fund.

Subtitle (VI)(C) – Vision Zero Pedestrian and Bicycle Safety Fund Establishment Amendment Act of 2024

Background

The Vision Zero Pedestrian and Bicycle Safety Fund (Fund) is used by the District Department of Transportation (DDOT) to enhance pedestrian and bicycle transportation in the District.⁶⁴ This includes education, physical infrastructure changes, and enforcement efforts. The Fund receives \$500,000 annually from Automated Traffic Enforcement Revenues.

The subtitle transfers control of the Fund from DDOT to the Deputy Mayor for Operations and Infrastructure (DMOI).

Financial Plan Impact

The fiscal year 2025 transfers control of the Fund from DDOT to DMOI. The fiscal year 2025 budget also transfers \$203,307 from the Fund’s certified fund balance to the District’s Local fund.⁶⁵

Subtitle (VI)(D) – Water Pollution Control Third-Party Review Amendment Act of 2024

Background

The Department of Energy and Environment (DOEE) reviews construction permits submitted to the Department of Buildings (DOB) through its Inspection and Enforcement Division. In reviewing these permit applications and building plans, DOEE assesses the plans’ environmental impacts, including water pollution control law and regulation compliance and erosion and sediment control (ESC).

⁶⁴ Vision Zero Pedestrian and Bicycle Safety Fund Establishment Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 50-921.20).

⁶⁵ See Subtitle VII(O), Non-Lapsing Fund Transfers.

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The subtitle authorizes the Mayor to certify third-party permit reviewers to make these assessments. The subtitle also authorizes the Mayor to certify third-party inspectors for compliance with water pollution control laws and regulations.

The subtitle imposes several prohibitions on third-party reviewers and inspectors. A third-party reviewer or any affiliates may not also act as a third-party inspector for any component of the project. The subtitle prohibits any entity or its affiliates performing work on the project from acting as either a third-party reviewer or inspector. A third-party reviewer or inspector cannot be controlled by the owner or any entity with an ownership interest in a project. A third-party reviewer or inspector cannot have a contractual relationship with any party to the project, including an owner, contractor, permittee, subcontractor, or other related entity. The Mayor should resolve any conflict matters and can revoke a third-party’s certification for any violation of the rules.

The Mayor may also establish an online platform for permittees to hire a third-party permit reviewer or inspector. The Mayor may charge a fee of not more than five percent of the cost of the third-party reviewer or inspector.

Financial Plan Impact

DOEE worked with the DOB to update its online platform to accommodate third-party permit review and inspection requests for DOEE activities. DOEE intends to pilot its use of third-party entities for ESC matters, of which DOEE conducts approximately 1,200 permit reviews and 5,000 inspections annually. DOEE will charge a five percent fee to an entity that chooses to hire a third-party reviewer or inspector and that fee will be deposited into the District’s Local fund. At this time, DOEE is unsure how many entities may hire third-party reviewers or inspectors for ESC matters, so the fiscal year 2025 budget does not recognize any new Local fund revenues. The fiscal year 2025 budget includes resources for DOEE to support the ongoing maintenance of the online system hosted by DOB.

Subtitle (VI)(E) – Greener Government Buildings Amendment Act of 2024

Background

Under current law, nonresidential construction projects of District-owned buildings must “maintain a net zero energy compliance”.⁶⁶ The subtitle makes several changes to how District-owned or District-instrumentally owned buildings must comply with the Greener Government Buildings Act.⁶⁷

First, the subtitle clarifies that nonresidential and mixed-use projects with building permits issued before January 1, 2026, must build to, but not necessarily maintain, net zero energy compliance, and only if the project is new construction or a full modernization. Second, the subtitle removes a requirement that residential projects over 10,000 square feet maintain net zero energy compliance.

Third, the subtitle clarifies that a project shall not be considered non-compliant with net zero energy standard solely because the standard authorizes or requires the use of acquisition of off-site

⁶⁶ D.C. Official Code § 6-1451.02(2)(D).

⁶⁷ Effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.01 et seq.).

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renewable energy in the District, Maryland, or Virginia, and the site instead uses off-site renewable energy through a power purchase agreement from a renewable energy generation facility located outside the District, Maryland, or Virginia, but within the PJM interconnection region.⁶⁸

The subtitle also makes changes to the Green Building Council⁶⁹ exemption process. First, it requires the Green Building Council to meet within 14 days to consider exemption requests from the Mayor. Second, it establishes that a government project shall be deemed to have satisfied requirements for an exemption if it is not technically feasible to build the project to net-zero energy compliance due to programmatic requirements of the building, space constraints of the property site, condition of the existing building, incompatibility with recommendations from a list of District Boards, requirements of the District electric distribution company, or requirements of other statutes or building regulations.

Under current law, beginning January 1, 2025, the District government cannot install space or water-heating appliances that rely on natural gas, oil, or other fossil fuels, except in cases where it would not be technically feasible. The subtitle replaces the word “appliance” in the current law with “system” and clarifies that this does not apply to the replacement of components or units in existing space or water-heating systems.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. The Department of General Services indicates the changes will allow for projects with permits issued prior to January 1, 2026 to comply with net zero requirements.

Subtitle (VI)(F) – District Department of Transportation Projects Amendment Act of 2024

Background

In fiscal year 2020, the Council required the District Department of Transportation (DDOT) to undertake a congestion pricing study,⁷⁰ but DDOT only produced a draft report and did not publish a final report. In fiscal year 2024, the Council required DDOT to contract to update the study and for the contractor to directly transmit the study to Council. If DDOT did not enter into a contract by October 1, 2023, then DDOT was prohibited from any capital reprogramming unless Council approved of the reprogramming by resolution.⁷¹

The subtitle repeals the requirement to update and publish the congestion pricing study and the prohibition on a capital project reprogramming without a Council resolution. The subtitle makes these repeals effective July 1, 2024.

⁶⁸ PJM is a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of [13 states and the District of Columbia](https://www.pjm.com/about-pjm). <https://www.pjm.com/about-pjm>

⁶⁹ D.C. Official Code § 6-1451.09.

⁷⁰ Congestion Pricing Study Amendment Act of 2019, effective September 11, 2019 (D.C. Law 23-16; D.C. Official Code § 50-921.21(b)).

⁷¹ Congestion Pricing Study Update Amendment Act of 2023, effective September 6, 2023 (D.C. Law 25-50; D.C. Official Code §§ 50-921.21(c) and 47-362(i)).

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The DDOT was redesigning K Street, N.W. from 11th Street, N.W. to 21st Street, N.W. to enhance pedestrian walkways and crossings, improve overall curbside uses, and install a bus-only transitway along the middle of the street. In fiscal year 2024, the Council prohibited⁷² the Mayor from expending any resources, including local or federal funds, on the K Street Transitway project, except for project planning.

The subtitle repeals this fiscal year 2024 prohibition as of July 1, 2024.

The Council also prohibited the Mayor from expending any resources, including local or federal funds, to acquire the Foundry Branch Trolley Trestle (Trolley Trestle) utilizing the fiscal year 2024 budget until the Mayor submitted a plan to the Council. The plan was to include future uses of the Trolley Trestle and an evaluation of the potential liability to the District following acquisition of the Trolley Trestle until the Trolley Trestle is restored, repurposed, or demolished. The Mayor may only acquire the Trolley Trestle after an act authorizing its acquisition is approved by the Council.⁷³

The subtitle repeals the requirement to plan for uses of the Trolley Trestle and submit an authorizing act to Council prior to expending resources to acquire the Trolley Trestle. This repeal is effective July 1, 2024.

In fiscal year 2024, DDOT established the new Greater U Street Performance Parking Zone⁷⁴ around the District’s U Street, N.W. corridor.⁷⁵ The Mayor can adjust fees at metered spaces to manage curbside availability and congestion and to establish metered parking on residential parking zones within the corridor. DDOT was required to establish a baseline level of revenue from all metered spaces located within the performance parking zone by October 1, 2023 and then deposit any revenue generated with the zone above the baseline into the newly established Performance Parking Program Fund⁷⁶ (Fund).

The subtitle repeals the Fund and any conforming code provisions⁷⁷ that directed parking meter revenues to the Fund.

Financial Plan Impact

DDOT did not receive additional funding to update the congestion pricing study, so there are no cost savings associated with repealing the requirement to update the study. The repeal of the capital budget reprogramming notice to Council will allow DDOT to more efficiently reprogram funds within its capital budget to meet project needs.

⁷² K Street Transitway Planning Act of 2023, effective September 6, 2023 (D.C. Law 25-50; 70 DCR 10366).

⁷³ Foundry Branch Trolley Trestle Plan Act of 2023, effective September 6, 2023 (D.C. Law 25-50; 70 DCR 10366).

⁷⁴ Greater U Street Performance Parking Zone Amendment Act of 2023, effective September 6, 2023 (D.C. Law 25-50; D.C. Official Code § 50-2538).

⁷⁵ The area is roughly bounded by S Street, N.W., 17th Street, N.W., Florida Avenue, N.W., and Georgia Avenue, N.W.

⁷⁶ D.C. Official Code § 50-2531.01.

⁷⁷ D.C. Official Code § 50-2603(8)(A).

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The Fiscal Year 2024 Revised Local Budget Emergency Act of 2024 reduces the capital budget for the K Street Transitway project by approximately \$2 million. DDOT is exploring alternative approaches to enhance the safety and uses of the public space along the K Street, N.W. corridor.

DDOT allocated \$250,000 within its Trails Master Capital Project for planning for the District to assume control of the Trolley Trestle. DDOT has determined that the Trolley Trestle requires additional capital resources that are not budgeted for and that pursuing any planning for the Trolley Trestle is not currently needed. DDOT will use the \$250,000 to advance other trail projects.

DDOT established the Greater U Street Performance Parking Zone but has not allocated any resources to the Fund. DDOT will now direct any revenue received from the Greater U Street Performance Parking Zone to support the general operations of the Washington Metropolitan Area Transit Authority as it does with all other parking meter revenue, with limited exceptions.⁷⁸

Subtitle (VI)(G) – Clean Curbs Pilot Program Amendment Act of 2024

Background

The Department of Public Works (DPW) collects trash and recycling from residential buildings in the District that contain 3 or fewer residential units. In fiscal year 2023, DPW also launched a food waste (composting) pilot program for District residents. DPW provides trash and recycling cans to residential addresses it serves and collects once or twice per week, depending on the location. DPW collects solid waste and recycling from the front of a residence or an alley location.

In fiscal year 2024, DPW was required to implement a one-year, shared container collection pilot program in the District. The pilot program, to be operated by a private waste hauler, would have allowed residents to separate solid waste into trash, glass recyclables, and non-glass recyclables. DPW contracted with a private waste hauler to operate the pilot program, who collected from the shared containers three times per week. Residents who live on the participating blocks were able to opt-in to the pilot program and the subtitle requires at least 70 percent of a block to opt-in to participate. DPW was able to select participating blocks based on funding availability and the ability to meaningfully assess the pilot program. DPW would continue to service households on a pilot block who do not participate in the pilot program.

The fiscal year 2024 budget also required DPW to publish a database, within the first six months of the fiscal year, of its serviced residential addresses indicating where those residences are serviced: the front of the home or an alley location.

The subtitle repeals this program and any related activities. The repeal is effective as of the effective date of the Fiscal Year 2024 Revised Local Budget Emergency Act of 2024.

⁷⁸ D.C. Official Code § 50-2603(8)(A).

Financial Plan Impact

The fiscal year 2024 budget included one-time funding of approximately \$1.14 million for DPW to contract with a private waste hauler to operate the pilot program. DPW also received \$215,000 in fiscal year 2024 and \$219,000 in fiscal year 2025 for program staff.

DPW was unable to implement the pilot program, however DPW retained \$511,000 of these funds in fiscal year 2024 to install public compactor bins and smart composting collection bins. The remaining funds will be reallocated within the Mayor’s fiscal year 2024 revised Local budget. There are no fiscal year 2025 costs associated with repealing this program.

Subtitle (VI)(H) – Motor Vehicle Excise Tax Amendment Act of 2024

Background

When the Department of Motor Vehicles (DMV) issues an original certificate of title for a vehicle or a subsequent certificate of title for a vehicle sold, resold, or gifted, it requires the vehicle owner to pay an excise tax to the District.⁷⁹ The excise tax is calculated as a percentage of the vehicle’s value. Under the CleanEnergy DC Omnibus Amendment Act,⁸⁰ DMV was required to recalculate the excise tax rates based on a fuel efficiency standard established in conjunction with the Department of Energy and Environment (DOEE). The new rates, which were set in 2021, established higher rates for vehicles with fuel efficiency performance below the standard set by DMV and DOEE, and lower rates for vehicles with performance higher than the standard.

The subtitle repeals an excise tax exemption for electric vehicles, imposes an excise tax on electric vehicles, and increases the excise tax for vehicles that perform at 40 miles per gallon (mpg) or greater. The following chart identifies the new rate for electric vehicles and reflects the rate change for 40 mpg or greater vehicles:

Vehicle Weight	New Electric Vehicle Rate	Old 40 mpg or Greater Rate	New 40 mpg or Greater Rate
3,499 pounds or less	1.0%	1.0%	1.5%
3,500 – 4,999 pounds	2.0%	2.0%	2.5%
5,000 pounds or greater	3.0%	3.0%	3.5%

The subtitle also requires DMV to publish information for residents to help them better understand vehicle excise tax rates.

⁷⁹ Exceptions include a bona fide gift of a District-titled vehicle between spouses, parent and a child, or domestic partners.

⁸⁰ Effective March 22, 2019 (D.C. Law 22-257; D.C. Official Code § 50-2201.03(j)(1A)).

Financial Plan Impact

Imposing an excise tax on electric vehicles and increasing the excise tax for vehicles that perform at 40 mpg or greater will generate additional excise taxes for the District. The subtitle will generate \$2.8 million in fiscal year 2025 and \$11.5 million over the four-year financial plan period. The fiscal year 2025 budget includes the necessary resources for DMV to update the excise tax rates in its systems and to publish information for the public to better understand excise tax rates.

Motor Vehicle Excise Tax Amendment Act of 2024					
New Excise Tax Revenues					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Excise Tax Revenue	\$2,804	\$2,855	\$2,900	\$2,947	\$11,506

Subtitle (VI)(I) – Automated Traffic Enforcement Revenue Amendment Act of 2024

Background

In fiscal year 2022, the Council designated that any revenues generated from the Automated Traffic Enforcement (ATE) Program, beyond what was officially certified by the Chief Financial Officer (CFO) to support the District’s general budget, be deposited into the Vision Zero Enhancement Omnibus Amendment Act Implementation Fund (Fund).⁸¹ The District should use the Fund’s resources to implement certain sections of the Vision Zero Enhancement Omnibus Amendment Act of 2020,⁸² the Safer Streets Amendment Act of 2022,⁸³ the Safe Passage Program provisions of the Safe Streets for Students Amendment Act of 2022,⁸⁴ and to enhance the safety and quality of the pedestrian and bicyclist transportation networks. At the end of fiscal year 2023, the Fund received \$4,346,555 in ATE revenues that exceeded what was needed for the budget. The February 2023 revenue estimates project an additional \$2.94 million of ATE revenues will be deposited in the Fund at the end of fiscal year 2024.

The subtitle repeals the Fund and authorizes the Mayor to transfer all of the Fund’s resources to the District’s Local fund.

The subtitle also repeals a reporting requirement imposed on the CFO.⁸⁵ This required the CFO to report monthly on revenues deposited into the Fund, the CFO’s projection of ATE revenues exceeding what was certified for the annual budget, and the CFO’s methodology for calculating ATE revenues.

The subtitle’s changes are effective as of the effective date of the Fiscal Year 2024 Revised Local Budget Emergency Act of 2024.

⁸¹ ATE System Revenue Designation Amendment Act of 2021, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 50-921.25).

⁸² Effective December 23, 2020 (D.C. Law 23-158; 67 DCR 13057).

⁸³ Effective December 21, 2022 (D.C. Law 24-214; 70 DCR 10).

⁸⁴ Effective March 10, 2023 (D.C. Law 24-285; § 2(b), 70 DCR 998).

⁸⁵ Dedicated Revenue Adjustments Amendment Act of 2023, effective September 6, 2023 (D.C. Law 25-50; D.C. Official Code § 50-2209.05(b)).

Financial Plan Impact

The subtitle’s repeal of the Fund and effective date of the Fiscal Year 2024 Revised Local Budget Emergency Act of 2024’s effective date means that the Mayor will recognize the fiscal year 2024 \$2.94 million of ATE revenues that would have been designated for the Fund as Local fund revenue. The \$4.3 million in fund balance from fiscal year 2023 will also be transferred to the Local fund in fiscal year 2024.⁸⁶ These resources will support the fiscal year 2025 through fiscal year 2028 budget and financial plan. There are no costs or savings associated with repealing the Fund or the CFO’s reporting requirement.

Subtitle (VI)(I) – Unfunded Bus Accounts Amendment Act of 2024

Background

In 2022, the Council approved three new transit initiatives for District residents.⁸⁷ These initiatives required the District Department of Transportation (DDOT) to negotiate fare-free bus service and 24-hour bus service on certain routes, dedicate \$10 million annually to expand transit access in underserved areas, and provide transit subsidies of up to \$100 to District residents. The first two initiatives were to be funded by a dedication of District sales tax revenues to the extent that recurring local revenues over the financial plan exceeded those included in the certified fiscal year 2023 budget.⁸⁸ Sales tax revenues to support fare-free and 24-hour bus service were to be deposited into the Fare-Free Bus Service Fund,⁸⁹ while the revenues to support expanded transit services in underserved areas were to be deposited into the Bus Service Enhancement Fund.⁹⁰

The subtitle repeals the Fare-Free Bus Service Fund, the Bus Service Enhancement Fund, and the mechanism to dedicate sales tax revenues to each fund.

Financial Plan Impact

The Chief Financial Officer did not certify excess recurring local revenues in the February 2023 revenue estimate and the two special purpose revenue bus funds did not receive any resources. There are no costs associated with repealing the two funds or the now-dated mechanism to provide resources for the funds.

⁸⁶ See also Subtitle VII(O).

⁸⁷ Metro for D.C. Amendment Act of 2022, effective March 22, 2023 (D.C. Law 24-335; D.C. Official Code § 50-921.81 et seq.).

⁸⁸ The Chief Financial Officer needed to review local recurring revenues in December 2022 and February 2023 relative to what was included in the certified fiscal year 2023 budget.

⁸⁹ D.C. Official Code § 50-921.87.

⁹⁰ D.C. Official Code § 50-921.88.

Subtitle (VI)(K) – Illegal Vending Enforcement Amendment Act of 2024

Background

The Department of Licensing and Consumer Protection (DLCP) enforces vending laws in the District.⁹¹ The subtitle authorizes the Mayor to seize, tow, and impound a food truck if the owner, operator, agent, or employee of the food truck is vending without a valid basic business license, site permit, or other authorization; alters or falsifies a basic business license, site permit, or other authorization; fails to provide a basic business license, site permit, or other authorization upon the request of a law enforcement officer; or parks illegally in public space. The Mayor may also immobilize the food truck if a tow truck operator is not readily available. If the Mayor impounds the food truck, they must notice the food truck owner, operator, and any lienholders of record with details about the vehicle, the violation, fines or fees imposed, the procedures to recover the vehicle, the food truck owner’s appeal rights, and the Mayor’s rights to dispose of the vehicle. This notice can be provided to the food truck operator at the time of impoundment or via first class mail to the food truck owner, if different than the operator. The notice should also be sent to any lienholders via first class mail.

A food truck owner can secure release of their vehicle if they pay any impoundment, towing, immobilization, or storage fees. If the infractions that led to the impoundment are dismissed or overturned, the District should refund the food truck owner’s booting, towing, impoundment, and two days of storage fees. The subtitle authorizes the Mayor to dispose of a vehicle that is not reclaimed in a timely manner.

The subtitle allows the Mayor to contract or engage with private entities to immobilize, tow, impound, store, and release food trucks.

Financial Plan Impact

DLCP enforces vending violations and will engage with private tow companies to immobilize and remove food trucks that violate license or permit requirements or are otherwise illegally in public space.

Subtitle (VI)(L) – Securities and Banking Regulatory Trust Fund Amendment Act of 2024

Background

The Department of Insurance, Securities and Banking (DISB) regulates and licenses securities and the banking industry in the District of Columbia. Licensing fees and fines collected from regulated firms are deposited in the Securities and Banking Regulatory Trust Fund.⁹² These funds are used by DISB’s Securities and Banking Bureau to carry out its administrative and regulatory operations. Under current law, \$11.63 million each year is also transferred from the Securities and Banking Regulatory Trust Fund to Local funds revenue. The subtitle increases that transfer to \$12.63 million.

⁹¹ Vending Regulation Act of 2009, effective October 22, 2009 (D.C. Law 18-71; D.C. Official Code § 37-131.1 et seq.).

⁹² D.C. Official Code § 31-107.

Financial Plan Impact

The subtitle increases the amount of Local funds revenue by \$1 million each year starting in FY2025 and decreases the trust fund revenue by the same amount.

Subtitle (VI)(M) – School Traffic Safety Action Plans Amendment Act of 2024

Background

The Safe Streets for Students Amendment Act required the District Department of Transportation (DDOT) to create a master plan for action plans and perform action plans for twenty-five schools annually. These action plans include a comprehensive traffic safety assessment for the school zones, details of existing and to-be-installed traffic safety infrastructure, and the required community engagement plan. DDOT needs to install infrastructure identified in action plans within one year or report on the cause of the delays. DDOT cannot allow any barriers preventing one element of an action plan from stopping DDOT’s plans to install other elements of the action plan. DDOT should prioritize action plans based on the order identified in the master plan.

The subtitle eliminates the requirement that DDOT produce twenty-five action plans annually.

Financial Plan Impact

The fiscal year 2025 through fiscal year 2030 Capital Improvements Plan includes \$6.3 million annually to fund action plans. This funding is sufficient to perform action plans for schools, but not at the currently required level of twenty-five annually.

Subtitle (VI)(N) – Parking and Transit Benefits Amendment Act of 2024

Background

The District requires employers with twenty or more employees (“covered employers”) to provide their employees with a transportation benefits program.⁹³ These programs include a pre-tax transportation fringe benefit, an employer-paid benefit, or employer-provider transportation through a bus or vanpool. Covered employers that offer a parking benefit to their employees must also offer a clean-air transportation fringe benefit⁹⁴ to their employees, pay a \$100 monthly compliance fee, or implement a transportation demand management plan.⁹⁵ When accepting a clean-air transportation fringe benefit, the employee estimates the value of the benefit. If the benefit is less than the value of the parking benefit, then the employer must pay the employee the difference in the form of additional compensation, increased health care coverage contribution, or both.

⁹³ Sustainable DC Omnibus Amendment Act of 2014, effective December 17, 2014 (D.C. Law 20-142; D.C. Official Code § 32-152).

⁹⁴ These benefits are employer-provided commuter transportation, transit passes, and qualified bicycle commuting reimbursement.

⁹⁵ Transportation Benefits Equity Amendment Act of 2019, effective June 24, 2020 (D.C. Law 23-113; D.C. Official Code § 32-152.01).

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The subtitle repeals the need for DDOT to create a form for employees to estimate how much of the clean-air transportation fringe benefits they use which is then used to compare to the value of the employer-provided parking benefit. The subtitle also eliminates the requirement that the employer provide the difference between the value of the parking benefit and the utilized clean-air transportation fringe benefit as additional compensation or an increase to the health care coverage contribution. The subtitle allows the employer to make a cash payment to an employee who estimates that their use of the clean-air fringe benefit is less than the parking benefit.

Financial Plan Impact

The subtitle simplifies the compensation that employers can offer to employees whose clean-air fringe benefits are less than the employer-offered parking benefit. The subtitle also eliminates a DDOT administrative effort to create a form for employees to estimate their clean-air fringe benefit usage. The subtitle has no impact on the fiscal year 2025 budget as the private sector bears the burden of complying with the District’s transportation benefits program requirements.

Subtitle (VI)(O) – Building Energy Performance Standards Amendment Act of 2024

Background

Under current law,⁹⁶ any buildings that are below the energy performance standards to be established by the Department of Energy and Environment (DOEE) will have five years to come into compliance. DOEE must establish exemption criteria that, if met and satisfactorily demonstrated to DOEE, can delay the performance requirements for up to three years.

The subtitle extends the timeframe for District-owned buildings from five to eight years to either meet the standards to be established by DOEE, or an alternative compliance pathway approved by DDOE. The subtitle also allows qualifying buildings, including qualifying affordable housing buildings, to be exempt from compliance with the building energy performance standards if the owner satisfactorily demonstrates certain requirements to DOEE.

Under current law, buildings failing to comply with building energy performance requirements at the end of the five-year compliance period must pay a compliance penalty to be set by DOEE. The subtitle allows building owners to require a tenant to pay if non-compliance is due to unusual or extreme energy use of the tenant.

Lastly, the subtitle allows an owner with more than five buildings to perform third-party verifications of its benchmark and EnergyStar statements for a sample of the owner’s buildings, perform the third-party verifications on a rolling basis over three years, or both.

Financial Plan Impact

The subtitle does not have an impact on the budget and financial plan. However, the Department of General Services indicates that many District-owned properties could be out of compliance with standards, once established, and could be subject to fines if the deadline is not extended.

⁹⁶ D.C. Official Code § 8-1772.21(c).

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Fiscal Impact Statement for the “Fiscal Year 2025 Budget Support Act of 2024,” Draft bill as provided to Office of Revenue Analysis, April 2, 2024

Subtitle (VI)(P) – Sustainable Energy Trust Fund Utilization Amendment Act of 2024

Background

The Department of Energy and Environment (DOEE) manages the Sustainable Energy Trust Fund⁹⁷ (SETF) which collects surcharges on electric, natural gas, and home heating oil providers in the District to fund energy efficiency and renewable energy projects. 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, energy storage, residential electrification, and other District laws.⁹⁸ The District also recently increased the gas and electricity assessments, generating additional revenue for the SETF.⁹⁹

The subtitle bill amends the DOEE’s SETF contribution to the Green Finance Authority. Currently, DOEE must send between \$10 million and \$15 million through fiscal year 2025. The subtitle authorizes DOEE to transfer no more than \$15 million and eliminates the minimum contribution of \$10 million. There are no mandated contributions to the Green Finance Authority after fiscal year 2025.

The subtitle authorizes DOEE to use SETF resources to purchase renewable energy credits and the payment of alternative compliance fees to ensure the District’s compliance with the Renewable Energy Portfolio Standard.¹⁰⁰ DOEE can also expend SETF resources on the purchase of wind or solar energy through purchase power agreements.

The subtitle’s changes are effective as of the effective date of the Fiscal Year 2024 Revised Local Budget Emergency Act of 2024.

Financial Plan Impact

The fiscal year 2024 supplemental budget allocates approximately \$17.3 million in SETF resources for the payment of renewable energy credits or alternative compliance fees or to support purchase power agreements.

The fiscal year 2025 through fiscal year 2028 budget and financial plan allocates \$26 million annually in SETF resources to support the District Government’s energy costs. The fiscal year 2025 budget does not anticipate an SETF allocation for the Green Finance Authority.

⁹⁷ Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10).

⁹⁸ The SETF provides funding for the Climate Commitment Act of 2021, effective September 21, 2022 (D.C. Law 24-176; 69 DCR 11946) and the Clean Energy DC Building Code Amendment Act of 2022, effective September 21, 2022 (D.C. Law 24-177; 69 DCR 11947).

⁹⁹ Sustainable Energy Trust Fund Rightsizing Amendment Act of 2023, effective September 6, 2023 (D.C. Law 25-50; D.C. Official Code 8-1774.10(b)).

¹⁰⁰ Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431 et seq.).

Subtitle (VI)(Q) – Late Business License Renewal Penalty Fee Waiver Amendment Act of 2024

Background

The Department of Licensing and Consumer Protection (DLCP) sends a notice to business licensees within sixty days of the pending expiration of their licenses. If a licensee fails to renew their license on time and that license is not otherwise suspended, revoked, or relinquished, DLCP deems the license to be lapsed. DLCP imposes a penalty on licensees who seek to renew a lapsed license of \$250 if they renew within thirty days of the license lapse or \$500 if they renew between thirty days and six months. After six months, a licensee must reapply as a new applicant. If the licensee continued to operate over the six-month period without a license, then they will be subject to other penalties and fees for conducting business without a valid license.

The subtitle authorizes the DLCP director to waive the \$250 and \$500 penalties and any other fines imposed for late renewal, for renewing within six months of a license lapsing if the licensee shows good cause for their failure to renew the license on time.

Financial Plan Impact

DLCP collects approximately \$1.7 million in lapsed registration penalties and deposits them into DLCP’s Basic Business License Fund (Fund) along with basic license registration fees. The DLCP director intends to use this authority on a case-by-case basis, therefore it is not possible to determine the revenue loss to the Fund at this time. DLCP will need to adjust its operations supported by the Fund in the future if it were to exercise this authority on a broader basis.

Subtitle (VI)(R) – Streatery Program Grants Amendment Act of 2024

Background

Current law authorizes the District Department of Transportation (DDOT) Director to issue grants not exceeding \$1 million per grant to support the District’s transportation goals.¹⁰¹ The subtitle expands the authorization to include grants for streateries and the streatery program.

Financial Plan Impact

The fiscal year 2025 budget includes one-time funding of \$750,000 for DDOT to issue grants supporting streatery beautification and accessibility.

¹⁰¹ Department of Transportation Establishment Amendment Act of 2008, effective October 22, 2008 (D.C. Law 17-248; D.C. Official Code § 50-921.02(c)(1)).

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – Combined Reporting Amendment Act of 2024

Background

The District requires combined reporting¹⁰² for corporate tax filers with activity inside and outside of the District of Columbia. Combined reporting means businesses with a presence in multiple states report their nationwide profits, and the District taxes profits proportionally to the sales made in DC.

“Joyce” and “Finnigan” are two approaches to apportioning combined group income among states for tax purposes.¹⁰³ The “Joyce” method requires DC to establish taxing jurisdiction separately over every member of a corporate group selling into DC. DC adopted the “Joyce” method of income apportionment when it adopted combined reporting in 2011.¹⁰⁴ The “Finnigan” method of combined reporting treats the entire corporate group as a single taxpayer.

The subtitle would require combined filers to switch to using the “Finnigan” method starting in tax year 2026. Only C-corporations are subject to combined reporting and, therefore, affected by the switch to the “Finnigan” method.

Financial Plan Impact

The subtitle adds \$23.1 million of income tax revenue in fiscal year 2027 and \$15.8 million in fiscal year 2028. Although corporate taxpayers are required to make quarterly estimated tax payments throughout the year, given the proposal's complexity, it is assumed that corporate taxpayers would not know which adjustments to make until after the end of the first tax year to which the new filing method applies. Thus, it is assumed that the revenue impact pertaining to tax year 2026 will be reflected starting in fiscal year 2027. By tax year 2027 it is expected that corporate tax filers affected by the change also adjust their estimated payments to reflect the higher tax estimates owed for the current year.

Subtitle (VII)(A) Combined Reporting Amendment Act of 2024					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Increase in corporate income tax revenue	\$0	\$0	\$23,100	\$15,800	\$38,900

The Office of Tax and Revenue may require administrative funding in fiscal year 2026 to carry out this subtitle, but those costs are unknown at this time.

¹⁰² D.C. Official Code § 47-1805.02a.

¹⁰³ “Joyce” and “Finnigan” refer to two court cases in California that ruled on apportionment methods for combined reporting.

¹⁰⁴ Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2012 (D.C. Law 19-24; 58 DCR 6226).

Subtitle (VII)(B) – Excess Central Collection Unit Revenue Amendment Act of 2024

Background

The District’s Delinquent Debt Fund¹⁰⁵ funds the expenses of the Central Collection Unit (CCU) and receives revenue from its collection activities. Under current law, if CCU collections exceed the District’s Local funds revenue estimate for such collections after all administrative expenses of operating the CCU have been paid, up to \$2.5 million may be transferred to the Arts and Humanities Fund. The subtitle repeals this dedication.

Financial Plan Impact

Out of the prior three fiscal years, CCU revenues have been sufficient to make a \$2.5 million transfer to the Arts and Humanities fund in two years. CCU collections available for Local funds purposes are therefore projected to increase an average of \$1.7 million annually under the subtitle’s removal of the dedication.

Subtitle (VII)(B) Excess Central Collection Unit Revenue Amendment Act of 2024					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Increased Nontax Revenue	\$1,667	\$1,667	\$1,667	\$1,667	\$6,668

Subtitle (VII)(C) – Deposit of Deed Recordation and Transfer Taxes Act of 2024

Background

As part of the Fiscal Year 2024 Budget Support Act of 2023, the Public Housing Stability Amendment Act of 2023 provided for a new dedication of 15 percent of the revenue from the District’s deed transfer and recordation taxes to development and rehabilitation capital projects for the District of Columbia Housing Authority (DCHA). The dedication was set to begin in fiscal year 2028. The DCHA dedication was in addition to an existing 15 percent dedication for the District’s Housing Production Trust Fund.

The subtitle repeals¹⁰⁶ the 15 percent dedication for DCHA capital projects which was set to begin in fiscal year 2028.

Financial Plan Impact

The subtitle increases deed transfer and recordation revenue available for the Local fund in 2028, in the amount of \$78.3 million, and reduces amounts available for DCHA capital projects by the same amount.

¹⁰⁵ D.C. Official Code § 1–350.04.

¹⁰⁶ By amending the District of Columbia Real Estate Deed Recordation Tax Act, approved March 2, 1962, and by amending § 47-919 of the D.C. Official Code

Subtitle (VII)(D) – Earned Income Tax Credit Amendment Act of 2024

Background

The District of Columbia has its own Earned Income Tax Credit (EITC) for working adults with and without dependent children. The amount of the DC Earned Income Tax Credit (DC EITC) for filers with qualifying children¹⁰⁷ is a percentage of the federal EITC that currently stands at 70 percent of the federal credit and is scheduled to increase in tax year 2025 and again the following year. ¹⁰⁸ The subtitle would freeze the match percentage at 70 percentage in tax year 2025 and all subsequent years.

DC EITC for filers with qualifying children - share of federal EITC			
<i>Tax year</i>	<i>2024</i>	<i>2025</i>	<i>2026 and later</i>
Current law	70%	85%	100%
Subtitle	70%	70%	70%

Financial Plan Impact

Eliminating the tax credit increases scheduled to go into effect as of tax year 2025 reduces the cost of the program and increases overall District income tax revenue. Since tax year 2025 credits are paid out in fiscal year 2026 and fiscal year 2027,¹⁰⁹ the subtitle first increases revenue in fiscal year 2026. In total, the subtitle reduces the cost of the DC EITC by \$68.8 million over the four-year financial plan.

Subtitle (VII)(D) - Earned Income Tax Credit Amendment Act of 2024					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Revenue increase (individual income tax)	\$0	\$13,405	\$27,399	\$28,002	\$68,806

Subtitle (VII)(E) – Baby Bonds Amendment Act of 2024

Background

The Child Wealth Building Act of 2021¹¹⁰ established a Child Trust Fund, a District-funded omnibus account for children born in the District who are covered by Medicaid. The Act provided for an initial

¹⁰⁷ The amount of the DC EITC for filers with no qualifying children is calculated using a different formula.

¹⁰⁸ The DC EITC is also available to filers who are not eligible for the federal EITC because they file tax forms with an individual taxpayer information number (ITIN) instead of a Social Security number. This policy proposal would also apply to these ITIN filers.

¹⁰⁹ Starting with tax year 2023, if the filer’s DC EITC is more than \$1,200, the filer will receive their EITC in 12 monthly payments after filing their return. In tax year 2022, depending on the EITC amount and whether a filer has a qualifying child, filers may receive both a lump sum and monthly payments.

¹¹⁰ Effective February 18, 2022 (D.C. Law 24-53; D.C. Official Code § 4-681.01 et seq.).

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contribution for all eligible children in their birth year and additional annual deposits for each year that the child lives in the District and meets eligibility requirements until the age of 18. Under existing law, children in families with income up to 300 percent of the federal poverty threshold may be eligible. The deposit amount varies by income tier (with higher contributions for lower-income families) and grows with inflation.

The subtitle modifies the eligibility criteria and the deposit amounts for children eligible for the program. Specifically, it sets eligibility at 100 percent of the federal poverty threshold and changes the deposit amount to \$500 each year, with no indexing to inflation. The subtitle applies retroactively to fiscal year 2022 when the Child Wealth Building Act became effective.

Financial Plan Impact

The subtitle would reduce the funding needed for the program by \$66.5 million over the four year financial plan period.

As of March 2024, \$17.6 million is available in the trust fund for the fiscal year 2022, fiscal year 2023, and fiscal year 2024 cohorts. This is sufficient to fund the subtitle for the deposits required for the revised program through fiscal year 2027 and part of fiscal year 2028’s cost. The financial plan reflects an incremental \$3.1 million increase for the funding of the program in fiscal year 2028.

Subtitle (VII)(E) - Baby Bonds Amendment Act of 2024					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Funding required under current law (annual amounts)	\$12,131	\$15,195	\$18,142	\$20,982	\$66,450
Cumulative Cost under subtitle	\$7,933	\$11,631	\$15,921	\$20,762	
Less, balance in the fund:				(\$17,642)	
Cost included in the financial plan	--	--	--	\$3,120	\$3,120

The cost of the program is \$5.4 million in fiscal year 2029 and \$5.8 million in fiscal year 2030. The costs thereafter through 2040 (when the first cohort turns 18) will be about \$500,000 higher each year.

Subtitle (VII)(F) - Sales and Use Tax Amendment Act of 2024

Background

The District imposes a 6 percent tax on the sale and use of tangible personal property and selected services¹¹¹. The subtitle would raise this “general rate” sales tax to 6.5 percent for fiscal year 2026 and again to 7.0 percent for fiscal year 2027.

Certain portions of District sales taxes are dedicated for specific purposes. Five percent of the revenue the District receives from charging the general 6 percent rate on tangible personal property sales and use and selected services sales and use is currently dedicated to the Arts and Humanities Fund for use by the Commission on Arts and Humanities (CAH)¹¹². Growth in this tax dedication is limited to two percent annually through fiscal year 2027¹¹³. A flat \$1.07 million of all District sales tax revenue is dedicated¹¹⁴ each year to the Reimbursable Detail Subsidy Program in the Alcohol Beverage and Cannabis Administration (ABCA).

The subtitle revises the percentage of general rate sales and use tax revenue dedicated to CAH in fiscal year 2026 to the lesser of 4.615 percent or 102 percent of revenues dedicated in fiscal year 2025, and beginning in fiscal year 2027 to the lesser of 4.286 percent or 102 percent of the revenues dedicated in the prior fiscal year. The subtitle further repeals the dedication to the Reimbursable Detail Subsidy Program in ABCA.

Financial Plan Impact

The subtitle adds approximately \$338 million to Local funds over the four-year financial plan. The increased general sales tax rate is projected to cause some residents to accelerate their planned purchases in order to pay fiscal year 2025’s 6 percentage applicable rate instead of the increased 6.5 percentage rate applicable to fiscal year 2026. Therefore, fiscal year 2025 sales tax revenues are projected to increase by \$15.7 million. When the increased 6.5 percentage rate is in effect during fiscal year 2026, \$66.7 million of new Local fund revenue is projected. An average of \$128 million of new annual Local fund revenue is projected during fiscal years 2027 and 2028, when the rate increases to 7.0 percentage. These projections factor in some reduced demand for total taxable sales in the District due to the tax increase.

The subtitle also decreases dedicated tax revenue in the Arts and Humanities Fund by \$2.3 million over the financial plan. The fiscal year 2027 impact in the Arts and Humanities Fund is due to the decreased demand for taxable sales, while the fiscal year 2028 impact is due to extending the annual two percent growth limitation that under current law sunsets in fiscal year 2027. Finally, the subtitle decreases dedicated tax revenue to ABCA by \$4.3 million by repealing its dedication.

¹¹¹ D.C. Official Code § 47-2002(a) and § 47-2202 (a).

¹¹² D.C. Official Code §§ 47-2002(d)(2)(A), 47-2002 (d)(3), 47-2202(b)(2)(A), and 47-2202(b)(3).

¹¹³ D.C. Official Code §§ 47-2002(d)(2)(B) and 47-2202(b)(2)(B)

¹¹⁴ D.C. Official Code § 47-2002(b).

Subtitle (VII)(F) - Sales and Use Tax Amendment Act of 2024					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Additional Local - Funds Revenue (net of dedication changes)	\$15,728	\$66,682	\$115,569	\$140,450	\$338,429
Change in CAH Dedication	\$0	\$0	(\$66)	(\$2,221)	(\$2,287)
Change in ABCA Dedication	(\$1,070)	(\$1,070)	(\$1,070)	(\$1,070)	(\$4,280)

Subtitle (VII)(G) – Excess Debt Service Appropriations Amendment Act of 2024

Background

At the end of the fiscal year, any unspent funds appropriated for District debt service,¹¹⁵ are transferred to the District Department of Transportation (DDOT) PAVEDC-Local Street Paving Project¹¹⁶. The subtitle removes this dedication, so any unspent funding in the debt service budget will be processed as standard lapsing General Fund dollars at the end of the fiscal year.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. It is not known until the end of the fiscal year how much debt service funding will be unspent, if any. DDOT’s local street budget is not dependent on this funding transfer.

Subtitle (VII)(H) – Capital Arts Budgeting Amendment Act of 2024

Background

The Commission on Arts and Humanities (CAH) issues grants, provides capital support, and operates programs to support art organizations, artists, and community groups in the District of Columbia. The subtitle eliminates a formulaic set aside within the District’s capital budget for CAH spending on arts infrastructure.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. The CAH budgets any arts infrastructure projects against dedicated District tax revenues it receives, as well as private sources.

¹¹⁵ D.C. Official Code § 47-334(1).

¹¹⁶ D.C. Official Code § 47-362(f).

Subtitle (VII)(I) – Howard University Hospital and Redevelopment Support Amendment Act of 2024

Background

The Fiscal Year 2024 Budget Support Act of 2023 provided \$5 million in funding each year from fiscal year 2028 through fiscal year 2032 (for a total of \$25 million) to Howard University to operate a new teaching and research hospital. The new hospital is part of a redevelopment to replace the existing facility on Georgia Avenue.¹¹⁷ The subtitle repeals this provision.

Financial Plan Impact

During the financial plan, the subtitle results in savings of \$5 million in fiscal year 2028.

Subtitle (VII)(I) - Paygo Capital Amendment Act of 2024

Background

Current law¹¹⁸ requires a minimum amount of funding from Local revenue sources to be allocated annually to the Capital Improvements Program. This “Paygo” funding requirement for fiscal year 2025 is \$206 million. For years other than fiscal year 2025, the minimum Paygo funding is the amount of \$58.95 million plus 25 percent of the amount the local revenues for that fiscal year exceeds the Local funds revenue in the baseline fiscal year of 2020. If the minimum transfer amount is equal to or exceeds the amount reported for additions to the accumulated depreciation of capital assets as reported in the most recent Annual Consolidated Financial Report (ACFR), then the minimum equals the amount reported for additions to the accumulated depreciation of capital assets.

The subtitle gives the District two options to meet the minimum required Paygo funding. The first option requires every year of the Capital Improvements Plan to have Paygo funding equal to or greater than the amount reported for additions to total accumulated depreciation of capital assets (not including additions due to right-to-use assets) in the most recent ACFR (“reported accumulated depreciation”). The second option requires cumulative Paygo funding across the six year Capital Improvement Plan to be at least six times reported accumulated depreciation. For fiscal year 2025 only, the subtitle sets the minimum required Paygo funding at five times the reported accumulated depreciation, plus \$206 million.

Lastly, the subtitle adds Special Purpose Revenue (other) funds to the operating funds in the Capital Improvements Plan that can be used to calculate whether the minimum transfer has been met. Currently, only Local funds, dedicated funds, or federal funds received from the Infrastructure Investment and Jobs Act¹¹⁹ are part of that calculation.

Financial Plan Impact

The subtitle requires a minimum of \$2.96 billion in Paygo funding across the fiscal year 2025 through fiscal year 2030 Capital Improvements Plan. This minimum is calculated per the subtitle by multiplying the amount of reported accumulated depreciation in the fiscal year 2023 ACFR, which

¹¹⁷ [Howard University Hospital Project | newhospitals \(dc.gov\)](https://www.newhospitals.dc.gov/)

¹¹⁸ D.C. Official Code § 47-392.02.

¹¹⁹ Approved November 15, 2021 (Pub. L. No. 117-58; 135 Stat. 429)..

was \$552.2 million, by five, and adding \$206 million. The proposed fiscal year 2025 through fiscal year 2030 Capital Improvements Plan contains \$3.35 billion in planned Paygo funding, exceeding the minimum requirement by \$388.2 million.

Subtitle (VII)(K) – Excess Ballpark Fee Revenue Amendment Act of 2024

Background

The Ballpark Revenue Fund (“Ballpark Fund”) collects dedicated revenue including utility gross receipts taxes, the Ballpark Fee, and sales taxes from sales of tickets, concessions, and merchandise at the stadium. Current law provides that as long as the amounts are not needed to pay debt service on Ballpark Revenue bonds, the first \$22 million of any revenue collected in the Ballpark Fund in fiscal year 2024 and the first \$20 million of revenue collected in fiscal years 2025 through 2027 may be transferred to the District’s General Fund. The subtitle, applicable as of the effective date of the Revised Fiscal Year 2024 Local Budget Emergency Act of 2024, increases the authorized General Fund transfer amounts to \$32.37 million in fiscal year 2024, \$31.47 million in fiscal year 2025, \$32.92 million in fiscal year 2026, \$34.06 million in fiscal year 2027, and \$35.19 million in fiscal year 2028.

Financial Plan Impact

The Ballpark Fund is projected to receive excess revenue each year, beyond required debt service, and some of these amounts are used for General Fund purposes in the budget and financial plan. The subtitle’s increased authorization of amounts is based on additional ballpark revenues certified in the February 2024 revenue estimates, and it provides for an additional \$84 million of General Fund use over the financial plan. The balance of the projected excess revenue will be used to defease bonds, and the bonds are expected to be fully repaid during fiscal year 2028.

Subtitle (VII)(K) Excess Ballpark Fee Revenue Amendment Act of 2024						
(\$ thousands)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total, FY2024- FY2028
Additional transfers to the General Fund	\$10,370	\$11,475	\$12,920	\$14,067	\$35,199	\$84,031

Subtitle (VII)(L) - Right-of-Way Fee, Gas Tax, and Gas Surcharge Amendment Act of 2024

Background

The District collects a tax and a local transportation surcharge ("surcharge") on motor vehicle fuels imported to the District. The motor fuel tax is currently deposited in the District of Columbia Highway Trust Fund¹²⁰ (HTF), which funds the District Department of Transportation's (DDOT) local match requirement for federal capital projects, and the motor fuel surcharge is deposited in the Local Transportation Fund,¹²¹ which funds DDOT's local capital projects. The subtitle redirects the motor fuel surcharge to the HTF to support the local match requirement.

The District collects rights-of-way (ROW) occupancy fees from entities using the surface, air space, or areas below public space for purposes such as stand-alone conduit or pipe, aerial lines, or transmission facilities. These fees are currently designated to supplement motor fuel tax revenues in the HTF to the extent necessary to satisfy the local match requirements. The remainder of the ROW revenue is designated to the Local Transportation Fund to support the renovation, repair, and maintenance of local transportation infrastructure. The subtitle makes ROW fees available as a source of Local funds revenue.

Financial Plan Impact

The subtitle does not affect total revenues for the HTF,¹²² but replaces some of the ROW fees designated for the HTF with the motor fuel surcharge. The motor fuel surcharge will generate \$10.4 million in fiscal year 2025 and \$42.1 million over the four-year financial plan period. The subtitle does not impact the revenues or allocation of motor fuel taxes. The District will collect \$19.8 million in fiscal year 2025 and \$77.4 million over the four-year financial plan period in motor fuel taxes.

The District will collect \$45.1 million of ROW fees annually and a total of \$180 million over the four-year financial plan period. After accounting for the motor fuel tax and motor fuel surcharge revenues, \$10.8 million in fiscal year 2025 and \$61.6 million over the four-year financial plan period of ROW fees will be designated for the HTF. The financial plan includes \$56.3 million of local transportation projects funded from the Local Transportation Fund, all of which will be sourced under the subtitle by ROW fees.

The subtitle allows remaining ROW fee revenue to be deposited in Local funds. The District will deposit \$20.3 million in fiscal year 2025 and \$62.4 million over the four-year financial plan period into the District's Local fund.

¹²⁰ Highway Trust Fund Establishment Act and the Water and Sewer Authority Amendment Act of 1996, effective April 9, 1997 (D.C. Law 11-184; D.C. Official Code § 9-111.01).

¹²¹ PA0 6630 – Local Transportation Revenue – Paygo.

¹²² The HTF requires \$41 million in fiscal year 2025 and \$181.1 million over the four-year financial plan period.

Subtitle (VII)(L) Right-of-Way Fee, Gas Tax, and Gas Surcharge Amendment Act of 2024					
Allocation of Right-of-Way Fees					
(\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Total ROW Fees	\$45,100	\$45,100	\$45,100	\$45,100	\$180,400
Less: Used for HTF	(\$10,781)	(\$16,041)	(\$17,296)	(\$17,535)	(\$61,627)
Less: Used for local transportation projects	(\$13,990)	(\$14,052)	(\$14,114)	(\$14,176)	(\$56,331)
Local Funds Increase/Local Transportation Fund decrease	\$20,321	\$15,026	\$13,682	\$13,380	\$62,409

Subtitle (VII)(M) – Non-Lapsing Account Repeals Amendment Act of 2024

Background

The subtitle repeals the following non-lapsing accounts:

- The Historic Landmark District Protection Fund¹²³
- The Common Lottery Board Fund^{124,125}
- The School Safety and Positive Climate Fund¹²⁶
- The Clean Rivers Impervious Area Charge Assistance Fund¹²⁷
- The Lead Service Line Priority Replacement Assistance Fund¹²⁸
- The H Street Retail Priority Area Grant Fund¹²⁹
- The Medical Cannabis Social Equity Fund¹³⁰

Financial Plan Impact

The budget and financial plan does not include any budget authority for any of the subtitle’s repealed funds. The subtitle impacts dedicated revenue available for the Healthy DC Fund. All dedicated taxes

¹²³ By amending Section 11b(k) of the Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.01)

¹²⁴ By amending Section 206 of the Department of Education Establish Act of 2007, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code 38-195).

¹²⁵ By amending Section 4122(g) of the My School DC EdFest Sponsorship and Advertising Act of 2015, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code 38-196.01(g)).

¹²⁶ By amending Section 207 of the Attendance Accountability Amendment Act of 2013, effective August 29, 2018 (D.C. Law 22-157; D.C. Official Code 38-236.07).

¹²⁷ Clean Rivers Impervious Area Charge Assistance Fund Amendment Act of 2019, effective September 11, 2019 (D.C. Law 23-16; D.C. Official Code § 8-151.13a).

¹²⁸ By amending The Lead Service Line Priority Replacement Assistance Act of 2004, effective December 7, 2004 (D.C. Law 15-205; D.C. Official Code § 34-2151 et seq.).

¹²⁹ By amending Sections 2, 3, and 4 of the H Street, N.E., Retail Priority Area Incentive Act of 2010, effective April 8, 2011 (D.C. Law 18-354; D.C. Official Code §§ 1-325.171, 1-325.172, and 1-325.173).

¹³⁰ By amending Section 9b of the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective September 21, 2022 (D.C. Law 24-167; D.C. Code § 7-1671.08b).

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from the sale of medical marijuana will be deposited into the Healthy DC Fund instead of the Medical Cannabis Social Equity Fund. Since both are dedicated tax funds, there is no net revenue change as a result of the elimination of the Medical Cannabis Social Equity Fund. The Healthy DC Fund will increase by \$312,000 in fiscal year 2025 and by \$6.51 million over the financial plan.

Medical Cannabis Social Equity Fund Repeal Change in Dedicated Tax Revenue (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Healthy DC Fund Revenue Increase	\$312	\$439	\$2,807	\$2,947	\$6,505
Medical Cannabis Social Equity Fund Revenue Decrease	(\$312)	(\$439)	(\$2,807)	(\$2,947)	(\$6,505)
Net Revenue Impact	\$0	\$0	\$0	\$0	\$0

Subtitle (VII)(N) – Non-Lapsing Fund Transfers Act of 2024

Background

The subtitle authorizes the Chief Financial Officer to transfer fund balance available in special purpose, dedicated tax, and segregated Local funds to the unassigned fund balance of the General Fund for use in the proposed fiscal year 2025 through fiscal year 2028 budget and financial plan. The affected funds and transfer amounts are listed in the chart below:

Subtitle (VII)(N) – Non-Lapsing Fund Transfers Act of 2024 Fund Balance Transfer			
Agency Code	Fund Number	Fund Name	Amount
AM0	1060206	Eastern Market Enterprise Fund	(\$27,870)
AM0	1011014	West End Library/Firehouse Maintenance	(\$911,844)
AT0	1060052	Recorder of Deeds Surcharge	(\$957,834)
BD0	1010107	Targeted Homeowner Grant Program	(\$67,223)
BG0	1010094	Disability Compensation Fund	(\$4,920,605)
BX0	1060004	Arts and Humanities Enterprise Fund	(\$2,529,845)
BX0	1011002	Dedicated Taxes	(\$4,558,566)
CB0	1060035	Child Support TANF/AFDC Collections	(\$1,894,662)
CB0	1060051	Child Support Interest Income	(\$2,428)
CE0	1010105	Library Collections Account	(\$2,754,755)
CE0	1060302	Revenue-Generating Activities	(\$449,024)
CF0	1060104	DC Jobs Trust Fund	(\$908,187)
CF0	1060103	Wage Theft	(\$194,856)
CF0	1060416	Apprenticeship Fees	(\$39,029)
CIO	1010095	Designated Fund Balance	(\$1)
CIO	1060009	Special Purpose Revenue Fund	(\$430,872)
CQ0	1060261	Rental Unit Fee Fund	(\$302,678)
CR0	1060283	Corporate Recordation Fund	(\$3,136,955)
CR0	1060267	Occupational and Professional Licensing Special Account	(\$1,298,839)
CR0	1060265	Real Estate Guarantee and Education Fund	(\$764,760)

Subtitle (VII)(N) – Non-Lapsing Fund Transfers Act of 2024			
Fund Balance Transfer			
Agency Code	Fund Number	Fund Name	Amount
CR0	1060277	DC Combat Sports Commission Fund	(\$412,351)
CR0	1060272	Basic Business License Fund	(\$229,500)
CR0	1060284	Vending Regulation Fund	(\$125,392)
CR0	1060266	Real Estate Appraisal Fee	(\$37,488)
DH0	1060129	Operating Utility Assessment	(\$847,584)
DJO	1060127	Advocate For Consumers	(\$44,008)
DX0	1010201	Technical Support and Assistance Fund	(\$353,520)
EBO	1060131	Economic Development Special Account	(\$1,001,307)
EBO	1011017	Walter Reed Redevelopment	(\$66,539)
EBO	1011016	St Elizabeth East Campus Redevelopment	(\$855,560)
ENO	1010108	Ward 7 and Ward 8 Entrepreneur Grant Fund	(\$5,520)
ENO	1060303	Streetscape Loan Relief Fund	(\$11,225)
FBO	1060016	FEMS Reform Fund	(\$2,000,000)
FLO	1060006	Corrections Trustee Reimbursement	(\$410,826)
FO0	1010043	Private Security Camera Incentive Fund	(\$354,539)
FO0	1010042	Community-Based Violence Reduction Fund	(\$300,000)
FX0	1060419	Medical Examiner Pathology and Toxicology	(\$244,760)
GA0	1060147	DCPS School Facility Fund	(\$1,140,372)
GB0	1060324	Administrative Fees	(\$1,000,000)
GD0	1010106	Special Education Enhancement Fund	(\$5,800,000)
GD0	1010110	Common Lottery Board Fund	(\$225,082)
GD0	1010112	School Safety and Positive Climate	(\$6,384)
GD0	1060102	Student Residency Verification Fund	(\$182,416)
GD0	1060107	Child Development Facilities Fund	(\$99,611)
GD0	1011008	Healthy Schools	(\$1,072,560)
GLO	1060106	State Athletic Acts Program and Office Fund	(\$147,696)
HA0	1060026	Enterprise Fund Account	(\$1,103,211)
HCO	1010001	General Purpose Local Fund	(\$3,783,461)
HCO	1010096	Health Professional Recruitment Fund	(\$457,097)
HCO	1010189	Howard University Hospital Centers of Excellence	(\$398,222)
HCO	1060151	Board of Medicine	(\$4,658,202)
HCO	1060050	SHPDA Fees	(\$1,162,624)
HCO	1060133	Pharmacy Protection	(\$448,527)
HCO	1060186	DOH Regulatory Enforcement Fund	(\$20,307)
HCO	1060171	ICF/MR Fees and Fines	(\$7,338)
HCO	1060166	SHPDA Admission Fee	(\$4,155)
HT0	1060386	Individual Insurance Market Affordability and Stability	(\$6,804,203)
HT0	1060128	Medicaid Collections-Third Party Liability	(\$2,824,833)
HT0	1060132	Bill of Rights (Grievances and Appeals)	(\$1,065,715)
HT0	1060137	Medicaid Recovery Audit Contractor	(\$1,401)
HT0	1011010	Hospital Assessment Tax	(\$137,629)
HT0	1011009	Stevie Sellows	(\$1,431,003)
HT0	1011011	DC Provider Fee	(\$6,306,930)

Subtitle (VII)(N) – Non-Lapsing Fund Transfers Act of 2024			
Fund Balance Transfer			
Agency Code	Fund Number	Fund Name	Amount
HT0	1011003	Nursing Homes Quality of Care Fund	(\$6,872,308)
HT0	1011007	Healthy DC Fund	(\$9,473,628)
HY0	1010001	General Purpose Local Fund	(\$1,455,600)
JA0	1060039	SSSI Payback	(\$188,089)
JZ0	1060421	US Marshall Detention Services Agreement	(\$192,317)
KA0	1060428	Vision Zero Enhance Omnibus Amendment Act	(\$4,346,555)
KA0	1060281	DC Circulator Fund NPS Mall Route	(\$596,249)
KA0	1060280	WMATA Projects	(\$334,084)
KA0	1060340	Vision Zero Pedestrian and Bicycle Safety	(\$203,307)
KE0	1060019	Parking Meter WMATA	(\$8,125,164)
KE0	1011002	Dedicated Taxes	(\$7,160,848)
KG0	1010161	CRIAC Relief Fund	(\$312,107)
KG0	1010181	Lead Service Line Replacement Fund	(\$94,175)
KG0	1060174	Renewable Energy Development Fund	(\$6,605,692)
KG0	1060184	Anacostia River Clean Up Fund	(\$1,862,803)
KG0	1060330	Energy Assistance Trust Fund	(\$1,252,216)
KG0	1060366	Pesticide Product Registration	(\$428,387)
KG0	1060154	Storm Water Fees	(\$174,061)
KG0	1060159	Product Stewardship Fund	(\$110,604)
KG0	1060058	Underground Storage Tank Fines and Fees	(\$101,457)
KG0	1060332	Special Energy Assessment Fund	(\$99,940)
KG0	1060314	DC Municipal Aggregation Program	(\$62,272)
KG0	1060181	Lead Service Line Replacement Fund	(\$58,487)
KG0	1060318	Benchmarking Enforcement Fund	(\$56,595)
KT0	1060288	Solid Waste Disposal Fee Fund	(\$1,622,607)
KT0	1060286	Solid Waste Diversion Fund	(\$255,160)
KT0	1060268	Super Can Program	(\$11,246)
KV0	1060310	Motor Vehicle Inspection Station	(\$5,016)
LQ0	1060374	ABC Import and Class License Fees	(\$346,000)
LQ0	1011002	Dedicated Taxes	(\$637,750)
PA0	1060422	Gas Surcharge Revenue Paygo	(\$125,562)
RJ0	1060146	Subrogation Fund	(\$666,956)
RJ0	1060196	Captive Insurance Fund	(\$134,455)
RM0	1060123	Agreement with Independent Agencies	(\$2,550,643)
RM0	1011012	Gambling Addiction Treatment and Research	(\$172,460)
SR0	1060242	Insurance Assessment	(\$845,823)
SR0	1060240	HMO Assessment	(\$13,331)
SR0	1060254	Foreclosure Mediation Fund	(\$4,000)
TC0	1060381	Public Vehicles for Hire Consumer Service	(\$193,065)
VA0	1060007	Office of Veterans Affairs Fund	(\$7,000)
Total			(\$131,497,950)

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Financial Plan Impact

The subtitle provides approximately \$131.50 million to balance the proposed fiscal year 2025 through fiscal year 2028 budget and financial plan.

Subtitle (VII)(O) – Subject to Appropriations Repeals

Background

The subtitle authorizes expenditures for laws, and portions of laws (see table below) which were passed subject to appropriations.

The subtitle modifies the subject to appropriations clause for the Secure DC Omnibus Amendment Act of 2024¹³¹ to reflect the inclusion of four provisions funded in the budget and financial plan. Section 2(b) creates a permanent Safe Commercial Corridor program, which is designed to serve businesses, residents, and visitors in a commercial neighborhood in order to maintain public and commercial space in that area and to improve public safety. Section 16 expands the existing private security camera incentive program to include two additional items—internal cameras, and rollbreak sensors—that can be rebated for small commercial properties. Section 28(c) establishes a pre-arrest diversion task force chaired by the Criminal Justice Coordinating Council. And Subsections 30(f), (g), (h), and (k) make changes to the standards considered for pretrial detention and release of adults, and expand the violent crimes for which there is a rebuttable presumption of detention. These changes to pretrial detention will sunset after 225 days.

The subtitle modifies the subject to appropriations clause for the Business and Entrepreneurship Support to Thrive Amendment Act of 2022¹³² to make the act effective as of October 1, 2025. The budget and financial plan include \$2.5 million in administrative costs for the Department of Licensing and Consumer Protection in fiscal year 2025, and a backfilling of lost special purpose revenue with Local funding of \$6.9 million annually beginning in fiscal year 2026, when reduced fees are expected to be effective.

Financial Plan Impact

The costs that have been funded in the budget and financial plan are listed on the following page for each law or act that will become effective under the subtitle:

¹³¹ Projected Law Date May 18, 2024 (D.C. Act 25-411; 71 DCR 2732).

¹³² Effective March 22, 2023 (D.C. Law 24-333; 70 DCR 1524).

Subtitle (VII)(O) - Subject to Appropriations Repeals					
(\$ in thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Section 2(b), Safe Commercial Corridors	\$2,323	\$2,329	\$2,335	\$2,342	\$9,330
Section 16, Private Security Incentive Program	\$322	\$328	\$334	\$340	\$1,323
Section 28 (c), CJCC Diversion Task Force	\$ 160	\$163	\$166	\$170	\$659
Section 30 (f), (g), (h), (k), Pretrial Detention for Adults	\$1,817	-	-	-	\$1,817
Total, Secure DC Omnibus Amendment Act of 2024	\$4,622	\$2,820	\$2,835	\$2,852	\$13,129
Business and Entrepreneurship Support to Thrive Amendment Act of 2022	\$2,500	\$6,998	\$6,998	\$6,998	\$6,998

Subtitle (VII)(P) - Reinstatement of Subject-to-Appropriation Provisions

Background

The subtitle reinstates a subject-to-appropriations provision for the Green Building Act of 2006¹³³ with regard to District-owned or District instrumentality-owned projects receiving building permits on or after January 1, 2026, until such time costs associated with those projects are included in an approved budget and financial plan.

The subtitle also reinstates a subject-to-appropriations provision for the CleanEnergy DC Omnibus Amendment Act of 2018¹³⁴ as it applies only to District-owned or District instrumentality-owned buildings.

Financial Plan Impact

The Department of General Services indicates that it will be unable to meet the requirements of the Green Building Act and the CleanEnergy DC Omnibus Amendment Act of 2018 within current resources for projects planned after January 1, 2026. However, current law provides for exemptions where site or project constraints prevent the laws’ required construction components. If such exemptions are granted they would mitigate a cost impact. If current planned projects have to meet current law requirements without exemptions, changes may need to be made to the Capital Improvements Plan.

¹³³ Effective March 8, 2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.02).

¹³⁴ Effective March 22, 2019 (D.C. Law 22-257; D.C. Official Code § 6-1451.02).