

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
1350 Pennsylvania Avenue, NW
Washington, DC 20004

MEMORANDUM

TO: Nyasha Smith, Secretary to the Council

FROM: Phil Mendelson, Chairman

DATE: June 17, 2019

RE: **Notice of intent to move an amendment in the nature of a substitute to the FY20 Budget Support Act at the June 18, 2019 Legislative Meeting**

This memorandum is to provide notice of my intent to move an Amendment in the Nature of a Substitute (ANS) for Bill 23-209, the “Fiscal Year 2020 Budget Support Act of 2019” (FY20 BSA) at tomorrow’s Legislative Meeting. The ANS is attached. It makes several revisions, as well as technical and clarifying changes developed with the Council’s Office of the Budget Director and Office of the General Counsel, the Office of the Chief Financial Officer, and the Executive. The changes are described briefly below.

TITLE I. GOVERNMENT DIRECTION AND SUPPORT

Subtitle D. Council Employee Student Loan Repayment Assistance Act of 2019: New subtitle establishes a student loan repayment program for eligible post-secondary loan repayment assistance to Council employees who have been employed with any Council office for one or more years as of the fiscal year in which funds are appropriated for such purpose.

Subtitle E. Fair Elections and Campaign Finance Reform Amendment Act of 2019: New subtitle reflects the content of Bill 23-282, the Fair Elections Emergency Amendment Act of 2019, enacted on May 22, 2019 (D.C. Act 23-50; 66 DCR 6583); amends the applicability clause of the Campaign Finance Reform Amendment Act of 2018, effective March 13, 2019 (D.C. Law 22-250; 66 DCR 985) to clarify which provisions are subject to appropriations, allowing those provisions that do not have a fiscal impact take effect when the BSA is effective; and amends the Campaign Finance Reform Amendment Act of 2018 to adjust for those provisions that are still subject to appropriations (i.e. all references to the Campaign Finance Board have been changed back to OCF/the Director until the provisions relating to the Campaign Finance Board and pay-to-play are funded).

TITLE II. ECONOMIC DEVELOPMENT AND REGULATION

Subtitle B. Tax Increment Financing Amendment Act of 2019: Clarifies that only the Union Market Infrastructure Corporation and the owner of the retail parking project are required as signatories to any of the closing documents.

Subtitle J. Wage and Hour Education Grants Program Act of 2019: Adds the Minimum Wage Act Revision Act of 1992, effective March 25, 1993 (D.C. Law 9-248; D.C. Official Code § 32-1001 *et seq.*), to the list of laws that may be included in education workshops.

Subtitle L. Short-Term Rental Zoning Analysis Amendment Act of 2019: Prohibits the issuance of building permits to the Robert F. Kennedy Memorial Stadium site and Franklin Park until the Office of Planning provides its short-term rental analysis to the Office of Zoning.

Subtitle O. East End and Opportunity Youth Careers Amendment Act of 2019: Clarifies for which purpose a sub-subparagraph applies.

Subtitle P. D.C. Central Kitchen Grant Extension Amendment Act of 2019: Conforms the language to the funding provided in the Fiscal Year 2020 Local Budget Act of 2019 (FY20 LBA) and strikes reference to the Fiscal Year 2019 Revised Local Budget Emergency Adjustment Act of 2019, which no longer applies.

Subtitle Q. Walter Reed Development Omnibus Amendment Act of 2019: Clarifies which provisions of the Small and Certified Business Enterprise Development and Assistance Act of 2005 and the First Source Employment Agreement Act of 1984 apply.

Subtitle U. Commission on the Arts and Humanities Independence and Funding Restructuring Amendment Act of 2019: Makes several changes clarifying the independence of the Commission within the D.C. government; restores the appointment of the Chairperson to the Mayor, with the advice and consent of Council; and conforms the language of the Arts and Humanities Fund and the Title 47 tax dedication to the language of the FY20 LBA.

Subtitle V. Real Estate Guaranty and Education Fund Amendment Act of 2019: New subtitle amends the sources of the Fund to include amounts as may be appropriated and adds standard non-lapsing language.

Subtitle W. Historic Preservation Review Board Membership Clarification Amendment Act of 2019: Clarifies that members of the HPRB whose terms have expired are subject to the 180-day holdover limitation imposed under the Merit Systems Personnel Act.

Subtitle X. Funds for Ward 1 Public Housing Properties Amendment Act of 2019: New subtitle adds a requirement to the D.C. Housing Authority Rehabilitation and Maintenance Fund (R&M Fund) that in FY20 no less than \$1 million be expended on the repair and maintenance of public housing properties located within the boundaries of Ward 1; prohibits R&M Fund spending on administrative and overhead costs not directly attributable to maintenance and repair projects; and amends the Adams Morgan Hotel Real Property Tax Abatement Act of 2010 to move the start of the abatement to no earlier than October 1, 2020.

Subtitle Y. Short-Term Rental Funding Act of 2019: New subtitle directs local fiscal year recurring revenues in the June 2019 and subsequent revenue estimates that exceed the annual revenue estimate incorporated in the FY20 budget and financial plan to fund the revenue loss attributed to the provisions of the Short-Term Rental Regulation Act. This is necessary because

the CFO disregarded the Council's direction to fund the purported revenue loss from previous quarterly revenue estimates.

TITLE III. PUBLIC SAFETY AND JUSTICE

Subtitle K. Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2019: For balancing purposes, restores the 0.80 per night hotel tax that will fund the E911 Fund and expands the revenue sources of the Fund to include local appropriations, but this may be eliminated by a subsequent amendment if alternative sources of revenue are approved by the Council.

TITLE IV: PUBLIC EDUCATION

Subtitle A. Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Increases: Corrects the rounding of amounts in the funding formula chart and adds language to direct \$5.353 million of the Council's increase to DCPS to the 31 schools that received funding cuts in the Mayor's proposed budget.

Subtitle G. Student Fair Access to School Clarification Amendment Act of 2019: Strikes language to clarify the Department of Behavioral Health's responsibilities.

Subtitle K. Self-Operated School Food Service Amendment Act of 2019: Consolidates the reporting requirements and makes minor clarifying changes.

Subtitle L. Truancy Prevention and Literacy Pilot: Updates the amount of two grants from \$250,000 each to \$300,000 each to reflect the funding in the FY20 LBA.

Subtitle O. Healthy Schools Funding Clarification Amendment Act of 2019: Amends the Healthy Schools Fund to include the increased dedicated taxes realized from subtitle VII-G, the Healthy Kids Revenue Amendment Act of 2019.

TITLE V. HEALTH AND HUMAN SERVICES

Subtitle H. Department of Health Care Finance Grant-Making Amendment Act of 2019: Makes minor clarifying changes and changes the report due date for the medical respite grant.

Subtitle J. Not-for-Profit Hospital Corporation Fiscal Oversight and Transition Planning Amendment Act of 2019: Updates the funding amount for the hospital in FY20 to reflect the amount included in the FY20 LBA; makes related conforming and clarifying amendments; increases the control board from 7 to 9 members and includes 2 seats for union representation; and amends the certificate of need waiver requirements.

Subtitle K. D.C. Healthcare Alliance Reform Amendment Act of 2019: Strikes the D.C. Healthcare Recertification Pilot Program, as funding was removed by amendment at the second reading of the FY20 LBA.

Subtitle M. Leverage for Our Future Amendment Act of 2019: New subtitle establishes home visiting pilot program for income eligible first-time mothers through a Department of Health \$150,000 competitive grant, which was funded in the FY20 LBA.

Subtitle N. Senior Strategic Plan Amendment Act of 2019: New subtitle amends Bill 22-686 (funded in the FY20 LBA) to add requirements to the strategic plan for consideration of the needs of senior District residents with disabilities that prevent them from caring for themselves and directs the agency to examine the needs of middle-income aged District residents who do not qualify for Medicaid but who also cannot afford to pay for long-term care out of pocket. Studies estimate that, nationally, the middle-income aged population will nearly double by 2029, and the District will need to proactively plan for how to ensure services for those residents.

Subtitle O. Birth-to-Three for All DC Amendment Act of 2019: Moves a responsibility from DOH to OSSE to reflect the correct implementing agency and the funding in the FY20 LBA, updates funding requirements to reflect funding in the FY20 LBA, and updates the applicability provision to remove sections that are now funded.

TITLE VI. TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle E. Student, Foster Youth, Summer Youth Employee, and Adult Learner Transit Subsidies Act of 2019: Adds the word “regular” to modify the type of roundtrip Metrobus fare provided to an SYEP participant; this change was necessary to accommodate the level of funding provided in the FY20 LBA.

Subtitle L. Congestion Pricing Study Amendment Act of 2019: Includes a provision necessary for DDOT to have authority to spend the FY20 LBA funding and corrects the name of DC Surface Transportation.

Subtitle M. Lead Service Line Fund Amendment Act of 2019: New subtitle creates a non-lapsing fund for the amounts appropriated in the FY20 LBA for lead service line replacement.

TITLE VII. FINANCE AND REVENUE

Subtitle A. Keep Child Care Affordable Tax Credit Amendment Act of 2019: Makes technical and clarifying amendments, including a January 1, 2019 applicability, at the request of the OCFO.

Subtitle B. Keep Housing Affordable Increased Property Tax Relief Amendment Act of 2019: Makes several technical and clarifying changes, including a January 1, 2019 applicability, in concert with and at the request of the OCFO.

Subtitle C. Deed Recordation and Transfer Taxes Amendment Act of 2019: At the request of the OCFO, includes correct language for imposing a 1.05% surtax on the recordation of certain security interest instruments; this correction is necessary to achieve the funding incorporated in the FY19 LBA.

Subtitle D. Internet Sales Tax Revenue Amendment Act of 2019: Conforms the subtitle with the language included in Bill 23-205, the Fiscal Year 2019 Revised Local Budget Adjustment Act of 2019.

Subtitle F. Sports Wagering Revenue Amendment Act of 2019: Reverts the 2-block radius language in new section 306(e) to the language provided in the Committee on Finance and Revenue committee report.

Subtitle G. Healthy Kids Revenue Amendment Act of 2019: Corrects punctuation.

Subtitle H. Washington Parks & People Equitable Real Property Tax Relief Act of 2019: Clarifies through which month the relief extends.

Subtitle I. National Cherry Blossom Matching Grant Act of 2019: Updates the amount of the matching grant to match the funding in the FY20 LBA.

Subtitle J. Senior Residents Real Property Tax Cap Clarification Amendment Act of 2019: Restores a subsection that was inadvertently omitted in the committee print but that was included at the request of the OCFO by the Committee on Finance and Revenue in its report; the language ensures that the credit attributable to a senior is actually passed on to that senior's household and not shared among the cooperative as a whole.

Subtitle L. Lease Assignment Authority Amendment Act of 2019: This subtitle is struck.

Subtitle M. Expenditure Commission Establishment Act of 2019: Clarifies the Commission's purpose, scope, and authority.

Subtitle N. Nonprofit Workforce Housing Properties Real Property Tax Exemption Amendment Act of 2019: Adjusts the percentage of units and the income levels; clarifies when incomes are calculated; limits total rent paid for any individual unit to the Housing Choice Voucher Program submarket rent established annually by the D.C. Housing Authority; adds requirements for the indigency reserve; requires certification to the Department of Housing and Community Development and the Office of Tax and Revenue by an independent compliance monitor; expressly limits the tax exemption to the time the property owner remains eligible; and makes other clarifying changes.

Subtitle O. Subject-to-Appropriations Amendment Act of 2019: Adds other measures that were funded in the FY20 LBA.

Subtitle Q. Events DC Grant-Making Authority Amendment Act of 2019: Adds language regarding the availability of funds and that the Authority first satisfy current liabilities and legally required reserves, not to include the elective purchase or redemption of outstanding indebtedness; and directs any unobligated proceeds from the sale of the Marriot Marquis leasehold to be held by the Authority for large capital grants.

Subtitle R. Washington Convention Center and Sports Authority Unrestricted Reserves Amendment Act of 2019: This subtitle is struck.

Subtitle S. Downloading Lost Revenues Amendment Act of 2019: Removes the specific funding allocations as those were included directly in agency budgets on a recurring basis and makes a number of technical and clarifying changes at the request of the OCFO.

Subtitle T. Washington Convention Center and Sports Authority Excess Cash Amendment Act of 2019: Directs 50% of any excess revenue at the end of FY19 be transferred, in cash, to the DCHA Rehabilitation and Maintenance Fund for public housing repairs; and repeals section 3(1) of the Washington Convention Center Authority Dedicated Tax Revenue Bond Resolution of 1998, which authorized the Authority to retain three times the annual Operating and Marketing expenditures.

Subtitle U. Events DC Expenditure Authority Amendment Act of 2019: New subtitle prohibits Events DC from obligating or expending funds in FY19 or FY20 to purchase the Robert F. Kennedy Memorial Stadium or to induce a National Football League team to locate in the District; and requires Events DC to provide detailed information regarding its capital improvement plans.

TITLE VIII. SPECIAL PURPOSE AND DEDICATED REVENUE FUND AMENDMENTS AND TRANSFERS

Designated Fund Transfer: Strikes the sweeps in subsection (a) that were enacted on an emergency basis in the FY 2019 Revised Local Budget Emergency Adjustment Act of 2019; and replaces subsections (a) and (b) to reflect the sweeps made in the FY20 LBA.

TITLE IX. CAPITAL BUDGET

Fiscal Year 2020 Capital Project Reallocation Approval Act of 2019: This subtitle is struck because it was enacted on an emergency basis in the FY 2019 Revised Local Budget Emergency Adjustment Act of 2019.

A copy of the proposed ANS is attached. Please contact Jennifer Budoff, Council Budget Director, at 724-5689 if you have any questions.

cc: All Councilmembers
Council Officers