

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
FISCAL YEAR 2020 COMMITTEE BUDGET REPORT



DRAFT 5/1

TO: Members of the Council of the District of Columbia

FROM: Chairman Phil Mendelson
Committee of the Whole

DATE: May 2, 2019

SUBJECT: Report and Recommendations of the Committee of the Whole on the
Fiscal Year 2020 Budget and Corresponding Budget Support Act

The Committee of the Whole, having conducted hearings and received testimony on the Mayor’s proposed fiscal year 2020 operating and capital budgets for the agencies under its purview, reports its recommendations for consideration by members for inclusion in the final Fiscal Year 2020 Budget. The Committee also comments on several subsections of the Fiscal Year 2020 Budget Support Act of 2019, and makes its own additional proposals.

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INTRODUCTION

Introduction to this Report

This report presents the Council of the District of Columbia Committee of the Whole's recommendations regarding funding allocations for the fiscal year 2020 budget for the agencies under the Committee's purview. In addition, the Committee comments on policy priorities and concerns raised during performance oversight and budget hearings, provides comments and amendments on the Mayor's proposed Budget Support Act subtitles, and proposes its own additional subtitles.

Committee of the Whole, Overview

The Committee of the Whole ("Committee") is currently one of eleven standing committees of the Council. The Committee of the Whole (COW) is responsible for the annual budget; regional, Congressional, and Federal relations; planning, zoning; truancy and elementary and secondary education (jointly with the Committee on Education); consumer and regulatory affairs; the University of the District of Columbia, and District government autonomy, including Statehood; and any other matters assigned to it by the Council's Rules or by the Chairman.

The Chairman of the Council is the Chairman of the Committee of the Whole and its members include all members of the Council. In addition to its oversight and legislative responsibilities, the Committee reviews all measures reported from other committees for completeness of the record, legal sufficiency, and adherence to rules regarding fiscal impact. The District

agencies that come under the purview of the Committee are as follows:

- Board of Industrial Trades
- Board of Zoning Adjustment
- Commemorative Works Committee
- Construction Codes Coordinating Board
- Council of the District of Columbia
- Department of Consumer and Regulatory Affairs
- District of Columbia Auditor
- District of Columbia Retirement Board, including the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the Teachers' Retirement Fund
- District Retiree Health Contribution
- Historic Preservation Review
- Law Revision Commission
- New Columbia Statehood Commission
- Office of Budget and Planning
- Office of the Statehood Delegation
- Other Post-Employment Benefits Fund
- Tax Revision Commission
- University of the District of Columbia
- Zoning Commission

In addition to the above, the following entities are under the Committee's purview, but are not part of the District government, and the Committee's jurisdiction is therefore limited:

- Metropolitan Washington Airports Authority
- Metropolitan Washington Council of Governments
- National Capital Planning Commission

Committee Review of the Budget

The Committee is charged with oversight over the performance and annual operating and capital budgets of the above agencies included in the budget.

On March 20, 2019, Mayor Bowser submitted to the Council a proposed Fiscal Year 2020 Budget and Financial Plan that allocates resources for programs and services for the upcoming fiscal year. How funds are allocated represents the Administration's policy priorities.

In order to review the Mayor's budget proposal, determine the needs of each agency under its jurisdiction, and provide the public with an opportunity to comment, the Committee held budget hearings for each of the agencies under its purview as shown in the tables below. On April 26, 2019, the Committee also held a hearing on both the Local Budget Act, the Federal Funds Portion Budget Act, and the Budget Support Act overall.

The Committee received hours of testimony, from both government and public witnesses. Typical of Council committee budget reports, testimony and written statements are made a part of the record but are not attached to the report.

The Committee has listened to extensive testimony from the public and agency heads to better understand the operations and needs of the various agencies. In this report, the Committee provides analysis of the budget requests, states its concerns, makes revisions, and offers budget policy recommendations.

As such, the Committee presents its recommendations for the District's fiscal year 2020 budget that the Committee believes that the recommendations contained herein provide each agency under its purview with the funds necessary to fulfill its core mission and represent the policy priorities that best serve the people of the District of Columbia.

Committee of the Whole/Education Fiscal Year 2020 Joint Budget Hearing Schedule

Friday, **March 29, 2019** at 10:00 a.m. in Room 412

- District of Columbia Public Schools (Public Witnesses)

Thursday, **April 4, 2019** at 10:00 a.m. in Room 120

- District of Columbia Public Charter School Board

Tuesday, **April 9, 2019** at 10:30 a.m. in Room 412

- Office of the State Superintendent of Education

Tuesday, **April 24, 2019** at 10:00 a.m. in the Council Chamber

- District of Columbia Public Schools (Government Witnesses)

Thursday, **April 25, 2019** at 10:00 a.m. in Room 412

- Deputy Mayor for Education

Committee of the Whole Fiscal Year 2020 Budget Hearing Schedule

Monday, **March 25, 2019** at 10:30 a.m. in Room 412

- | | |
|--|---|
| ▪ Metropolitan Washington Council of Governments | ▪ District of Columbia Auditor |
| ▪ New Columbia Statehood Commission | ▪ Office of Budget and Planning |
| ▪ Council of the District of Columbia | ▪ Other-Post Employment Benefits |
| | ▪ District of Columbia Retirement Board |

Monday, **March 26, 2019** at 11:00 a.m. in the Council Chamber

- | | |
|--|----------------------|
| ▪ University of the District of Columbia | ▪ Office of Planning |
| ▪ Office of Zoning | |

Wednesday, **March 27, 2019** at 10:00 a.m. in Room 412

- Department of Consumer and Regulatory Affairs

Friday, **April 5, 2019** at 10:00 a.m. in the Council Chamber

- Commission on the Arts and Humanities

Wednesday, **April 10, 2019** at 10:30 a.m. in Room 123

- Washington Convention and Sports Authority/ Events DC

Committee of the Whole/Education 2018/2019 Joint Performance Hearing Schedule

Friday, **February 15, 2019** at 10:00 a.m. in Room 120

- Deputy Mayor for Education
- District of Columbia Public Charter School Board

Thursday, **February 21, 2019** at 10:00 a.m. in Room 412

- Office of the State Superintendent of Education

Tuesday, **February 26, 2019** at 12:00 p.m. in the Council Chamber

- District of Columbia Public Schools

Committee of the Whole 2018/2019 Performance Hearing Schedule

Thursday, **February 21, 2019** at 9:30 a.m. in Room 412

- Metropolitan Washington Council of Governments

Monday, **February 25, 2019** at 10:30 a.m. in Room 123

- Metropolitan Washington Airports Authority
- New Columbia Statehood Commission
- District of Columbia Auditor
- Office of Budget and Planning
- Other Post-Employment Benefits
- District of Columbia Retirement Board

Wednesday, **February 27, 2019** at 10:00 a.m. in Room 412

- Department of Consumer and Regulatory Affairs

Thursday, **February 28, 2019** at 10:00 a.m. in the Council Chamber

- University of the District of Columbia
- Office of Zoning
- Office of Planning

SUMMARY TABLES

AGENCY OPERATING BUDGET SUMMARY TABLE

(dollars in thousands)

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 2020 Committee	Committee Change	Percent Change
Council of the District of Columbia (AB)						
Local Funds	24,064	26,879	28,077	28,217	140	0.5%
Private Funds	80		0	0	0	0.0%
Intra-District	0	35	35	35	0	0.0%
Gross Funds	24,144	26,914	28,112	28,252	140	0.5%
Office of the District of Columbia Auditor (AC)						
Local Funds	5,945	6,229	5,613	5,613	0	0.0%
Gross Funds	5,945	6,229	5,613	5,613	0	0.0%
Metropolitan Washington Council of Governments (EA)						
Local Funds	520	542	554	554	0	0.0%
Gross Funds	520	542	554	554	0	0.0%
Statehood Initiatives Agency (ST)						
Local Funds	324	242	245	245	0	0.0%
Private Funds	21	0	0	0	0	0.0%
Gross Funds	345	242	245	245	0	0.0%
Office of Budget and Planning (AT)						
Local Funds	6,026	6,317	6,319	6,319	0	0.0%
Gross Funds	6,026	6,317	6,319	6,319	0	0.0%
Office of Planning (BD)						
Local Funds	9,744	10,231	13,684	13,784	100	0.7%
Special Purpose	132	200	200	200	0	0.0%
Federal Funds	667	547	525	525	0	0.0%
Private Funds	86	10	10	10	0	0.0%
Gross Funds	10,629	10,988	14,419	14,519	100	0.7%
Office of Zoning (BJ)						
Local Funds	2,855	3,117	3,161	3,161	0	0.0%
Intra-District	16	24	24	24	0	0.0%
Gross Funds	2,871	3,141	3,185	3,185	0	0.0%
Department of Consumer and Regulatory Affairs (CR)						
Local Funds	23,150	23,202	27,160	27,068	(92)	-0.3%
Special Purpose	33,976	37,527	40,422	40,422	0	0.0%

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 2020 Committee	Committee Change	Percent Change
Intra-District Gross Funds	27 57,153	0 60,729	0 67,582	0 67,490	0 (92)	0.0% -0.1%
District of Columbia Retirement Board (DY)						
Enterprise/Other Gross Funds	41,644 41,644	43,579 43,579	42,836 42,836	42,836 42,836	0 0	0.0% 0.0%
Police Officers' and Fire Fighters' Retirement System (FD)						
Local Funds Gross Funds	105,596 105,596	92,322 92,322	93,061 93,061	93,061 93,061	0 0	0.0% 0.0%
Teachers' Retirement System (GX)						
Local Funds Gross Funds	58,844 58,844	53,343 53,343	58,888 58,888	58,888 58,888	0 0	0.0% 0.0%
Commission on the Arts and Humanities (BX)						
Local Funds	27,758	2,862	33,499	2,996	(30,503)	-91.1%
Dedicated Taxes	0	28,138	0	30,503	30,503	N/A
Special Purpose	0	199	133	133	0	0.0%
Federal Funds	710	0	714	714	0	0.0%
Intra-District	150	168	160	160	0	0.0%
Gross Funds	28,618	31,367	34,506	34,506	0	0.0%
Washington Convention and Sports Authority (ES)						
Enterprise/Other Gross Funds	160,216 160,216	200,612 200,612	213,801 213,801	213,801 213,801	0 0	0.0% 0.0%
Convention Center Transfer (EZ)						
Local Funds	300	0	0	0	0	0.0%
Dedicated Taxes	141,448	155,543	149,497	149,497	0	0.0%
Special Purpose	1,498	3,415	3,730	3,730	0	0.0%
Gross Funds	143,246	158,958	153,227	153,227	0	0.0%
Other Post Employment Benefits Administration (UB)						
Enterprise/Other Gross Funds	0 0	6,763 6,763	9,069 9,069	9,069 9,069	0 0	0.0% 0.0%
District Retiree Health Contribution (RH)						
Local Funds Gross Funds	44,500 44,500	46,000 46,000	47,300 47,300	47,300 47,300	0 0	0.0% 0.0%
University of the District of Columbia (GC)						

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 2020 Committee	Committee Change	Percent Change
Local Funds		0	0	0	0	0.0%
Enterprise/Other	161,935	171,309	169,116	169,116	0	0.0%
Gross Funds	161,935	171,309	169,116	169,116	0	0.0%
University of the District of Columbia Subsidy Account (GF)						
Local Funds	80,000	87,353	90,153	90,303	150	0.2%
Gross Funds	80,000	87,353	90,153	90,303	150	0.2%
Debt Service (DS)						
Local Funds	687,980	753,610	816,545	816,545	0	0.0%
Dedicated Taxes	7,822	7,839	7,839	7,839	0	0.0%
Special Purpose	5,531	5,753	5,983	5,983	0	0.0%
Federal Funds	17,951	17,525	18,465	18,465	0	0.0%
Gross Funds	719,284	784,727	848,832	848,832	0	0.0%
Pay-As-You-Go Capital Fund (PA)						
Local Funds	76,251	4,421	20,061	22,211	2,150	10.7%
Special Purpose	46,771	82,046	81,679	81,679	0	0.0%
Gross Funds	123,022	86,467	101,740	103,890	2,150	2.1%
John A. Wilson Building Fund (ZZ)						
Local Funds	4,014	4,726	3,807	3,807	0	0.0%
Gross Funds	4,014	4,726	3,807	3,807	0	0.0%
Washington Metropolitan Area Transit Commission (KC)						
Local Funds	141	151	158	158	0	0.0%
Gross Funds	141	151	158	158	0	0.0%
Purchase Card Transactions (PX)						
Intra-District	34,157	36,000	36,000	36,000	0	0.0%
Gross Funds	34,157	36,000	36,000	36,000	0	0.0%
Tax Increment Financing (TIF) Program (TX)						
Enterprise/Other	47,790	60,377	64,352	64,352	0	0.0%
Gross Funds	47,790	60,377	64,352	64,352	0	0.0%
Repayment of PILOT Financing (TY)						
Enterprise/Other	27,519	54,123	57,965	57,965	0	0.0%
Gross Funds	27,519	54,123	57,965	57,965	0	0.0%
Non-Departmental (DO)						
Local Funds	0	2,050	1,750	2,000	250	14.3%
Special Purpose	0	4,222	3,461	3,461	0	0.0%
Gross Funds	0	6,272	5,211	5,461	250	4.8%

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 2020 Committee	Committee Change	Percent Change
Master Equipment Lease/Purchase Program (EL)						
Local Funds	19,254	11,844	4,486	4,486	0	0.0%
Gross Funds	19,254	11,844	4,486	4,486	0	0.0%
Transfer In from Other Committees/New Revenue						
Local Funds				3,635	3,635	N/A
Gross Funds				3,635	3,635	N/A
Transfer Out to Other Committees						
Local Funds				0	0	0.0%
Gross Funds				0	0	0.0%
TOTAL COMMITTEE EXPENDITURES						
Local Funds	1,177,266	1,135,441	1,254,521	1,226,716	-27,805	-2.2%
Dedicated Taxes	149,270	191,520	157,336	187,839	30,503	19.4%
Special Purpose	87,908	133,362	135,608	135,608	0	0.0%
Enterprise/Other	439,104	536,763	557,139	557,139	0	0.0%
Federal Funds	19,328	18,072	19,704	19,704	0	0.0%
Private Funds	187	10	10	10	0	0.0%
Intra-District	34,350	36,227	36,219	36,219	0	0.0%
Gross Funds	1,907,413	2,051,395	2,160,537	2,163,235	2,698	0.1%

AGENCY FULL-TIME EQUIVALENT SUMMARY TABLE

(by all funding sources)

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 20120 Committee	Committee Change	Percent Change
Council of the District of Columbia (AB)						
Local Funds	193.0	205.0	206.0	206.0	0.0	0.0%
Private Funds	1.0	0.0	0.0	0.0	0.0	0.0%
Gross Funds	194.0	205.0	206.0	206.0	0.0	0.0%
Office of the District of Columbia Auditor (AC)						
Local Funds	30.4	32.6	31.6	31.6	0.0	0.0%
Gross Funds	30.4	32.6	31.6	31.6	0.0	0.0%
Metropolitan Washington Council of Governments (EA)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Statehood Initiatives Agency (ST)						
Local Funds	1.0	1.0	1.0	1.0	0.0	0.0%
Gross Funds	1.0	1.0	1.0	1.0	0.0	0.0%
Office of Budget and Planning (AT)						
Local Funds	42.0	41.0	41.0	41.0	0.0	0.0%
Gross Funds	42.0	41.0	41.0	41.0	0.0	0.0%
Office of Planning (BD)						
Local Funds	68.5	71.5	72.5	72.5	0.0	0.0%
Federal Funds	3.5	3.5	3.5	3.5	0.0	0.0%
Gross Funds	72.0	75.0	76.0	76.0	0.0	0.0%
Office of Zoning (BJ)						
Local Funds	18.0	18.0	18.0	18.0	0.0	0.0%
Gross Funds	18.0	18.0	18.0	18.0	0.0	0.0%
Department of Consumer and Regulatory Affairs (CR)						
Local Funds	152.4	187.0	185.0	203.0	18.0	9.7%
Special Purpose	257.0	264.0	270.0	270.0	0.0	0.0%
Gross Funds	409.4	451.0	455.0	473.0	18.0	4.0%
District of Columbia Retirement Board (DY)						
Enterprise/Other	75.0	75.0	75.0	75.0	0.0	0.0%
Gross Funds	75.0	75.0	75.0	75.0	0.0	0.0%
Police Officers' and Fire Fighters' Retirement System (FD)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 20120 Committee	Committee Change	Percent Change
Teachers' Retirement System (GX) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Commission on the Arts and Humanities (BX) Local Funds	19.2	0.0	32.0	18.0	-14.0	-43.8%
Dedicated Taxes	0.0	27.0	0.0	9.0	9.0	N/A
Federal Funds	6.8	0.0	6.0	6.0	0.0	0.0%
Gross Funds	26.0	27.0	38.0	33.0	-5.0	-13.2%
Washington Convention and Sports Authority (ES) Enterprise/Other	0.0	968.4	968.4	968.4	0.0	0.0%
Gross Funds	0.0	968.4	968.4	968.4	0.0	0.0%
Convention Center Transfer (EZ) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Other Post Employment Benefits Administration (UB) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
District Retiree Health Contribution (RH) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
University of the District of Columbia (GC) Local Funds	0.0	40.0	0.0	0.0	0.0	0.0%
Enterprise/Other	968.4	968.4	968.4	968.4	0.0	0.0%
Gross Funds	968.4	1008.4	968.4	968.4	0.0	0.0%
University of the District of Columbia Subsidy Account (GF) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Debt Service (DS) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Pay-As-You-Go Capital Fund (PA) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
John A. Wilson Building Fund (ZZ) Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Washington Metropolitan Area Transit Commission (KC)						

Agency	FY 2018 Actual	FY 2019 Approved	FY 2020 Mayor	FY 20120 Committee	Committee Change	Percent Change
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Purchase Card Transactions (PX)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Tax Increment Financing (TIF) Program (TX)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Repayment of PILOT Financing (TY)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Non-Departmental (DO)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Master Equipment Lease/Purchase Program (EL)						
Gross Funds	0.0	0.0	0.0	0.0	0.0	0.0%
Transfer In from Other Committees/New Positions						
Gross Funds				0.0	0.0	0.0%
Transfer Out to Other Committees						
Local Funds				0.0	0.0	0.0%
Gross Funds				0.0	0.0	0.0%
NET EXPENDITURES						
Local Funds	524.5	596.1	587.1	591.1	4.0	0.7%
Dedicated Taxes	0.0	27.0	0.0	9.0	9.0	N/A
Special Purpose	257.0	264.0	270.0	270.0	0.0	0.0%
Enterprise/Other	1043.4	2011.8	2011.8	2011.8	0.0	0.0%
Federal Funds	10.3	3.5	9.5	9.5	0.0	0.0%
Private Funds	1.0	0.0	0.0	0.0	0.0	0.0%
Intra-District	0.0	0.0	0.0	0.0	0.0	0.0%
Gross Funds	1836.2	2902.4	2878.4	2891.4	13.0	0.5%

Committee of the Whole
Summary Narrative: Budget and Policy Recommendations

AGENCY FY 2020 CAPITAL BUDGET SUMMARY TABLE
(thousands of dollars)

The Mayor's proposed fiscal year 2020 capital budget for agencies under the purview of the Committee of the Whole includes the following capital projects in fiscal year 2020. The Committee recommends adoption of the capital budget as shown below.

Project No.	Project Title	Available Allotments	FY 2020 Budget	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total FY 2020-2025
COUNCIL OF THE DISTRICT OF COLUMBIA									
WIL04C	John A. Wilson Building Fund	2,267	0	0	0	0	0	0	0
WIL05C	IT Upgrades	1,334	0	0	0	0	0	0	0
	Total	3,601	0	0	0	0	0	0	0
OFFICE OF ZONING									
JM102C	Zoning Information Technology Systems	120	125	180	186	0	0	0	491
	Total	120	125	180	186	0	0	0	491
COMMISSION ON THE ARTS AND HUMANITIES									
CTN04C	Chinatown Friendship Archway Renovation	425	0	0	0	0	0	0	0
	Total	425	0	0	0	0	0	0	0
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS									
ISM07C	IT Systems Modernization	1,293	1,800	3,000	2,875	4,000			11,675
ISM11C	DCRA Business Portal	94	3,000	2,000	0	0	0	0	5,000
NEW	Short-Term Rental Technology	0	2,150	0	0	0	0	0	2,150
	Total	1,387	6,950	5,000	2,875	4,000	0	0	18,825
UNIVERSITY OF THE DISTRICT OF COLUMBIA									
ET940C	Higher Education Back Office	1,522	0	0	0	0	0	0	0
UG706C	IT Upgrades	68,252	12,000	8,000	40,000	10,000	25,000	25,000	120,000
	Total	69,774	12,000	8,000	40,000	10,000	25,000	25,000	120,000
	GRAND TOTAL	75,307	19,075	13,180	43,061	14,000	25,000	25,000	139,316

Committee of the Whole
Summary: Budget and Policy Recommendations

COMMITTEE TRANSFERS AND NEW REVENUE
(whole dollars)

Committee	Description	Amount	Type
Committee on Facilities and Procurement	Accept funding to support the Universal Per Student Funding Formula for schools	\$500,000.00	Local (Recurring)
Committee on Transportation and the Environment	Accept funding for 1.0 FTE at DCRA to implement Title II of the Structured Settlements and Automatic Renewal Protections Act of 2018 (D.C. Law 22-235)	\$99,913.00	Local (Recurring)
Committee on Transportation and the Environment	Accept funding to implement the Leaf Blower Regulation Amendment Act (D.C. Law 22-225)	\$291,000.00	Local (Recurring)
Committee on Transportation and the Environment	Accept funding for a study by the Office of Planning to implement the Healthy Students Amendment Act of 2017 (D.C. Law 22-240)	\$100,000.00	Local (One-Time)
Committee on Business and Economic Development	Accept funding for a statue of a prominent female native Washingtonian	\$250,000.00	Local (One-Time)
Committee on the Judiciary and Public Safety	Accept funding for a lactation pod in the Council	\$40,000.00	Local (One-Time)
Committee on the Judiciary and Public Safety	Accept funding to implement a student loan repayment program for Council employees	\$100,000.00	Local (Recurring)
Committee on the Judiciary and Public Safety	Accept funding for IT systems at DCRA to implement the Repeat Parking Violations Amendment Act of 2018 (D.C. Law 22-298)	\$10,000.00	Local (Recurring)
Committee on the Judiciary and Public Safety	Accept funding for IT systems at DCRA to implement the Repeat Parking Violations Amendment Act of 2018 (D.C. Law 22-298)	\$100,000.00	Local (One-Time)
Committee on Recreation and Youth Affairs	Accept funding for UDC Law School participation in DC Affordable Law Firm	\$150,000.00	Local (One-Time)
New Revenue	Recognize fund balance from DCRA Basic Business License Fund	\$300,268.00	Local (One-Time)
New Revenue	Recognize fund balance from DCRA Expedited Building Permit Review Fund	\$2,000,000.00	Local (One-Time)
	Total:	\$3,941,181.00	

SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

The following is a summary of changes and recommendations made by the Committee to the fiscal year 2020 budget as proposed by the Mayor for each agency under the Committee's purview. This summary lists changes to the operating budget and capital budget, as well as policy recommendations relevant to each agency.

Council of the District of Columbia **(AB)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor with an increase of **\$100,000** for a student loan repayment program for Council staff and **\$40,000** for a lactation pod to be installed in the Wilson Building.

Office of the District of Columbia Auditor **(AC)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that the Auditor and the Council work with the Executive to identify space in the Wilson building for the Auditor in anticipation of the lease expiration in 2021.

Metropolitan Washington Council of Governments **(EA)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that the Metropolitan Washington Council of Governments should continue to implement programs and policies to increase regional cooperation and foster regionalism, especially leading the charge for securing state and federal funding for WMATA.
- The Committee recommends that the Metropolitan Washington Council of Governments continue to aid the Metrorail Safety Commission as needed before the transfer of responsibilities is completed.
- The Committee recommends that the Metropolitan Washington Council of Governments continue to work with the Blue Plains Intermunicipal Agreement Committee to determine whether the cost allocation formulas need to be modified.

Statehood Initiatives **(AR)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that the Commission convene to adopt a FY 2020 budget based on the budget approved by the Council ahead of the new fiscal year.

Committee of the Whole
Summary: Budget and Policy Recommendations

- The Committee recommends that the Commission develop a comprehensive, multi-year strategy to achieve statehood and develop future budget requests to support the plan.
- The Committee recommends that in FY 2020 the members of the Delegation track the number of meetings each of them has with members of Congress or their staff and provide details on the outcomes of those meetings.

Office of Budget and Planning ***(AT1)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that OCFO work swiftly to develop the full requirements for the new Integrated Financial System to avoid further delay in replacing SOAR.

Office of Planning ***(BD)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor with an increase of **\$100,000** to fund a report on food services to implement D.C. Law 22-240.

Policy Recommendations:

- The Committee recommends that OP provide quarterly updates to the Council on District Census activities to promote successful coordination.
- The Committee recommends that OP work expeditiously to assemble and facilitate the Cultural Planning Steering Committee pursuant to D.C. Code § 39-231(3)(b)(1), now that the Cultural Plan is complete.
- The Committee recommends that OP work with the Cultural Planning Steering Committee to develop a clear timeline, set of next steps, and proposed resource needs for next year's budget cycle.
- The Committee recommends that following Council action on the Framework Element, OP prepares a realistic timeline of steps for completion of the Comprehensive Plan, including specific dates. This timeline should be made available to the public.
- The Committee recommends that OP prepares the remaining package of Comprehensive Plan amendments as soon as feasibly possible and provide the promised 60-day public review and comment period.
- The Committee recommends that OP provide focused, limited edits in its next amendment submittal, recognizing that this was proposed as an amendment cycle and not a full revision to the Comprehensive Plan,
- The Council recommends that OP prioritize completing the Comprehensive Plan Amendment process in relationship to new community planning efforts.
- The Committee recommends that OP fill its remaining positions expeditiously to ensure it can accomplish its work program.
- The Committee recommends that OP continue to coordinate with DCRA to appropriately route permits involving properties in historic districts for review by HPO and provide access to HPO inspection cases and reports online that the public can easily obtain.
- The Committee recommends that OP continue to work on guidance that effectively balances historic preservation and sustainable technologies, such as solar panels.

Committee of the Whole
Summary: Budget and Policy Recommendations

- The Committee recommends that new and tenured HPRB members receive rigorous training on federal and District historic preservation standards. Further, the Committee recommends that HPO continues to partner with federal entities to provide this training.
- The Committee recommends HPO increase public awareness of the Historic Homeowner Grants and seek to expend allocated funds in a timely fashion.
- The Committee recommends that OP prepare a more detailed scope of work for the Housing Systems Analysis; and further, address how the public and other District agencies will be engaged and how this work will be used for other planning initiatives, including the Comprehensive Plan.
- The Committee recommends that OP continues to track pertinent food access data and that OP makes this data readily available for the Council and public to access.
- The Committee recommends that OP provide the Zoning Commission with the necessary reports and recommendations to develop regulations for short term rentals in a timely fashion, ensuring they are complete by fall 2019/consistent with the schedule established by the Council.
- The Committee recommends that OP improves the quality of its reports to the Zoning Commission and Board of Zoning adjustment to ensure that orders are detailed and provide thorough explanations for the basis of decisions.

Office of Zoning

(BJ)

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that OZ continue to rigorously train ZC and BZA members and as appropriate, OAG staff, including reviews of appealed ZC and BZA cases and integrating trainings from other District agencies.
- The Committee recommends that OZ improves the quality of ZC and BZA orders by working with OAG to ensure orders are detailed and provide thorough explanations for the basis of decisions. This should be specifically addressed during the internal review of draft orders.
- The Committee recommends that OZ and OAG complete a new MOU that includes the five existing OAG land use attorneys, so that while they continue to be within OAG, OZ will fund those positions, and further, the MOU clarifies the relationship and responsibilities between OZ and OAG in support of OZ's work.
- The Committee recommends that OZ work with OAG through the framework of the MOU to clarify the necessary OAG staff commitments to support OZ's work and explore expanding the number of attorneys funded through the MOU or other measures to ensure sufficient resources are dedicated to OZ's work.
- The Committee recommends that OZ track and report to the Committee the number of BZA and ZC cases filed, length of time to produce contested and non-contested orders, consistency of orders with ANC and OP positions, and any appeals or remands for variances, appeals, PUDs, design reviews and other matters.
- The Committee recommends that OZ continue its efforts to integrate easily-accessible cutting-edge technology into the zoning process.
- The Committee recommends that the ZC take all necessary steps to work with OP to develop, review, and adopt regulations for short term rentals by October 2019, consistent with the schedule established by the Council.

Committee of the Whole
Summary: Budget and Policy Recommendations

Department of Consumer and Regulatory Affairs **(CR)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor with the following changes:
 - **\$1,900,000** reversal of Mayoral budget enhancements for three new contracts.
 - **\$2,300,268** sweep from two DCRA special purpose revenue funds.
 - **\$1,490,905** increase to fund **17.0** new positions to administer short-term rental program
 - **\$99,913** for 1.0 new position to fund Title II of Structured Settlements and Automatic Renewal Protections Act of 2018
 - **\$110,000** increase for IT costs to fund Repeat Parking Violations Amendment Act of 2018
 - **\$291,000** increase to fund the Leaf Blower Regulation Amendment Act

Capital Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 capital budget as proposed by the Mayor with the addition of a new capital project with **\$2,150,000** for short-term rental program costs.

Policy Recommendations:

- The Committee recommends that DCRA aggressively increase the number of housing code inspectors.
- The Committee recommends that DCRA implement a strategic code enforcement model that prioritizes actions using market, neighborhood condition, and real property data to address substandard housing.
- The Committee recommends conducting proactive, random blitzes and inspections of areas with a volume of complaints, and contractors who have a track record of complaints, and stop-work orders, related to illegal construction.
- The Committee recommends that DCRA develop performance indicators for the reduction of overtime and create an overtime staffing plan to control overtime costs effectively.

Commission on the Arts and Humanities **(BX)**

Operating Budget Recommendation:

- The Committee recommends adoption a revised 2020 budget as detailed in the budget chapter later in this report that includes **\$26.5 million** for four new grant divisions.

Policy Recommendations:

- The Committee recommends striking Title II, Subtitle (J), the “Cultural Facilities Fund Act of 2019” from the Budget Support Act.
- The Committee recommends striking Title II, Subtitle (K), the “Cultural Innovation and Entrepreneurship Fund Act of 2019” from the Budget Support Act.
- The Committee recommends amending and approving Title V, Subtitle (C), the “Commission on the Arts and Humanities Independence and Funding Restructuring Amendment Act of 2019”.
- The Committee recommends striking Title VII, Subtitle (E), the “Internet Sales Tax Revenue Amendment Act of 2019” from the Budget Support Act. However, the Committee was unable to find the necessary funds to reverse this proposal.

Committee of the Whole
Summary: Budget and Policy Recommendations

- The Committee recommends the Commission work with the Office of Planning to assemble and facilitate the Cultural Planning Steering Committee (required by statute) to review the recommendations made in the Cultural Plan.
- The Committee recommends the members of the Commission work with the Council and the Mayor to determine how to implement the Cultural Plan best and to determine what resources should be allocated for the Cultural Plan.

Washington Convention and Sports Authority **(ES)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that Events DC to continue to look at innovative ways to use the RFK campus for the benefit of District residents.
- The Committee recommends that \$300,000 be identified for a fundraising match program to support the National Cherry Blossom Festival.
- The Committee recommends that Events DC continue to work with Destination DC to market the District as a premier global destination to transform its image as only being a government town.

District of Columbia Retirement Board **(DY)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Policy Recommendations:

- The Committee recommends that DCRB work with OCTO to develop robust IT systems to meet its current and future needs and support plan members.
- The Committee recommends that DCRB closely monitor investments and market fluctuations to maximize returns on the funds.

Police Officers' and Fire Fighters' Retirement System **(FD)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Teachers' Retirement System **(GX)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Other Post-Employment Benefits Administration **(UB)**

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Committee of the Whole
Summary: Budget and Policy Recommendations

Policy Recommendations:

- The Committee recommends that OPEB continue to closely monitor take-up rates for the plan to ensure plan assets reflect actual benefits.
- The Committee recommends that OPEBA aggressively negotiate investment management fees to limit spending out of the OPEB fund.

District Retiree Health Contribution (OPEB) (RH)

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

University of the District of Columbia (GC)

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Capital Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2019 capital budget as proposed by the Mayor.

Policy Recommendations:

- The Committee urges the University to identify additional sources of revenue that will allow it to be competitive with other postsecondary institutions in the region so that talented workforce can not only be attracted but retained.
- The Committee strongly urges the union leadership to bargain in good faith and to reach a resolution and agreement on the 8th Master Agreement.
- The Committee stresses the importance of addressing UDC's IT challenges and calls upon the Mayor and the University to work together to identify a path forward to do so.
- The Committee presses upon UDC to prioritize identifying funding streams outside of District government in order to fund its capital projects.
- The Committee recommends that the University continue to make private fundraising, from a diverse range of sources, a priority in fiscal year 2020.
- The Committee recommends UDC participate in the DC Affordable Law Firm.

University of the District of Columbia Subsidy Account (GF)

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor with a **\$150,000** increase to allow UDC Law to participate in the DC Affordable Law Firm program.

Debt Service (DS, DT, SM, ZA, ZB, ZC)

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Committee of the Whole
Summary: Budget and Policy Recommendations

Pay-As-You-Go Capital Funds ***(PA)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor with an **\$2.15 million** increase reflecting a new capital project for DCRA costs to implement the short-term rental regulation program.

John A. Wilson Building ***(ZZ)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Washington Metropolitan Area Transit Commission ***(EA)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Purchase Card Transactions ***(PX)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Tax Increment Financing (TIF) Program ***(TX)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Repayment of PILOT Financing ***(EL)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

Non-Departmental ***(DO)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor with an increase of **\$250,000** set aside for a new statute of a prominent native Washingtonian recommended for approval by the Commemorative Works Committee.

Master Equipment Lease/Purchase Program ***(EL)***

Operating Budget Recommendation:

- The Committee recommends adoption of the fiscal year 2020 budget as proposed by the Mayor.

AGENCY FISCAL YEAR 2020 BUDGET RECOMMENDATIONS

The Committee presents the following with regard to the agencies and programs under its purview. The information contained herein provides for each agency: (I) a brief overview of its purpose and function; (II) a summary of the Mayor's fiscal year 2020 budget proposal; (III) commentary on issues and concerns the Committee has identified; and (IV) the recommended changes to the proposed budget as well as policy recommendations.

COUNCIL OF THE DISTRICT OF COLUMBIA

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Council of the District of Columbia is the legislative branch of the District of Columbia government. The Council sets policy through the enactment of laws. The Council is comprised of 13 members – a representative elected from each of the eight wards and five members, including the Chairman, elected at-large. The Council conducts its work through standing committees and Councilmember staff that perform legislative research, bill drafting, budget review, program and policy analysis, and constituent services.

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget¹

The Mayor's Fiscal Year 2020 budget proposal for the Council of the District of Columbia is \$28,112, an increase of \$1,199, or 4.5 percent, over the current fiscal year. The proposed budget supports 206.0 FTEs, which represents an increase of 1.0, or 0.5 percent, over the current fiscal year.

¹ The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table AB-A: Council of the District of Columbia;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	19,971	19,539	21,295	22,359	24,144	26,914	28,112
FTEs	182.1	171.2	181.0	185.1	191.0	205.0	206.0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$28,077, an increase of \$1,199, or 4.5 percent, over the current fiscal year. The proposed budget supports 206.0 FTEs, which represents an increase of 1.0, or 0.5 percent, over the current fiscal year.

Intra-District Funds: The Mayor’s proposed budget is \$35, which represents no increase over the current fiscal year. The proposed budget supports no FTEs.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed Fiscal Year 2020 (FY 2020) budget and agency performance over the last year.

FY 2018 and FY 2019 Accomplishments: The Secretary to the Council is responsible for internal administrative, budget, and operational support to the Council. Other central offices include the Office of the General Counsel, which provides legal counsel and legislative advice, and the Office of the Budget Director, which provides advice and support in crafting the annual District budget.

Over the last year, the Council has made great strides in public engagement and accessibility to the public to demystify the Council. The Office of the Secretary has undertaken a redesign of the Legislative Information Management System to provide more advanced functionality. In addition, the Council’s social media presence continues to grow, keeping the public engaged and abreast of the work of the Council. Legislative Services has completed the process of digitizing old microfilm records that will eventually be available to the public.

The Council has also led efforts to preserve and improve the Wilson Building. All marble floors were refinished and work continues on the exterior of the building to protect it from the elements. In addition, the Council has expanded its collection of historic artifacts and artwork, including installation of a Cool “Disco” Dan exhibit showcasing the local graffiti artist. Finally, the Council continues to support Council employees through its expanded retirement contribution matching program.

FY 2020 Budget: The FY 2020 budget submission continues the retirement contribution matching program implemented as part of the FY 2018 budget. The budget also includes new funding to support expanded functions in the Council Budget Office including a research and policy division.

In addition, the Committee on the Judiciary and Public Safety (JPS) sent funding for two budget items in the Council. First, funding was sent to purchase and install a lactation pod in the John A. Wilson Building. That pod would allow access – through a third-party application – to a secured space for mothers who are nursing. The pod would be open to the public who may be in the building. The cost for the pod is approximately \$35,000.00. JPS sent a total of \$40,000 for this initiative, which includes costs for installation such as electrical drops. Second, JPS sent funding to implement a new student loan repayment program for Council employees. The Committee recommends inclusion of this funding in the Council’s budget, provided that it is distributed equally between the 13 Councilmembers and central offices.

Uniform Law Commission: The FY 2020 proposed budget for the Uniform Law Commission is \$60 which represents no change from the previous fiscal year.

**Table AB-B: Uniform Law Commission;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	41	50	48	50	51	60	60
FTEs	0	0	0	0	0	0	0

Source: Budget Books (dollars in thousands)

Council Information Technology Fund: The Council has a Council Technology Projects Fund that captures all excess monies remaining in the operating budget for the Council at the end of each fiscal year in the form of capital funds. Therefore, any underspending by the Council supports future information technology needs of the Council. The Fund is administered by the Council Chief Technology Officer and currently has an available balance of approximately \$1.2 million.

IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for the Council from the budget proposed by the Mayor:

1. Increase of \$100,000.00 in local funds to CSG 14, Program 1000, Activity 1101 (recurring, Student Loan Payment Program).
2. Increase of \$40,000.00 in local funds to CSG-41, Program 2000, Activity 0025 (one-time, Lactation Pod).

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Office of the District of Columbia Auditor (ODCA) was established by the United States Congress in section 455 of the Home Rule Act, approved December 24, 1973 (87 Stat. 803; DC Official Code § 1-204.55). ODCA’s mission is to “support the Council of the District of Columbia by conducting audits that improve the economy, efficiency, and accountability of District government.” ODCA is also required to certify revenue estimates in support of general obligation bonds issued by the District government. Additionally, D.C. Official Code §1-204.55(c) states: “(t)he District of Columbia Auditor shall have access to all books, accounts, records, reports, findings, and all other papers, things, or property belonging to or in use by any department, agency, or instrumentality of the District government and necessary to facilitate the audit.”

Pursuant to the Home Rule Act, the District of Columbia Auditor is appointed by the Chairman of the Council, subject to the approval of a majority of the Council. Under D.C. Official Code § 1-205.55(b), the District of Columbia Auditor, whose term of appointment is six years, is required “each year [to] conduct a thorough audit of the accounts and operations of the government of the District.”

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget²

The Mayor’s fiscal year 2020 budget proposal for the Office of the District of Columbia Auditor is \$5,613, a decrease of \$616, or 9.9 percent, under the current fiscal year. The proposed budget supports 31.6 FTEs, which represents a decrease of 1.0, or 3.1 percent, under the current fiscal year.

² The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table AC-A: Office of the District of Columbia Auditor;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	3,758	4,460	4,549	4,669	5,945	6,229	5,613
FTEs	28.4	31.0	29.2	30.9	30.4	32.6	31.6

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

Expiration of One-Time Costs: The Committee notes that the primary driver of the decrease for the Auditor’s budget is two one-time initiatives included in the fiscal year 2019 (FY 2019) budget. The first is \$500,000 that was included in the previous budget to stand up an education research collaborative. This funding included one staff position that supported the collaborative. Since passage of the FY 2019 budget which anticipated that the collaborative would be housed with the Auditor, the parameters of the research collaborative changed and will no longer be housed there. Instead, the Auditor is using the non-personal services funding set aside to operate the collaborative to conduct an education data audit that will support the collaborative. The second one time cost of \$200,000 was included to conduct an assessment of food services at DC Public Schools. That initiative is in the process of being reprogrammed to the Council’s Budget Office for FY 2019.

Contract Audits: The Auditor continues to devote significant resources to contractual services to enable the office to conduct contract audits to bring in expertise on an audit-by-audit basis. The Auditor’s budget for contract audits is \$629,000 and includes continuation and completion of some FY 2019 audits. Under our budgeting practices, funding for a contract that spans fiscal years must be spent out of the respective fiscal year.

IT Enhancements: The Auditor’s budget includes funding for needed IT enhancements. The largest initiatives are completion of upgrades to the Auditor’s IT infrastructure managed by the Office of the Chief Technology Officer, and an upgrade to the Auditor’s audit management system.

Rent Costs: The Committee continues to be concerned over the escalation of fixed costs related to rental payments for the Auditor’s office. Since FY 2017, rental costs for office space have increased from \$545,000 to \$609,000 – almost 12%.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended fiscal year 2020 Operating Budget

The Committee recommends no change to the Fiscal Year 2020 budget for the Council as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends that the Auditor and the Council work to identify space in the Wilson building for the Auditor in anticipation of the lease expiration in 2021.

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

“Region Forward” is the mission and commitment by the Metropolitan Washington Council of Governments (COG). COG’s member governments include 24 local jurisdictions. Also participating are representatives of the Maryland and Virginia State Legislatures, as well as the U.S. Congress. The member governments work together on a variety of issues regarding transportation, public safety, the environment, and human services. To make “Region Forward” a reality, COG serves as a discussion forum, expert resource, issue advocate, and catalyst for action. It also fosters cooperative relationships among government bodies throughout the metropolitan region, advocates quality of life for all, promotes better air and water quality, encourages a multi-modal transportation system that prioritizes management, performance, maintenance, and promotes regional emergency response coordination planning.

For nearly 60 years, COG has helped tackle metropolitan Washington’s biggest challenges, such as restoring the Anacostia River, ensuring that the Washington Metropolitan Area Transit Authority (WMATA) Metrorail system was fully built, and strengthening emergency preparedness after September 11, 2001. Most recently COG had been tasked with helping the District, Maryland, and Virginia develop a new State Safety Oversight Agency for the WMATA Metrorail system, the Metrorail Safety Commission, as well as assisting the three jurisdictions in securing long-term dedicated funding for WMATA. COG is supported by financial contributions from its participating local governments, federal and state grants and contracts, and donations from foundations and the private sector.

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget:³

The Mayor's FY 2020 budget proposal for COG is \$554, an increase of \$12, or 2.2 percent, over the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year. This budget proposal represents the District's annual payment to COG and is equal to the dues required to be a member of COG.

**Table EA-A: Metropolitan Washington Council of Governments;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	428	450	472	495	520	542	554
FTEs	0	0	0	0	0	0	0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor's proposed budget is \$554, an increase of \$12, or 2.2 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

III. COMMITTEE CONCERNS

The Committee provides the following commentary and concerns in relation to the proposed FY 2020 budget and agency performance over the last year.

Funding Formula: Funding for COG is determined by a funding formula based in large part on the population of each member's jurisdiction. As the population grows, each member's jurisdiction can count on owing more in COG dues. Any annual increases in dues is subjected to a five percent cap. Under COG's bylaws, member contributions are calculated based on a prorated share of the region's population. Based on work program priorities and revenue requirements, each fiscal year an assessment rate is applied to population forecasts for each COG member jurisdiction. Based on population estimates, the District's FY 2020 proposed contribution to COG is \$554, up from \$542 from the previous year.

Dues from member jurisdictions account for approximately eight percent of COG's total budget. This funds regional programs, such as the Cooperative Purchasing Program, which gives

³ The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

member jurisdictions the ability to save money by participating in certain contracts, such as cooperating with Maryland to obtain a bulk rate for road deicing chemicals. The remaining 92 percent represents funding from federal and state contracts that involve regional projects, including transportation and homeland security projects.

WMATA Funding: In FY 2018, COG - working with officials from the District, Maryland, and Virginia - was able to advocate for legislation that was adopted by all three jurisdictions to provide WMATA with an additional \$500 million per year over the next decade (or \$5 billion total) to support its capital funding requirement. The money will go towards new equipment, repairs, and maintenance.

Some of the efforts undertaken by COG included facilitating communications, coordinating legislative efforts, and sharing its technical expertise. As a result of COG's work, the District, Maryland, and Virginia will provide the additional funding that WMATA needs using the current and longstanding WMATA formula. Pursuant to the formula, the District will pay 35.7%, or \$178.5 million per year; Maryland will pay 33.4%, or \$167 million per year; and Virginia will pay 31%, or \$154 million per year. The Committee acknowledges that COG has played an integral role in securing funding for WMATA and recommends that COG continues to work with the three jurisdictions to guarantee that the funding is available by July 2019, the date by which WMATA needs the funding.

COG has also been essential in helping the District, Maryland, and Virginia advocate for federal funding for WMATA. In 2008 Congress approved the Passenger Rail Investment and Improvement Act (PRIIA) which provided an annual appropriation of \$150 million to WMATA to fund capital projects. PRIIA was reauthorized in 2015, but it is set to expire at the end of FY 2019.

At the budget hearing, Chuck Bean, Executive Director of COG, testified that this past November the COG Board approved a letter that was sent to the Washington region's Congressional delegation in support of the reauthorization of PRIIA. Since November COG, in coordination with WMATA and the local jurisdictions, has been lobbying Congress to have a bill introduced to reauthorize PRIIA. Further, COG has also been working with the House and Senate Appropriations Committees to ensure that the annual appropriation to WMATA is funded. The Committee is supportive of COG's ongoing efforts to maintain federal funding for WMATA and recommends that COG continue to lobby Congress until a PRIIA reauthorization bill becomes law.

Metrorail Safety Commission: The Metrorail Safety Commission (MSC) was created by the District of Columbia, Maryland, and Virginia to serve as the State Safety Oversight Agency (SSOA) for the WMATA Metrorail system.⁴ Notably, the MSC replaced the Tri-State Oversight Committee, which previously served as the SSOA for the WMATA Metrorail System. The MSC shall: 1) have financial and legal independence from the WMATA Metrorail System; 2) review, approve, oversee, and enforce the implementation of the WMATA Public Transportation Agency

⁴ See Washington Metrorail Safety Commission Establishment Act of 2016, effective April 7, 2017 (D.C. Law 21-250; D.C. Official Code § 9-1109.11).

Safety Plan; 3) have investigative and enforcement authority with respect to the safety of the WMATA Metrorail System; and 4) audit the WMATA Metrorail System to ensure compliance with its Safety Plan.

COG is serving as an intermediate recipient of federal and local funds to help set up the MSC. On March 28, 2019, with COG's support, the MSC was able to achieve certification from the Federal Transit Administration (FTA). Safety oversight of the WMATA Metrorail System will no longer be under the FTA but will be transferred to the MSC. The FTA has overseen the safety of WMATA Metrorail System since October 2015.

COG is currently in the process of turning over the administrative and fiscal responsibilities of administering the federal and local funds to the MSC. The goal is to complete the transfer by July 2019. The Committee recognizes COG's contributions in the formation of the MSC and recommends that COG continues to aid the MSC as needed before the transfer of responsibilities is completed.

Clean Rivers Impervious Area Charge: The Clean Rivers Impervious Area Charge (CRIAC) is a fee assessed to DC Water ratepayers to help cover the costs of the \$2.7 billion federally mandated Clean Rivers Project. By 2030, the Clean Rivers Project intends to reduce the average-year discharges to the Anacostia and Potomac rivers, and Rock Creek by 96% overall. The overall cost of the project is in excess of \$3.15 billion.

DC Water assesses the CRIAC based on ratepayers' amount of impervious surface on their land and not based on ratepayers' water usage. The fee structure was modeled this way to take into account a property's contribution to stormwater runoff. From FY 2009, when the fee was first assessed, to FY 2018 District residents' monthly water bill has risen by an average of 141% from \$41.26 to \$99.63, which is adversely impacting low-income households.⁵ In addition, nonprofits such as churches and cemeteries are seeing a significant increase in water bills.

The Council's Office of Budget and Research analyzed the CRIAC and issued a CRIAC Report this past March. The CRIAC Report provided nine recommendations for the Council's consideration to reduce financial burden that the CRIAC imposes on District residents. One of the policy recommendations presented was to re-examine the Blue Plains Intermunicipal Agreement (IMA) to determine whether the District's surrounding jurisdictions should be contributing more funds that in turn can reduce the CRIAC for District residents.

The IMA governs the terms for managing the wastewater treatment, biosolids, and cost allocation among the jurisdictions and authorities that have their wastewater treated by DC Water.⁶ The wastewater from jurisdictions around the District passes through the District's sewer system

⁵ Susanna Groves and Joseph Wolfe, Office of Budget and Research at the Council of the District of Columbia, Keeping the Clean Rivers Impervious Area Charge (CRIAC) Affordable and Equitable, *Nine Strategies for Managing the CRIAC's Cost Burden While Ensuring the Clean Rivers Project's Financial Viability*, 4 (2019) [hereinafter CRIAC Report] (on file with Committee).

⁶ *Id.* at 15. The entities that are parties to the IMA include the District of Columbia, DC Water, Fairfax County, VA, Montgomery County, MD, Prince George's County, MD, and the Washington Suburban Sanitary Commission.

and contributes to the discharge into the District's waterways which the Clean Rivers Project is intended to prevent.⁷ Under the terms of the IMA only 41.7% of Blue Plains flow capacity is allocated to the District; however, the IMA allocates 92.9% of the cost allocation of the infrastructure projects costs related to Blue Plains to the District.⁸ The CRIAC Report noted that the authors were unable to determine how the cost allocations were determined.⁹ Further, when the federally-mandated consent decree for the Clean Rivers Project was amended in 2015, there was no evidence that an analysis was done to determine if the cost allocations should be modified.¹⁰

COG serves as the Secretariat to the IMA. Following the February 2019 performance hearing, COG indicated that it will work with DC Water to assess whether the cost allocations should be modified. At the March 28, 2019 IMA Committee's quarterly meeting, members of the IMA Regional Committee directed their staff to work with COG to reassess the assumptions used in the cost allocation formulas. The Committee urges COG to continue to work on this matter until it is determined that the District and the surrounding jurisdictions are paying their fair share.

IV. COMMITTEE RECOMMENDATIONS

Agency Operating Budget:

The Committee recommends no change to the FY 2020 budget for the Metropolitan Washington Council of Governments as proposed by the Mayor.

Policy Recommendations:

1. The Committee recommends that the Metropolitan Washington Council of Governments should continue to implement programs and policies to increase regional cooperation and foster regionalism, especially leading the charge for securing state and federal funding for WMATA.
2. The recommends that the Metropolitan Washington Council of Governments continues to aid the Metrorail Safety Commission as needed before the transfer of responsibilities - administrative and fiscal - is completed.
3. The Committee recommends that the Metropolitan Washington Council of Governments continue to work with the Blue Plains Intermunicipal Agreement Committee to determine whether the cost allocation formulas need to be modified.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

STATEHOOD INITIATIVES AGENCY
Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the Statehood Initiatives Agency (SIA) is to allow for the development and implementation of a coherent and effective means to promote statehood for the District of Columbia through lobbying efforts in Congress, educating District residents and citizens throughout the United States, and aligning the efforts of various stakeholder groups who advocate for District of Columbia statehood. The SIA provides funding for the executive director of the Office of the Statehood Delegation and the New Columbia Statehood Fund, both of which are designed to support the efforts of the District’s elected Statehood Delegation (Delegation).

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget¹¹

The Mayor’s FY 2020 budget proposal for the Statehood Initiatives Agency is \$245, an increase of \$3, or 1 percent, over the current fiscal year. The proposed budget supports 1.0 FTE, which represents no change from the current fiscal year.

**Table AR-A: Statehood Initiatives Agency;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	0	137	290	240	345	242	245
FTEs	0	2.2	1.3	1.0	1.0	1.0	1.0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is comprised entirely of local funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed FY 2020 budget and agency performance over the last year. The New Columbia

¹¹ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

Statehood Initiative and Omnibus Boards and Commissions Reform Amendment Act of 2014¹² created the New Columbia Statehood Commission (Commission), the Office of the Statehood Delegation, and the New Columbia Statehood Fund. The Commission and Delegation are both budgeted under the Statehood Initiatives Agency in the budget, and funds from the Statehood Fund would also be reflected in this agency.

New Columbia Statehood Fund: The enabling legislation also created the New Columbia Statehood Fund to support the Delegation and the Commission in advocating for statehood. The fund is composed of appropriated funds, including carry-forward unexpended funds from previous fiscal years. In FY 2019, \$2,141 was transferred from the previous fiscal year. That, combined with the \$242,454 in FY 2019 appropriations, totaled \$244,595 in budget authority for the year. The actual expenditures in FY 2018 were \$344,831 – \$174,611 in personal services and \$170,220 in non-personal services spending. The Commission also had an available balance of \$44,928 in accumulated tax check-off funds and \$3,965 in earned interest from the fund. Those funds are available by a vote of the Commission but were not used. Thus, \$48,893 was available for FY 2019, plus any carryover funds from FY 2018, which would total approximately \$51,034. FY 2019 revenues and expenditures should be updated by the CFO in December 2019.

New Columbia Statehood Commission Budget: Under the enabling legislation, the Commission – consisting of the Mayor and Chairman as co-chairs, and the three elected statehood delegation members – must pass its own internal budget each year. The Commission adopted its FY 2019 budget on December 17, 2018. The tables below show the approved budget.

**Table AR-B: Statehood Initiatives Agency;
Approved FY 2019 Non-Personal Services Budget**

STATEHOOD INITIATIVE	Dollar Amount
51 STARS PSA PROGRAM	\$20,700.00
TARGETED STATES OUTREACH + TRAVEL	\$15,000.00
INTERNATIONAL ORGANIZATION EFFORTS + TRAVEL	\$19,800.00
NATIONAL CLUB MEMBERSHIP DUES	\$600.00
PROMOTIONAL MATERIALS	\$7,000.00
OFFICE SUPPLIES AND EQUIPMENT	\$7,760.00
MISCELLANEOUS	\$2,500.00
SHADOW POLITICS Radio Show	\$14,840.00
DC STATEHOOD TODAY DCTV SHOW	\$10,800.00
Festival Promotion	\$1,000
TOTAL AR-0 NPS EXPENSES	\$100,000

**Table AR-C: Statehood Initiatives Agency;
Approved FY 2019 Personal Services Budget¹³**

Title	Salary	Reg/Temp/Term	WAE
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¹² Effective May 2, 2015 (D.C. Law 20-271; D.C. Official Code § 1-129 *et seq.*).

¹³ The salaries reflected in the table are for full-time salaried positions, however, these positions are paid on an hourly basis. So, the salary earned by an employee of the OSD may be lower than what is reflected in the table.

Staff Assistant	\$55,910.00	Term	Y
Legislative Assistant	\$54,806.65	Temp	Y
Senior Legislative Analyst	\$11,817.88	Temp	Y
Legislative Counsel	\$23,635.75	Temp	Y
Clerical Assistant	\$35,321.00	Temp	Y
TOTAL	\$181,491.28		

Statehood Delegation Activities: The Committee continues to be critical of the activities of the Delegation regarding its underlying purpose: to achieve statehood. Each member of the Delegation has a discrete portfolio of activities in support of statehood. For example, Representative Garcia has a cable access television show, Senator Brown has a radio show and foundation, and Senator Strauss has a series of television commercials featuring various celebrities advocating for statehood. Each Delegation member attends varying meetings on Capitol Hill with Senators, Representatives, and their staffs asking for support of Congresswoman Norton’s and Senator Carper’s companion statehood legislation. However, despite all these individual efforts, there seems to be no coherent, singular strategy for meaningful progress on statehood.

At the February 25, 2019 performance oversight hearing on the Commission, the Committee asked the members of the Delegation about their specific lobbying efforts on Capitol Hill. The members could not say with certainty how many meetings they have held with members of Congress or their staffs, or whether their meetings convinced a Senator or Representative to co-sponsor the Washington, D.C. Admission Act.¹⁴ In order to pass legislation for statehood, it is critical that the District has a majority of Senators in favor of the legislation, not to mention a majority of the 435 members of the House of Representatives. Without the support of Members of Congress, other educational efforts cannot bear fruit.

These concerns are a recurring theme of the Committee over the past four years: The Commission – the efforts of which are led day-to-day by the Statehood Delegation – must have a coherent strategy to achieve statehood. The Office of the Senior Advisor, for example, is organizing a targeted educational campaign for statehood partnering with other District agencies such as Events DC. DC Vote has a targeted plan to add co-sponsors to the pending legislation.

IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the FY 2020 budget for the Statehood Initiatives Agency as proposed by the Mayor.

¹⁴ See H.R. 51 and S.631.

Policy Recommendations

1. The Committee recommends that the Commission convene to adopt a FY 2020 budget based on the budget approved by the Council ahead of the new fiscal year.
2. The Committee recommends that the Commission develop a comprehensive, multi-year strategy to achieve statehood and develop future budget requests to support the plan.
3. The Committee recommends that in FY 2020 the members of the Delegation track the number of meetings each of them has with members of Congress or their staff and provide details on the outcomes of those meetings.

OFFICE OF BUDGET AND PLANNING

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Office of Budget and Planning (OBP) is a component of the Office of the Chief Financial Officer (OCFO). OBP prepares, monitors, analyzes, and executes the District's budget, including operating, capital and enterprise funds, in a manner that facilitates fiscal integrity and maximizes services to taxpayers. This program also provides advice to policy-makers on the District government's budget and has the primary responsibility for ensuring that the budget is balanced at the time of budget formulation and maintaining that balance throughout the year as the budget is executed.

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget

The Mayor's fiscal year 2020 budget proposal for the Office of Budget and Planning is \$6,319, an increase of \$2, or 0.4 percent, over the current fiscal year. The proposed budget supports 41.0 FTEs which represents no change from the current fiscal year.

**Table ATX-A: Office of Budget and Planning;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	5,047	5,364	5,715	6,006	6,026	6,317	6,319
FTEs	41.3	42.0	38.8	40.2	39.9	41.0	41.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

SOAR Modernization Update: In 1996, former Chief Financial Officer Anthony Williams implemented the System of Accounting and Reporting (SOAR) initiative to improve on the previous financial management system which was unable to provide timely and reliable financial reports. In July 2011, OBP and the OCFO began work on a new financial management system to replace SOAR. Plans for that new financial management system have been abandoned. Instead, the OCFO's capital budget includes a new Integrated Financial System beginning in FY 2020. The estimated full funding cost is \$205 million. The current budget includes \$186 million in funding, with \$45.5 million budgeted for FY 2020. This system will have functionality currently found in SOAR, grants management, and OBP's budget formulation tool.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Office of Budget and Planning as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends that OCFO work swiftly to develop the full requirements for the new Integrated Financial System to avoid further delay in replacing SOAR.

OFFICE OF PLANNING
Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the Office of Planning (OP) is to guide the development of the District of Columbia, including the preservation and revitalization of our distinctive neighborhoods, by informing decisions, advancing strategic goals, encouraging the highest quality development outcomes, and engaging all communities.

OP performs planning for neighborhoods, corridors, districts, historic preservation, public facilities, parks and open spaces, and individual sites. In addition, OP engages in urban design, land use, and historic preservation review. OP also conducts historic resources research and community visioning, and manages, analyzes, maps, and disseminates spatial and Census data.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget¹⁵

The Mayor’s fiscal year 2020 budget proposal for the OP is \$14,419, an increase of \$586,000 or 31.2 percent, over the current fiscal year. The proposed budget supports 75.0 FTEs, an increase of 3 FTEs, or 4.2 percent, over the current fiscal year.

**Table BD-A: Office of Planning;
Total Operating Funds Budget FY 2013-2019**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	10,960	10,617	9,927	10,138	10,628	10,988	14,419
FTEs	69.8	70.1	64.6	70.6	72.0	75	76

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$13,684, an increase of \$3,452, or 33.7 percent, over the current fiscal year. The proposed budget supports 76 FTEs, an increase of 1.0 FTEs, or 1.4 percent, over the current fiscal year.

Special Purpose Funds: The Mayor’s proposed budget is \$200, an increase of \$0, or 0 percent from the previous fiscal year. The proposed budget supports no FTEs.

¹⁵ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

Federal Grant Funds: The Mayor’s proposed budget is \$525, which represents a decrease of \$22, or 4.0 percent from the previous fiscal year. The proposed budget supports 3.5 FTEs which represents no change from the previous fiscal year.

Private Grant Funds: The Mayor’s proposed budget is \$10, representing \$0 or 0 percent, from the previous fiscal year. The proposed budget supports no FTEs, which represents no change from the previous fiscal year.

Intra-District Funds: The Mayor’s proposed budget is \$62, which represents no change from the previous fiscal year. The proposed budget supports no FTEs, which represents no change from the previous fiscal year.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns about the proposed fiscal year 2020 budget and agency performance over the last year.

Census: OP’s proposed budget includes a one-time enhancement of \$3,042 to support the District’s 2020 Census efforts. One OP FTE is detailed to support the overall District effort, in addition to in-house OP support. High Census response rates are critical to receive certain federal funds and conduct many District government operations. The 2020 Census form is on-line for the first time, and issues of citizenship questions, privacy, federal funding, and hard-to-reach groups must all be addressed for a successful count. The requested funding will support a variety of public outreach and organization efforts, including a media campaign, promotional materials, translation, mailing support to community partners, telephone outreach, and special events. The Committee recommends that OP provide quarterly updates to the Council on District Census activities to promote successful coordination.

Comprehensive Plan Amendment Cycle: The District of Columbia’s Comprehensive Plan is a twenty-year framework that guides future growth and development. Originally adopted in 2006 and amended in 2011, it addresses a wide range of topics that affect how individuals experience the city. “Planning an Inclusive City” is the guiding vision for the DC Comprehensive Plan. OP launched the Comprehensive Plan amendment cycle in the Spring of 2016 with a robust engagement process. OP’s “Open Call for Amendments” closed in May 2017. OP received nearly 3,000 amendments which according to OP was ten times the amount anticipated. As a result, OP’s submission of the Comprehensive Plan amendments to the Council for approval has been considerably delayed.¹⁶ Instead, the Executive took an unprecedented approach by dividing the amendment cycle into two separate legislative packages, beginning first with the Framework

¹⁶ OP originally committed to having a complete legislative package of Comprehensive Plan amendments prepared for the Council by January 2018.

Element that sets the stage for the Elements that follow.¹⁷ In January 2018, the Mayor introduced Bill 22-663, the “Comprehensive Plan Amendment Act of 2018.” Bill 22-663 modifies only the Framework Element to reflect the updated data and analysis of forces driving change and growth projections, and seeks to clarify land use designations and how to use the Generalized Policy Map and Future Land Use Map to reflect longstanding policy. Before introducing Bill 22-663, OP neglected to fulfill the 60-day public comment period it had originally committed to and publicized. On March 20, 2018, the Committee of the Whole held a public hearing on Bill 22-663, which garnered 178 public witnesses.

The Committee places great significance on amending the Comprehensive Plan to reflect the District’s updated policy goals that guide land use in the District and to set the stage for the next five years. However, to achieve this in a timely matter, the remainder of the Comprehensive Plan Amendments are needed. These remaining elements include 14 citywide elements, 10 area elements, and numerous map updates. Further, at its budget hearing OP testified that they intend to conduct additional public outreach to clarify broader themes from the proposed amendments in advance of the release of the remaining amendments.

Thus, the Committee provides the following recommendations. First, following Council action on the Framework Element, the Committee recommends that OP prepares a realistic timeline of steps for completion of the Comprehensive Plan, including specific dates. This timeline should be made available to the public. Second, the Committee recommends that OP prepares the remaining package of Comprehensive Plan amendments as soon as feasibly possible and provide the promised 60-day public review and comment period. OP should take a proactive approach to complete these tasks before submitting the remaining Comprehensive Plan Elements to the Council to ensure that there are no more delays in the amendment cycle process. Finally, recognizing that this was proposed as an amendment cycle and not a full revision to the Comprehensive Plan, the Committee recommends that OP provide focused, limited edits in its next amendment submittal.

Completing the Comprehensive Plan Amendment cycle will extend into fiscal year 2020. OP’s Citywide Planning Division, which is responsible for developing and monitoring the District Elements of the Comprehensive Plan, has no change in FTEs, and a vacancy. No additional proposed fiscal year 2020 funds are provided to this division, including consultant services. At its budget hearing, OP assured the Committee that the budget reflects the needs required to complete the Comprehensive Plan Amendment Cycle, and noted that a cross-divisional team staffs the Comprehensive Plan project. The Council recommends that OP prioritize completing the Comprehensive Plan Amendment process in relationship to initiating other community planning efforts.

Staffing: At the time of the budget hearing, OP had five vacancies for community planners and an associate director. OP subsequently reported that two positions had been filled. The

¹⁷ Specifically, the Framework Element provides the context for the Comprehensive Plan: it describes the forces driving change in the city; describes the District’s growth forecasts and projections; lays out 36 principals to be followed; and describes the Comprehensive Plan Policy Map and the Future Land Use Map.

Committee recommends that OP fill its remaining positions expeditiously to ensure it can accomplish their work program.

Cultural Plan: OP served as the agency lead for the first-ever DC Cultural Plan. OP released a draft for public review on January 18, 2018, and the final plan was released by the Mayor on April 4, 2019. The Cultural Plan outlines 23 policies and eight investment strategies to address issues of affordability, access, and sustainability and to strengthen the people, places, communities and ideas that define Washington. The Committee recommends that OP work expeditiously to assemble and facilitate the Cultural Planning Steering Committee (Committee) pursuant to D.C. Code § 39-231(3)(b)(1). This committee is charged with assisting the implementation of the Cultural Plan and is responsible for tracking the Plan's progress and recommendations.

The Mayor's budget allocates funds to advance the Cultural Plan's recommendations, primarily through loan funds provided through the DC Commission on Arts and Humanities (CAH). There is a general lack of clarity regarding the implementation of the plan, including the roles and resources that OP and other agencies will provide, and further, public testimony from arts and culture organizations at the CAH budget hearing did not support the Mayor's strategy to establish loan funds. Given the release of the Plan during the budget process, lack of public support, and lack of clarity, the Committee recommends that OP work with the Cultural Planning Steering Committee to develop a clear timeline, set of next steps, and proposed resource needs.

Historic Preservation Illegal Construction Enforcement: The Historic Preservation Office (HPO) conducts property inspections and enforcement activities to ensure compliance with building permits, building codes, and the standards established by the DC Historic Preservation Review Board under the District's preservation law. There are certain activities with regard to buildings in historic districts that require a permit, which would not be required if the building was not in a historic district. Members of the public testified that the Department of Consumer and Regulatory Affairs (DCRA) was issuing permits within historic districts without routing the permits to HPO for review, particularly in newly designated districts. OP testified that they are currently working with DCRA to resolve this issue and develop appropriate tracking. In prior years, the Committee recommended HPO provide public access to inspection cases and reports online and continues to recommend this in coordination with DCRA.

Historic Preservation Review Board Training: The Historic Preservation Review Board (HPRB) is the official body of advisors appointed by the Mayor to guide the government and public on preservation matters in the District of Columbia. The HPRB also assists with the implementation of federal preservation programs and the review of federal projects in the District. For the HPRB to adequately serve the District and support the mission of the Historic Preservation Office (HPO), members are expected to understand the Secretary of Interior Standards for Evaluation of Historic Properties, along with District historic preservation standards.

The Committee recommends that new and tenured HPRB members receive rigorous training on these standards. This recommendation is particularly timely because testimony at recent HPRB nomination hearings raised concerns regarding member understanding of these

standards.¹⁸ Further, the Committee recommends that HPO continues to partner with federal entities to provide this training. The correct application of this evaluation criteria is vital to the determination of nominated landmarks and Districts.

Historic Homeowner Grant Program: OP's FY20 budget includes \$250 for the Historic Homeowner Grant Program to cover approximately ten grants. In the information provided by OP, there is significant carryover year to year, which was attributed to the uncertainty in funding. The Committee recommends HPO increase public awareness of these grants and seek to expend allocated funds in a timely fashion.

Housing Systems Analysis: The OP budget includes a one-time enhancement of \$525 for consulting services in support of a Housing Systems Analysis and various community planning efforts. OP proposes to conduct the Housing Systems Analysis beginning in fiscal year 2019 and into 2020. The Committee agrees that a comprehensive look at the city's housing needs that provides commonly agreed upon data would provide valuable information. However, OP has provided limited information about this project. The Committee recommends that OP prepare a more detailed scope of work; and further, address how the public and other District agencies will be engaged and how this work will be used for other planning initiatives, including the Comprehensive Plan amendment process.

Food Systems: On-line materials indicate that a Food Economy Study and a Food System Assessment for the District will be publicly released in the spring of 2019. The Committee continues to recommend that OP track pertinent food access data and make this data readily available for the Council and public to access.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal Year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for the Office of Planning from the budget proposed by the Mayor:

1. Increase of \$100,000.00 in local funds to CSG-41, Program 7000, Activity 7010 (one-time, Central Kitchen Report, D.C. Law 22-240).

Policy Recommendations

1. The Committee recommends that OP provide quarterly updates to the Council on District Census activities to promote successful coordination.

¹⁸ March 14, 2019 letter to Chairman Mendelson from the DC Preservation League and the Committee of 100 on the Federal City (on file with the Committee.)

2. The Committee recommends that OP work expeditiously to assemble and facilitate the Cultural Planning Steering Committee pursuant to D.C. Code § 39-231(3)(b)(1), now that the Cultural Plan is complete.
3. The Committee recommends that OP work with the Cultural Planning Steering Committee to develop a clear timeline, set of next steps, and proposed resource needs for next year's budget cycle.
4. The Committee recommends that following Council action on the Framework Element, OP prepares a realistic timeline of steps for completion of the Comprehensive Plan, including specific dates. This timeline should be made available to the public.
5. The Committee recommends that OP prepares the remaining package of Comprehensive Plan amendments as soon as feasibly possible and provide the promised 60-day public review and comment period.
6. The Committee recommends that OP provide focused, limited edits in its next amendment submittal, recognizing that this was proposed as an amendment cycle and not a full revision to the Comprehensive Plan,
7. The Council recommends that OP prioritize completing the Comprehensive Plan Amendment process in relationship to new community planning efforts.
8. The Committee recommends that OP fill its remaining positions expeditiously to ensure it can accomplish its work program.
9. The Committee recommends that OP continue to coordinate with DCRA to appropriately route permits involving properties in historic districts for review by HPO and provide access to HPO inspection cases and reports online that the public can easily obtain.
10. The Committee recommends that OP continue to work on guidance that effectively balances historic preservation and sustainable technologies, such as solar panels.
11. The Committee recommends that new and tenured HPRB members receive rigorous training on federal and District historic preservation standards. Further, the Committee recommends that HPO continues to partner with federal entities to provide this training.
12. The Committee recommends HPO increase public awareness of the Historic Homeowner Grants and seek to expend allocated funds in a timely fashion.
13. The Committee recommends that OP prepare a more detailed scope of work for the Housing Systems Analysis; and further, address how the public and other District agencies will be engaged and how this work will be used for other planning initiatives, including the Comprehensive Plan amendment process.

14. The Committee recommends that OP continues to track pertinent food access data and that OP makes this data readily available for the Council and public to access.
15. The Committee recommends that OP provide the Zoning Commission with the necessary reports and recommendations to develop regulations for short term rentals in a timely fashion, ensuring they are complete by fall 2019/consistent with the schedule established by the Council.
16. The Committee recommends that OP improves the quality of its reports to the Zoning Commission and Board of Zoning adjustment to ensure that orders are detailed and provide thorough explanations for the basis of decisions.

OFFICE OF ZONING

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the Office of Zoning (OZ) is to provide administrative, professional, and technical assistance to the Zoning Commission (ZC) and the Board of Zoning Adjustment (BZA) in support of their oversight and adjudication of zoning matters in the District of Columbia.

OZ administers the zoning application processes for the ZC and the BZA. The agency reviews and accepts applications, schedules hearings to determine whether cases meet specified zoning criteria, schedules meetings to make determinations with respect to pending applications, and issues legal orders. Technology plays a critical role in support of this process by enhancing effectiveness and transparency. OZ also spearheads outreach to citizens of the District of Columbia to ensure a robust understanding of the zoning application process.

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget¹⁹

The Mayor's fiscal year 2020 budget proposal for the Office of Zoning is \$3,185, an increase of \$44, or 1.4 percent, over the current fiscal year. The proposed budget supports 18.0 FTEs, the same in comparison to the current fiscal year.

¹⁹ The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table BJ-A: Office of Zoning;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Approved 2019	Mayor 2020
Total Funds	2,688	2,644	2,837	3,070	2,871	3,141	3,185
FTEs	19.2	19.0	19.6	19.0	19.0	18.0	18.0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$3,161, an increase of \$44, or 1.4 percent, over the current fiscal year. The proposed budget supports 18.0 FTEs, the same as the current fiscal year.

Intra-District Funds: The Mayor’s proposed budget is \$24, which represents no change from the current fiscal year and supports no FTEs.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

Zoning Commission and Board of Zoning Adjustment Appeals: Over the past few years, the District has experienced an increase in the number of BZA and ZC case appeals. Notably, many of the appealed cases are remanded. While the appeals process is an integral part of our judicial system, the Committee recognizes that there are ways to lessen the likelihood of appeals; doing so can prevent long delays, preserve District resources, and provide certainty for all involved.

First, the Committee recommends that OZ continue to rigorously train new and tenured ZC and BZA members. OZ and the Office of Attorney General (OAG) should provide training that reviews ZC and BZA cases appealed over the past several years. Noting that OAG staff includes newer attorneys, OAG should also be included in training, as appropriate. The Committee encourages OZ to integrate training sessions from the District Department of Transportation (DDOT) and the Office of Planning (OP) to educate ZC and BZA members on multidisciplinary matters relating to the impacts of development. OZ noted at the hearing that more frequent, shorter training sessions were contemplated, and this is supported.

Second, the Committee recommends that OZ continue to improve the quality and timeliness of ZC and BZA orders, including continued evaluation of process. The Committee has observed that some ZC and BZA cases are remanded with guidance on the basis that the ZC or BZA did not thoroughly explain its reasoning for reaching a decision due to a lack of detail and/or application of doctrine. OZ provided a continuing commitment to improve orders by explaining

decisions more thoroughly. Presumably, this could be prevented by providing more substance and detail in the orders they issue. OZ also described the review process for draft orders and noted this is a critical component to ensure the quality of orders.

Clarifying OZ and OAG Relationship: OZ has a staff attorney and uses OAG attorneys to prepare ZC and BZA orders. OZ noted that OAG is proposing to add an additional attorney, which would further reduce backlogs. At its budget hearing, OZ stated a commitment to complete contested orders within three months and noted that they had been clearing an existing backlog of cases. OZ currently has a Memorandum of Understanding (MOU) that provides intra-district funding for two OAG attorneys, although at the hearing OZ testified that all five OAG attorneys spend most of their time in support of OZ. The quality and timeliness of BZA and ZC orders is contingent upon these OAG resources. With that as context, the Committee recommends that OZ work with OAG through the framework of the MOU to clarify the necessary OAG staff commitments to support OZ's work. Further, the Committee recommends OZ and OAG explore expanding the number of attorneys funded through the MOU or other measures to ensure sufficient resources are dedicated to OZ's work.

Tracking Cases: OZ has provided information to the Committee regarding the number of BZA and ZC cases submitted, reviews completed, and appeals. To better understand case load and timeliness, and to meet the stated three-month goal for issuing orders, the Committee recommends that OZ track and report the number of BZA and ZC cases filed, length of time to produce contested and non-contested orders, consistency of orders with ANC and OP positions, and any appeals or remands for variances, appeals, PUDs, design reviews and other matters. This information would also help OZ identify cases with unusually long review times, particularly for residential applicants.

Technology Innovations: OZ continues to integrate user-friendly technologies to enhance the effectiveness of the agency's zoning processes and provide greater transparency. In its hearing, OZ testified that while the initial work to develop OZ's Interactive Zoning Information System and a 3-D mapping tool will be complete using current and proposed funding, they will continue to add features to the system, particularly in response to citizen and customer feedback. The Committee recommends that OZ continues its efforts to integrate easily-accessible cutting-edge technology into the zoning process.

Short Term Rental Regulations: In 2018, the Council directed the ZC to take up regulations related to short term rentals. The ZC testified that it was waiting for OP to complete research and develop a report. The Committee recommends that the ZC take all necessary steps to work with OP to develop, review, and adopt regulations for short term rentals by October 2019, consistent with the schedule established by the Council.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Office of Zoning as proposed by the Mayor.

Committee's Recommended Fiscal Year 2020 Capital Budget

The Committee recommends no change to the fiscal year 2020 budget for the Office of Zoning as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends that OZ continue to rigorously train ZC and BZA members and as appropriate, OAG staff, including reviews of appealed ZC and BZA cases and integrating trainings from other District agencies.
2. The Committee recommends that OZ improve the quality of ZC and BZA orders by working with OAG to ensure orders are detailed and provide thorough explanations for the basis of decisions. This should be specifically addressed during the internal review of draft orders.
3. The Committee recommends that OZ and OAG complete a new MOU that includes the five existing OAG land use attorneys, so that while they continue to be within OAG, OZ will fund those positions, and further, the MOU clarifies the relationship and responsibilities between OZ and OAG in support of OZ's work.
4. The Committee recommends that OZ work with OAG through the framework of the MOU to clarify the necessary OAG staff commitments to support OZ's work and explore expanding the number of attorneys funded through the MOU or other measures to ensure sufficient resources are dedicated to OZ's work.
5. The Committee recommends that OZ track and report to the Committee the number of BZA and ZC cases filed, length of time to produce contested and non-contested orders, consistency of orders with ANC and OP positions, and any appeals or remands for variances, appeals, PUDs, design reviews and other matters.
6. The Committee recommends that OZ continue its efforts to integrate easily-accessible cutting-edge technology into the zoning process.
7. The Committee recommends that the ZC take all necessary steps to work with OP to develop, review, and adopt regulations for short term rentals by October 2019, consistent with the schedule established by the Council.

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the Department of Consumer and Regulatory Affairs (DCRA) is to protect the health, safety, economic interests, and quality of life for residents, businesses, and visitors in the District of Columbia by ensuring code compliance and regulating business.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget²⁰

The Mayor’s fiscal year 2020 budget proposal for the Department of Consumer and Regulatory Affairs (DCRA) is \$67,582,000, an increase of \$6,854,000, or 11.3 percent, over the current fiscal year. The proposed budget supports 455.0 FTEs, an increase of 4.0 FTEs, or 0.9 percent, over the current fiscal year.

**Table CR-A: Department of Consumer and Regulatory Affairs;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Approved 2019	Proposed 2020
Total Funds	\$35,016	\$43,517	\$48,578	\$50,850	\$57,154	\$60,729	\$67,582
FTEs	290.2	335.4	335.8	391.4	409.4	451	455

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$27,160, an increase of \$3,959, or 17.1 percent, over the current fiscal year. The proposed budget supports 185.0 FTEs, a decrease of 2.0 FTEs, or 1.1 percent, below the current fiscal year.

Special Purpose Funds: The Mayor’s proposed budget is \$40,422, an increase of \$2,895, or 7.7 percent, over the current fiscal year. The proposed budget supports 270.0 FTEs, an increase of 6.0 FTEs, or 2.3 percent, under the current fiscal year.

²⁰ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

Federal Funds: The Mayor’s proposed budget is \$00,000, an increase/decrease of \$000, or 0.0 percent, over/under the current fiscal year. The proposed budget supports 00.0 FTEs, an increase/decrease of 00.0 FTEs, or 00.0 percent, over/under the current fiscal year.

Private Funds: The Mayor’s proposed budget is \$00,000, an increase/decrease of \$000, or 0.0 percent, over/under the current fiscal year. The proposed budget supports 00.0 FTEs, an increase/decrease of 00.0 FTEs, or 00.0 percent, over/under the current fiscal year.

Intra-District Funds: The Mayor’s proposed budget is \$00,000, an increase/decrease of \$000, or 0.0 percent, over/under the current fiscal year. The proposed budget supports 00.0 FTEs, an increase/decrease of 00.0 FTEs, or 00.0 percent, over/under the current fiscal year.

Mayor’s Proposed Fiscal Year 2020 Capital Budget²¹

The Mayor’s capital improvement plan includes \$16,675, for DCRA over the 6-year plan. The plan authorizes \$4,800 for fiscal year 2020, \$5,000 for fiscal year 2021, \$2,875 for fiscal year 2022, \$4,000 for fiscal year 2023, \$0 for fiscal year 2024, and \$0 for fiscal year 2025.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns about the proposed fiscal year 2020 (FY 2020) budget and agency performance over the last year.

Rental Housing Inspections: The Mayor’s proposed fiscal year 2020 budget includes an increase of \$193,000 for the SEU and a decrease of \$94,000 for the Residential Inspections program. The proposed budget’s failure to invest in a more robust residential inspection and enforcement strategy will continue to allow habitually negligent and malicious landlords to operate without proper accountability and put the health and safety of tenants at greater risk.

Jurisdictions with similar housing stock, density, and populations have much larger investments in housing code enforcement (Table 1). In Baltimore for instance, the FY19 budget allocated \$14.9 million to housing code enforcement and listed a total of 93 housing inspectors under the city’s Department of Housing and Community Development.²² According to both the organizational chart and the personnel position list (the “Schedule A”) submitted to the Committee by DCRA, there are only 15 dedicated housing code inspectors employed with the agency.

²¹ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

²² City of Baltimore, Fiscal Year 2019 Agency Detail, pgs. 285-288.

**Table CR-B: Department of Consumer and Regulatory Affairs;
Housing Inspectors and Rental Units by City²³**

	Boston	Baltimore	Philadelphia	D.C.
Number of Inspectors	30	93	78	15
Number of Rental Units	178,969	136,575	330,420	172,629
Inspector-to-Units Ratio	1:5,965	1:1,468	1:4,236	1:11,508

The Committee recommends that DCRA aggressively increase the number of housing code inspectors.

Proactive Inspections: The Committee continues to be concerned that the Proactive Inspections program dilutes the agency’s ability to target “bad actors” effectively. Additionally, the Committee is concerned about DCRA’s ability to meet the goals of the program. Currently, proactive inspections are handled by five contract inspectors with the Veterans Contractor Assistance Support Services.²⁴ To inspect all renter-occupied units that are currently eligible, inspectors would need to conduct roughly 33,022 inspections every two years.²⁵ In fiscal years 2017 and 2018, a total of 8,846 proactive inspections were conducted.²⁶ That only amounts to 26.7% of the units that should have been inspected during that timeframe.

Given resource constraints, the Committee recommends adopting a strategic code enforcement model. A strategic code enforcement program uses collaborative, data-driven decision making to deploy resources to areas or properties most in need. According to Joseph Schilling and Kermit Lind, there are six program elements crucial to any strategic code enforcement model, including real property information and data systems to aid in strategic resource allocation, clear written policies and procedures on inspections and investigations, and performance measurement that focuses not only on outputs but on outcomes as well²⁷

Illegal Construction: At oversight hearings and other public venues, the Committee continues to receive reports and complaints about lax enforcement and untimely responsiveness to reports of illegal construction. For D.C. residents like Jamie Hope, who testified at the Committee’s Performance Oversight Hearing, illegal construction activity in an adjoining property has resulted in significant damage to her home.²⁸ In her testimony, Ms. Hope notes that DCRA did not even issue a stop work order (SWO) for the illegal construction despite multiple inspections.²⁹

²³ The number of housing code inspectors was derived from the most recent budgets for each jurisdiction. The number of rental units was calculated by adding the number of renter-occupied units to the number of vacant rental units in the American Community Survey 2017 (1-Year Estimate) data.

²⁴ Contract number CW58444.

²⁵ Estimated using American Community Survey 2017 (1-Year Estimate) data, Tenure by Units in Structure. Accessed via American FactFinder (<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>).

²⁶ Data via the DCRA Agency Dashboard. Accessed on March 29, 2019.

²⁷ For more information see: Schilling, J. & Lind, K. (Sept. 2018). *Strategic Code Enforcement: A New Model for Reclaiming Vacant Properties and Stabilizing Neighborhoods*. Vacant Property Research Network (https://vacantpropertyresearch.com/wp-content/uploads/2018/09/20180910_CEBrief-FINAL.pdf).

²⁸ Testimony of Jamie Hope to the Committee of the Whole, DCRA Performance Oversight Hearing, Feb. 27, 2019.

²⁹ *Ibid.*

While the data provided on DCRA’s dashboard suggests more aggressive enforcement of illegal construction laws is taking place, the Committee still sees room for improvement.³⁰ Specifically, the Committee recommends the Department conduct proactive random blitzes and inspections of areas with a volume of complaints, and contractors who have a track record of complaints, and stop-work orders, related to illegal construction.

Employee overtime: Each year, DCRA has requested less overtime funding than it has ultimately used. An analysis of overtime budgets for DCRA from fiscal year 2015 through fiscal year 2018, shown in Table 2, shows that the actual overtime budget has been anywhere from 14% to nearly 90% higher than what was proposed. In fiscal year 2019, DCRA’s proposed overtime budget is \$180,000. According to the agencies fiscal officer, Rebecca Berry, DCRA has already spent \$361,873.

**Table CR-C: Department of Consumer and Regulatory Affairs;
DCRA Proposed Overtime Budget vs. Actual Budgets by Fiscal Year³¹**

Fiscal Year	Proposed	Actual	% Difference
2015	\$257	\$671	+89.2%
2016	\$327	\$377	+14.2%
2017	\$353	\$409	+14.7%
2018	\$527	\$809	+42.2%

Though the Committee understands that DCRA operates under significant resource restraints, it is nonetheless concerned that DCRA is not effectively managing overtime pay. The Committee recommends that DCRA develop performance indicators that set specific dollar overtime reduction goals for upcoming fiscal years and create an overtime staffing plan that details specific circumstances under which overtime may occur, and when it is voluntary or mandatory.

Short-term rental regulations: On November 13, 2018, the Council unanimously approved the Short-Term Rental Regulation Act of 2018 (D.C. Act 22-563). That law requires DCRA to license and regulate short-term rentals in the District. The Committee has identified dollars within DCRA to fund the administrative costs for the new law as identified in updated fiscal impact numbers – 17.0 new FTEs at a cost of approximately \$2 million in recurring funds and approximately \$2 million in information technology costs. These costs are paid through the Committee’s recommended reductions in several budget enhancements funded by the Mayor, including new funding for contract permit plan reviews, temporary staffing, and improvements to some IT systems. In addition, the Committee recommends using unspent dollars from a number of DCRA’s special purpose revenue funds to create the new IT system necessary to regulate short-term rentals. While these policy initiatives funded by the Mayor may be of value, the Committee

³⁰ In FY 2017, only 114 NOIs were issued for illegal construction. This jumped to 569 NOIs in FY 2018. To date in FY 2019, 379 NOIs have been issued.

³¹ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

believes that funding of Council-adopted initiatives should take priority. The Committee hopes that the culture of change that the new DCRA director has articulated will lead to improvements in broken processes and lack of attention that have plagued DCRA for years within the existing budget.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal Year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for the Department of Consumer and Regulatory Affairs from the budget proposed by the Mayor:

1. Reduction of \$1,000,000.00 in local funds in CSG-41, Program 2000, Activity 2020, Recurring (reverse enhancement for Permit Plan Reviews).
2. Reduction of \$100,000.00 in local funds in CSG-41, Program 4000, Activity 3010, Recurring (reverse enhancement for Temporary Support Services).
3. Reduction of \$800,000.00 in local funds in CSG-41, Program 7000, Activity 2090, Recurring (reverse enhancement for Automate the license renewal, eCRM).
4. Recognize \$300,268.00 in local funds from the DCRA Fund 6013 (Basic Business License Fund), One-Time.
5. Recognize \$2,000,000.00 in local funds from the DCRA Fund 6050 (Expedited Building Permit Review Fund), One-Time.
6. Increase of \$1,124,142.00 in local funds in CSG-11, Program 3000, Activity 3045, Recurring (17.0 new FTEs to fund administrative costs of D.C. Act 22-563).
7. Increase of \$366,763.00 in local funds in CSG-14, Program 3000, Activity 3045, Recurring (17.0 new FTEs to fund administrative costs of D.C. Act 22-563).
8. Transfer of \$2,150,000 in local funds to Pay As You Go Capital (create new IT capital project to fund administrative costs of D.C. Act 22-563).
11. Carry forward \$559,363.00 in local funds to fund personal services costs through the financial plan for D.C. Act 22-563.
12. Increase of \$75,334.00 in local funds in CSG-11, Program 2000, Activity 2075, Recurring (1.0 new FTEs to fund Title II of D.C. Law 22-235).
13. Increase of \$24,579.00 in local funds in CSG-14, Program 2000, Activity 2075, Recurring (1.0 new FTEs to fund Title II of D.C. Law 22-235).

14. Increase of \$100,000.00 in local funds in CSG 41, Program 1000, Activity 1040, One-Time (IT system to fund D.C. Law 22-298)
15. Increase of \$10,000.00 in local funds in CSG 41, Program 1000, Activity 1040, Recurring (IT system to fund D.C. Law 22-298)

Committee's Recommended Fiscal Year 2020 Capital Budget

The Committee recommends the following changes to the fiscal year 2020 capital improvement plan budget for the Department of Consumer and Regulatory Affairs from the budget proposed by the Mayor:

1. New Capital Project: Short Term Rental Technology, \$2,150,000.00, Paygo, FY2020.

Policy Recommendations

1. The Committee recommends that DCRA aggressively increase the number of housing code inspectors.
2. The Committee recommends that DCRA implement a strategic code enforcement model that prioritizes actions using market, neighborhood condition, and real property data to address substandard housing.
3. The Committee recommends conducting proactive, random blitzes and inspections of areas with a volume of complaints, and contractors who have a track record of complaints, and stop-work orders, related to illegal construction.
4. The Committee recommends that DCRA develop performance indicators for the reduction of overtime and create an overtime staffing plan to control overtime costs effectively.

COMMISSION ON THE ARTS AND HUMANITIES

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Commission on the Arts and Humanities (Commission) was established by the Commission on the Arts and Humanities Act, effective October 21, 1975 (D.C. Law 1-22; D.C. Official Code § 39-201 *et seq.*). The Commission is an independent body that consists of 18 members. Its role is to evaluate and initiate action on matters relating to the arts and humanities

and encourage programs and the development of programs which promote progress in the arts and humanities.

The mission of the Commission on the Arts and Humanities (Commission) is to provide grants, programs, and educational activities that encourage diverse artistic expressions and learning opportunities so that all District of Columbia residents and visitors can experience the District's rich arts and humanities community.

The Commission, with recommended changes proposed by the Committee, will operate through the following five programs:

(1) Agency Management - Provides administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting;

(2) Arts Building Communities - Provides grants performances, exhibitions, and other services to individual artists, arts organizations, and neighborhood and community groups so that they can express, experience, and access the rich cultural diversity of the District. An emphasis is placed on traditionally underserved populations, including first-time applicants, seniors, young emerging artists, experimental artists, folk and traditional artists, and artists in East of the River neighborhoods.

This program contains the following 4 activities:

- **Facilities and Buildings Grantmaking** - Provides grants to the National Capital Arts Cohort and the Arts and Humanities Cohort for the purchase or renovation of a facility designed for the management, production or presentation of performances, exhibitions, or professional training in the arts or humanities. Grant support for facility-based projects is also provided. The grants are competitively awarded by the agency using the agency's criteria.
- **The National Capital Arts Cohort** - Provides grants to organizations that belong to the National Capital Arts Cohort. The grants are competitively awarded by the agency using the agency's criteria.
- **The Arts and Humanities Cohort** - Provides grants to organizations that directly produce or present content or facilitate productions of other organizations in the arts and humanities that not members of the National Capital Arts Cohort. The grants are competitively awarded by the agency using the agency's criteria.
- **Humanities Grant Program** - Provides subgrants for the humanities made through a grant-making entity. The grant-managing entity shall be required to enter into a Memorandum of Understanding (MOU) with the Commission. The MOU shall set forth certain administrative requirements for the grant-managing entity to abide by when it obtains District funds and awards subgrants involving District funds, and will clarify and reaffirm the grant-managing entity responsibility and obligation with respect to District funds, including the monitoring of the use of District funds.

(3) DC Creates Public Art - Provides the placement of high-quality and administrative support services for the public so that they can benefit from an enhanced visual and cultural environment, with an emphasis on geographically challenged areas of the District. This program places artwork with the Metro transit system and the numerous murals and sculptures in and around the District. The goals are promoting economic development and building sustainable neighborhoods.

This program contains the following 4 activities:

- **Neighborhood and Public Art** - Projects are identified through the culmination of intensive public realm planning processes in partnership with neighborhood advisory groups, Main Street programs, other District government agencies, and private developers. Large-scale works are permanently installed in prominent public locations throughout all eight wards of the District. The program is a citywide benefit because it produces tangible art installations for display in public spaces. The art is inventoried, maintained, and owned by the District. The program also provides partial financial support for artists and organizations to produce public art in public space that the artist or arts organization owns, manages, and maintains.
- **Lincoln Theatre** - Provides for the maintenance of the Lincoln Theatre and associated projects.
- **Art Bank** - In support of visual artists and art galleries in the Washington metropolitan area. Art Bank funding acquires fine artwork each year to expand the District's Art Bank Collection, a growing collection of moveable works showcased in public space.
- **MuralsDC** - In partnership with the Department of Public Works, MuralsDC facilitates the creation of large-scale murals on walls frequently targeted or at high risk for graffiti. In conjunction with the surrounding community, MuralsDC identifies artists with track records of working with large scale media. The community and artists embark on a dialogue and followed by the installations of a mural on the pre-determined wall.

(4) Arts Learning and Outreach - Provides grants, educational activities, and outreach services for youth, young adults, historically underserved populations, and the general public so that they can gain a deeper appreciation for the arts, and to enhance the overall quality of their lives. Specific focus is on providing quality arts education and training experiences to District youth from those in pre-kindergarten through 21 years of age, quality cultural experiences to historically underserved populations, as well as grants and cultural events to the general public, so that they can access and participate in educational opportunities in the arts.

This program contains the following 3 activities:

- **Community Outreach** - Provides funding for community outreach-based projects including special performances, workshops, consultants and other opportunities that aim to enhance the agency's operations and the cultural community of the District;
- **Arts Education** - Provides funding to the Department of Employment Services (DOES) to give young adults work experience in the arts and humanities and grants to support arts programming for youth. Funding to DOES supports opportunities for young adults to

receive work experience in the arts and humanities under the auspices of the Mayor Marion S. Barry Summer Youth Employment Program. Arts and Humanities Education Projects grants are open to any arts and humanities organization executing an educational initiative for youth in the District. Youth arts and humanities grants are competitively awarded by the agency using the agency’s criteria.

- **Local/Regional Field trips** - Provides grants for field trips in the DC metropolitan area to provide DC Public School students with the opportunity to view an art exhibition, performance, or humanities event.

(5) **Administration** - Provides technical assistance and legislative services to the Commission so that it can provide funding opportunities to District artists and arts organizations.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget³²

The Mayor’s fiscal year 2020 budget proposal for the Commission on the Arts and Humanities (Commission) is \$34,505,733, an increase of \$2,425,233, or 7.6 percent, over the current fiscal year. The proposed budget supports 38.0 FTEs, an increase of 5.0 FTEs, or 15.2 percent, over the current fiscal year.

**Table BX-A: Commission on the Arts and Humanities;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Approved 2019	Proposed 2020
Total Funds	\$15,849	\$14,555	\$15,351	\$20,868	\$28,617	\$31,367 ³³	\$34,506
FTEs	18.6	18	17.6	28	25.9	27	38

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$33,499, an increase of \$30,637, or 1,070.6 percent, over the current fiscal year. The proposed budget supports 32.0 FTEs, an increase of 32.0 FTEs over the current fiscal year.³⁴

Special Purpose Funds: The Mayor’s proposed budget is \$133, a decrease of \$66, or 33.2 percent, under the current fiscal year.

³² The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

³³ The FY 2019 budget approved by the Council included no federal funding. However, the Commission did receive approximately \$714 in federal funding that included funding for 6 FTEs. The numbers included in the written summary reflect the federal funding the Commission received in the current fiscal year.

³⁴ The increase in funding and FTEs reflected in local funds is substantial because in the current fiscal year the agency’s budget is mostly entirely comprised of a .03 dedication of sales tax revenue. The Mayor’s proposed budget proposes to repeal the dedication of sales tax revenue.

Federal Funds: The Mayor’s proposed budget is \$714, which is the same as the current fiscal year. The proposed budget supports 6.0 FTEs which is the same as the current fiscal year.

Intra-District Funds: The Mayor’s proposed budget is \$1,161, an increase of \$993, or 591.1 percent, over the current fiscal year.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed FY 2020 budget and agency performance over the last year.

Dedicated Funding: Last year, the Council showed its commitment for the arts and humanities by creating a dedicated funding stream for the Commission. The Council directed 0.3 percent of the general sales tax revenue to the Commission. The committee report noted that “[a]dequate funding is the cornerstone of any public arts program, and the Council’s investment will help ensure that the [District] remains a vibrant and imaginative place to live, work, and visit.”³⁵ This was a major change that provided more stability and support for the arts and humanities.

The FY 2020 budget, as proposed by the Mayor, seeks to repeal the dedicated funding stream. At the Commission’s budget hearing Ms. Terrie Rouse-Rosario, Executive Director for the Commission, testified that repealing the dedicated funding would improve the transparency of how funds would be spent and provides more flexibility. On April 29, 2019, Director Rouse-Rosario sent a letter to the Committee that indicated the Commission did not believe dedicated funding is necessary to ensure that the Commission’s budget continues to increase.³⁶ Further, the letter provided that the proposed FY 2020 funding would allow the Commission to reach out to and support arts organizations in all eight wards.³⁷

The Committee does not find the explanation for the repeal of the dedicated funding stream persuasive. As was stated by Chairman Mendelson at the budget hearing, repealing the dedicated funding will not improve transparency or provide the agency more flexibility. In fact, the repeal of the dedicated funding would create more angst and anxiety in the arts and humanities community because they are concerned that the funding for the Commission could be reduced at any time if the funds are not provided through a dedicated funding stream. Most of the testimony from the budget hearing asked the Committee to restore the dedicated funding.

Hearing the concerns from witnesses testifying at the budget hearing and unconvinced of the arguments made by the Commission to repeal the dedicated funding the Committee

³⁵ Committee of the Whole, Report on Bill 22-754, the “Fiscal Year 2019 Local Budget Act of 2018”, 4, May 15, 2018.

³⁶ Letter from Terrie Rouse-Rosario, Executive Director, Commission on the Arts and Humanities to Phil Mendelson, Chairman of the Council of the District of Columbia (April 29, 2019) (On file with the Committee).

³⁷ *Id.*

recommends striking the repeal to the dedicated funding stream. Maintaining the dedicated funding stream continues the Council’s strong commitment to the arts and humanities.

Grants Funding Structure: The overarching concerns that the Committee heard during the Commission’s budget hearing surrounded budget transparency, dedicated funding, converting grants to loans, and using existing funds for grants to fund the Cultural Plan. There were also concerns raised regarding the use of budget enhancement grants.

The Committee took all these concerns under advisement and believes the best way to address these issues is to restructure the grantmaking programs and divisions within the Commission. This restructuring will also require a complete restructuring of the overall budget for the Commission. The Committee also recommends amending Title V, Subtitle C of the Budget Support Act³⁸, now entitled the “Commission on the Arts and Humanities Independence and Funding Restructuring Amendment Act of 2019” (Commission Restructuring Act), to reflect the proposed recommended changes to the Commission’s budget.

The Committee recommends consolidating most of the Commission’s grant funding budget (CSG 50) and moving it to Program 2000 - Arts Building Communities (Program). The Committee was able to move approximately \$26.5 million to the Program.³⁹ Within the Program, the Committee recommends establishing four divisions to include the Facilities and Buildings Grantmaking division, the National Capital Arts Cohort division, the Arts and Humanities Cohort division, and the Humanities Grant Program.

The Facilities and Buildings Grantmaking division will provide capital grants to the National Capital Arts Cohort and the Arts and Humanities Cohort. The Committee recommends allocating 17 percent, or \$4.5 million, of the Program budget to the Facilities and Buildings Grantmaking division.

The National Capital Arts Cohort division will provide grants to nonprofit organizations that have an annual income, exclusive of District funds, in excess of \$1 million, but receive less than \$1 million in federal funds and either receive or are eligible to receive funding from the National Capital Arts and Cultural Affairs Program. The Committee recommends allocating 28 percent, or \$7.4 million, of the Program budget for the National Capital Arts Cohort. The Committee estimated the members of this Cohort received approximately \$6.4 million in grants in the current fiscal year which includes capital and field trips grants. Under the revised Commission budget, as recommended by the Committee, this Cohort will be eligible to bid for \$7.4 million in grants competitively and will be eligible to competitively bid for grants from the Facilities and Buildings Grantmaking division and the Arts Learning and Outreach Program, which includes the field trips grants. It is important to note that organizations are not precluded from being included in the National Capital Arts Cohort as long as they meet the requirements provided in the

³⁸ The “Fiscal Year 2020 Budget Support Act of 2019”, as introduced on March 20, 2019 (Bill 23-209) [hereinafter Budget Support Act].

³⁹ This amounts to 77 percent of the Commission’s budget. The remaining 23 percent of the Commission’s budget is for administrative costs.

Commissions Restricting Act. This means the number of organizations that belong to the Cohort now could increase over time.

The Arts and Humanities Cohort will provide grants to individuals and organizations that directly produce or present content or facilitate productions of other arts and humanities organizations and are not members of the National Capital Arts Cohort. The Committee recommends allocating 50 percent, or \$13.3 million, of the Program budget for the Arts and Humanities Cohort. The Committee estimated that the individuals and organizations that would belong to this Cohort received approximately \$12.6 million in grants in the current fiscal year which includes capital and field trips grants. Under the revised Commission budget, as recommended by the Committee, this Cohort will be eligible to bid for \$13.3 million in grants competitively and, as with the National Capital Arts Cohort, will be eligible to competitively bid for grants from the Facilities and Buildings Grantmaking division and the Arts Learning and Outreach Program.

The Humanities Grant Program will provide subgrants for the humanities made through a grant-making entity. The Humanities Grant Program requires a partnership with the District of Columbia's State Humanities Council, commonly known as Humanities D.C., through a Memorandum of Understanding. Humanities D.C. would serve as the designated grant-managing entity responsible for issuing subgrants to promote cross-cultural understanding and appreciation of the local history of the District of Columbia. As the District's designated state humanities council through the National Endowment of the Humanities for the last 40 years, the Committee believes that Humanities D.C. is best positioned to issue the subgrants for the Humanities Grant Program. Humanities D.C. would be required to abide by District transparency and grant administration requirements. The Committee recommends allocating 5 percent, or \$1.3 million, of the Program budget for the Humanities Grant Program. In the current fiscal year, Humanities D.C. received \$1.1 million in grants from the Commission.

As seen above, the amount of funds for grants that will be available for the arts and humanities will increase under the Committee's proposed budget. It may not be significant increases, but the Committee believes that the new funding structure being proposed will be more responsive to the needs of the arts and humanities community. Moreover, in theory, if there was a 50-50 split of the grant funds from the Facilities and Buildings Grantmaking division and the Arts Learning and Outreach Program allocated to the National Capital Arts Cohort and the Arts and Humanities Cohort, each Cohort could see an additional \$2.75 million in funding for grants. Additionally, the funding for contracts (CSG-41) in the Commission will also be available for individuals and organizations to bid on competitively.

Finally, it is important to note that the new funding structure does not prohibit the Executive from maintaining the several funding programs which exist in the current fiscal year. The only variation is the programs will have to be funded out of the newly established divisions. The Committee believes these recommended changes will bring more transparency and stability to the Commission's budget.

Commission Independence: Last year, the Executive introduced the “Arts and Humanities Omnibus Amendment Act of 2018”.⁴⁰ The legislation proposed to establish the Department of Arts and Humanities and explicitly provided that the Mayor shall, through an Executive Director who is appointed by the Mayor, direct the operations of the Commission. Further, it proposed to characterize the roles of the members of the Commission as being advisory in nature. The Council did not move forward on the proposed legislation before the end of Council Period 22.

The Committee is concerned that the authority and the powers of the Commission are already being undermined by the Executive. During the budget hearing, Director Rouse-Rosario indicated that the 11 enhancements to the Commission’s budget originated from the Executive. In addition, recent news reports have surfaced that have indicated that members of the Commission were not briefed on the Cultural Plan even though the Commission was listed as a co-author and it is a major part of the Commission’s proposed FY 2020 budget.⁴¹ Also, as will be discussed in further detail below, the Mayor would be in charge of administering the funds tied to the Cultural Facilities Fund and the Cultural Innovation and Entrepreneurship Fund.

These facts seem to show that the Commission did not have a major role in the formulation of the Commission’s FY 2020 proposed budget to include the policy decisions proposed in the budget. The Committee believes the Commission should be an independent body that can make decisions on grants and policies without the undue influence of the Executive or the Council. Further, the Committee believes the proposed budget intends to transfer the authority of the Commission to the Executive. This would be an ill-advised move as it will diminish community engagement.

The Committee recommends amending the Commission Restructuring Act to make clear that the Commission is an independent agency. The following changes are proposed: (1) Provide that the Commission is an independent agency that is not part of the Office of the Mayor; (2) Require the members of the Commission to select the Chairperson of the Commission; (3) Require the Commission to nominate, and with the advice and consent of the Council, appoint an Executive Director for the Commission for a renewable 4-year term; and (4) Remove the authority for the Mayor or the Council to call a special meeting of the Commission. The Committee feels that these changes will ensure that the Commission is run more effectively and efficiently and will allow the Commission to be more responsive to the arts and humanities community.

Cultural Plan: The FY 2020 proposed budget includes \$8.397 million to fund the Cultural Plan. The Cultural Plan was initiated by the Council pursuant to the Cultural Plan for the District Act of 2015 (the Act).⁴² The Act required the Director of the Office of Planning (OP) to submit to the Mayor and Council and post on OP’s website a comprehensive cultural plan on or before April 30, 2017.⁴³ OP was directed to work with the Commission in the development of the Plan.

⁴⁰ As introduced on September 28, 2018 (Bill 22-985)

⁴¹ See Kriston Capps, *D.C.’s Arts Commission Faces Major Changes in Council Shift, Mayor’s Budget*, Washington City Paper (April 1, 2019), <https://www.washingtoncitypaper.com/arts/article/21062346/dcs-arts-commission-facing-major-changes-in-council-shift-mayors-budget>.

⁴² Effective October 22, 2015 (D.C. Law 21-36; DC Official Code § 39-231).

⁴³ *Id.*

A final copy of the 223-page Cultural Plan was made available to the public at 6:00 pm on Thursday, April 4, 2019, which was the night before the Commission's April 5, 2019 budget hearing.

The Cultural Plan is intended to strengthen arts, humanities, culture, and heritage in neighborhoods across the District by increasing cultural participation, supporting artists and talent development, stimulating cultural production, and informing decision-making. The Cultural Plan will lay out a vision and make recommendations on how the government and its partners can build upon, strengthen and invest in the people, places communities, and ideas that define culture within the nation's capital.

The funding proposed in the FY 2020 budget for the Cultural Plan would be allocated as follows: (1) \$5 million toward a new Cultural Facilities Fund, which will provide grants and loans to arts and humanities nonprofit organizations; (2) \$2 million toward a new Innovation Entrepreneurship Loan Fund, which will provide loans and low-cost lines of credit; (3) \$800,000 toward a new Center for Cultural Opportunities, which will help empower the District's cultural creators to develop and enhance their business and entrepreneurial skills; and (4) \$500,000 for a new Public Space Security Fund, which will pay a portion of security costs charged by District agencies.⁴⁴

Along with the funding that is proposed in the FY 2020 budget, the Budget Support Act includes two proposed subtitles that would allow the Mayor to administer the funds associated with the Cultural Facilities Fund and the Cultural Innovation and Entrepreneurship Fund. As proposed, the Cultural Facilities Fund Act of 2019⁴⁵ would create a non-lapsing Fund administered by the Mayor to provide grants and loans to cultural organizations for purchasing, leasing, or renovating a facility for cultural productions.⁴⁶ A Community Development Financial Institution (CDFI) would administer the Fund and would be required to provide or raise matching funds equal to three times amount of the District government's investment.⁴⁷ The Cultural Innovation and Entrepreneurship Fund Act of 2019⁴⁸, as proposed, would create a non-lapsing Fund administered by the Mayor to provide low-cost lines of credit and loans in partnership with a CDFI to individual arts and humanities practitioners and organizations.⁴⁹ The CDFI would administer the Fund and would be required to raise or provide matching funds equal to two times the amount of the District government's investment.⁵⁰

It is important to note that the Committee does not oppose the implementation of the Cultural Plan and appreciates OP took note of the Committee's comments from the FY 2019 budget and moved to release a final copy of the Cultural Plan. But the rollout of the Cultural Plan

⁴⁴ See Terri Rouse-Rosario, Executive Director, Commission on the Arts and Humanities, Testimony before the DC Council Committee of the Whole, 6, April 5, 2019 (on file with the Committee).

⁴⁵ See Title II, Subtitle J of the Budget Support Act.

⁴⁶ Fiscal Impact Statement for the Budget Support Act, 10-11, March 20, 2019 (on file with the Committee).

⁴⁷ *Supra* note 6.

⁴⁸ See Title, Subtitle K of the Budget Support Act.

⁴⁹ *Id.*

⁵⁰ *Id.*

along with the feedback the Committee received at the April 5, 2019 budget hearing has raised significant enough concerns that the Committee is recommending transferring all the funds from the Cultural Plan to the Arts Building Communities Program to be utilized as grant awards. In addition, the Committee is recommending striking the Cultural Facilities Fund and the Cultural Innovation and Entrepreneurship Fund subtitles.

At the budget hearing, nearly every member of the public testified against the proposal to issue loans to meet the capital and operating needs of the arts and humanities organizations operating in the District. The Committee heard concerns that there was no clarity as to how the loans will be issued or accessed and that the funds should be provided as grants and not loans. Further, there were concerns raised that the funding for the Cultural Plan came from existing funding streams instead of supplemental funding being available. Even after the budget hearing, members of the arts and humanities community continue to raise concerns about the two loan programs and have stated they would prefer a transparent, competitive grant process.⁵¹ The Committee agrees that loans are not the answer, and the Commission itself is a grant-making entity and should not be in the business of issuing loans or lines of credit.

Moreover, the Committee is concerned that the final version of the Cultural Plan was not released until the night before the Commission's budget hearing. The timing of the release of the Cultural Plan did not allow sufficient time for review by the Council and by the public before the April 5, 2019 budget hearing. Without an adequate review of the policies being proposed, the Committee believes it would be imprudent to allow the Commission to allocate 24 percent of the agency's total operating budget to fund the first-year rollout of the Cultural Plan. The Committee believes that a hearing on the Cultural Plan itself to get feedback from the public and the Commissioners is necessary before decisions to dedicate a substantial portion of the agency's budget is made. For the reasons stated above, the Committee recommends not including funding for the Cultural Plan as proposed in the FY 2020 budget.

IV. COMMITTEE RECOMMENDATIONS

Policy Recommendations

1. The Committee recommends striking Title II, Subtitle (J), the "Cultural Facilities Fund Act of 2019" from the Budget Support Act.
2. The Committee recommends striking Title II, Subtitle (K), the "Cultural Innovation and Entrepreneurship Fund Act of 2019" from the Budget Support Act.
3. The Committee recommends amending and approving Title V, Subtitle (C), the "Commission on the Arts and Humanities Independence and Funding Restructuring Amendment Act of 2019".

⁵¹ See Mikaela Lefrak, *What Questions Does D.C.'s New Cultural Plan Leave Unanswered? Local Artists Respond*, WAMU (April 11, 2019), <https://wamu.org/story/19/04/11/what-questions-does-d-c-s-new-cultural-plan-leave-unanswered-local-artists-respond/>.

4. The Committee recommends striking Title VII, Subtitle (E), the “Internet Sales Tax Revenue Amendment Act of 2019” from the Budget Support Act. However, the Committee was unable to find the necessary funds to reverse this proposal.
5. The Committee recommends the Commission work with the Office of Planning to assemble and facilitate the Cultural Planning Steering Committee (required by statute) to review the recommendations made in the Cultural Plan.
6. The Committee recommends the members of the Commission work with the Council and the Mayor to determine how to implement the Cultural Plan best and to determine what resources should be allocated for the Cultural Plan.

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends reorganization of the fiscal year 2020 budget for the Commission on the Arts and Humanities as proposed by the Mayor as shown in the following table:

	Activity Code	Fund Code	CSG Code	Budget	FTEs	
1000 - AGENCY MANAGEMENT	1010 - PERSONNEL	0100 - LOCAL FUND	0012 - REGULAR PAY - OTHER	\$175,794	3.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$41,487		
			Total	\$217,281	3.0	
	1015 - TRAINING AND EMPLOYEE DEVELOPMENT	0100 - LOCAL FUND	0040 - OTHER SERVICES AND CHARGES	\$15,000		
			Total	\$15,000		
	1030 - PROPERTY MANAGEMENT	0100 - LOCAL FUND	0040 - OTHER SERVICES AND CHARGES	\$1,000		
			Total	\$1,000		
	1040 - INFORMATION TECHNOLOGY	0100 - LOCAL FUND	0031 - TELECOMMUNICATIONS	\$9,500		
			0070 - EQUIPMENT & EQUIPMENT RENTAL	\$20,000		
			Total	\$29,500		
	1050 - FINANCIAL SERVICES	0100 - LOCAL FUND	0011 - REGULAR PAY - CONT FULL TIME	\$94,543	1.0	
			0012 - REGULAR PAY - OTHER	\$57,495	1.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$35,881		
			Total	\$187,919	2.0	
	1060 - LEGAL SERVICES	0100 - LOCAL FUND	0011 - REGULAR PAY - CONT FULL TIME	\$152,883	1.0	
			0012 - REGULAR PAY - OTHER	\$132,000	1.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$67,232		
			Total	\$352,116	2.0	
	1080 - COMMUNICATIONS	0100 - LOCAL FUND	0011 - REGULAR PAY - CONT FULL TIME	\$334,530	4.0	
0012 - REGULAR PAY - OTHER			\$67,270	1.0		
0014 - FRINGE BENEFITS - CURR PERSONNEL			\$94,825			
Total			\$496,625	5.0		
1085 - CUSTOMER SERVICE	0100 - LOCAL FUND	0011 - REGULAR PAY - CONT FULL TIME	\$73,167	1.0		
		0012 - REGULAR PAY - OTHER	\$104,252	1.0		
		0014 - FRINGE BENEFITS - CURR PERSONNEL	\$41,871			
		Total	\$219,290	2.0		
1090 - PERFORMANCE MANAGEMENT	0100 - LOCAL FUND	0011 - REGULAR PAY - CONT FULL TIME	\$304,946	2.0		
		0012 - REGULAR PAY - OTHER	\$185,473	2.0		
		0014 - FRINGE BENEFITS - CURR PERSONNEL	\$115,739			
		0020 - SUPPLIES AND MATERIALS	\$20,000			
		0040 - OTHER SERVICES AND CHARGES	\$471,486			
		Total	\$1,097,644	4.0		
Division Total				\$2,616,375	18.0	
2000 - ARTS BUILDING COMMUNITIES	*NEW ACTIVITY* Facilities and Buildings Grantmaking, Capital	0110 - DEDICATED TAXES	0050 - SUBSIDIES AND TRANSFERS	\$4,348,534		
			Total	\$4,348,534		
	NEW ACTIVITY General Operating Support Grantmaking, National	0110 - DEDICATED TAXES	0050 - SUBSIDIES AND TRANSFERS	\$7,972,312		
			Total	\$7,972,312		
	NEW ACTIVITY General Operating Support Grantmaking, Non-National	0110 - DEDICATED TAXES	0050 - SUBSIDIES AND TRANSFERS	\$13,045,601		
Total			\$13,045,601			
NEW ACTIVITY Humanities	0110 - DEDICATED TAXES	0050 - SUBSIDIES AND TRANSFERS	\$1,159,667			
Total		Total	\$1,159,667			
Division Total				\$26,526,114		
3000 - DC CREATES PUBLIC ART	3010 - NEIGHBORHOOD AND PUBLIC ART	0110 - DEDICATED TAXES	0011 - REGULAR PAY - CONT FULL TIME	\$292,181	4.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$68,955		
			0041 - CONTRACTUAL SERVICES - OTHER	\$579,000		
			Total	\$940,136	4.0	
	3030 - LINCOLN THEATRE	0110 - DEDICATED TAXES	0041 - CONTRACTUAL SERVICES - OTHER	\$150,000		
Total		\$150,000				
3060 - ART BANK	0110 - DEDICATED TAXES	0050 - SUBSIDIES AND TRANSFERS	\$300,000			
Total		\$300,000				
3090 - MURALS DC	0700 - OPERATING INTRA-DISTRICT FUNDS	0050 - SUBSIDIES AND TRANSFERS	\$85,000			
Total		\$85,000				
Division Total				\$1,475,136	4.0	
4000 - ARTS LEARNING AND OUTREACH	4030 - COMMUNITY OUTREACH	0600 - SPECIAL PURPOSE REVENUE FUNDS	0040 - OTHER SERVICES AND CHARGES	\$133,000		
			Total	\$133,000		
	4040 - ARTS EDUCATION	0110 - DEDICATED TAXES	0012 - REGULAR PAY - OTHER	\$146,334	2.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$34,535		
			0040 - OTHER SERVICES AND CHARGES	\$50,000		
			0041 - CONTRACTUAL SERVICES - OTHER	\$467,000		
			Total	\$697,869	2.0	
	0200 - FEDERAL GRANT FUND	0110 - DEDICATED TAXES	0011 - REGULAR PAY - CONT FULL TIME	\$151,330	2.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$35,714		
			0040 - OTHER SERVICES AND CHARGES	\$20,000		
0050 - SUBSIDIES AND TRANSFERS			\$145,000			
Total		\$352,044	2.0			
0700 - OPERATING INTRA-DISTRICT FUNDS	0110 - DEDICATED TAXES	0041 - CONTRACTUAL SERVICES - OTHER	\$75,000			
		Total	\$75,000			
NEW ACTIVITY Local/Regional Field Trips	0110 - DEDICATED TAXES	0050 - SUBSIDIES AND TRANSFERS	\$1,000,000			
Total		Total	\$1,000,000			
Division Total				\$2,257,913	4.0	
5000 - ADMINISTRATION	5010 - LEGISLATIVE AND GRANTS MANAGEMENT	0100 - LOCAL FUND	0041 - CONTRACTUAL SERVICES - OTHER	\$379,611		
			Total	\$379,611		
			0110 - DEDICATED TAXES	0011 - REGULAR PAY - CONT FULL TIME	\$73,906	1.0
				0012 - REGULAR PAY - OTHER	\$123,294	2.0
				0014 - FRINGE BENEFITS - CURR PERSONNEL	\$46,539	
	0041 - CONTRACTUAL SERVICES - OTHER	\$645,389				
	Total		\$889,128	3.0		
	0200 - FEDERAL GRANT FUND	0110 - DEDICATED TAXES	0011 - REGULAR PAY - CONT FULL TIME	\$157,763	2.0	
			0012 - REGULAR PAY - OTHER	\$134,677	2.0	
			0014 - FRINGE BENEFITS - CURR PERSONNEL	\$69,016		
Total			\$361,456	4.0		
Total				\$1,630,195	7.0	
GRAND TOTAL				\$34,505,733	33.0	

WASHINGTON CONVENTION AND SPORTS AUTHORITY (EVENTS DC)

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Washington Convention and Sports Authority (Events DC) was established pursuant to the Washington Convention Sports Authority and Sports and Entertainment Commission Merger Amendment Act of 2009, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 10-1201.01 *et seq.*) (the Act). The Act merged the DC Sports and Entertainment Commission with the Washington Convention Center Authority, which was established in 2004, to create one organization to promote the District as a key sports, entertainment, and special events destination. Events DC is governed by a 12-member Board of Directors, and the Chairman of the Board is appointed by the Mayor with the advice and consent of the Council.

The mission of Events DC is two-fold: (1) generate economic and community benefits for the District by creating the premier event experience; and (2) promote Washington, D.C. as a world-class tourist destination. The agency operates through the following three divisions: Conventions & Meetings Division, the Sports and Entertainment Division, and the Special Events Division. Further, Events DC owns, operates, and serves as the landlord for the Walter E. Washington Convention Center (Convention Center), the Historic Carnegie Library at Mount Vernon Square (Carnegie Library), the Robert F. Kennedy Memorial Stadium (RFK) - including the RFK Festival Grounds and the Skate Park at RFK, the DC Armory, the Entertainment and Sports Arena (ESA), the Gateway DC and R.I.S.E. Demonstration Center, and Nationals Park.

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget⁵²

The Mayor's fiscal year 2020 budget proposal for Events DC is \$213,801, a decrease of \$899, or less than one percent, under the current fiscal year. The proposed budget supports 320 FTEs, which represents an increase of 25 FTEs, or 11.8 percent, over the current fiscal year.

⁵² The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table ES-A: Events DC;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	0	0	0	0	0	214,700	213,801
FTEs	0	0	0	0	0	295	320

Source: Budget Books (dollars in thousands)

Enterprise Funds: Events DC’s entire budget is comprised of an Enterprise Fund. The FY 2020 budget proposal for Events DC includes a \$149,497 subsidy provided via dedicated taxes and special purpose revenue funds. The remaining balance of Events DC’s budget, \$64,304, is comprised of TIF revenue, an IRS subsidy, operating revenue, and interest income. Please see pages XX-XX of this report for further information regarding the subsidy.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed FY 2020 budget and agency performance over the last year.

Conventions and Meetings: The Conventions and Meetings division at Events DC operates the Convention Center and the Carnegie Library. This division is one of two divisions at Events DC that generates operating revenue. The other division that generates revenue is the Sports and Entertainment division. For FY 2019, the DC Auditor estimates that this division will generate \$23.3 million in total operating revenue.⁵³

In addition, this division has a significant impact on the District’s economy. Since 2003 the Convention Center has generated an estimated \$5.634 billion in positive economic impact for the District.⁵⁴ The Committee believes the positive impact on the District’s economy will only continue to grow when Apple opens its flagship retail store at the Carnegie Library in the spring of 2019.⁵⁵

The proposed FY 2020 operating budget for this division is \$61.54 million. This does not include the expenses that relate to the renovation of the exterior of the Convention Center - expected to start in the summer of 2019 - and other upgrades which are needed⁵⁶, or the \$49.1

⁵³ Jennay Kingsbury and Julie Lebowitz, Office of the District of Columbia Auditor, Sufficiency Certification for the Washington Convention and Sports Authority (Trading as Events DC) Projected Revenues and Excess Reserve to Meet Projected Operating and Debt Service Expenditures and Reserve Requirements for Fiscal Year 2019, 3 (2019) (on file with Committee).

⁵⁴ Gregory A. O’Dell, President and Chief Executive Officer, Events DC, Testimony before the DC Council Committee of the Whole, 2, April 10, 2019 (on file with the Committee).

⁵⁵ *Id.*

⁵⁶ According to Events DC it will costs approximately \$1 million to complete the Convention Center Public and Lobby Space Redesign; \$2 million for Convention Center office upgrades, and \$10 million for the Convention

million that is used for debt service payments on the Convention Center and the Convention Center Hotel. In short, the expenses of this division estimated at \$57.60 million⁵⁷ - not including capital costs and debt service payments, far outweigh the revenues that are generated. However, Events DC receives a subsidy and other non-operating revenue which is sufficient to cover its expenditures and reserve requirements.

The Committee approves the proposed budget for this division and supports the work Events DC is doing in promoting the Convention Center and the District as the go-to destination for meetings and conferences. The Committee is also supportive of the work being done to open Apple's flagship store and the positive impact it will have on the District's economy.

Sports and Entertainment: The Sports and Entertainment division operates RFK Stadium, the DC Armory, the ESA, the Gateway DC and R.I.S.E. Demonstration Center. The proposed budget for FY 2020 for this division is \$18.25 million. As with the Convention and Meetings division, the operating expenses exceed the revenue, but the difference is covered by the Events DC subsidy and non-operating revenue.

As a division that generates revenue for the agency, it is estimated that this division will generate \$23.3 million in total operating revenue FY 2019.⁵⁸ The DC Auditor did raise concerns that the division "has been challenged to meet [its] overall revenue projection in recent years," and that the "FY 2019 revenue estimate is aggressive."⁵⁹ The Committee believes that since the ESA facility just opened this past September and with the number of events already scheduled, which include regular season Washington Mystics games, the division will meet be able to meet its revenue goals. Moreover, Mr. O'Dell testified at the Events DC budget hearing that the ESA facility is hosting other events to include high school and college basketball tournaments, boxing and Mixed Martial Arts matches, community and family shows, esports, and concerts.⁶⁰

However, the Committee is concerned that the condition of the other properties in this division's portfolio, to include the DC Armory and RFK Stadium, could negatively affect the number of events that each site can host. The Committee is pleased that Events DC has taken steps to rejuvenate the area around RFK Stadium. Specifically, the removal of a significant amount of surface parking to build new community fields and support buildings was a positive step that will benefit District residents. The Committee urges Events DC to continue to look at innovative ways to use the RFK campus to bring events to the area, as well as, provide opportunities that will benefit the residents that live near the RFK campus. The Committee will continue to keep a close watch on the progress of the changes being made on the RFK campus.

Dedicated Taxes: A significant source of non-operating revenue for Events DC is derived from dedicated taxes. Events DC receives 4.45 percent of the gross receipts for the sale or charges

Center Streetscape and Activation Project. See FY20 Budget Oversight Post-Hearing Responses, Events DC, April 18, 2019 (on file with the Committee).

⁵⁷ Supra Note 2 at 5.

⁵⁸ *Id.* at 3.

⁵⁹ *Id.* at 7.

⁶⁰ *Supra* note 3 at 3.

for any hotel room charges, and one percent of the gross receipts from the sale or charges on restaurant meals, on-premise alcohol consumption, and car rental or leasing charges.⁶¹ In FY 2019 the DC Auditor estimated that Events DC would receive 69.4% of its projected revenue from the dedicated taxes.⁶²

For FY 2020, the proposed budget includes \$149.5 million in dedicated taxes. Of those taxes, 0.3 percent, is directed to Destination DC as supplemental funding to enhance the District's efforts to market itself as a premier global convention, tourism, and special events destination.

The amount of dedicated taxes to be received in FY 2020 is a 7.0 percent increase from FY 2019. The increase seems significant, but it is about \$6 million less than what was originally approved in FY 2019. Events DC had to revise its estimates for FY 2019 due to the recent federal shutdown having an immediate and one-time effect on hotel and restaurant revenue which impacted the amount of tax revenue transferred to the Convention Center and Destination DC.

At the April 10th budget hearing, Mr. O'Dell testified that in FY 2020 Events DC took a more conservative approach in its projection of revenues from the dedicated taxes.⁶³ In fact, Events DC has projected that it will take in \$6.48 million less than what was originally proposed in the FY 2020 budget. The Committee commends the agency for taking this action. With the recent history of instability with the federal government's appropriation process, there is no certainty that a shutdown will be avoided at the beginning of FY 2020. As seen with the impacts on the agency's revenue from the FY 2019 federal government shutdown it only makes sense that the agency takes a more conservative approach.

Due to the impact of the federal government shutdown on Events DC's non-operating revenue, the Committee recommends that Events DC and Destination DC continue to work to find ways to market the District so it can attract business that is not dependent on whether the federal government is open. The Committee believes that significant efforts must be made to market the District in a way that changes the thinking that this is just a government town. By attracting and supporting more non-government related events and conventions, it is possible that the District could build its economy in a way that it can withstand the negative impacts of a federal government shutdown.

Cherry Blossom Festival Fundraising Match Grant: Almost every year since 1927, the District of Columbia has hosted the National Cherry Blossom Festival (Festival). The Festival is a month-long event that commemorates the 1912 gift of 3,000 cherry trees by the Mayor of Tokyo to the District as a symbol of friendship and goodwill between the United States and Japan.⁶⁴

⁶¹ Supra Note 2 at 3.

⁶² *Id.*

⁶³ Supra note 3 at 4.

⁶⁴ Sense of the Council Supporting the National Cherry Blossom Festival Resolution of 2019, as introduced on February 5, 2019 (P.R. 23-94).

The Festival is a mainstay of the District’s tourist economy. Each year the Festival attracts more than 1.5 million people, and it reaches a media audience of more than 3 billion people.⁶⁵ Moreover, the Festival has a \$160 million impact on the District’s economy.⁶⁶

Realizing the importance of the Festival as it relates to the District’s economy Events DC, the Council, and the Deputy Mayor for Economic Development (DMPED) has provided supplemental funding to support the continued success of the Festival. In FY 2019, Events DC provided \$500,000, the Council provided a \$300,000 matching grant, and DMPED provided a \$49,000 public safety grant.

To continue the District’s support of the Festival, the Committee recommends transferring \$300,000 from the District’s non-departmental account to Events DC to provide a matching grant for the 2020 National Cherry Blossom Festival. The funds will be transferred to the Events DC subsidy account. The Committee notes that every year since 2016 the Council has provided a matching grant to the Festival.

As it relates to the matching grant, the Committee also recommends adding the “National Cherry Blossom Fundraising Match Act of 2019” to the Budget Support Act. The proposed subtitle would grant Events DC the authority to provide a matching grant to a nonprofit organization that organizes and produces the Festival of up to \$300,000 for every dollar above \$750,000 that the organization has raised in corporate donations by March 31, 2020.

IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends adoption of the FY 2020 operating budget for Events DC as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends that Events DC to continue to look at innovative ways to use the RFK campus for the benefit of District residents.
2. The Committee recommends that \$300,000 be identified for a fundraising match program to support the National Cherry Blossom Festival.
3. The Committee recommends that Events DC continue to work with Destination DC to market the District as a premier global destination to transform its image as only being a government town.

⁶⁵ *Id.*

⁶⁶ *Id.*

CONVENTION CENTER TRANSFER
Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Washington Convention and Sports Authority (Events DC) Subsidy Account reflects the transfer of certain sales tax revenues from the District’s General Fund to Events DC for the Walter E. Washington Convention Center and the District’s promotional arm, Destination DC. The Subsidy Account also reflects payments from the Convention Center Hotel’s ground lease payments.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal year 2020 Operating Budget

The Mayor’s proposed budget is \$153,227, an increase of \$10,039, or 7.0 percent, over the current fiscal year. The proposed budget supports 0.0 FTEs, representing no change from the current fiscal year.

**Table EZ-A: Events DC Subsidy;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	108,701	120,448	131,916	141,802	143,246	143,188	153,227
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Dedicated Taxes: The proposed FY 2020 budget includes \$149,497 in dedicated taxes, which is a \$9,774 or 7.0 percent increase from FY 2019. It should be noted that \$6,477, or 0.3 percent, of the dedicated tax, is provided to Destination DC, and \$143,020 of the dedicated taxes is provided to Events DC.

Special Purpose Revenue Funds: The proposed FY 2020 budget includes \$3,730 in special purpose revenue funds, which is a \$315 or 9.2 percent increase from FY 2019.

III. COMMITTEE COMMENTARY

For Committee Commentary related to Events DC, please see pages **XX-XX** of this report.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal Year 2020 Operating Budget

The Committee recommends approval of the FY 2020 operating budget for the Events DC Subsidy as proposed by the Mayor.

DISTRICT OF COLUMBIA RETIREMENT BOARD

Committee Recommendations – See Page DY

I. AGENCY OVERVIEW

The mission of the District of Columbia Retirement Board (DCRB) is to invest prudently the assets of the police officers, firefighters, and teachers of the District of Columbia, while providing those employees with retirement services.

The DCRB is an independent agency that has exclusive authority and discretion to manage and control the District's retirement funds for teachers, police officers, and firefighters (hereinafter referred to as the "Fund") pursuant to D.C. Official Code § 1-711(a). In 2005, the responsibility of administering the teachers', police officers', and firefighters' retirement programs was transferred to the DCRB from the Office of Pay and Retirement Services, a part of the Office of the Chief Financial Officer. The federal government assumed the District's unfunded liability for the retirement plans of teachers, police officers, firefighters, and judges under provisions of the National Capital Revitalization and Self-Government Improvement Act of 1997. Under this law, the federal government pays the retirement benefits and death benefits, and a share of disability payments, for members for years of service earned up to the freeze date of June 30, 1997. The District of Columbia government is responsible for all subsequently earned benefits for the members of the retirement plans.

The DCRB Board of Trustees is comprised of 12 voting trustees: three appointed by the Mayor, three appointed by the Council, and six elected by employee participation groups. The District's Chief Financial Officer, or his designee, serves as a non-voting, ex-officio member of the Board.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget⁶⁷

The Mayor’s fiscal year 2020 budget proposal for the District of Columbia Retirement Board is \$42,836, a decrease of \$743, or 1.7 percent, under the current fiscal year. The proposed budget supports 75.0 FTEs which represents no change from the current fiscal year.

**Table DY-A: District of Columbia Retirement Board
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	30,338	28,738 ⁶⁸	31,819 ⁶⁹	33,852 ⁷⁰	41,644	43,579	42,836
FTEs	56.2	57.6	62.6	69.6	75.0	75.0	75.0

Source: Budget Books (dollars in thousands)

Enterprise and Other Funds: The funding for this account is comprised entirely of enterprise funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2018 budget and agency performance over the last year.

Annually Determined Employer Contributions: Each year, DCRB must calculate and certify the annually determined employer contribution (ADEC) – previously known as the annual required contribution (ARC) – to both the Teachers’ Retirement System (TRS) and the Police Officers’ and Fire Fighters’ Retirement System (POFFRS).⁷¹ In 2012, the Board adopted a closed amortization period for the TRS of 20 years to fully fund the accrued unfunded liability. There are currently 13 years remaining in the TRS amortization period. The POFFRS is currently more than fully funded, meaning that the annual required contribution maintains a funding level that could pay out all current liabilities.

⁶⁷ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

⁶⁸ DISTRICT OF COLUMBIA RETIREMENT BOARD FY2016 COMPREHENSIVE ANNUAL FINANCIAL AUDIT p 56 (March 31, 2017).

⁶⁹ DISTRICT OF COLUMBIA RETIREMENT BOARD FY2017 COMPREHENSIVE ANNUAL FINANCIAL AUDIT p 56 (March 31, 2018).

⁷⁰ *Id.*

⁷¹ D.C. OFFICIAL CODE § 1-907.03(a).

The District's commitment to fully funding the two pension funds are the reason for the health of the pension system. This contributes to the District's excellent bond ratings as compared to most other jurisdictions. District law requires the Mayor and Council to include the full actuarially determined amount necessary to fund the pensions in the annual budget.⁷² While not required under the law, DCRB does use more conservative assumptions than most other plans across the country. The District uses a price inflation assumption of 3.5%, a payroll growth assumption of 4.25%, and a rate of return assumption of 6.5%.⁷³ This is in contrast to public pension systems nationwide that use an average inflation rate assumption of 3.2% and a rate of return assumption of 7.5%.⁷⁴

The Committee commends DCRB for its ongoing work to use sound judgment in managing the plan funds. However, the Committee notes that for FY 2020, the ADEC increased by approximately \$7.3 million to \$151.9 million from last year's ADEC. The TRS increased by approximately \$5.6 million while the POFFRS increased by approximately \$1.7 million. The increases are due primarily to retroactive salary increases for firefighters and teachers.⁷⁵

Finally, the Committee notes that the payouts from the fund will soon outpace contributions plus investment earnings on the fund – likely in 2022. According to the Executive Director of DCRB, this is an expected occurrence as pension funds mature. However, so long as the District continues to fund the pension funds pursuant to the ADEC calculations, they should stay fully funded.

Agency Management: The Committee is pleased that for the first time in many years, agency management costs decreased from the previous fiscal year. All agency costs are paid out of the funds under management. A significant driver for the decrease in budget is the agency's strategic review of its operations including an Information Technology Audit. That audit resulted in the cancellation of a long-planned Pension Information Management Systems (PIMS) which in turn reduced the number of projects, contractors, and staff previously budgeted for PIMS. Instead, DCRB will leverage other District resources, including the Office of the Chief Technology Officer, to design a next generation IT platform. DCRB should know by the last quarter of 2019 the direction it intends to go with respect to IT needs.

Fossil Fuel Divestment: According to DCRB, the funds have limited exposure to two companies that are on the Carbon Tracker 200 List. The Committee has long encouraged DCRB to eliminate exposure to such companies. DCRB noted that it is asking the manager overseeing the fund for a replacement. The current exposure is approximately \$12 million. However, because DCRB has a fiduciary responsibility to maximize yield of the funds, it has not yet been able to

⁷² D.C. OFFICIAL CODE § 1-907.03(b).

⁷³ REPORT ON THE ACTUARIAL VALUATIONS OF THE TEACHERS' RETIREMENT PLAN AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT PLAN p 30 (December 17, 2018).

⁷⁴ See NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS AND COBALT COMMUNITY RESEARCH, 2015 NCPERS PUBLIC RETIREMENT SYSTEMS STUDY (November 2015).

⁷⁵ *District of Columbia Retirement Board: Budget Oversight Hearing before the Council of the District of Columbia Committee of the Whole* (March. 25, 2019) (oral testimony of Sheila Morgan-Johnson, Executive Director, District of Columbia Retirement Board).

identify a product that can achieve the same returns. DCRB remains committed to its Environmental, Social, and Governance Policy.⁷⁶

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the District of Columbia Retirement Board as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends that DCRB work with OCTO to develop robust IT systems to meet its current and future needs and support plan members.
2. The Committee recommends that DCRB closely monitor investments and market fluctuations to maximize returns on the funds.

POLICE OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the Police Officers' and Fire Fighters' Retirement System (POFFRS) is to provide the District's required contribution as the employer to these two pension funds, which are administered by the District of Columbia Retirement Board (DCRB).

Under provisions of the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 ("the Act"), the federal government assumed the District's unfunded pension liability for the retirement plans for teachers, police officers, fire fighters and judges. Pursuant to the Act, the federal government will pay the retirement and death benefits, and a defined share of disability benefits, for employees for service accrued prior to July 1, 1997. The cost for benefits earned after June 30, 1997 is the responsibility of the government of the District of Columbia. This proposed FY 2016 budget reflects the required annual District contribution. Pursuant to D.C. Official Code § 1-907.02(a), the District is required to budget the pension contribution at an amount equal to, or greater than, the amount certified by the DCRB on

⁷⁶ *District of Columbia Retirement Board: Agency Performance Oversight Hearing before the Council of the District of Columbia Committee of the Whole* (February 25, 2019) (oral testimony of Sheila Morgan-Johnson, Executive Director, District of Columbia Retirement Board).

the basis of a prescribed actuarial study and formula calculation that is set forth in § 1-907.03. On January 7, 2015, DCRB transmitted the certified contribution for inclusion in the Mayor’s FY 2016 proposed budget, and it is reflected in this chapter.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget⁷⁷

The Mayor’s fiscal year 2020 budget proposal for the Police Officer’s and Fire Fighters’ Retirement System is \$91,284, a decrease of \$14,312, or 13.6 percent, under the current fiscal year. The proposed budget supports no FTEs.

**Table FD-A: Police Officer’s and Fire Fighters’ Retirement System;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	109,199	103,430	135,577	145,627	105,596	92,322	93,061
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

Fund Contribution Levels: Funding for the POFFRS is set by law as a calculated annual required contribution, also known as an annually determined employer contribution (ADEC). For fiscal year 2020, the ADEC for POFFRS is \$93,061,000.00. Additional analysis of the ADEC can be found in the chapter for the District of Columbia Retirement Board.

⁷⁷ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table FD-B: Police Officers’ and Fire Fighters’ Retirement System;
Annual Required Contribution and Actual Contribution, FY 2008 – FY 2019**

Fiscal Year	Actual Contribution	Annual Required Contribution
2008	\$137,000	\$137,000
2009	\$106,000	\$106,000
2010	\$132,300	\$132,300
2011	\$127,200	\$127,200
2012	\$116,700	\$116,700
2013	\$96,300	\$96,300
2014	\$110,766	\$110,766
2015	\$103,430	\$103,430
2016	\$136,115	\$136,115
2017	\$145,631	\$145,631
2018	\$105,596	\$105,596
2019	\$92,322	\$92,322

Source: D.C. Retirement Board (*dollars in thousands*)

Funding Ratio and Unfunded Liability: According to the most recent actuarial valuation, POFERS is currently 111.96 percent funded on an actuarial basis – an increase of 1 percent over year’s level. The unfunded actuarial accrued liability is negative \$624,815 million.⁷⁸ The negative unfunded liability represents excess funding over the 100% ratio.

⁷⁸ CAVANAUGH MACDONALD CONSULTING, LLC, REPORT ON THE ACTUARIAL VALUATIONS OF THE DISTRICT OF COLUMBIA RETIREMENT BOARD, TEACHERS’ RETIREMENT PLAN AND POLICE OFFICERS’ & FIREFIGHTERS’ RETIREMENT PLAN p 4 (October 1, 2018)

**Table FD-C: Police Officers' and Fire Fighters' Retirement System;
Plan Summary, Police Officers' vs. Firefighters'**

SUMMARY OF PRINCIPAL RESULTS FOR POLICE OFFICERS' RETIREMENT PLAN (\$ IN THOUSANDS)			SUMMARY OF PRINCIPAL RESULTS FOR FIREFIGHTERS' RETIREMENT PLAN (\$ IN THOUSANDS)		
VALUATION DATE	October 1, 2018	October 1, 2017	VALUATION DATE	October 1, 2018	October 1, 2017
Total Number of Active Members	3,567	3,583	Total Number of Active Members	1,782	1,729
Total Annual Covered Payroll	\$297,283	\$299,535	Total Annual Covered Payroll	\$156,926	\$142,370
Number of Retired Members and Survivors	2,593	2,419	Number of Retired Members and Survivors	848	796
Annual Retirement Benefits	\$83,476	\$72,463	Annual Retirement Benefits	\$28,348	\$25,223
Total Assets:			Total Assets:		
Actuarial Value	\$4,083,671	\$3,794,954	Actuarial Value	\$1,764,905	\$1,611,413
Market Value	\$4,199,797	\$3,949,045	Market Value	\$1,816,156	\$1,680,866
Liabilities:			Liabilities:		
Actuarial Accrued Liability	\$3,592,965	\$3,412,554	Actuarial Accrued Liability	\$1,630,796	\$1,465,707
Unfunded Actuarial Accrued Liability (UAAL)	(\$490,706)	(\$382,400)	Unfunded Actuarial Accrued Liability (UAAL)	(\$134,109)	(\$145,706)
Funding Ratios:			Funding Ratios:		
Based on Actuarial Value	113.66%	111.21%	Based on Actuarial Value	108.22%	109.94%
Based on Market Value	116.89%	115.72%	Based on Market Value	111.37%	114.68%
CONTRIBUTION FOR FISCAL YEAR ENDING	09/30/2020	09/30/2019	CONTRIBUTION FOR FISCAL YEAR ENDING	09/30/2020	09/30/2019
Employer Normal Cost Rate*	33.03%	32.15%	Employer Normal Cost Rate*	35.29%	35.46%
Amortization of UAAL Rate	(17.45)	(13.10)	Amortization of UAAL Rate	(8.54)	(10.07)
Actuarially Determined Contribution Rate (ADC)	15.58%	19.05%	Actuarially Determined Contribution Rate (ADC)	26.75%	25.39%
Estimated Fiscal Year End Covered Payroll	\$309,918	\$312,265	Estimated Fiscal Year End Covered Payroll	\$163,595	\$148,421
Fiscal Year District Payment before 1-907.02(c)	\$48,285	\$59,486	Fiscal Year District Payment before 1-907.02(c)	\$43,762	\$37,684
Shortfall/(Overpayment)	(2,864)	(4,964)	Shortfall/(Overpayment)	3,878	(922)
Fiscal Year District Payment	\$45,421	\$54,522	Fiscal Year District Payment	\$47,640	\$36,762

* The normal cost rate includes the administrative expense rate of 2.10%.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Police Officer's and Fire Fighters' Retirement System as proposed by the Mayor.

TEACHERS' RETIREMENT SYSTEM

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Teachers' Retirement System (TRS) provides the District's required contribution to this retirement plan, which is administered by the District of Columbia Retirement Board (DCRB).

Under provisions of the Police Officers, Firefighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 ("the Act"), the federal government assumed the District's unfunded pension liability for the retirement plans for teachers, police officers, firefighters and judges. Pursuant to the Act, the federal government will pay the retirement and death benefits,

and a defined share of disability benefits, for employees for service accrued prior to July 1, 1997. The costs for benefits earned after June 30, 1997 are the responsibility of the District government. The Mayor’s proposed budget reflects the required annual District contribution to fund these earned benefits. Pursuant to D.C. Official Code § 1-907.02(a), the District is required to budget the pension contribution at an amount equal to, or greater than, the amount certified by the DCRB on the basis of a prescribed actuarial study and formula calculation that is set forth in § 1-907.03. On January 7, 2015, the DCRB transmitted the certified contribution for inclusion in the Mayor’s FY 2016 proposed budget as reflected in this chapter.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget⁷⁹

The Mayor’s fiscal year 2020 budget proposal for the Teachers’ Retirement System is \$59,046, an increase of \$2,265, or 4.0 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Table GX-A: Teachers’ Retirement System;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	31,573	39,443	44,659	56,618	58,844	53,343	58,888
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	030

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

Fund Contribution Levels: Funding for the Teachers’ Retirement System (TRS) is set by law as a calculated annual required contribution, also known as an annually determined employer contribution. For fiscal year 2020, the calculated amount for TRS is \$58,888,000.

⁷⁹ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table GX-B: Teachers' Retirement System;
 Annual Required Contribution and Actual Contribution, FY 2008 – FY 2018**

Fiscal Year	Actual Contribution	Annual Required Contribution
2008	\$5,964	\$6,000
2009	(\$3)	\$0
2010	\$3,000	\$0
2011	\$3,000	\$0
2012	\$3,000	\$2,983
2013	\$6,396	\$6,396
2014	\$31,573	\$31,636
2015	\$39,443	\$39,513
2016	\$44,469	\$44,469
2017	\$56,781	\$56,781
2018	\$59,046	\$59,046
2019	\$53,343	\$53,343

Source: Actuarial Valuations and Budget Books (*dollars in thousands*)

Funding Ratio and Unfunded Liability: According to the most recent actuarial valuation, TRS is currently 92.99 percent funded, approximately ½ point higher than at the last valuation. The unfunded actuarial accrued liability is negative \$161,403 million.⁸⁰

⁸⁰ CAVANAUGH MACDONALD CONSULTING, LLC, REPORT ON THE ACTUARIAL VALUATIONS OF THE DISTRICT OF COLUMBIA RETIREMENT BOARD, TEACHERS' RETIREMENT PLAN AND POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN p 1 (Oct. 1, 2018)

**Table FD-C: Teachers' Retirement System;
Plan Summary**

SUMMARY OF PRINCIPAL RESULTS FOR TEACHERS' RETIREMENT PLAN (\$ IN THOUSANDS)		
VALUATION DATE	October 1, 2018	October 1, 2017
Number of Active Members	5,066	5,199
Annual Covered Payroll	\$470,749	\$447,762
Number of Retired Members and Survivors	3,990	3,899
Annual Retirement Benefits	\$76,535	\$71,201
Assets:		
Actuarial Value	\$2,139,911	\$1,982,019
Market Value	\$2,193,598	\$2,051,006
Liabilities:		
Actuarial Accrued Liability	\$2,301,314	\$2,142,491
Unfunded Actuarial Accrued Liability (UAAL)	\$161,403	\$160,472
Funding Ratios:		
Based on Actuarial Value	92.99%	92.51%
Based on Market Value	95.32%	95.73%
CONTRIBUTION FOR FISCAL YEAR ENDING		
	09/30/2020	09/30/2019
Employer Normal Cost Rate*	7.97%	7.55%
Amortization of UAAL Rate	3.70	3.54
Actuarially Determined Contribution Rate (ADC)	11.67%	11.09%
Estimated Fiscal Year End Covered Payroll	\$490,756	\$466,792
Fiscal Year District Payment before 1-907.02(c)	\$57,271	\$51,767
Shortfall/(Overpayment)	1,617	1,576
Fiscal Year District Payment	\$58,888	\$53,343

*The normal cost rate includes the administrative expense rate of 1.20%.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Teachers' Retirement System as proposed by the Mayor.

OTHER POST-EMPLOYMENT BENEFITS ADMINISTRATION

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The Other Post-Employment Benefits Administration (OPEBA) agency is used to account for expenditures related to the administration of the Other Post-Employment Benefits Trust Fund.

The government of the District of Columbia established the District’s Annuitants’ Health and Life Insurance Employer Contribution Trust Fund on October 1, 1999 under the Annuitants’ Health and Life Insurance Employer Contribution Amendment Act of 1999 (D.C. Official Code 1-621.09). Health and life insurance benefits for retirees are known as “Other Post-Employment Benefits” (OPEB), also referred to as the OPEB Plan. The OPEB Plan includes a trust fund that receives the District’s annual contributions toward health and life insurance benefits for District employees who have retired, as well as premium payments from retirees. These contributions and premiums, along with investment earnings, are used to pay future benefits on behalf of qualified participants. The OPEB Plan is jointly administered by the District’s Office of Finance and Treasury, within the Office of the Chief Financial Officer (OCFO), and the District of Columbia Department of Human Resources (DCHR).

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget⁸¹

The Mayor’s fiscal year 2020 budget proposal for the Other Post-Employment Benefits Administration is \$47,300, an increase of \$1,300, or 2.8 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Table UB-A: Other Post-Employment Benefits Administration;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	86,600	91,400	29,000	31,000	44,500	46,000	47,300
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Enterprise Funds: The funding for this account is comprised entirely of enterprise funds.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

Administration of the OPEB: As part of the Fiscal Year 2019 budget, the Council created a new agency to house the administrative costs of administering the OPEB fund. This new

⁸¹ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

structure is similar to the structure of the District of Columbia Retirement Board, although the Retirement Board administers benefits in addition to investments.

Unlike DCRB, OPEBA does not carry any FTE positions. Instead, it carries contractual services funds that are paid to the Office of the Chief Financial Officer under a Memorandum of Understanding for those OCFO staff that are supporting OPEBA. In addition, OPEBA pays for all investment management fees related to the OPEB fund. For FY 2020, according to follow up documentation provided by the OCFO, OPEBA will pay for 6.0 FTEs at OCFO at a cost of \$937,000.00. The budget for investment management fees is \$6,763,096. These fees are negotiated with each investment manager and very depending on asset class being managed.

**Table UB-B: Other Post-Employment Benefits Administration;
Personal vs Non-Personal Services Funding Equivalent**

Controller Source Group	Actual FY 2018	Approved FY 2019	Proposed FY 2020	Change from FY 2019	Percentage Change
11 Regular Pay - Continuing Full Time*	\$ 168	\$ 462	\$ 750	\$ 288	62.3%
14 Fringe Benefits - Current Personnel	\$ 42	\$ 115	\$ 188	\$ 72	62.3%
15 Overtime Pay		\$ -	\$ -	\$ -	0.0%
SUBTOTAL PERSONAL SERVICES	\$ 210	\$ 577	\$ 938	\$ 360	62.3%
20 Supplies and Materials		0	0	0	0
30 Energy, Communications and Building Rental		0	0	0	0
40 Other Services and Charges		0	0	0	0
41 Contractual Service - Other	\$ 6,917	\$ 7,393	\$ 8,132	\$ 739	10.0%
50 Subsidies and Transfers		0	0	0	0
70 Equipment and Equipment Rental		0	0	0	0

* UB0 pays AT0 for staff expense

Source: Letter from OCFO, April 1, 2019

Calculation of the Annually Determined Employer Contribution (ADEC): The results of a study to examining funding requirements for OPEB that began in 2015 found that the District had been significantly over-funding the OPEB. The study found that actual retiree participation rates are lower than the initial assumptions.⁸² As a result, OCFO worked with the DC Department of Human Resources to model a more appropriate participation rate which was validated by the Advisory Committee. The change in assumptions also now closely align the OPEB assumptions to those of the DC Retirement Board. The ADEC also assumes a 20-year closed amortization period and a target return rate of 6.5%. As a result, the ARC payment for FY 2020 is \$47.3 million.

Funding Ratio and Unfunded Liability: OPEB is currently 106.4% funded meaning that the OPEB fund has no unfunded liability.

⁸² *Other Post-Employment Benefits: Agency Performance Oversight Hearing before the Council of the District of Columbia Committee of the Whole* (Mar. 27, 2018) (oral testimony of Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer, Office of the Chief Financial Officer).

**Table UBC: Other Post-Employment Benefits Administration;
 ADEC Details**

Actuarially Determined Contribution Calculation (ADC)			
	Prior Year	Current Year	
	2020 Valuation	2020 Valuation	
Projected OPEB Liability	\$ 1,501,800	\$ 1,456,785	
Expected Actuarial Asset Value	\$ 1,558,200	\$ 1,549,811	
Expected Unfunded (Overfunded) Actuarial Liability - UAL	\$ (56,400)	\$ (93,026)	
Funded Ratio	103.8%	106.4%	
Normal Cost	\$ 53,700	\$ 55,100	
Amortization of Unfunded Liability	\$ 4,700	\$ 7,800	
Actuarially Determined Contribution	\$ 49,000	\$ 47,300	
Amortization Period for UAL (Years)	16	16	
The actuarially determined contribution represents the amount needed to fund benefits over time.			
The change in 202 ADC from prior year calculations reflects actual participation experience by employee group and plan performance.			

IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Other Post-Employment Benefits Administration as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends that OPEB continue to closely monitor take-up rates for the plan to ensure plan assets reflect actual benefits.
2. The Committee recommends that OPEBA aggressively negotiate investment management fees to limit spending out of the OPEB fund.

DISTRICT RETIREE HEALTH CONTRIBUTION (OPEB)
Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the District Retiree Health Contribution is to contribute to the funding of the District’s other post-employment benefits (OPEB) liabilities.

District government retirees who were first employed after September 30, 1987 ("post-87") may obtain health insurance (pursuant to D.C. Code 1-622) and life insurance (pursuant to D.C. Code 1-623) from the District. The federal government is responsible for funding OPEB costs for District government retirees who were first employed prior to October 1, 1987 ("pre-87").

In 1999, the Council of the District of Columbia established the Annuitants' Health and Life Insurance Employer Contribution Trust Fund ("Trust Fund") to pay the District's portion of post-87 retirees' health and life insurance premiums. Through FY 2007, the District contributed to the Trust Fund from available funds. Beginning in FY 2008, the Governmental Accounting Standards Board requires state and local governments, including the District, to recognize any OPEB liability in their financial statements. The District is budgeting an actuarially determined annual OPEB contribution to gradually reduce its unfunded accrued liability. The proposed budget of the District Retiree Health Contribution represents the District's FY 2018 contribution to the funding of its OPEB liabilities.

The District passed permanent legislation effective in FY 2011 that changed the calculation of its contribution to the cost of health, vision, and dental insurance premiums for retirees and their dependents to a scale based on the amount of creditable service of the retiree. The District's maximum contribution for the cost of healthcare for retirees is 75.0 percent, the same as the contribution for all current employees.

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget⁸³

The Mayor's fiscal year 2020 budget proposal for the Retiree Health Contribution is \$47,300, an increase of \$1,300, or 2.8 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Table RH-A: Retiree Health Contribution;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	86,600	91,400	29,000	31,000	44,500	46,000	47,300
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

⁸³ The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

III. COMMITTEE COMMENTARY

For Committee Commentary related to the University of the District of Columbia, please see refer to the commentary on the Other Post-Employment Benefits Administration. The Retiree Health Contribution funds are actuarially determined to fund OPEB benefit obligations.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Retiree Health Contribution as proposed by the Mayor.

UNIVERSITY OF THE DISTRICT OF COLUMBIA

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The University of the District of Columbia (UDC) is an urban land grant institution of higher education. Through its community college, flagship, and graduate schools, UDC offers affordable post-secondary education to District of Columbia residents at the certificate, baccalaureate, and graduate levels. These programs prepare students for immediate entry into the workforce, the next level of education, specialized employment opportunities, and life-long learning.

The University is governed by a board of trustees comprised of 15 members, 11 of whom are appointed by the Mayor, with the advice and consent of the Council, one who is a full-time student in good-standing at the University, and three who have either graduated UDC or one of its predecessors.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget⁸⁴

The Mayor’s fiscal year 2020 budget proposal for the University of the District of Columbia is \$169,116, a decrease of \$2,192, or -1.3 percent, over the current fiscal year. The proposed budget supports 968.4 FTEs, which represents no change from the fiscal year 2019 approved budget.

**Table XX-A: University of the District of Columbia;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	141,850	139,524	154,968	164,015	161,255	171,384	173,857
FTEs	948.4	948.4	932.4	957.7	968.4	968.4	968.4

Source: Budget Books (dollars in thousands) and email from UDC’s Agency Fiscal Officer.⁸⁵

Enterprise Funds: It is important to note that UDC’s entire budget is aggregated into an Enterprise Fund. The fiscal year 2020 budget proposal for UDC includes a \$90,153 subsidy provided via local funds. The remaining balance of UDC’s budget, \$78,963, is comprised of grants, tuition, fees, an endowment, and indirect costs. Please see pages **XX-XX** of this report for further information regarding the subsidy.

Mayor’s Proposed Fiscal Year 2019 Capital Budget

The Mayor’s proposed capital improvements plan includes \$120,000 for UDC, representing a decrease of \$27,202, or -18.48%, over the six-year plan. The plan authorizes \$12,000 for fiscal year 2020, \$8,000 for fiscal year 2021, 40,000 for fiscal year 2022, \$10,000 for fiscal year 2023, \$25,000 for fiscal year 2024, and \$25,000 for fiscal year 2025. This funding is for construction and renovation of UDC sites.

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and UDC’s performance over the last year.

Workforce Salaries: Over the past several years, the University has expressed concern with regard to its ability to offer competitive salaries to both its unionized and non-unionized employees. Three unions represent the unionized faculty and staff at UDC: the UDC Faculty

⁸⁴ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

⁸⁵ Email from Munetsi Musara to Christina Setlow on April 29, 2019 (on file with the Committee).

Association/National Education Association (NEA), which represents approximately 182 full-time faculty members;⁸⁶ SEIU Local 500, which represents around 182 adjunct faculty;⁸⁷ and AFSCME, as part of Compensation Unit 1&2, which represents approximately 41 UDC career service employees and around 136 UDC educational service employees.⁸⁸ The rest of UDC staff are non-union.

Over the years, due to the University's financial constraints, it has not been able to provide its workforce, both union and non-union, with either cost-of-living adjustments (COLA) or merit-based salary increases. This has led to some of the University's full-time faculty being drastically underpaid when comparing them to their counterparts at other universities.⁸⁹ For example, UDC's business faculty receives 40% less than their counterparts, and its engineering faculty are paid 30% below market rate.⁹⁰ Moreover, because a portion of the University's unionized workforce are part of the District's Compensation Units 1 & 2, UDC must comply with a collective bargaining agreement (CBA) that it did not negotiate.⁹¹

All of this has resulted in the University making compensation its top priority in terms of budget enhancement requests. In fiscal year 2019, the University received a \$4.747 million recurring enhancement to the subsidy it receives from the District. These funds have allowed the University to address some pay parity issues when it comes to its non-union staff and fulfill its obligations under the Compensation Unit 1&2 CBA. However, the University needs more funds in order to pay its full-time and adjunct faculty. Thus, the Mayor's proposed fiscal year 2020 budget includes an additional \$2.8 million recurring enhancement to allow the University to continue to address its salary challenges. The Committee applauds this investment but notes that this infusion of funds still does not solve the University's pay parity issues. Thus, the Committee urges the University to identify additional sources of revenue that will allow it to be competitive with other postsecondary institutions in the region so that talented workforce can not only be attracted but retained.

8th Master Agreement: UDC's full-time faculty are unionized and represented by the UDC Faculty Association/NEA. Since 2015, the union and UDC administration have been in negotiations with regard to their most recent CBA, also known as the 8th Master Agreement. Yet, the two parties have not been able to reach an agreement over the past four years, meaning that no full-time faculty at UDC have been able to receive any type of pay raise, including a COLA, during this time period.

Over the past couple of years, various faculty have approached the Committee and asked for it to intervene so that they may receive a salary increase. While, the Committee does not

⁸⁶ UDC has 182 UDC Faculty Association/NEA represented positions but only 152 of the 182 have signed union cards consenting to representation by the union. April 29, 2019 email from Thomas Redmond to Christina Setlow

⁸⁷ 182 adjunct professors meet the criteria for SEIU representation. However, the University does not know how many of the 182 have actually consented to representation.

⁸⁸ UDC Round 2 2018 Performance Oversight Responses.

⁸⁹ See President Mason's performance oversight testimony on February 27, 2018.

⁹⁰ President Mason's performance oversight testimony on February 27, 2018.

⁹¹ See Committee of the Whole Fiscal Year 2019 Report – UDC labor discussion.

become involved in union negotiations, it has questioned President Mason about the status of the negotiations and why an agreement has yet to be met. During UDC's fiscal year 2020 budget hearing on March 26, 2019, the Committee learned from both union leadership and President Mason that the University had presented the union with an offer in November 2018 but the union had failed, up until that point, to respond formally to the offer.⁹² When Chairman Mendelson inquired as to why the union had not formally responded, Ms. Brown, the union's vice president, indicated that the union had tried to talk with the University's leadership about the CBA but was not doing so through the proper, legal channels. Moreover, Ms. Brown stated that the University was being uncooperative in the negotiations but when pressed by Chairman Mendelson as to why the union had not declared that the negotiations were at an impasse, Ms. Brown could not provide a response.

While the Committee is sympathetic towards the faculty who want a raise, the power to reach a solution and to finalize the 8th Master Agreement lies with the union and its leadership. The union leadership let an offer from the University languish for over four months and had not responded as of the end of March. If it believes that the negotiations are no longer productive, the union has the power to declare that the parties are at an impasse and to bring the matter to arbitration – just like it had to with the 7th Master Agreement. Given the University's financial situation, which the union is well aware of, it is clear what the University can and cannot offer in terms of compensation, and the University has made its position clear through its most recent offer in November. Thus, the power to reach a resolution lies with the union leadership. The Committee strongly urges the union leadership to bargain in good faith and to reach a resolution and agreement on the 8th Master Agreement. Failure to do so means that the union leadership are the sole entities preventing UDC's full-time faculty from receiving more compensation. After four years, UDC's faculty deserves a resolution.

IT Issues: Due to UDC's financial issues over the past several years, the University has had to prioritize its needs, which has resulted in items being deferred until they can no longer be ignored. Such is the case with the University's IT needs. Currently, much of UDC's hardware is old, with its core networking infrastructure being over 15 years old, and incapable of being updated because of its age.⁹³ Additionally, with the increased use of laptops and tablets, UDC's faculty and students require more wireless access, but UDC's campuses do not have enough wireless access points, making it difficult for UDC's population to have reliable wireless connectivity.⁹⁴ Further, the University's firewalls and security devices are outdated, placing UDC at increased risk for a cyber-attack.⁹⁵

To circumvent its aging hardware, UDC has begun to move to more cloud-based applications, such as Microsoft Office 365.⁹⁶ Yet, this solution is not sufficient, so for the past couple of years, the University has requested a recurring increase in the subsidy it receives from the District. When Mayor Bowser transmitted her proposed fiscal year 2019 budget, she included

⁹² See oral testimony of Brenda Brown and President Mason

⁹³ UDC's 2nd round performance oversight responses, pages 22-26.

⁹⁴ *Id.* at 23-24.

⁹⁵ *Id.* at 24.

⁹⁶ *Id.* at 22.

\$4.7 million in one-time funds in UDC's subsidy in order to address its IT issues. While both the University and Committee supported these funds, there was concerned that the University would be limited in what IT improvements it could make since the funds were one-time. Indeed, this has been the case. As part of its fiscal year 2020 budget enhancement request, UDC requested, again, that it receive a recurring enhancement to address its IT needs. Despite this, when the Mayor transmitted her proposed fiscal year 2020 budget, she included only \$4.7 million in one-time funds.

Like last year, the Committee supports UDC receiving a subsidy increase, even if the funds are one-time. However, the Committee continues to be concerned about UDC's IT challenges and the impact these challenges may have on students' learning. Many of the students who attend the University do not have financial resources to invest in laptops or other IT needs and rely upon the computers or equipment at UDC. Yet, this equipment is often outdated or broken, leaving UDC's students at a disadvantage. If the District truly desires a pathway to the middle class, that pathway goes through UDC. Thus, it is imperative that UDC receive the resources it needs, including the funds necessary to address the University's IT issues. Moving forward, the Committee stresses the importance of addressing UDC's IT challenges and calls upon the Mayor and the University to work together to identify a path forward to do so.

Capital Projects: Over the past several years, UDC has faced a decline in its capital budget. In the fiscal year 2014 budget, UDC had its capital budget reduced by nearly \$70 million over a six-year period.⁹⁷ Because of this reduction, the University had to reevaluate what capital projects it was going to carry forward and had to place several other projects on the back burner or eliminate them altogether. Then in the proposed fiscal year 2016 budget, Mayor Bowser eliminated all of UDC's capital funds for fiscal year 2016 – reducing UDC's capital budget by another \$15 million. Given that UDC had several projects already in progress that would have had to grind to a halt, as well as the fact that UDC needed capital funds to complete projects necessary for its reaccreditation by Middle States, the Council restored the \$15 million to UDC - \$5 million in fiscal year 2015, \$10 million in fiscal year 2016, and \$10 million in fiscal year 2017. Yet, despite the Council's clear signal that capital investments needed to be made with regard to UDC, its fiscal year 2018 budget remained stagnant with no capital funds included.

UDC's fiscal year 2019 capital budget, on the other hand, was welcomed by the Committee. UDC's capital budget increased by over \$81 million, or 161.7%, over the six-year capital plan. However, the Committee is unmoved by UDC's proposed fiscal year 2020 capital budget. While the budget does include \$120 million for UDC over the six-year capital plan, it is over \$27 million less than UDC's capital plan spanning fiscal year 2019-2024. Additionally, once again, much of the money is three or four years away. This leaves UDC with few options and has led to them having to lease other space around the Van Ness campus so that it can have additional classroom space given the deterioration of Building 41. Further, the University will need the additional procured space⁹⁸ to serve as swing space when UDC is finally able to take on massive renovations to buildings on it Van Ness campus.

⁹⁷ COW Report on Recommendations for the FY 2014 Budget at 69.

⁹⁸ UDC is leasing 4250 Connecticut Avenue NW and is hoping to purchase the building in three years. In order for this to occur, the District has to remain steadfast in its support for UDC.

As the Committee noted last year, many of the buildings on the Van Ness (flagship) campus need serious repair. In order for this to occur, UDC needs more funds and sooner than they are projected to receive them from the District through the capital improvement plan. In addition, Bertie Backus, the main campus for the University's Workforce Development and Lifelong Learning (WDLL), also needs repairs and expansion if the University is to offer more WDLL and UDC-CC course offerings.⁹⁹ This leaves UDC with some tough choices when it comes to what is repaired or renovated first and what impact that has on the rest of the UDC community (i.e. a tug of war on resources between the flagship and the community college). As the Committee also noted last year, UDC needs hundreds of millions of dollars to do all of the repairs and renovations that are needed, but the University does not have this type of financing in the proposed fiscal year 2020 budget. Moreover, if the Mayor does not provide the University with the funds they need, the Council cannot close the gap on its own. Thus, UDC must prioritize identifying funding streams outside of District government in order to fund its capital projects.

Private Fundraising: Over the past six years, beginning with fiscal year 2014, the Council has set aside funds for the University as part of a fundraising match. Originally as a means of supporting UDC's accreditation efforts, the Council set aside a million dollars in matching funds in fiscal year 2014 to aid the University with accreditation activities and readiness.¹⁰⁰ For every dollar UDC raised in private donations, up to a maximum of a million dollars, the District matched those donations dollar for dollar. While the University was unsuccessful in raising private funds in fiscal year 2014 for this match, the Council agreed to extend the match opportunity to the University again in fiscal year 2015. UDC rose to the challenge that year and was able to meet, and indeed exceed, the million-dollar threshold, raising \$1,070,000 in private donations. Given that success, the Council again set aside a million-dollar match for the University in fiscal year 2016. UDC was once again successful at raising the funds and did so within the prescribed time frame.

For fiscal year 2017, the Council put forth more stringent match requirements, indicating that for every two dollars the University raised, it would receive a dollar. The University was just short of fulfilling the match in fiscal year 2017, but it did so for fiscal year 2018, raising over \$3.4 million by the April 1, 2018 deadline set by the Council. Once again, in fiscal year 2019, UDC has met the matching, resulting in the University having \$4.5 million more funds.¹⁰¹ Due to the Council provided match over the past six years, the University's private fundraising efforts have drastically improved,¹⁰² and their fundraising sources have become more diversified.¹⁰³ When the Council first began the fundraising match, the University relied on donations from UDC's law school alumni. Now UDC is raising funds from a plethora of sources.

Moving forward, the Committee recommends continuing the fundraising match in fiscal year 2020. While the University's fundraising efforts have greatly improved, there's still room for growth, and the Committee believes that the fundraising match will push the University, as well

⁹⁹ See March 28th responses from UDC.

¹⁰⁰ See Title X, Sec. 10002 of D.C. Law 20-61, the Fiscal Year 2014 Budget Support Act of 2013.

¹⁰¹ \$3 million raised by the University and \$1.5 million, in matching funds, from the District government.

¹⁰² See budget testimony.

¹⁰³ See UDC's FY18 2nd round performance oversight responses, pages 43-44.

as UDC's fundraising arm – the UDC Foundation – to make private fundraising a priority. If the University can attract more private fundraising, it would, theoretically, need less resources from the District. Additionally, the University needs to grow its endowment, and additional private fundraising will allow it to do so. The Committee applauds the University for its continued progress in fundraising and recommends that the University continue to make private fundraising, from a diverse range of sources, a priority in fiscal year 2020.

DC's Affordable Law Firm: One of the shining stars at UDC is its law school and its clinical program, for this program is one of the best law school clinic programs in the country. Given this recognition and focus, the law school has been looking for ways to expand its clinical programs beyond its current students. One such opportunity is the DC Affordable Law Firm (DCALF). This firm was established in 2015 when Georgetown University, Arent Fox, and DLA Piper joined together to create DCALF, which has been established as a non-profit organization.¹⁰⁴ DCALF provides affordable legal services to District residents – those who make too much money to receive free legal services but do not make enough to be able to afford to pay an attorney hundreds of dollars an hour for their services.¹⁰⁵

Georgetown pays the salary of six of its recent graduates to work at DCALF, but the firm needs more attorneys.¹⁰⁶ Thus, UDC wants funding to be able to support some of its recent graduates who would serve as attorneys at DCALF. Similar to Georgetown, those UDC law school graduates who desire to work at the firm would go through a competitive selection process in order to be selected as one of the UDC supported attorneys at the firm. Each individual will work at DCALF for a 15-month tenure and make a salary of \$52,000 annually.

The Committee supports this program and believes that UDC law graduates should also have an opportunity to serve as attorneys at DCALF. Given UDC's law school mission and its notoriety for its clinical program, supporting attorneys to work at DCALF is a logical next step towards ensuring that all District residents should have the ability to procure legal services without going bankrupt to do so. Thus, the Committee accepts funds from the Committee on Recreation and Youth Affairs in order to make UDC's participation in DCALF a reality.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for the University of the District of Columbia from the budget proposed by the Mayor:

1. Increase of \$150,000 in local funds (recurring) from Committee on Recreation and Youth Affairs for UDC's participation in the DC Affordable Law Firm.

¹⁰⁴ <http://dcaffordablelaw.org/about-the-firm/our-story/>.

¹⁰⁵ Individuals who are 200-400% above the poverty line.

¹⁰⁶ Since DCALF's inception, the firm has received 163 requests for legal services from Ward 8 residents, who have requested services more than any other ward in the District. Email from Matthew Fraidian, UDC Law to Veronica Holmes, DC Council, CM Trayon White (on file with the Committee of the Whole).

2. The Committee also notes that a technical correction is needed to reflect the University's overall proposed fiscal year 2020 budget of \$173,857,461.¹⁰⁷ The University will work with the Office of Budget and Planning to ensure that the University's corrected overall budget is reflected in the adopted fiscal year 2020 budget.

Committee's Recommended Fiscal year 2020 Capital Budget

The Committee recommends adoption of the fiscal year 2020 budget for the University of the District of Columbia as proposed by the Mayor.

Policy Recommendations

1. The Committee urges the University to identify additional sources of revenue that will allow it to be competitive with other postsecondary institutions in the region so that talented workforce can not only be attracted but retained.
2. The Committee strongly urges the union leadership to bargain in good faith and to reach a resolution and agreement on the 8th Master Agreement.
3. The Committee stresses the importance of addressing UDC's IT challenges and calls upon the Mayor and the University to work together to identify a path forward to do so.
4. The Committee presses upon UDC to prioritize identifying funding streams outside of District government in order to fund its capital projects.
5. The Committee recommends that the University continue to make private fundraising, from a diverse range of sources, a priority in fiscal year 2020.
6. The Committee recommends UDC participate in the DC Affordable Law Firm.

UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The University of the District of Columbia (UDC) Subsidy Account reflects the total local funds that UDC receives from the District of Columbia.

¹⁰⁷ See Letter from Munetsi Musara, Chief Fin. Officer, Univ. of D.C., to Phil Mendelson, Chairman, D.C. Council (Apr. 4, 2019)(on file with the Committee of the Whole).

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal year 2020 Operating Budget

The Mayor’s proposed budget is \$90,153, an increase of \$2,799, or 3.2 percent, over the current fiscal year. The proposed budget supports 0.0 FTEs, representing no change from the current fiscal year.

**Table XX-A: University of the District of Columbia Subsidy;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	66,691	73,458	71,942	77,671	80,000	87,353	90,153
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The UDC subsidy is funded solely from local funds.

III. COMMITTEE COMMENTARY

For Committee Commentary related to the University of the District of Columbia, please see pages **XX-XX** of this report.

IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for the University of the District of Columbia subsidy from the budget proposed by the Mayor:

1. Increase of \$150,000 in local funds (recurring) from Committee on Recreation and Youth Affairs for UDC’s participation in the DC Affordable Law Firm.

I. OVERVIEW

During Council period 23, the Committee of the Whole acquired joint oversight over all K-12 issues, including truancy. This oversight is shared with the Committee on Education, which is responsible for all matters related to public education, including authorizing public charter schools, but not including matters exclusively within the University of the District of Columbia or the Community College of the District of Columbia. The Committee on Education also has sole oversight over the public libraries.

II. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and performance over the last year.

The Committee strongly believes that education, public education, is supposed to be the great equalizer in our society. It enables the opportunity of America for everybody. It empowers people to help themselves. It is the best job training program; *it is the solution to our social justice ills*. Poverty does not thrive among the well-educated. Nor does crime. The District needs to look at education with even more urgency, and it needs to think differently and work harder to uplift all children in all grades.

To lay a foundation, there needs to be focus on primary grades where learning to read lays the foundation for the education to follow. DCPS and the District's public charter schools should laser-focus on reading proficiency and stop social promotion, because today's first graders are tomorrow's high schoolers. Not to take resources away from middle and high schools, but the pipeline begins in grade school. If the District takes this approach, truancy will drop, dropping out will drop, more students will graduate, and they'll be worthy of their diplomas. This will mean that in the District, it will hold true that for *all* of our children, education is the great equalizer, and that every child has a shot at the American Dream.

DCPS Funding: In order to carry out this vision, how schools are funded in the District matter, and what each local education agency (LEA) does with the funds they are provided through the Uniform Per Student Funding Formula (UPSFF) are of great importance. In 2013, the Council approved DC Law 20-87, the "Fair Student Funding and School Based Budgeting Act of 2013," which prohibits DCPS from using more than five percent of its UPSFF funds on central administration.¹⁰⁸ The Council placed this restriction in the law because it was concerned that not enough of the funds DCPS receives was making it to the classroom, and the hope was that this law would rectify this issue. However, upon reviewing DCPS's proposed fiscal year 2020 budget, the Committee is greatly concerned that DCPS is still placing a premium on central administration

¹⁰⁸ DC Official Code § 38-2907.01.

while schools are left with inadequate funding needed to provide a rigorous academic education, as well as to address students' social and emotional needs.

Examining DCPS's projected fiscal year 2020 school budgets, DCPS is projecting to cut 31 school budgets.¹⁰⁹ Instead of determining how much funding central administration needs and then allocating the leftover funds amongst its schools, DCPS should reverse their process – determine how much funding each school needs and then fund central administration with the remaining funds. If DCPS took this approach, the Committee believes that far fewer schools would see a decline in their budgets for next school year.

Additionally, the Committee asserts that DCPS should use a different premise when determining the funds for each school year after year – instead of focusing on the enrollment of each school, and thus funding each school based on its projected enrollment, DCPS should begin planning a school's budget by holding the school harmless. Thus, when looking at a school's budget, DCPS should start with a school's current budget and hold it steady for the following year, only adjusting the budget for increases in projected enrollment, additional funds for future initiatives that the school plans to implement, or for steep declines in enrollment. If a school is experiencing such a steep decline in enrollment, the Committee understands that it may be impractical to employ three teachers in French, for example, when there only enough students for one French class. Yet, the Committee also believes that if a school is facing a sharp decline in enrollment, only so much should be cut from the school's budget. Instead, the school should continue to receive funding so that the school has the financial means it needs to improve and to attract families to enroll in the school. Otherwise, cutting of a school's budget due to enrollment decreases eventually leads to the school being shut down. Moving forward, the Committee strongly urges DCPS to alter the way it funds both central administration and schools and to place a priority on school funding as opposed to central administration.

UPSFF Funding: The UPSFF system of funding was established by the District of Columbia School Reform Act of 1995 and was designed to ensure that all public schools receive the same level of funding on a per-student basis, regardless of what neighborhood the school is in or where a student lives. The UPSFF is intended to cover all local education agency operational costs for D.C. traditional and public charter schools, including school-based instruction, student classroom support, utilities, administration, custodial services, and instructional support, such as curriculum and testing. The UPSFF is based on a foundational amount, upon which at-risk funding and funding for students with special needs are based.

In 2013, the District commissioned an adequacy study that outlined how much UPSFF funding would need to grow annually in order to fund properly fund both DCPS and public charter schools. Yet, the Mayor's proposed fiscal year 2020 budget only includes a 2.2% increase in the UPSFF, which is not enough to even cover cost inflation. At numerous hearing on the various education agency proposed fiscal year 2020 budgets, witness after witness testified that the 2.2% increase in UPSFF was not enough. Moreover, the Washington Teachers' Union has held protests

¹⁰⁹ See <https://www.dccouncilbudget.com/schoollevel-budgets-fy20-proposed-mayoral-budget-vs-fy19-approved-budget>.

at the Wilson Building due to the inadequacy of education funding in the proposed fiscal year 2020 budget. The Committee is deeply concerned about the lack of adequate education funding in the Mayor's proposed fiscal year 2020 budget, and in future budgets, the Committee encourages the Mayor and the Deputy Mayor to identify ways to provide more adequate funding for education and to make it the top funding priority.

At-Risk Funding: In 2013, the Council approved D.C. Law 20-87, the "Fair Student Funding and School Based Budgeting Act of 2013," which added an "at-risk" weight to the UPSFF. According to D.C. Law 20-87, students are considered at-risk if they are homeless, in the District's foster care system, qualify for the Temporary Assistance for Needy Families program or the Supplemental Nutrition Assistance Program, or are in high school and at least one year older than the expected age for the grade in which the students are enrolled. The Council adopted this weight fact to ensure that all students receive an equitable education.

While both the Executive and the Council have expressed support for this weight, it has never been properly funded. According to the 2013 Adequacy Study, the at-risk weight should be 0.37.¹¹⁰ However, in the Mayor's proposed fiscal year 2020 budget, the at-risk weight is 0.224. In addition, while at-risk funds are intended to follow students who are defined as at-risk in D.C. Law 20-87, they often are used to supplant services and costs that should be covered by the base UPSFF. At-risk funds are meant to supplement a school's base budget, but they are used for core programming and staffing positions. And this occurs both within DCPS and within public charter LEAs. School leaders continuously note that they would love to have at-risk funds actually supplement, instead of supplant, core funding, but unless the weight is raised, supplanting will continue to occur. Moreover, because the adequacy study was done five years ago, many school leaders and public education advocates believe that the at-risk weight should actually be higher than 0.337.

The Committee calls upon the Deputy Mayor for Education (DME) to commission another adequacy funding study and then to take the results of the study and devise a plan to implement the funding recommendations in the plan over the next three years. Additionally, the Committee urges school leaders to identify ways to ensure that at-risk funds are used to supplement and enhance the educational experience for students who need them the most.

Proficiency growth: During School Year (SY) 2014-2015, the District began using the Partnership for Assessment of Readiness for College and Careers (PARCC) test as its statewide assessment instead of DC-CAS. While PARCC scores have risen over the past three years, up 8.5% in English/Language Arts (ELA) in SY17-18 compared to SY14-15 and up 7.3% in math over the same period, still over two-thirds of the students in the District are not proficient in reading or math.

The achievement gap continues to be bewildering – in SY 2017-2018, over 83% of white students attending a DCPS school were proficient in ELA, while only 22.9% of African-American students were proficient. In math, 80.1% of white students were proficient in math while only

¹¹⁰ 2013 Adequacy Study

17% of African-American students were proficient. Moreover, the achievement gap is also an issue throughout the District's public charter school sector. Maintaining the percentage of white students who are testing proficient in ELA and math constant and assuming a five percent increase every year for African-American students on PARCC for both sectors, it will take over a decade before the achievement gap is closed. This is far too slow. DCPS and public charter schools must set a faster pace to close the achievement gap. Failure to do so has far-reaching implications that will impact students for the rest of their lives.

School-based mental health support: The Council has heard from many students, parents, and constituents about the need for school-based mental health support and trauma-informed training for school-based personnel. In order to tackle the achievement gap, it is imperative that the District's public schools educate the whole child. As the Committee looks to address issues directly and tangentially related to education (housing instability, domestic violence, food insecurity, etc.), it will be imperative that students, particularly in our highest-need communities, are receiving the necessary support to ensure they can be present and engaged in the education they are receiving.

Many students are also grappling with issues outside of the classroom that affect their learning. DC's public schools – both DCPS and public charter schools – must ensure that their instructional approaches account for those challenges and must make sure the proper supports are in place for students, inclusive of their unique needs. The Committee is optimistic that the Community Schools Initiatives headed by OSSE and the Connected Schools Model being implemented by DCPS, will establish schools as neighborhood hubs of support by providing wraparound services and serve entire communities through place-based resources and will provide a pipeline continuum of services from PreK-3 through 12th grade. Yet, the Committee knows that the need is much more vast than what can be addressed through the current funding of these two initiatives.

The Committee knows that more needs to be done when it comes to school-based mental health services, and the demand for millions more of funding in this area is not lost on the Committee. Looking ahead to fiscal year 2020 and beyond, the Committee will work with the DME, DCPS, the public charter schools, and the Department of Behavioral Health to continue to find ways to bolster school-based mental health services and to identify ways that the District's public schools can serve as hubs for families, particularly in the area of mental health services.

Career Pathways: In the District, 49 percent of people 25 years or older have bachelor's, master's, professional school or doctorate degrees, whereas the national average is 25 percent. This number is in stark contrast to the over 60,000 adults in the District who do not have high school diplomas or its equivalent. A higher number of residents lack the basic literacy, numeracy, problem-solving, and digital skills necessary to be successful in occupational training, educational, or work place settings¹¹¹.

¹¹¹ Report from Adult Career Pathways Task Force. *Career Pathways in the District of Columbia Strategic Plan*. September 2015.

<https://dcworks.dc.gov/sites/default/files/dc/sites/dcworks/publication/attachments/Career%20Pathways%20Strategic%20Plan%20Final.pdf>.

While the District has several adult education programs, as well as workforce development programs, many of these programs require adult learners to be at a certain reading or math level before they can enroll in the programs. Thus, if an adult is reading at a fifth-grade level, for example, he or she is shut out of these programs until they can improve their reading or math skills. Given this, there is a need for bridge programs that enable adult learners to improve their reading or math skills so that they can enroll in a career training program. Beginning in 2016, the Council provided \$1.5 million through the Workforce Investment Council for such bridge programs and other career pathway systems. This funding was cut in the Mayor's proposed fiscal year 2019 budget but restored by the Council. However, the Mayor cut this funding again in fiscal year 2020 and the Committee has received several requests for this money to be restored.

A Career Pathways system in the District must be accessible by every resident, regardless of education or skill levels. The Committee believes that the funds should be restored for this system in the fiscal year 2020 budget.

Truancy: Truancy is often thought of as an education issue: children cannot learn if they are not in school and thus fall behind their peers. Education is an equalizer – regardless of a person's socioeconomic status or background, a strong education can provide him or her with the opportunity to succeed. If a student is truant, he or she is not learning. Children often fail to attend school because of some dysfunction in their lives – whether it is because of mental health issues, learning disabilities, bullying problems, problems in the home, domestic violence, or a myriad of other issues. Hence, truancy also is an early warning indicator that a child and/or his or her family may need assistance or that the child is at risk for juvenile justice involvement.

Over the past twelve years, the more notorious and tragic situations – Banita Jacks, the South Capitol Street murders, and Relisha Rudd – could have been avoided if more attention was given to truancy as not only an educational issue but as a criminal justice issue (as an early warning system).¹¹² Addressing truancy is one of the few proactive strategies that government can take to prevent crime. But addressing truancy has other far-reaching benefits. Addressing the cause of a child's truancy is likely to keep him or her in school. Graduation rates increase. The value of education as an antidote to poverty is realized. Teen pregnancy, demand for TANF, the cycle of poverty – may all be reduced generally. A child with potential . . . may reach that potential.

Given the importance of this issue, the Committee has shared joint oversight with the Committee on Education over all truancy matters since 2013 (when the Committee on Education was reconstituted). Yet, despite the continued focus on this issue, truancy rates continue to rise in both DCPS and public charter schools. Quarterly, the Committees hold a joint oversight hearing on attendance and truancy issues. Through these hearings, as well as the Committees' participation on the Every Day Counts! Taskforce, it has become clear that multiple programs and interventions are available. However, it is unclear as to which programs are in which schools and at which times

¹¹² Eight-year-old Relisha Rudd disappeared from the D.C. General family homeless shelter on March 1, 2014. On March 13, 2014, a counselor at Payne Elementary School wrote a referral to CFSA noting the child's many absences – more than 30 days. Reporting the truancy to CFSA earlier might have enabled that agency to intervene before her disappearance and presumed death.

and what the impact of having multiple programs in the same school for an entire school year has on both truancy and chronic absenteeism rates. The academic and social emotional benefits of having multiple programs in a school is also unknown. Thus, the Committee urges DCPS and the public charter school sector to consider a pilot that would look at the effect of multiple programs addressing truancy, academic, and social emotional issues in one school for the entire school year would have on truancy and academic achievement rates.

IV. COMMITTEE RECOMMENDATIONS

Policy Recommendations

1. The Committee strongly urges DCPS to alter the way it funds both central administration and schools and to place a priority on school funding as opposed to central administration.
2. The Committee encourages the Mayor and the Deputy Mayor to identify ways to provide more adequate funding for education and to make it the top funding priority in future budgets.
3. The Committee calls upon the Deputy Mayor for Education (DME) to commission another adequacy funding study and then to take the results of the study and devise a plan to implement the funding recommendations in the plan over the next three years.
4. The Committee urges school leaders to identify ways to ensure that at-risk funds are used to supplement and enhance the educational experience for students who need them the most.
5. The Committee challenges school leaders to identify research-based methods to close the achievement gap within the District.
6. The Committee presses upon DCPS, public charter schools, the DME, and the Department of Behavior Health the need to identify ways to provide mental health services both within the school system, as well as to provide wrap around services to students and their families.
7. The Committee recommends that Career Pathways funding be restored in the fiscal year 2020 budget.
8. The Committee recommends that DCPS and the public charter school sector consider a pilot that would look at the effect of multiple programs addressing truancy, academic, and social emotional issues in one school for the entire school year would have on truancy and academic achievement rates.

Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of Debt Service administration is to finance the District's capital and cash flow needs, minimize the costs associated with such financing, exercise fiscally responsible debt management practices, and make timely payments of all debt service. Debt Service administration is comprised of the following sub-entities: Repayment of Loans and Interest (DS0), Repayment of Revenue Bonds (DT0), Schools Modernization Fund (SM0), Repayment of Interest on Short-Term Borrowings (ZA0), Debt Service - Issuance Costs (ZB0), and Commercial Paper Program (ZC0).

II. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget¹¹³

The Mayor's fiscal year 2020 budget proposal for Debt Service is \$848,832, an increase of \$64,105, or 8.2 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Table DS-A: Debt Service;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	564,743	612,174	604,536	667,352	719,284	784,726	848,832
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor's proposed budget is \$816,545, an increase of \$62,935, or 8.4 percent, over the current fiscal year. The proposed budget supports no FTEs.

Dedicated Taxes: The Mayor's proposed budget is \$7,839, which represents no change over the current fiscal year. The proposed budget supports no FTEs.

Special Purpose Funds: The Mayor's proposed budget is \$5,983, an increase of \$230, or 4.0 percent, over the current fiscal year. The proposed budget supports no FTEs.

Federal Funds: The Mayor's proposed budget is \$18,465, an increase of \$940, or 5.4 percent, under the current fiscal year. The proposed budget supports no FTEs.

¹¹³ The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table DS-B: Debt Service;
Operating Funds Budget by Sub-Entity, FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Repayment of Loans and Interest (DS)	520,507	586,572	578,572	640,283	703,010	758,887	821,993
Repayment of Revenue Bonds (DT)	7,824	7,829	7,822	7,825	7,822	7,839	7,839
Schools Modernization (SM)	11,863	11,412	14,276	13,523	0	0	0
Debt Service – Issuance Cost (ZB)	983	5,638	2,945	5,721	5,571	8,000	9,000
Commercial Paper Program (ZC)	0	0	0	0	2,881	10,000	10,000
Total Funds	564,743	612,174	604,536	667,352	719,284	784,726	848,832

III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2020 budget and agency performance over the last year.

The Mayor’s proposed fiscal year 2020 budget includes nearly \$850 million in debt service payments – an almost \$65 million increase over the last fiscal year and more than \$284 million debt service payment in fiscal year 2014. Debt Service is now the fourth-largest budget chapter in the budget behind only the DC Public Schools, DC Charter Schools, and the Department of Health Care Finance.¹¹⁴ Tax dollars supporting our debt service is more than 1 ½ times the budget of the Metropolitan Police Department.¹¹⁵ While expenditures to service debt are necessary to fund vital government projects, the increase cost of borrowing reflected in our budget from year to year is an issue of concern. Some level of debt is essential to operations, meaning that servicing that debt, too, will be necessary. To be sure, as a city, county, and state, the District’s level of debt service is not easily comparable to other jurisdictions and, as a consequence, may be higher. However, the government must closely monitor debt service expenditures.

IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no changes to the fiscal year 2020 budget for Debt Service as proposed by the Mayor.

¹¹⁴ FY 2020 Budget Book, Mayor’s Proposed Budget, Volume 1, p. F-4.

¹¹⁵ *Id* at p. F-2.

PAY-AS-YOU-GO CAPITAL FUND
Committee Recommendations – See Page XX

I. AGENCY OVERVIEW

The mission of the Pay-As-You-Go Capital Fund is to provide an additional funding source and offset long-term bond borrowing costs for capital projects. The Mayor and Council can request the use of Pay-As-You-Go (Paygo) Capital funds following the determination and certification by the Chief Financial Officer that the funds are available and necessary for the designated purpose. Operating funds may be transferred to the capital fund through a Pay-As-You-Go Capital funds budget transfer to support the Capital Improvements Plan (CIP), and the proposed FY 2018 budget includes such a transfer.

II. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget¹¹⁶

The Mayor’s fiscal year 2020 budget proposal for the Pay-As-You-Go Capital Fund is \$81,706, a decrease of \$48,591, or 37.3 percent, under the current fiscal year. The proposed budget supports no FTEs.

**Table PA-A: Pay-As-You-Go Capital Fund;
Total Operating Funds Budget FY 2013-2019**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	59,798	136,245	144,105	133,380	123,028	86,467	280,240
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$20,061, an increase of \$15,640, or 353.7 percent, over the current fiscal year. The proposed budget supports no FTEs.

Special Purpose: The Mayor’s proposed budget is \$81,679, a decrease of \$367, or 0.4 percent, under the current fiscal year. The proposed budget supports no FTEs.

¹¹⁶ The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

III. COMMITTEE COMMENTARY

The Committee has no comments in relation to the proposed fiscal year 2020 budget and agency performance over the last year. However, the Committee reiterates its support for increasing the government's use of Paygo for capital projects to reduce the reliance on borrowed capital funds that increase debt service obligations.

The Committee notes that the Committee on Human Services recognized \$1.165 million in Pay-as-you-go capital unspent allotments that it converted operating dollars as part of its FY 2020 budget recommendation.

IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal Year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for Pay-as-you-go Capital Fund from the budget proposed by the Mayor:

1. Increase of \$2,150,000.00 in local funds to CSG-50, Program 1000, Activity 1100 (one-time, Create a new Capital Project in DCRA for IT, fleet, and equipment costs to fund administrative costs of Short Term Rental legislation DC Act 22-563).

JOHN A. WILSON BUILDING FUND

Committee Recommendations – See Page XX

I. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget:¹¹⁷

The Mayor's proposed budget is \$3,807, a decrease of \$919, or 19.4 percent below the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

¹¹⁷ The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table ZZ-A: John A. Wilson Building Fund;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	3,926	4,336	4,289	4,210	4,014	4,726	3,807
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

II. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the John A. Wilson Building Fund as proposed by the Mayor.

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

Committee Recommendations – See Page XX

I. MAYOR'S PROPOSED BUDGET

Mayor's Proposed Fiscal Year 2020 Operating Budget:¹¹⁸

The Mayor's proposed budget is \$158, an increase of \$7, or 4.5 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table EA-A: Washington Metropolitan Area Transit Commission;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	126	127	127	139	141	151	158
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

¹¹⁸ *Id.*

Local Funds: The funding for this account is comprised entirely of local funds.

II. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Washington Metropolitan Area Transit Commission as proposed by the Mayor.

PURCHASE CARD TRANSACTIONS
Committee Recommendations – See Page XX

I. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget:¹¹⁹

The Mayor’s proposed budget is \$36,000, an increase of \$7, representing no change from the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table PX-A: Purchase Card Transactions;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	0	0	0	0	36,000	36,000	36,000
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

II. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Purchase Card Transactions as proposed by the Mayor.

¹¹⁹ *Id.*

TAX INCREMENT FINANCING (TIF) PROGRAM
Committee Recommendations – See Page XX

I. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget:¹²⁰

The Mayor’s proposed budget is \$64,352, an increase of \$3,975, or 6.6 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table TX-A: Tax Increment Financing (TIF) Program;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	13,722	15,901	21,889	31,113	31,189	60,377	64,352
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of Enterprise and Other Funds – Dedicated Taxes.

II. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Tax Increment Financing Program as proposed by the Mayor.

¹²⁰ *Id.*

REPAYMENT OF PILOT FINANCING
Committee Recommendations – See Page XX

I. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget:¹²¹

The Mayor’s proposed budget is \$64,352, an increase of \$3,975, or 6.6 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table TY-A: Repayment of PILOT Financing;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	10,949	13,722	15,901	21,639	27,519	54,123	57,965
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of Enterprise and Other Funds – Dedicated Taxes.

II. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends no change to the fiscal year 2020 budget for the Repayment of PILOT Financing as proposed by the Mayor.

¹²¹ *Id.*

NON-DEPARTMENTAL
Committee Recommendations – See Page XX

I. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget:¹²²

The Mayor’s proposed budget is \$5,211, a decrease of \$1,060, or 16.9 percent below the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table DO-A: Non-Departmental;
Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	0	0	0	0	0	6,272	5,211
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The Mayor’s proposed budget is \$1,750, a decrease of \$300, or 14.6 percent, under the current fiscal year. The proposed budget supports no FTEs.

Special Purpose Funds: The Mayor’s proposed budget is \$3,461, a decrease of \$760, or 18.0 percent, under the current fiscal year. The proposed budget supports no FTEs.

II. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends the following changes to the fiscal year 2020 budget for Non-Departmental from the budget proposed by the Mayor:

1. Increase of \$250,000.00 in local funds to CSG-50, Program 1000, Activity 1100 (one-time, Commemorative work statue, BSA Subtitle COW-B).

¹²² *Id.*

MASTER EQUIPMENT LEASE/PURCHASE PROGRAM
Committee Recommendations – See Page XX

I. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2020 Operating Budget:¹²³

The Mayor’s proposed budget is \$4,486, a decrease of \$7,359, or 62.1 percent under the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table EL-A: Master Equipment Lease/Purchase;
 Total Operating Funds Budget FY 2014-2020**

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Mayor 2020
Total Funds	45,617	43,778	38,914	27,445	19,254	11,844	57,965
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Budget Books (dollars in thousands)

Local Funds: The funding for this account is comprised entirely of local funds.

II. COMMITTEE RECOMMENDATIONS

Agency Operating Budget:

The Committee recommends no change to the fiscal year 2020 budget for the Master Equipment Lease/Purchase program as proposed by the Mayor.

¹²³ *Id.*

FISCAL YEAR 2020 BUDGET SUPPORT ACT LANGUAGE RECOMMENDATIONS

The Committee of the Whole provides comments on the following subtitles of Bill 23-209, the “Fiscal Year 2020 Budget Support Act of 2019”:

Title II. Economic Development and Regulation

- Subtitle A. Expedited Building Permit Review Program Fund
- Subtitle J. Cultural Facilities Fund
- Subtitle K. Cultural Innovation and Entrepreneurship Fund
- Subtitle L. DCRA Special Purpose Revenue Funds Expenditure Authority

Title IV. Public Education

- Subtitle A. UPSFF for Public Schools and Public Charter Schools Increases
- Subtitle B. Out of School Time Fund
- Subtitle C. Community Schools Advisory Committee
- Subtitle D. Recovery of Delinquent Non-Resident Tuition Payments
- Subtitle E. Office of Administrative Hearings Jurisdiction
- Subtitle F. Public Charter School Closure Conditions
- Subtitle H. Deputy Mayor for Education Limited Grant-Making Authority
- Subtitle I. Special Education Compliance Fund

Title V. Health and Human Services

- Subtitle C. Funding Structure for the Commission on the Arts and Humanities

Title VII. Finance and Revenue

- Subtitle E. Fiscal Year 2019 Internet Sales Tax Revenue
- Subtitle G. Diaper Sales Tax Exemption
- Subtitle I. Subject-to-Appropriations Repeals and Delays

The Committee Also recommends the following additional subtitles:

- Subtitle COW-A. Short-Term Rental Zoning Analysis
- Subtitle COW-B. Diverse Washingtonian Statue Funding
- Subtitle COW-C. University of the District of Columbia Matching Funds

[INSERT SUBTITLES HERE]

**TITLE II-A
EXPEDITED BUILDING PERMIT REVIEW PROGRAM FUND**

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to keep monies in the Fund from reverting to the unrestricted fund balance of the General Fund, and to allow monies in the Fund to be available for use by the Department of Consumer and Regulatory Affairs at any time without regard to fiscal year limitation.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. The Department of Consumer and Regulatory Affairs has not provided sufficient information to the Committee to justify this change to the expedited building permit review program fund. Additionally, the Committee continues to be concerned that expedited permit review programs fail to address underlying issues with the permit review process.

III. SECTION BY SECTION ANALYSIS

N/A

IV. LEGISLATIVE RECOMMENDATION

1	TITLE II, SUBTITLE A. Expedited Building Permit Review Program Fund
2	——— Sec. 2001. Short title.
3	——— This subtitle may be cited as the “Expedited Building Permit Review Program
4	Fund Amendment Act of 2019”.
5	
6	——— Sec. 2002. Section 6c of the Construction Codes Approval and Amendments Act
7	of 1986, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 6-1405.05),
8	
9	

10 ~~is amended as follows:~~

11

12 ~~—— (a) Subsection (c) is amended to read as follows:~~

13

14 ~~—— “(c) Money in the Fund shall be used to operate and administer the building~~
15 ~~permit review programs at the Department.”.~~

16

17 ~~—— (b) New subsections (d) and (e) are added to read as follows:~~

18

19 ~~—— “(d)(1) The money deposited into the Fund shall not revert to the unrestricted~~
20 ~~fund balance of the General Fund of the District of Columbia at the end of a fiscal year,~~
21 ~~or at any other time.~~

23

24 ~~—— “(2) Subject to authorization in an approved budget and financial plan, any~~
25 ~~funds appropriated in the Fund shall be continually available without regard to fiscal year~~
26 ~~limitation.”~~

27

~~—— “(e) The Mayor, pursuant to Title I of the District of Columbia Administrative~~
~~Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et~~
~~seq.), may issue rules to implement this section.”.~~

V. FISCAL IMPACT

N/A

TITLE II-J CULTURAL FACILITIES FUND

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to establish a Cultural Facilities Fund (Fund), which is a non-lapsing Fund administered by the Mayor to provide grants and loans to cultural organizations for purchasing, leasing, or renovating a facility for cultural productions.¹²⁴ A Community Development Financial Institution (CDFI) would administer the Fund and would be required to provide or raise matching funds equal to three times the amount of the District government's investment.¹²⁵

The Mayor proposed to appropriate \$5 million in the FY 2020 budget for the Fund. The goal is to create a public-private partnership with a CDFI to invest \$5 million of the District's funds to leverage \$15 million in private investment. The Fund would be funded with appropriations and repayments of loans made by the Fund. The Fund would operate similar to a revolving loan fund.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. At the April 5, 2019 budget hearing for the Commission nearly every member of the public testified against establishing the Cultural Facilities Fund since its primary purpose is to issue loans. The Committee heard concerns that there was no clarity as to how the loans will be issued or accessed and that the funds should be provided as grants. Further, there were concerns raised that the funding for the Cultural Plan came from existing funding streams instead of using additional supplemental funding. Even after the budget hearing, members of the arts and humanities community continued to raise concerns about the two loan programs and have stated they would prefer a transparent, competitive grant process.¹²⁶

In addition, the Committee is concerned that the proposed subtitle will impact the independence of the Commission. As proposed, the authority to administer the Fund is with the Executive and not with the members of the Commission. In fact, the powers of the Commission do not provide that they have the authority to issue loans.¹²⁷ The Committee believes the Commission is an independent body and any authority to disperse funds, whether it be grants or loans, shall solely be under the jurisdiction of the Commission.¹²⁸ Finally, the Committee believes the Commission is a grant-making entity and should not be in the business of issuing loans.

¹²⁴ Fiscal Impact Statement for the "Fiscal Year 2020 Budget Support Act of 2019", as introduced on March 20, 2019 (Bill 23-209), 10-11, March 20, 2019 (on file with the Committee).

¹²⁵ See Terri Rouse-Rosario, Executive Director, Commission on the Arts and Humanities, Testimony before the DC Council Committee of the Whole, 4-5, April 5, 2019 (on file with the Committee).

¹²⁶ See Mikaela Lefrak, *What Questions Does D.C.'s New Cultural Plan Leave Unanswered? Local Artists Respond*, WAMU (April 11, 2019), <https://wamu.org/story/19/04/11/what-questions-does-d-c-s-new-cultural-plan-leave-unanswered-local-artists-respond/>.

¹²⁷ See generally D.C. Official Code § 39-204. This provision provides the powers of the Commission.

¹²⁸ See generally D.C. Official Code § 39-204. This provision provides the powers of the Commission.

For the reasons listed above, the Committee believes any proposal to change the funding mechanism of the Commission and to take authority away from the Commission should be removed. The Committee appreciates the concept behind the subtitle, which is to introduce a new model and resources aimed at achieving sustainability for the District’s cultural creators.¹²⁹ But the Committee, as seen in the new funding structure for the Commission, believes this issue can be addressed in other ways.

Moreover, Mark Chalfant, the Executive Director of the Washington Improv Theater, was recently quoted that in his conversations with District officials during the plan’s development he said that “he never heard any requests for loans from his fellow creative leaders.”¹³⁰ As noted in the Commission section of the budget report, of significant concern are recent news reports that members of the Commission were not briefed on the new Cultural Plan even though the Commission was listed as a co-author and will be funding the majority of the program.¹³¹ The push back to this initiative provides evidence of how portions of the Cultural Plan, specifically some of the funding proposals, need to be discussed with the arts and humanities community before moving forward.

III. SECTION BY SECTION ANALYSIS

N/A

IV. LEGISLATIVE RECOMMENDATION

1	TITLE II, SUBTITLE J. CULTURAL FACILITIES FUND
2	Sec. 2091. Short title.
3	This subtitle may be cited as the “Cultural Plan Cultural Facilities Fund Act of
4	2019”.
5	Sec. 2092. Cultural Facilities Fund.
6	(a) There is established as a special fund the Cultural Facilities Fund, which
7	shall be administered by the Mayor in accordance with subsection (e) of this
8	section.
9	(b) Revenue from the following sources shall be deposited in the Fund:

¹²⁹ *Supra* note 2.

¹³⁰ *Supra* note 3.

¹³¹ See Kriston Capps, *D.C.’s Arts Commission Faces Major Changes in Council Shift, Mayor’s Budget*, Washington City Paper (April 1, 2019), <https://www.washingtoncitypaper.com/arts/article/21062346/dcs-arts-commission-facing-major-changes-in-council-shift-mayors-budget>.

10 —(1) In Fiscal Year 2020, \$5 million from local appropriations, subject to
11 inclusion in an approved budget and financial plan;
12 —(2) In Fiscal Year 2021 and subsequent fiscal years, such amounts as may
13 be appropriated to the Fund; and
14 —(3) Repayment of loans and other assistance provided from the Fund.
15 (e)(1) Money in the Fund shall be used to provide low cost gap financing and
16 credit enhancements, which may include grants and loans, to cultural
17 organizations to purchase, lease, or renovate a facility that is used in whole or in
18 part for the cultural organization’s presentations, productions, or operations.
19 —(2) The Mayor may enter into an agreement with a community
20 development financial institution to administer the Fund or to provide any
21 administrative services for the Fund, including underwriting and servicing.
22 —(3) The Mayor may provide one dollar from the Fund to a cultural
23 organization for every 3 dollars of matching funds provided to the cultural
24 organization by a community development financial institution.
25 (d)(1) The money deposited into the Fund shall not revert to the unrestricted
26 fund balance of the General Fund of the District of Columbia at the end of a fiscal
27 year, or at any other time.
28 —(2) Subject to authorization in an approved budget and financial plan, any
29 funds appropriated in the Fund shall be continually available without regard to
30 fiscal year limitation.
31 (e) For the purposes of this section, the term:
32 —(1) “Community development financial institution” shall have the same
33 meaning as provided in section 103(5) of the Community Development Banking
34 and Financial Institutions Act of 1994, approved September 23, 1994 (108 Stat.
35 2163; 12 U.S.C. § 4702(5)).
36 —(2) “Cultural organization” means an entity primarily devoted to the
37 production or presentation of visual, theatrical, musical, dance, folk, literary, or
38 media arts.
39 (f) The Mayor, pursuant to Title I of the District of Columbia Administrative

40	Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code §
41	2-501 et seq.), may issue rules to implement this section.

V. FISCAL IMPACT

N/A

TITLE II-K CULTURAL INNOVATION AND ENTREPRENEURSHIP FUND

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to create the Cultural Innovation and Entrepreneurship Fund (Fund) a non-lapsing Fund administered by the Mayor to provide low-cost lines of credit and loans in partnership with a CDFI to individual arts and humanities practitioners and organizations.¹³² The CDFI would administer the Fund and would be required to raise or provide matching funds equal to two times the amount of the District government's investment.¹³³

The Mayor proposed to appropriate \$2 million in the FY 2020 budget for the Fund. The goal is to create a public-private partnership with a CDFI to invest \$2 million of the District's funds to leverage \$4 million in private investment. The Fund would be funded with appropriations and repayments of loans made by the Fund. The Fund would operate similar to a revolving loan fund.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. At the April 5, 2019 budget hearing for the Commission nearly every member of the public testified against establishing the Cultural Innovation and Entrepreneurship Fund. The Committee heard concerns that there was no clarity as to how the loans or lines of credit will be administered and that the funds should be provided as grants and not loans or low-cost lines of credit. Further, there were concerns raised that the funding for the Cultural Plan came from existing funding streams instead of using additional supplemental funding being available. Even after the budget hearing, members of the arts and humanities

¹³² See Terri Rouse-Rosario, Executive Director, Commission on the Arts and Humanities, Testimony before the DC Council Committee of the Whole, 4-5, April 5, 2019 (on file with the Committee).

¹³³ *Id.*

community continued to raise concerns about the two loan programs and have stated they would prefer a transparent, competitive grant process.¹³⁴

In addition, the Committee is concerned that the proposed subtitle will impact the independence of the Commission. As proposed, the authority to administer the Fund is with the Executive and not with the members of the Commission. In fact, the powers of the Commission do not provide that they have the authority to issue loans or low-cost lines of credits.¹³⁵ The Committee believes the Commission is an independent body and any authority to disperse funds, whether it be grants, loans, or low-cost lines of credit, shall solely be under the jurisdiction of the Commission.¹³⁶ Finally, the Committee believes the Commission is a grant-making entity and should not be in the business of issuing loans or low-cost lines of credit.

For the reasons listed above, the Committee believes any proposal to change the funding mechanism of the Commission and to take authority away from the Commission should be removed. As with the Cultural Facilities Fund proposal, the Committee appreciates the concept behind the subtitle, which is to introduce new model and resources aimed at achieving sustainability for the District's cultural creators.¹³⁷ But the Committee, as seen in the new funding structure for the Commission, believes this issue can be addressed in other ways.

Moreover, Mark Chalfant, the Executive Director of the Washington Improv Theater, was recently quoted that in his conversations with District officials during the plan's development he said that "he never heard any requests for loans from his fellow creative leaders."¹³⁸ As noted in the Commission section of the budget report, of significant concern are recent news reports that members of the Commission were not briefed on the new Cultural Plan even though the Commission was listed as a co-author and will be funding the majority of the program.¹³⁹ The push back to this initiative provides evidence of how portions of the Cultural Plan, specifically some of the funding proposals, need to be discussed with the arts and humanities community before moving forward.

III. SECTION BY SECTION ANALYSIS

N/A

¹³⁴ See Mikaela Lefrak, *What Questions Does D.C.'s New Cultural Plan Leave Unanswered? Local Artists Respond*, WAMU (April 11, 2019), <https://wamu.org/story/19/04/11/what-questions-does-d-c-s-new-cultural-plan-leave-unanswered-local-artists-respond/>.

¹³⁵ See generally D.C. Official Code § 39-204. This provision provides the powers of the Commission.

¹³⁶ See generally D.C. Official Code § 39-204. This provision provides the powers of the Commission.

¹³⁷ *Supra* note 2.

¹³⁸ *Supra* note 3.

¹³⁹ See Kriston Capps, *D.C.'s Arts Commission Faces Major Changes in Council Shift, Mayor's Budget*, Washington City Paper (April 1, 2019), <https://www.washingtoncitypaper.com/arts/article/21062346/dcs-arts-commission-facing-major-changes-in-council-shift-mayors-budget>.

IV. LEGISLATIVE RECOMMENDATION

1 ~~TITLE II, SUBTITLE K. CULTURAL INNOVATION AND~~

2 ~~ENTREPRENEURSHIP FUND~~

3 ~~Sec. 2101. Short title.~~

4 ~~This subtitle may be cited as the “Cultural Innovation and Entrepreneurship~~
5 ~~Fund Act of 2019”.~~

6 ~~Sec. 2102. Cultural Innovation and Entrepreneurship Fund.~~

7 ~~(a) There is established as a special fund the Cultural Innovation and~~
8 ~~Entrepreneurship Fund, which shall be administered by the Mayor in accordance~~
9 ~~with subsection (c) of this section.~~

10 ~~(b) Revenue from the following sources shall be deposited in the Fund:~~

11 ~~—(1) In Fiscal Year 2020, \$2 million from local appropriations, subject to~~
12 ~~inclusion in an approved budget and financial plan;~~

13 ~~—(2) In Fiscal Year 2021 and subsequent fiscal years, such amounts as may be~~
14 ~~appropriated to the Fund; and~~

15 ~~—(3) Repayments of loans and other financial assistance provided from the~~
16 ~~Fund.~~

17 ~~(c)(1) Money in the Fund shall be used to provide, for operating expenses and~~
18 ~~capital expenses other than the costs of a physical facility or equipment~~
19 ~~permanently affixed to a physical facility:~~

20 ~~—(A) Short term loans and lines of credit to cultural organizations; and~~

21 ~~—(B) Short term loans to individual cultural creators.~~

22 ~~—(2) The Mayor may enter into an agreement with a community development~~
23 ~~financial institution to administer the Fund or to provide any administrative~~
24 ~~services for the Fund, including underwriting and servicing.~~

25 ~~—(3) The Mayor may provide one dollar from the Fund to a cultural~~
26 ~~organization for every 2 dollars in matching funds provided to the cultural~~
27 ~~organization or individual cultural creator by a community development financial~~
28 ~~institution.~~

29 —(4) The selected community development financial institution shall provide
30 underwriting and servicing for the Fund.

31 (d)(1) The money deposited into the Fund shall not revert to the unrestricted
32 fund balance of the General Fund of the District of Columbia at the end of a fiscal
33 year, or at any other time.

34 —(2) Subject to authorization in an approved budget and financial plan, any
35 funds appropriated in the Fund shall be continually available without regard to
36 fiscal year limitation.

37 (e) For the purposes of this section, the term:

38 —(1) “Community development financial institution” shall have the same
39 meaning as provided in section 103(5) of the Community Development Banking
40 and Financial Institutions Act of 1994, approved September 23, 1994 (108 Stat.
41 2163; 12 U.S.C. § 4702(5)).

42 —(2) “Cultural organization” means an entity primarily devoted to the
43 production or presentation of visual, theatrical, musical, dance, folk, literary, or
44 media arts.

45 —(3) “Individual cultural creator” means a sole proprietor whose business is
46 primarily devoted to the production or presentation of visual, theatrical, musical,
47 dance, folk, literary, or media arts. An individual cultural creator may hold
48 additional employment unrelated to these fields.

49 (e) The Mayor, pursuant to Title I of the District of Columbia Administrative
50 Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code §
51 2-501 *et seq.*), may issue promulgate rules to implement this section.

V. FISCAL IMPACT

N/A

**TITLE II-L
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
SPECIAL PURPOSE REVENUE FUNDS EXPENDITURE AUTHORITY**

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to allow the Department of Consumer and Regulatory Affairs to use funds from the Nuisance Abatement Fund, and the Green Building Fund to pay for information technology improvements and general improvements to the operations of the Department. Currently, monies in these Funds cannot be expended for these purposes.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. The Department has not presented the Committee with sufficient information to justify using monies from either Fund for information technology projects or general improvements to the operations of the Department.

III. SECTION BY SECTION ANALYSIS

N/A

IV. LEGISLATIVE RECOMMENDATION

1	TITLE II, SUBTITLE L. Department of Consumer and Regulatory Affairs Special
2	Purpose Revenue Funds Expenditure Authority
3	——— Sec. 2111. Short title.
4	——— This subtitle may be cited as the “Department of Consumer and Regulatory Affairs
5	Special Purpose Revenue Fund Flexibility Amendment Act of 2019”.
6	——— Sec. 2112. Section 1 of An Act to provide for the abatement of nuisances in the
7	District of Columbia by the Commissioners of said District, and for other purposes,
8	approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01), is amended as
9	follows:
10	(a) Subsection (b) is amended to read as follows:
11	——— “(b)(1) There is established as a special fund the Nuisance Abatement Fund

12 (“Fund”), which shall be administered by the Mayor in accordance with paragraph (3) of this
13 subsection.

14 ~~“(2) Revenue from the following sources shall be deposited in the Fund:~~

15 ~~“(A) Amounts assessed pursuant to subsections 1(a) and (c) of this~~
16 ~~section;~~

17 ~~“(B) Liens imposed pursuant to section 14(a);~~

18 ~~“(C) All fees, fines, and penalties imposed under this act, as provided~~
19 ~~in section 14(b), including:~~

20 ~~“(i) The fees imposed pursuant to subsection (d) of this~~
21 ~~section;~~

22 ~~“(ii) Fines imposed under section (a);~~

23 ~~“(iii) The vacant property registration fees collected pursuant~~
24 ~~to sections 6 and 9;~~

25 ~~“(iv) Civil fines, penalties, and fees imposed under section~~
26 ~~10;~~

27 ~~“(D) The proactive inspection fees collected pursuant to subsection~~
28 ~~207.1(d) of Title 14 of the District of Columbia Municipal Regulations (14 D.C.M.R. §~~
29 ~~201.7(d));~~

30 ~~“(E) The portion of the rental unit fee set aside for the Fund pursuant~~
31 ~~to section 401(a)(2)(A) of the Rental Housing Act of 1985 (D.C. Law 6-10; D.C. Official~~
32 ~~Code § 42-3504.01(a)(2)(A));~~

33 ~~“(F) Amounts collected by the District under Subtitle B of Title IV-~~
34 ~~A, the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of~~
35 ~~2000, effective April 19, 2002 (D.C. Law 14-114; D.C. Official § 42-3173.01 *et seq.*), as~~
36 ~~provided in section 451 of that subtitle (D.C. Official Code § 42-3173.11);~~

37 ~~“(G) All fees and penalties collected under An Act to create a board~~
38 ~~for the condemnation of insanitary buildings in the District of Columbia, and for other~~
39 ~~purposes, approved May 1, 1906 (34 Stat. 157; D.C. Official Code § 6-901), as provided in~~
40 ~~section 16(b) of that act (D.C. Official Code § 6-916(b));~~

41 ~~“(H) If an accounting is made in accordance with, and subject to,~~
42 ~~D.C. Official Code § 47-1340(f), amounts assessed and collected as a tax against real~~

43 property under subsection (a) of this section including any interest and any penalties thereon,
44 or otherwise received to recoup any amounts, incidental expenses or costs incurred,
45 obligated, or expended for the purposes of the fund; and

46 ~~“(I) Recoveries from enforcement action brought by the Office of the~~
47 ~~Attorney General on behalf of the District of Columbia or District of Columbia agencies for~~
48 ~~the abatement of violations of Chapter 1 through 16 of Title 14 of the District of Columbia~~
49 ~~Code of Municipal Regulations, excluding funds obtained through administrative~~
50 ~~proceedings.~~

51 ~~“(3) Money in the fund shall be used for the following purposes:~~

52 ~~“(A) Paying the costs of ensuring property maintenance and housing~~
53 ~~inspections are timely and accurate;~~

54 ~~“(B) Inspecting any condition, correction of any condition, and all~~
55 ~~expenses incident thereto, that the Mayor may order or cause pursuant to subsection (a) of~~
56 ~~this section;~~

57 ~~“(C) Paying the costs of demolishing or enclosing a structure under~~
58 ~~Subtitle B of Title IV A of the Abatement and Condemnation Nuisance Properties~~
59 ~~Amendment Act of 2000, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code 42~~
60 ~~3171.01 et seq.);~~

61 ~~“(D) Paying the costs of the administration of the Board for the~~
62 ~~Condemnation of Insanitary Buildings, established by section 2 of An Act to create a board~~
63 ~~for the condemnation of insanitary buildings in the District of Columbia, and for other~~
64 ~~purposes, approved May 1, 1906 (34 Stat. 157; D.C. Official Code § 6-902); and~~

65 ~~“(E) Improving the information technology systems and otherwise~~
66 ~~improving the operations of the Department of Consumer and Regulatory Affairs.~~

67 ~~“(4)(A) The money deposited into the Fund shall not revert to the~~
68 ~~unrestricted fund balance of the General Fund of the District of Columbia at the end of a~~
69 ~~fiscal year, or at any other time.~~

70 ~~“(B) Subject to authorization in an approved budget and financial~~
71 ~~plan, any funds appropriated in the Fund shall be continually available without regard to~~
72 ~~fiscal year limitation.”.~~

73 ~~(b) Subsection (c)(1)(F)(ii)(II) is amended as follows:~~

74 (A) ~~Sub-sub-subparagraph (bb) is amended by striking the phrase “;~~
75 ~~or” and inserting a semicolon in its place.~~

76 (B) ~~Sub-sub-subparagraph (cc) is amended by striking the period at~~
77 ~~the end and inserting the phrase “; or” in its place.~~

78 (C) ~~A new sub-sub-subparagraph (dd) is added to read as follows:~~

79 ~~“(dd) Any building, property maintenance, or~~
80 ~~housing code violation that threatens the health or safety of District residents or visitors as~~
81 ~~determined by the Mayor.”.~~

82 ~~Sec. 2113. Section 47-2851.13(e) of the District of Columbia Official Code is~~
83 ~~amended to read as follows:~~

84 ~~“(e) Revenue credited to the Fund shall be expended by the Department for~~
85 ~~the purpose of maintaining and upgrading the basic business licensing system, including~~
86 ~~copying fees, automation upgrades, personnel costs, and supplies, and for the purpose of~~
87 ~~providing or improving the provision of other Department services to residents and~~
88 ~~businesses in the District, including the costs of improving the information technology~~
89 ~~systems and otherwise improving the operations of the Department.”.~~

90 ~~Sec. 2114. Section 8(c)(2) of the Green Building Act of 2006, March 8, 2007 (D.C.~~
91 ~~Law 16-234, D.C. Official Code § 6-1451.07(c)(2) is amended as follows:~~

92 ~~(a) Subparagraph (D) is amended by striking the phrase “; and” and inserting a~~
93 ~~semicolon in its place.~~

94 ~~(b) Subparagraph (E) is amended by striking the period at the end and inserting the~~
95 ~~phrase “; and” in its place.~~

96 ~~(c) A new subparagraph (F) is added to read as follows:~~

97 ~~——“(F) Providing and improving the provision of DCRA services to~~
98 ~~residents and businesses in the District, including the costs of improving the information~~
99 ~~technology systems of DCRA.”~~

101 ~~Sec. 2115. Section 29-102.13(b) of the District of Columbia Official Code is~~
102 ~~amended to read as follows:~~

103 ~~“(b) Revenue credited to the Fund shall be expended by the Department of Consumer~~
104 ~~and Regulatory Affairs for the purposes of maintaining and upgrading the corporate filing~~
105 ~~system and to provide and improve the provision of DCRA services to District residents and~~

106 ~~businesses, including improving the information technology systems of DCRA.”.~~
107 ~~Sec. 2116. Section 8(b)(4) of the Vending Regulation Act of 2009, effective October~~
108 ~~22, 2009 (D.C. Law 18-71, D.C. Official Code § 37-131.07(b)(4)), is amended by striking~~
109 ~~the phrase “under this act” and inserting the phrase “by the Department of Consumer and~~
110 ~~Regulatory Affairs” in its place.~~
111 ~~Sec. 2117. Conforming amendments.~~
112 ~~(a) Section 451(b) of the Abatement and Condemnation of Nuisance Properties~~
113 ~~Omnibus Amendment Act of 2000, effective April 19, 2002 (D.C. Law 14-114; D.C.~~
114 ~~Official § 42-3173.11(b)), is repealed.~~
115 ~~(b) Section 14(b) of An Act to provide for the abatement of nuisances in the District~~
116 ~~of Columbia by the Commissioners of said District, and for other purposes, effective April~~
117 ~~27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.14(b)), is amended by striking~~
118 ~~the phrase “and shall be expended for the general administration, inspection, and abatement~~
119 ~~costs incurred in the correction of wrongful conditions in vacant buildings and other~~
120 ~~nuisance properties” and inserting the phrase “and shall be expended for the purposes~~
121 ~~authorized under section (1)(b)” in its place~~
122 ~~———(c) Section 16(b) of An Act to create a board for the condemnation of insanitary~~
123 ~~buildings in the District of Columbia, and for other purposes, approved May 1, 1906 (34~~
124 ~~Stat. 157; D.C. Official Code § 6-916(b)), is amended by striking the phrase “and shall be~~
125 ~~expended for the general administration of the Board”.~~

V. FISCAL IMPACT

N/A

**TITLE IV-A
UNIFORM PER STUDENT FUNDING FORMULA FOR PUBLIC
SCHOOLS AND PUBLIC CHARTER SCHOOLS INCREASES**

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to set the base formula and weight amount for the Uniform Per Student Funding Formula (UPSFF) for fiscal year 2020. As introduced, this subtitle will amend the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998 to increase the foundation level by 2.2% from \$10,658 to \$10,891 per pupil.

II. COMMITTEE REASONING

While the Committee recommends adoption of this subtitle, it is concerned that the 2.2% increase in the UPSFF is not enough to keep up with inflation. As is discussed earlier in the Committee's budget support, numerous individuals, including school leaders, have decried the 2.2% increase, indicating that it is not enough.

The Committee also notes that since jurisdiction of all K-12 matters is shared between the Committee on Education and the Committee of the Whole, this subtitle was jointly referred to both committees. The Committee on Education recommends increasing the UPSFF foundation by 2.36% and an increase to the at-risk weight to 0.225 to fund schools and for implementation of the Fair Access to Schools Amendment Act of 2018 and School Safety Omnibus.

The final report on the entire budget from the Committee will contain language that reconciles all of the recommended changes to the UPSFF.

III. SECTION BY SECTION ANALYSIS

Sec. 4001. Short title.

Sec. 4002. Amends the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998 to set the foundation level and updates the weighting factors for per pupil allocation.

TITLE IV-B OUT OF SCHOOL TIME FUND

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to create an Out of School Time Fund to be administered by the Office of Out of School Time Grants and Youth Outcomes (OST).¹⁴⁰ In 2016, the Council approved D.C. Law 21-261, the “Office on Youth Outcomes and Grants Establishment Act of 2016,” which established an Office of Youth Outcomes and Grants. The OST is responsible for equitably distributing funding for out-of-school programming to various community-based organizations or schools.¹⁴¹ Additionally, the OST offers training and capacity-building services to non-profits and government agencies that work with the District’s youth. In order to offset the cost of the trainings that the OST provides, the OST may charge individuals and organizations a fee to participate in its trainings. This subtitle establishes a non-lapsing fund into which the OST can deposit their fees. Additionally, this subtitle changes the date by which the OST must submit its annual report to the Council from November 1 to January 30.

II. COMMITTEE REASONING

Given that both the Committee on Education and the Committee of the Whole have joint oversight and purview over all K-12 education issues, this subtitle was jointly referred to both Committees. The Committee on Education recommends adoption of this subtitle in order to provide a self-sustaining model for the OST office.

However, the Committee of the Whole questions the need for the subtitle, as it is the understanding of the Committee that the OST would not make more than \$40,000 in fees that would be deposited into the account. While the Committee has its reservations about the need for this subtitle, it recommends adoption of it at this time but cautions that the subtitle may be removed further in the budget process.

III. SECTION BY SECTION ANALYSIS

Sec. 4011. States the short title.

Sec. 4012 Amends D.C. Law 21-261 to establish a special, non-lapsing fund, which shall be administered by the OST, and to change the deadline for the OST’s annual report to the Council from November 1st to January 30th.

¹⁴⁰ This Office sits within the Deputy Mayor for Education’s office.

¹⁴¹ Prior to the OST, the DC Child and Youth Investment Trust Corporation was responsible for distributing funding to various community-based OST programs.

IV. LEGISLATIVE RECOMMENDATION

1 Sec. 4011. Short title.

2 This subtitle may be cited as the “Out of School Time Fund Establishment
3 Amendment Act of 2019”.

4 Sec. 4012. The Office of Out of School Time Grants and Youth Outcomes
5 Establishment Act of 2016, effective April 7, 2017 (D.C. Law 21-261; D.C. Official
6 Code § 2-1555.01 *et seq.*), is amended as follows:

7 (a) Section 5(g) (D.C. Official Code § 2-1555.04) is amended by striking the
8 phrase “November 1” and inserting the phrase “January 30” in its place.

9 (b) A new section 5a is added to read as follows:

10 “Sec. 5a. Out of School Time Fund.

11
12 “(a) There is established as a special fund the Out of School Time Fund (“Fund”),
13 which shall be administered by the Office in accordance with subsection (c) of this
14 section.

15 “(b) All fees collected pursuant to section 4(c) shall be deposited into the Fund.

16
17 “(c) Money in the Fund shall be used for the following purposes:

18
19 “(1) To provide technical assistance, training, and capacity building to
20 governmental and nongovernmental bodies on best practices in youth development and
21 other topics consistent with the Office’s mission; and

22 “(2) To fund grants issued pursuant to section 5.

23
24 “(d)(1) The money deposited into the Fund but not expended in a fiscal year shall
25 not revert to the unassigned fund balance of the General Fund of the District of Columbia
26 at the end of a fiscal year, or at any other time.

27
28 “(2) Subject to authorization in an approved budget and financial plan, any

29 funds appropriated in the Fund shall be continually available without regard to fiscal year
30 limitation.”.

V. FISCAL IMPACT

This subtitle does not have a fiscal impact because no revenue has been certified. Any revenue collected from OST fees will be designated to provide technical assistance, training, and capacity building.

TITLE IV-C COMMUNITY SCHOOLS ADVISORY COMMITTEE

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to add the Director of the Department of Behavioral Health and the Director of Child and Family Services as members of the Community Schools Incentive Initiative Advisory Committee.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. There is no nexus to the budget and the Committee believes these additions to the Community Schools Incentive Initiative Advisory Committee should move through the regular legislative process as stand-alone bill legislation.

III. SECTION BY SECTION ANALYSIS

N/A

IV. LEGISLATIVE RECOMMENDATION

1 ~~TITLE IV, SUBTITLE C. COMMUNITY SCHOOLS ADVISORY~~
2 ~~COMMITTEE~~
3 ~~——— Sec. 4021. Short title.~~
4 ~~——— This subtitle may be cited as the “Community Schools Incentive Initiative~~

5 ~~Advisory Committee Membership Amendment Act of 2019”.~~
6 ~~——— Sec. 4022. Section 403(e) of the Community Schools Incentive Act of 2012,~~
7 ~~effective June 19, 2012 (D.C. Law 19-142; D.C. Official Code § 38-754.03(e)), is~~
8 ~~amended by adding new paragraphs (4A) and (4B) to read as follows:~~
9 ~~——— “(4a) The Director of the Department of Behavioral Health, or designee”.~~
10 ~~——— “(4b) The Director of the Child and Family Services Agency, or designee”.~~

V. FISCAL IMPACT

N/A

TITLE IV-D RECOVERY OF DELINQUENT NON-RESIDENT TUITION PAYMENTS

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle requires that any delinquent non-resident tuition recovered by the Office of the Chief Financial Officer’s Central Collections Unit (CCU) be deposited into the OSSE Student Residency Verification Fund rather than into the Delinquent Debt Fund. OSSE’s Student Residency Verification Fund receives revenue from tuition payments made by parents who are not District Residents but send their children to a public school. The Fund also collects fines imposed on non-resident families who send their children to public schools.

II. COMMITTEE REASONING

The Committee of the Whole agrees with the Committee on Education’s recommendation to adopt this subtitle and to align funds collected from non-resident tuition payments. This subtitle would allow late tuition payments recovered by the CCU to be collected and deposited into the Student Residency Verification Fund. CCU expects a small number of non-resident tuition delinquencies will be absorbed into its budget.

III. SECTION BY SECTION ANALYSIS

Sec. 4031. Short title.

Sec. 4032. Amends the Delinquent Debt Recovery Act of 2012 to allow funds collected and recovered by the Central Collection Unit arising out of non-resident student tuition delinquent debts transferred and referred to the Central Collection Unit by the Office of the State Superintendent of Education for collection, net of costs and fees, shall be deposited into the Student Residency Verification Fund.

IV. LEGISLATIVE RECOMMENDATION

1 Sec. 4031. Short title.

2 This subtitle may be cited as the “Non-Resident Student Delinquent Debt
3 Recovery Amendment Act of 2019”.

4 Sec. 4032. The Delinquent Debt Recovery Act of 2012, effective September
5 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.01 *et seq.*), is amended as
6 follows:

7 (a) Section 1043 (D.C. Official Code § 1-350.02) is amended as follows:

8 (1) Subsection (a) is amended by striking the phrase “and (a-2)”.

9 (2) A new subsection (a-3) is added to read as follows:

10 “(a-3) Beginning in Fiscal Year 2020 and for each fiscal year thereafter, funds
11 collected and recovered by the Central Collection Unit arising out of non-resident
12 student tuition delinquent debts transferred and referred to the Central Collection Unit
13 by the Office of the State Superintendent of Education for collection, net of costs and
14 fees, shall be deposited into the Student Residency Verification Fund established by
15 section 15b of the District of Columbia Nonresident Tuition Act, effective May 9,
16 2012 (D.C. Law 19-126; D.C. Official Code § 38-312.02), within 60 days.”

17 (b) Section 1045(a) (D.C. Official Code § 1-350.04(a)) is amended by
18 striking the phrase “section 1043(a-1) and (a-2)” and inserting the phrase “section
19 1043(a-1), (a-2), and (a-3)” in its place.

IV. FISCAL IMPACT

This subtitle was funded in the Mayor’s budget.

TITLE IV-E OFFICE OF ADMINISTRATIVE HEARINGS JURISDICTION

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle provides the Office of Administrative Hearings with the authority to hear appeals of compliance actions OSSE takes against public charter schools or other organizations to which OSSE has issued grants.

II. COMMITTEE REASONING

The Committee of the Whole agrees with the Committee on Education’s recommendation to adopt this subtitle because it is necessary to provide families a means by which to appeal decisions made by OSSE.

III. SECTION BY SECTION ANALYSIS

Sec. 1. Short title.

Sec. 2. Amends Office of Administrative Hearings Establishment Act of 2001 to

IV. LEGISLATIVE RECOMMENDATION

1	TITLE IV, SUBTITLE E. OFFICE OF ADMINISTRATIVE HEARINGS JURISDICTION
2	
3	Sec. 4041. Short title.
4	This subtitle may be cited as the “Office of Administrative Hearings Jurisdiction
5	Amendment Act of 2019”
6	Sec. 4042. Section 6(b-22)(3) of the Office of Administrative Hearings
7	Establishment Act of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code §

8 2-1831.03(b-22)(3)), is amended by striking the phrase “denial of federal grant application”
9 and inserting the phrase “denial of a grant application, the termination of a grant, or other
10 adverse enforcement action taken against a grantee related to a grant (including withholding
11 of payment, suspension of funds, or disallowance of funds)” in its place.

IV. FISCAL IMPACT

The fiscal impact of the subtitle was incorporated into the FY 2020 budget and financial plan. It is expected to cost approximately \$1,460 in FY2020. This funding has been transferred from OSSE to OAH in the FY20 budget.

TITLE IV-F PUBLIC CHARTER SCHOOL CLOSURE CONDITIONS

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to provide charter authorizers with the ability to impose conditions on the operations and administration of the public charter school if the chartering authority declines to renew or decides to revoke the schools charter status.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. There is no nexus to the budget and the Committee believes this provision should move through the regular process as a stand-alone legislation.

III. SECTION BY SECTION ANALYSIS

N/A

IV. LEGISLATIVE RECOMMENDATION

1 ~~TITLE IV, SUBTITLE F. Public Charter School Closure Conditions~~
2 ~~——— Sec. 4051. Short title.~~

3 — This subtitle may be cited as the “Public Charter School Closure Conditions
4 Amendment Act of 2019.
5 — Sec. 4052. The District of Columbia School Reform Act of 1995, approved April 26,
6 1996 (110 Stat. 1321-107; D.C. Official Code § 38-1800.01 *et seq.*), is amended as follows:
7 — (5A) CONDITIONS UPON RENEWAL. If an eligible chartering authority denies
8 an application to renew a charter granted to a public charter school, the eligible chartering
9 authority may impose such conditions on the operations and administration of the schools as
10 the eligible chartering authority determines appropriate to safeguard public funds, ensure
11 positive outcomes for students, and provide for an efficient closure or an asset acquisition
12 pursuant to section 2213a(d)(2)(A)(ii).
13 — (b) Section 2213(c) (D.C. Official Code § 38-1802.12(c)) is amended by adding a
14 new paragraph (5A) is added to read as follows:
15 (5A) CONDITIONS UPON REVOCATION. If an eligible chartering
16 authority revokes a charter granted to a public charter school, the eligible
17 chartering authority may impose such conditions on the operations and
18 administration of the school as the eligible chartering authority determines
19 appropriate to safeguard public funds, ensure positive outcomes for students,
20 and provide for an efficient closure or an asset acquisition pursuant to section
 2213a(d)(2)(A)(ii).

V. FISCAL IMPACT

N/A

TITLE IV-F PUBLIC CHARTER SCHOOL CLOSURE CONDITIONS

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to provide charter authorizers with the ability to impose conditions on the operations and administration of the public charter school if the chartering authority declines to renew or decides to revoke the schools charter status.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle. There is no nexus to the budget and the Committee believes this provision should move through the regular process as a stand-alone legislation.

III. SECTION BY SECTION ANALYSIS

N/A

IV. LEGISLATIVE RECOMMENDATION

1 ~~TITLE IV, SUBTITLE F. Public Charter School Closure Conditions~~
2 ~~——— Sec. 4051. Short title.~~
3 ~~——— This subtitle may be cited as the “Public Charter School Closure Conditions~~
4 ~~Amendment Act of 2019.~~
5 ~~——— Sec. 4052. The District of Columbia School Reform Act of 1995, approved April 26,~~
6 ~~1996 (110 Stat. 1321-107; D.C. Official Code § 38-1800.01 *et seq.*), is amended as follows:~~
7 ~~——— (5A) CONDITIONS UPON RENEWAL. If an eligible chartering authority denies~~
8 ~~an application to renew a charter granted to a public charter school, the eligible chartering~~
9 ~~authority may impose such conditions on the operations and administration of the schools as~~
10 ~~the eligible chartering authority determines appropriate to safeguard public funds, ensure~~
11 ~~positive outcomes for students, and provide for an efficient closure or an asset acquisition~~
12 ~~pursuant to section 2213a(d)(2)(A)(ii).~~
13 ~~——— (b) Section 2213(c) (D.C. Official Code § 38-1802.12(c)) is amended by adding a~~
14 ~~new paragraph (5A) is added to read as follows:~~
15 ~~(5A) CONDITIONS UPON REVOCATION. If an eligible chartering authority revokes a~~
16 ~~charter granted to a public charter school, the eligible chartering authority may impose such~~
17 ~~conditions on the operations and administration of the school as the eligible chartering~~
18 ~~authority determines appropriate to safeguard public funds, ensure positive outcomes for~~
19 ~~students, and provide for an efficient closure or an asset acquisition pursuant to section~~
20 ~~2213a(d)(2)(A)(ii).~~

V. FISCAL IMPACT

N/A

**TITLE IV-H
DEPUTY MAYOR FOR EDUCATION LIMITED GRANT-MAKING
AUTHORITY**

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle gives the Deputy Mayor for Education the authority to issue the following grants in FY20:

- \$300K for a study of the UPSFF as recommended by the February 1, 2019 report of the UPSFF Working Group.

II. COMMITTEE REASONING

Since the last adequacy study, the government has added new weights to the funding formula. The Committee of the Whole agrees with the Committee on Education's belief that this subtitle is necessary to give the DME limited authority to study an update to the universal per pupil funding formula.

III. SECTION BY SECTION ANALYSIS

Sec. 4071 Short title

Sec. 4072 Provides the Deputy Mayor for Education with limited grant-making authority

IV. LEGISLATIVE RECOMMENDATION

1	TITLE IV, SUBTITLE H. DEPUTY MAYOR FOR EDUCATION LIMITED GRANT-
2	MAKING AUTHORITY
3	
4	Sec. 4071. Short title.

5 This subtitle may be cited as the “Deputy Mayor for Education Limited Grant-Making
6 Authority Amendment Act of 2019”.

7 Sec. 4072. Deputy Mayor for Education limited grant-making authority.

8 (a) For Fiscal Year 2020, the Deputy Mayor for Education shall have grant-making
9 authority to provide a grant in an amount not to exceed \$300,000, for a study of the uniform
10 per student funding formula as recommended by the February 1, 2019, report of the Uniform
11 Per Student Funding Formula Working Group.

12 (b) A grant issued under this section shall be administered pursuant to the
13 requirements set forth in the Grant Administration Act of 2013, effective December 24, 2013
14 (D.C. Law 20-61; D.C. Official Code § 1-328.11 et seq.).

V. FISCAL IMPACT

The fiscal impact of the subtitle was incorporated into the FY 2020 budget and financial plan. The grants will total \$300,000 in FY2020 and the DME will administer the grant using existing staff.

TITLE IV-I SPECIAL EDUCATION COMPLIANCE FUND

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This establishes within OSSE a non-lapsing Special Education Compliance Fund to support compliance with federal and local special education laws and regulations.

II. COMMITTEE REASONING

The Committee of the Whole agrees with the Committee on Education’s recommendation to adopt this subtitle to ensure OSSE can support state-level costs associated with ensuring state and local compliance with federal and local special education laws and regulations.

III. SECTION BY SECTION ANALYSIS

Sec. 1. Short title.

Sec. 2. The State Education Office Establishment Act of 2000 to establish within OSSE a non-lapsing Special Education Compliance Fund to support compliance with federal and local special education laws and regulations.

IV. LEGISLATIVE RECOMMENDATION

1 **TITLE IV SUBTITLE I. STATEWIDE SPECIAL EDUCATION COMPLIANCE**

2 **FUND**

3 Sec. 4081. Statewide Special Education Compliance Fund.

4 This subtitle may be cited as the “Special Education Compliance Fund Act of 2019”.

5 Sec. 4082. The State Education Office Establishment Act of 2000, effective October
6 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2601 *et seq.*), is amended by adding a
7 new section 7h to read as follows:

8 “Sec. 7h. Statewide Special Education Compliance Fund.

9 “(a) There is established as a special fund the Statewide Special Education
10 Compliance Fund (“Fund”), which shall be administered by the Office of the State
11 Superintendent of Education in accordance with subsection (c) of this section.

12 “(b) There shall be deposited into the Fund such amounts as may be appropriated to
13 the Fund:

14 “(c) Money in the Fund shall be used for the following purposes:

15 “(1) To provide, establish, and maintain the supports and resources to ensure
16 timely special education due process proceedings, timely implementation of hearing officer
17 determinations in special education due process proceedings, and timely implementation of
18 settlement agreements that settle special education due process complaints;

19 “(2) To develop, maintain, or improve new and existing data systems and
20 applications related to the provision of special education services to students with disabilities;

21 “(3) To pay for state-level activities, supports, or resources related to assisting
22 and monitoring local education agencies, schools, or any other responsible party in their
23 compliance with federal and local laws and regulations for the provision of special education

24 services to students with disabilities; and
25 “(4) To support activities required to ensure continued compliance with
26 federal and local laws and regulations regarding the provision of special education services to
27 students with disabilities.
28 “(d)(1) The money deposited into the Fund but not expended in a fiscal year shall not
29 revert to the unassigned fund balance of the General Fund of the District of Columbia at the
30 end of a fiscal year, or at any other time.
31 “(2) Subject to authorization in an approved budget and financial plan, any
32 funds appropriated in the Fund shall be continually available without regard to fiscal year
33 limitation.”.

IV. FISCAL IMPACT

The fiscal impact of the subtitle was incorporated into the FY 2020 budget and financial plan. The Mayor has appropriated \$12.4M into the fund for FY20.

TITLE V-C COMMISSION ON THE ARTS AND HUMANITIES INDEPENDENCE AND FUNDING RESTRUCTURING

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to amend the Commission on the Arts and Humanities Act, effective October 21, 1975 (D.C Law 1-22; D.C. Official Code § 39-201 *et seq.*) to establish the Commission on the Arts and Humanities (Commission) as an independent agency and to restructure the grantmaking programs at the Commission.

The subtitle proposes to establish the Commission as an independent agency by making following changes: (1) Provides that the Commission is an independent agency that is not part of the Office of the Mayor; (2) Requires the members of the Commission to select the Chairperson of the Commission; (3) Requires the Commission to nominate, and with the advice and consent of the Council, appoint an Executive Director for the Commission for a renewable four-year term; and (4) Removes the authority for the Mayor or the Council to call a special meeting of the Commission.

Finally, the subtitle proposes to restructure the grantmaking programs by requiring the Commission to allocate 77 percent of its annual budget for operating and capital grants. The 77 percent would be allocated as follows: (1) 17 percent for capital grants; (2) 50 percent for grants to support the Arts and Humanities Cohort; (3) 28 percent for grants to support the National Capital Arts Cohort; and (4) 5 percent for the Humanities Grant Program. The remaining 23 percent of the Commission's budget is allocated for administrative costs which includes federal grant funds, intra-district funds, special purpose revenue funds, and local funds needed to support the functions of the Commission, to include agency-management, information-technology, contracting, and staffing costs, and funding for arts learning and outreach programs.

II. COMMITTEE REASONING

The Committee recommends adopting this subtitle. As proposed by the Executive, the subtitle proposed to repeal the dedicated funding stream from the Commission. The Committee struck that proposal and moved to restructure the Commission's budget to increase funding for operating and capital grants. The Committee is proposing these changes due to the number of witnesses that testified at the Commission's budget hearing that opposed what was proposed by the Executive. The Committee believes amending the funding structure for the agency will bring more transparency and stability to the Commission's operations and budget.

Making the Commission independent addresses the Committee concern that the authority and the powers of the Commission are being undermined by the Executive. The Committee hopes this will allow the members of the Commission to have an active role in the formulation of the Commission's budget and policies. A Commission that lacks independence is detrimental to the arts and humanities community, and will diminish community engagement.

III. SECTION BY SECTION ANALYSIS

Sec. 5021. Short title.

Sec. 5022. Amends the Commission on the Arts and Humanities Act.

Subsection (a) Provides the definitions for the subtitle.

Subsection (b) Provides that the Commission is an independent agency which shall evaluate and initiate action on matters relating to the arts and humanities. Also, provides new qualification requirements for six members of the Commission appointed on or before July 1, 2019, and for three members of the Commission appointed on or before July 1, 2020. Authorizes the Commission to vote for a Chairperson from among its members on an annual basis. Finally, it prohibits District government employees from serving on the Commission.

Subsection (c) Authorizes the Commission to issue single or multi-year grants. In addition, requires the Commission to encourage and assist freedom of artistic expression essential for the well-being of the arts, without censorship.

Subsection (d) Requires the Commission to nominate, and with the advice and consent of the Council, appoint an Executive Director for a renewable four-year term on or before October 1, 2019. Provides the annual compensation and the responsibilities of the Executive Director. Removes the authority for the Mayor or the Council to call a special meeting of the Commission. Further, provides that 23 percent of the Commission’s budget shall be for administrative costs, and 77 percent of the Commission’s budget shall be allocated as follows: 17 percent for capital grants; (2) 50 percent for grants to support the Arts and Humanities Cohort; (3) 28 percent for grants to support the National Capital Arts Cohort; and (4) 5 percent for the Humanities Grant Program. Finally, it updates the disclosure and recusal requirements for a member of the Commission who is an employee, director, or officer of any organization that has applied to the Commission for a grant.

Subsection (e) Establishes the Arts and Humanities Fund and provides the monies that shall be deposited into the Fund.

Subsection (f) Establishes the Humanities Grant Program to provide subgrants for the humanities made through a grant-making entity.

Subsection (g) Repeals the residency and conflict of interest requirements for members of the Commission since they were moved to other sections of the Commission on the Arts and Humanities Act.

Sec. 5023. Makes conforming amendments to the Delinquent Debt Recovery Act of 2012 and the District of Columbia Revenue Act of 1937.

IV. LEGISLATIVE RECOMMENDATION

1	SUBTITLE C. COMMISSION ON THE ARTS AND HUMANITIES
2	INDEPENDENCE AND FUNDING RESTRUCTURING
3	Sec. 5021. Short Title.
4	This subtitle may be cited as the “Commission on the Arts and Humanities
5	Independence and Funding Restructuring Amendment Act of 2019”.
6	Sec. 5022. The Commission on the Arts and Humanities Act, effective October
7	21, 1975 (D.C. Law 1-22; D.C. Official Code § 39-201 et. seq.), is amended as follows:
8	(a) Section 3 (D.C. Official Code § 39-202) is amended to read as follows:
9	“Sec. 2. Definitions.

10 “For the purposes of this act, the term:

11 “(1) “Administrative costs” includes federal grant funds, intra-district
12 funds, special purpose revenue funds, and local funds needed to support the functions
13 of the Commission, to include agency-management, information-technology,
14 contracting, and staffing costs, and funding for arts learning and outreach programs.

15 “(2) “Arts” includes instrumental music, vocal music, dance, drama,
16 folk art, creative writing, architecture and allied fields, painting, sculpture,
17 photography, graphic and craft arts, industrial design, costume and fashion design,
18 media and film, and sound recording; disciplines related to the presentation,
19 performance, execution, exhibition of those major art forms; and the study and
20 application of the arts to the human environment.

21 “(3)(A) “Arts and Humanities Cohort” includes those individuals and
22 organizations that directly produce or present content or facilitate productions of other
23 arts and humanities organizations.

24 “(B) The term does not include members of the National
25 Capital Arts Cohort as defined by paragraph (8) of this section or a local academic
26 institution.

27 “(4) “Commission” means the Commission on the Arts and Humanities
28 established by section 3.

29 “(5) “Executive Director” means the executive director appointed
30 pursuant to section 6(a).

31 “(6) “Grant-managing entity” means the District’s humanities council
32 (the Humanities Council of Washington, D.C., or any successor organization), which
33 is the entity that makes subgrants pursuant to section 6b.

34 “(7) “Humanities” includes the study of ancient or modern languages,
35 literature, philosophy, history, human geography, archeology, jurisprudence, religion,
36 law, ethics, the history, criticism, theory, and practice of the arts; those aspects of the
37 social sciences which have humanistic content and employ humanistic methods; and
38 the study and application of the humanities to the human environment with particular
39 attention to the relevance of the humanities to the current conditions of national life.

40 “(8) “Humanities Grant Program” means the grant program established

41 by section 6b.

42 “(9) “National Capital Arts Cohort” includes those organizations that
43 are:

44 “(A) Nonprofit corporations incorporated under the laws of the
45 District that:

46 “(i) Have an annual income, exclusive of District funds,
47 in excess of \$1 million for each of the 3 years before receipt of a grant awarded under
48 this act;

49 “(ii) Have income from federal funds of less than \$1
50 million for each of the 3 years before receipt of a grant under this act; and

51 “(iii) Receive funding from the National Capital Arts
52 and Cultural Affairs Grant Program (“Grant Program”) under section 201 of An Act
53 Making appropriations for the Department of Defense for the fiscal year ending
54 September 30, 1986, and for other purposes, approved December 19, 1985 (99 Stat.
55 1261; 20 U.S.C. § 956a), or that are, from and after March 1, 2018, eligible for funding
56 from the Grant Program.

57 “(B) The term does not include members of the Arts and
58 Humanities Cohort as defined by paragraph (2) of this section or local academic
59 institutions.

60 “(10) “Public art” means sculptures, murals, mosaics, bas-reliefs,
61 frescoes, tapestries, monuments, fountains, environmental designs, and other visual art
62 forms that are intended to enhance the aesthetic quality of a public building, park,
63 street, sidewalk, or other public place with which they are physically or spatially
64 connected. The term “public art” does not include landscape design or the incidental
65 ornamentation of functional structural elements or accessories unless designed by a
66 visual artist as part of an artwork design authorized by the Commission.

67 (b) Section 4 (D.C. Official Code § 39-203) is amended as follows:

68 (1) Subsection (a) is amended to read as follows:

69 “(a) There is established, as an independent commission, the Commission on
70 the Arts and Humanities (“Commission”), which shall evaluate and initiate action on
71 matters relating to the arts and humanities and encourage programs and the

72 development of programs that promote progress in the arts and humanities.”

73 (2) A new subsection (a-1) is added to read as follows:

74 “(a-1)(1) The Commission shall consist of 18 members appointed by the
75 Mayor, with the advice and consent of the Council, in accordance with section 2(e)(32)
76 of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C.
77 Official Code § 1-523.01(e)(32)).

78 “(2) Each member appointed to the Commission shall be a District
resident who has displayed an interest or an ability in the arts or humanities or has been
active in the furtherance of the arts or humanities in the District of Columbia. The
Commission shall include:

“(A) On or before July 1, 2019, 2 members with specific
interest, ability, or experience in the humanities;

“(B) On or before July 1, 2019, 2 members with specific
interest, ability, or experience in arts or humanities education;

“(C) On or before July 1, 2019, 2 members with specific
interest, ability, or experience in theatre and performing arts;

“(D) On or before July 1, 2020, one member with specific
interest, ability, or experience in public art; and

“(E) On or before July 1, 2020, 2 members with specific
experience in arts or humanities organizational administration or governance.

“(3) When appointing members to the Commission, the Mayor shall
give due consideration to recommendations made by representative civic, educational,
and professional groups concerned with the arts, humanities, and culture, and shall
maintain reasonable representation of all the various geographic areas and
neighborhoods within the District of Columbia.”.

(3) Subsection (b) is amended by striking the phrase “may be
reappointed.” and inserting the phrase “may be reappointed; provided, that all 6
members who have a term end date of June 30, 2019 and 3 of the members who have
a term end date of June 3, 2020 may be reappointed only if doing so would satisfy the
qualification requirements set forth under subsection (a)(2) of this section.” in its place.

(4) Subsection (d) is amended to read as follows:

“(d) On or before October 1, 2019, and on or before July 1 of every year thereafter beginning with July 1, 2020, the Commission shall vote for a Chairperson from among its members. The term of the Chairperson selected on or before October 1, 2019 shall commence on October 1, 2019 and expire on June 30, 2020. The term of the Chairperson selected on or before July 1 of every year thereafter shall commence on July 1 of that year and expire on June 30 of the following year.”.

(5) A new subsection (f) is added to read as follows:

“(f) No District of Columbia government employee, as that term is defined by section 301(7) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code 1-603.01(7)), shall be eligible to serve as a member of the Commission.”.

(c) Section 5 (D.C. Official Code § 39-204) is amended as follows:

(1) Paragraph (3) is amended to read as follows:

“(3) Issue grants, to include single or multi-year grants, for projects and productions in the arts and humanities; provided, that grant funding be competitively awarded to individuals and organizations based in and primarily serving the District;

(2) Paragraph (5)(C) is amended by striking the phrase “in the Fund or in the” and inserting the phrase “in the” in its place.

(3) Paragraph (7) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(4) Paragraph (8)(B) is amended by striking the period and inserting the phrase “; and” in its place.

(5) Add a new paragraph (9) to read as follows:

“(9) Encourage and assist freedom of artistic expression essential for the well-being of the arts, without censorship.”.

(d) Section 6 (D.C. Official Code § 39-205) is amended as follows:

(1) Subsection (a) is amended to read as follows:

“(a)(1) On or before October 1, 2019, the Commission shall nominate, and with the advice and consent of the Council, shall appoint an Executive Director for the Commission for a renewable 4-year term. The 4-year year term shall commence on October 1 in the year of the appointment and expire on September 30 of the fourth year

of the term. The Executive Director may be removed by the Commission for just and reasonable cause.

“(2) The Executive Director shall receive annual compensation fixed in accordance with the provisions of Title XI of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-611.01 et seq.), serve as the chief administrative officer of the Commission, and:

“(A) Supervise the staff of the Commission;

“(B) Assist the Commission in executing its policies and duties;

“(C) Perform other duties as directed by the Commission; and

“(D) Report regularly on the activities and operations of the agency to the members of the Commission.”.

(2) Subsection (b) is amended by striking the phrase “Mayor, Council, Chairperson of” and inserting the phrase “Chairperson of” in its place.

(3) Subsection (c) is amended by striking the phrase “the Mayor an annual budget” and inserting the phrase “the Mayor, with a copy to the Council, an annual budget” in its place.

(4) A new subsection (c-1) is added to read as follows:

“(c-1) For the fiscal year 2021 budget and every fiscal year thereafter the Commission shall allocate the annual budget as follows:

“(1) Not more than 23% of the annual budget shall be allocated for administrative costs.

“(2) Not less than 77% of the annual budget shall be allocated for the following purposes:

“(A) 17% for grants to fund capital projects in support of either the Arts and Humanities Cohort or the National Capital Arts Cohort;

“(B) 50% for grants to support the Arts and Humanities Cohort;

“(C) 28% for grants to support the National Capital Arts Cohort; and

“(D) 5% the for the Humanities Grant Program.”.

(5) A new subsection (e) is added to read as follows:

“(e) If any member of the Commission is an employee, member, director, or officer of any organization that has applied to the Commission for a grant, such member shall:

“(1) Provide a written statement before the grant is considered by the Commission or an advisory panel describing the potential conflict of interest and deliver the statement to the Executive Director and the Chairperson of the Commission;

“(2) Not communicate with or attempt to influence any other member of the Commission or any member of an advisory panel regarding the grant application; and

“(3) Not be present when the grant application is considered by the Commission or an advisory panel.

(e) Section 6a (D.C. Official Code § 39-205.01) is amended to read as follows:

“Section 6a. Arts and Humanities Fund.

“(a) There is established as a special fund the Arts and Humanities Fund (“Fund”), which shall be administered by the Commission in accordance with subsection (c) of this section.

“(b) The following shall be deposited into the Fund:

“(1) Proceeds of the sale or loan by the District government of works of art, prints, and promotions items;

“(2) Fees collected pursuant to section 2e of Title IV of the District of Columbia Revenue Act of 1937, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 50-1501.02e); and

“(3) Subject to the availability of funds, up to \$2.5 million annually pursuant to section 1045(d) of the Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.04(d)).

“(c) Money in the Fund shall be used for the administration, improvement, and maintenance of property and programs managed by the Commission.

“(d)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

“(2) Subject to authorization in an approved budget and financial plan,

any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.

(f) A new section 6b is added to read as follows:

“Section 6b. Humanities grant program.

“(a) There is established within the Commission a Humanities Grant Program to provide subgrants in the humanities.

“(b)(1) Each year, the Commission shall make a grant in the amount provided under section 6(c-1)(D) to a grant-managing entity, which shall be used to make subgrants for the purpose of promoting cross-cultural understanding and appreciation of local history in all neighborhoods of the District of Columbia.

“(2) Any costs to the Commission or the Humanities Grant Program to administer subgrants shall be paid out of the Humanities Grant Program’s budget.

“(3) Up to 30% of each disbursement from the Humanities Grant Program budget to the grant-managing entity may be utilized by the grant-managing entity for administrative expenses, capacity building, technical assistance, and evaluation of the Humanities Grant Program.

“(c) Subgrants shall be:

“(1) Awarded on a competitive basis;

“(2) Used exclusively to fund District of Columbia residents, non-profits, neighborhood citizen or civic associations, educational institutions, alumni groups, and other entities with qualifying proposals under this section; and

“(3) Selected through a process that includes independent review panels.

“(d) The Humanities Grant Program shall be administered pursuant to the requirements of the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 et seq.)”.

“(e) The grant-managing entity shall enter into a Memorandum of Understanding (“MOU”) with the Commission. The MOU shall set forth certain administrative requirements for the grant-managing entity to abide by when it obtains District funds and awards subgrants involving District funds, and will clarify and reaffirm the grant-managing entity responsibility and obligation with respect to District

funds, including the monitoring of the use of District funds.”.

(g) Section 7 (D.C. Official Code § 39-206) is amended by repealing subsections (b) and (c).

Sec. 5023. Conforming amendments.

(a) Section 1045(d) of the Delinquent Debt Recovery Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 1-350.04(d)) is amended by striking the phrase “Humanities Enterprise Fund,” and inserting the phrase “Humanities Fund,” in its place.

(b) Section 2e(c) of Title IV of the District of Columbia Revenue Act of 1937, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 50-1501.02e(c)) is amended by striking the phrase “Humanities Enterprise Fund,” and inserting the phrase “Humanities Fund,” in its place.

V. FISCAL IMPACT

N/A

TITLE VII-E FISCAL YEAR 2019 INTERNET SALES TAX REVENUE

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to repeal the one-time dedication of all the FY 2019 revenue generated by Internet Sales Tax Amendment Act of 2018 (D.C. Law 22-258) to the Commission on the Arts and Humanities (Commission). It was expected, that in FY 2019, D.C. Law 22-258 would have generated \$14.3 million which would have gone to CAH to provide grant awards to arts and humanities organizations.

Further, the proposed subtitle would take effect as of December 31, 2018, to be able to sweep the revenue that has been received by District since January 1, 2019. This is necessary because when the Council approved D.C. Law 22-258, the legislation had an applicability date of January 1, 2019. The January 1st date was included to grant the Office of the Chief Financial Officer the authority to start collecting the taxes required by D.C. Law 22-258 at the beginning

of tax year 2019. To ensure D.C. Law 22-258 became effective before January 1, 2019, the Council approved emergency legislation that was similar to D.C. Law 22-258 - the Internet Sales Tax Emergency Amendment Act of 2018 (D.C. Act 22-556) - which was enacted on December 31, 2018.

Finally, it should be noted that a similar subtitle is being proposed in the “Fiscal Year 2019 Revised Local Budget Adjustment Emergency Act of 2019”, as introduced on March 20, 2019 (Bill 23-205). This will allow the Executive to use the \$14.3 million to fund enhancements in other programs in the current fiscal year.

II. COMMITTEE REASONING

The Committee recommends striking this subtitle, however, the Committee was unable to find the necessary funds to reverse this proposal. The Council unanimously approved D.C. Law 22-258 intending that the FY 2019 revenue that was generated by the legislation would be directed to the Commission. The Committee believes that the intent of the Council should be followed, and the funds should be utilized as grant awards to support the arts and humanities in the District.

The Committee is especially concerned that the Executive’s proposal was never discussed with the arts and humanities community. The first-time individuals were aware that the Council allocated supplemental funding for grant awards was at the April 5, 2019 budget hearing for the Commission. Moreover, at the budget hearing the Executive Director acknowledged that the Commission did not know that the funds were being directed to them in FY 2019.

Historically, the Commission has been underfunded. The Council has been trying to address this issue, such as providing a dedication of sales tax revenue to the Commission in the FY 2019 budget. With this in mind, the Council looked to supplement the Commission’s budget by requiring \$14.3 million to be dedicated to the Commission with the passage of D.C. Law 22-258. The Committee believes the funds should remain with the Commission in FY 2019 and should not be used for other purposes.

III. SECTION BY SECTION ANALYSIS

Sec. 7301. Short title.

Sec. 7302. Repeals the one-time dedication of all the FY 2019 revenue generated by the Internet Sales Tax Amendment Act to the Commission on the Arts and Humanities.

Sec. 7303. Provides that the act shall apply retroactively as of December 31, 2018.

IV. LEGISLATIVE RECOMMENDATION

1 TITLE VII, SUBTITLE E. FISCAL YEAR 2019 INTERNET SALES TAX
2 REVENUE
3 Sec. 7031. Short title.
4 This subtitle may be cited as the “Internet Sales Tax Revenue Amendment Act
5 of 2019”.
6 Sec. 7032. Section 47-812(b-9)(2)(D)(ii) of the District of Columbia Official
7 Code is repealed.
8 Sec. 7033. Applicability.
9 This subtitle shall apply as of December 31, 2018.

V. FISCAL IMPACT

N/A

TITLE VII-I SUBJECT TO APPROPRIATION REPEALS

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to identify funded legislation that can become applicable in the law as a result of funding in this budget, or certifying no costs.

II. COMMITTEE REASONING

The Committee recommends repeal of several subject-to-appropriations applicability clauses to reflect funded legislation in this report. The final report on the entire budget from the Committee will contain language that reconciles all of the legislation funded by all of the committittess. Portions or legislation funded through the Committee are as follows:

- Act 22-563, Short-Term Rental Regulation Act of 2018 (Administrative costs are funded).
- Law 22-225, Leaf Blower Regulation Amendment Act (financial plan funded).
- Law 22-121, Accessible and Transparent Procurement Amendment Act of 2018 (certified).

- Law 21-201, Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016 (this repeal was included as a standalone subtitle in the Mayor’s submission. That subtitle should be stricken and the repeal be included in Title VII-I).

III. LEGISLATIVE RECOMMENDATION

The Committee recommends that the subject to appropriations provision for the above-referenced bills be repealed in the Fiscal Year 2020 Budget Support Act of 2019.

IV. FISCAL IMPACT

N/A

TITLE COW-A SHORT-TERM RENTAL ZONING ANALYSIS

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to prohibit the issuance of any building permits to the District of Columbia government, or on the government’s behalf, until such time as the Office of Planning has completed its analysis of short-term transient uses for residential properties in the District and provided the same to the Zoning Commission. The intended effect is to ensure that the Office of Planning (OP) timely submits its recommendation to give the Zoning Commission ample time to consider a text amendment to the zoning regulations with regard to short-term rentals, before provisions of the Short-Term Rental Regulation Act of 2018 are expected to become applicable on October 1, 2019. The impact on existing law is an amendment to Section 10 of An Act Providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes, approved June 20, 1938 (52 Stat. 800; D.C. Official Code § 6-641.09).

II. COMMITTEE REASONING

In 2018, the Council adopted the Short-Term Rental Regulation Act of 2018 (D.C. Law 23-4). According to the fiscal impact statement for the legislation, there are possible revenue reductions resulting from enforcement of the existing zoning regulations unless the regulations are amended to allow a short-term transient use in certain residential areas. Only the Zoning Commission can amend the zoning regulations. In addition, the bill prohibits the short-term rental of dwellings that are not an individual’s primary residence which could reduce the number of those rentals which occurred previous to the law. The law will require the Department of Consumer and

Regulatory Affairs to enforce and license the short-term rentals with additional budgetary resources, which was discussed earlier in this report.

On October 17, 2018, all Councilmembers signed a letter to the Chairman of the Zoning Commission urging the Commission to initiate a text case, as well as emergency rulemaking, to permit homesharing. In response, at the Commissions meeting on the same day, it asked OP to conduct an analysis of short-term rentals in order to inform a possible text amendment by the Commission. At OP’s budget hearing before the Committee in March 2019, Director Trueblood indicated that the report might be submitted in the following month. In response, Chairman Mendelson wrote to the Zoning Commission asking it to insist that the Office of Planning submit its analysis by a date certain. At the Commission’s next meeting, OP declined to give any timeframe for completion of its analysis.

OP’s analysis is an essential first step to legalize homesharing in the District. Moreover, amending the zoning regulations is important to the FY 2020 budget because without allowing for homesharing in the District, there could be significant revenue loss to the District – nearly \$20 million according to the fiscal impact statement on D.C. Act 22-563. Thus, the Committee is recommending that no building permits be issued on any District-owned or sponsored construction projects until OP can complete its analysis. This mirrors legislation adopted by the Council in 2004 that imposed a prohibition on issuing permits to the District for construction projects unless an Advisory Neighborhood Commission had been notified of the proposed permit.

III. SECTION BY SECTION ANALYSIS

Sec. 1. Short title.

Sec. 2. Prohibits the issuance of building permits to the District government until OP has submitted a proposed amendment and analysis of zoning of short-term rental properties.

IV. LEGISLATIVE RECOMMENDATION

1	TITLE II, SUBTITLE COW-A. SHORT-TERM RENTAL ZONING
2	ANALYSIS
3	Sec. 1. Short title.
4	This subtitle may be cited as the “Short-Term Rental Zoning Analysis
5	Amendment Act of 2019”.
6	Sec. 2. Section 10 of An Act Providing for the zoning of the District of Columbia
7	and the regulation of the location, height, bulk, and uses of buildings and other structures

8 and of the uses of land in the District of Columbia, and for other purposes, approved June
9 20, 1938 (52 Stat. 800; D.C. Official Code § 6-641.09), is amended by adding a new
10 subsection (c) to read as follows:

11 “(c) A building permit shall not be issued to or on behalf of the District
12 government until the Office of Planning provides to the Zoning Commission an analysis
13 of short-term transient rental uses in residential zones and recommended text amendment
14 to the zoning regulations to allow or disallow such uses. The Department of Consumer
15 and Regulatory Affairs shall issue a cease and desist order to enjoin any construction
16 project that is issued in noncompliance with this section.”

V. FISCAL IMPACT

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

TITLE COW-B DIVERSE WASHINGTONIAN STATUE

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to provide a mechanism to fund a commemorative work. The effect of the subtitle is a transfer of funds from the Non-Departmental agency to the Commission on the Arts and Humanities to fund a statue of a remarkable female native Washingtonian approved by the Mayor and Council acting on the recommendation of the Commemorative Works Committee. There is no impact on existing law – authority for establishing commemorative works is in D.C. Code § 9-204.01 *et seq.*

II. COMMITTEE REASONING

Bill 23-233 was introduced by Councilmember Kenyan McDuffie on April 2, 2019. That legislation would direct the Commemorative Works Committee to develop a comprehensive plan for statues honoring remarkable native Washingtonians throughout the District. While that legislation is pending, the Commemorative Works Committee has the authority to make a recommendation on any commemorative work in the District for approval by the Council and the Mayor pursuant to the Commemorative Works on public Space Act of 2000 (D.C. Law 13-275). This subtitle

III. SECTION BY SECTION ANALYSIS

Sec. 1. Short title.

Sec. 2. Provides funding for a statue of a remarkable female native Washingtonian approved by the Mayor and Council acting on the recommendation of the Commemorative Works Committee.

IV. LEGISLATIVE RECOMMENDATION

1 SUBTITLE COW-B. DIVERSE WASHINGTONIAN STATUE FUNDING

2 Sec. 1. Short title.

3 This subtitle may be cited as the “Diverse Washingtonian Commemorative Work
4 Funding Act of 2019”.

5 Sec. 2. In Fiscal Year 2020, of the funds allocated to the Non-Departmental agency,
6 up to \$250,000.00 shall be transferred to the Commission on the Arts and Humanities to fund
7 a commemorative work, as that term is defined in section 411(1)(A) of the Street and Alley
8 Closing and Acquisition Procedures Act of 1982, effective April 4, 2011 (D.C. Law 13-275;
9 D.C. Official Code §§ 9-204.11(1)(A)); provided, that the commemorative work be a statue
10 of a prominent female native Washingtonian and that it be approved pursuant to section 401
11 of the Street and Alley Closing and Acquisition Procedures Act of 1982, effective March 10,
12 1983 (D.C. Law 4-201; D.C. Official Code § 9-204.01).

V. FISCAL IMPACT

This subtitle has no impact on the budget and financial plan. It permits a transfer of up to \$250,000 allocated to the Non-Departmental agency to the Commission on the Arts and Humanities.

TITLE COW-C UNIVERSITY OF THE DISTRICT OF COLUMBIA MATCHING FUNDS

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to direct non-departmental funds to the University of the District of Columbia (UDC). Specifically, this amendment indicates that for every two dollars that UDC raises from private donations by April 1, 2020, one dollar shall be transferred to UDC.

II. COMMITTEE REASONING

Beginning with fiscal year 2014, originally as a means of supporting UDC's accreditation efforts, the Council set aside a million dollars in matching funds to aid the University with accreditation activities and readiness.¹⁴² For every dollar UDC raised in private donations, up to a maximum of a million dollars, the District matched those donations dollar for dollar. While the University was unsuccessful in raising private funds in fiscal year 2014 for this match, the Council agreed to extend the match opportunity to the University again in fiscal year 2015. UDC rose to the challenge that year and was able to meet, and indeed exceed, the million-dollar threshold, raising \$1,070,000 in private donations. Given that success, the Council again set-aside a million-dollar match for the University in fiscal year 2016. UDC was once again successful at raising the funds and did so within the prescribed time frame.

For fiscal year 2017, the Council put forth more stringent match requirements, indicating that for every two dollars the University raised, it would receive a dollar. The University was just short of fulfilling the match in fiscal year 2017, but it did so for fiscal year 2018, raising over \$3.4 million by the April 1, 2018 deadline set by the Council. Once again, in fiscal year 2019, UDC has met the matching, resulting in the University having \$4.5 million more funds.¹⁴³ Due to the Council provided match over the past six years, the University's private fundraising efforts have drastically improved,¹⁴⁴ and their fundraising sources have become more diversified. When the Council first began the fundraising match, the University relied on donations from UDC's law school alumni. Now UDC is raising funds from a plethora of sources. The funds raised by the University and the match funds have enabled UDC to provide merit-based scholarships to students who have graduated from a District of Columbia public school or public charter school.¹⁴⁵

Thus, the Committee recommends that UDC continue to receive matching funds in fiscal year 2020 if it can meet the prescribed requirements. The Committee is pleased that the match has helped spur the University's private fundraising efforts and is hopeful that it will continue to

¹⁴² See Title X, Sec. 10002 of D.C. Law 20-61, the Fiscal Year 2014 Budget Support Act of 2013.

¹⁴³ \$3 million raised by the University and \$1.5 million, in matching funds, from the District government.

¹⁴⁴ See budget testimony.

¹⁴⁵ See budget testimony.

push the University to find ways to support itself outside of the subsidy provided to it by the District government.

III. SECTION BY SECTION ANALYSIS

Sec. --. Short title.

Sec. --. Indicates that for every two dollars that UDC raises from private donations by April 1, 2020, one dollar of non-departmental funds shall be transferred to the University.

IV. LEGISLATIVE RECOMMENDATION

1	SUBTITLE COW-C. UNIVERSITY OF THE DISTRICT OF COLUMBIA
2	FUNDRAISING MATCH
3	Sec. --. Short title.
4	This subtitle may be cited as the “University of the District of Columbia Fundraising
5	Match Act of 2019”.
6	Sec. – (a) In Fiscal Year 2020, of the funds allocated to the Non-Departmental
7	agency, \$1, up to a maximum of \$1.5 million, shall be transferred to the University of the
8	District of Columbia (“UDC”) for every \$2 that UDC raises from private donations by April
9	1, 2020.
10	(b) Of the amount transferred to UDC pursuant to subsection (a) of this section, no
11	less than one-third of the funds shall be deposited into UDC’s endowment fund.

V. FISCAL IMPACT

This subtitle has no impact on the budget and financial plan, according to the fiscal impact statement produced by the Chief Financial Officer.

TITLE COW-D
FREEDOM OF INFORMATION CLARIFICATION AMENDMENT

I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to make technical and clarifying amendments to the Freedom of Information Act of 1976, effective March 29, 1977 (D.C. Law 1-96; D.C. Official Code § 2-531 *et seq.*) (FOIA Act). The subtitle proposes to clarify that FOIA requests pertain only to information regarding the affairs of government and the official acts of public officials and employees. Further, it clarifies that electronic records and information on personal devices are subject to FOIA requests. Finally, the subtitle clarifies that FOIA requests must reasonably describe the type of public records requested which reflects federal case law.

II. COMMITTEE REASONING

Since enactment of the FOIA Act in 1976, government and government employees have become more reliant on technology for communication. Thus, clarification is needed to emphasize electronic records are subject to this Act. Additionally, the Court of Appeals' holding in *FOP v. District of Columbia*, 139 A.3d 853 (D.C. 2016), has rendered District agencies powerless to negotiate narrowing the scope of requests or to require specificity in describing requested documents, thereby resulting in the inefficient use of resources. Finally, while the Council is a strong proponent of government transparency (including voting to subject itself to the act in 2001), clarification is needed to underscore that only records related to the conduct of public business by public bodies are subject to the act.

III. SECTION BY SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. *subsection (a)* Provides that responsive records pertain to information regarding the affairs of government and the official acts of public officials and employees.

subsection (b) Clarifies that electronic records and personal devices are subject to FOIA requests.

subsection (c) Clarifies that FOIA requests must reasonable describe the type of public records requested.

Sec. XX03. Provides that this act shall apply with respect to any requests for records pending on the effective date of this subtitle.

IV. LEGISLATIVE RECOMMENDATION

1 TITLE XX, SUBTITLE X. Freedom of Information Clarification Amendment

2 Sec. XX01. Short title.

3 This subtitle may be cited as the “Freedom of Information Clarification
4 Amendment Act of 2019”.

5 Sec. XX02. The Freedom of Information Act of 1976, effective March 29, 1977
6 (D.C. Law 1-96; D.C. Official Code § 2-531 *et seq.*), is amended as follows:

7 (a) Section 201 (D.C. Official Code § 2-531) is amended by striking the
8 phrase “information.” and inserting the phrase “information regarding the affairs of
9 government and the official acts of public officials and employees.” in its place.

10 (b) Section 209 (D.C. Official Code § 2-539) is amended as follows:

11 (1) Subsection (a)(10) is repealed.

12 (2) Subsection (b) is amended by adding new paragraphs (3), (4), and
13 (5) to read as follows:

14 “(3) “Personal device” includes computers, tablets, cellular phones,
15 personal email addresses, and similar devices owned by an employee of a public body when
16 those devices are used to store records created pursuant to an employee’s government
17 employment.

18 “(4) “Public record” includes all books, documents, papers, maps,
19 photographs, cards, tapes, recordings, vote data (including ballot-definition material, raw
20 data, and ballot images), or other documentary materials, regardless of physical form or
21 characteristics prepared, owned, used, in the possession of, or retained by a public body and
22 related to the conduct of public business. Public records include information stored in an
23 electronic format and on a personal device.

24 “(5) “Reasonably describing” means describing with particularity the
25 public records requested by including the names of the sender and recipient, a timeframe for
26 the search, and a description of the subject matter of the public record or search terms to
272 allow a public body to conduct a search and review within the time prescribed pursuant to
8 section 202(c).”.

29 Sec. XX03. Applicability.

30 This subtitle shall apply with respect to any requests for records pending on the
31 effective date of this subtitle, whether or not the request was made prior to that date, and shall
32 apply to any civil action pending on that date.
33

V. FISCAL IMPACT

N/A

COMMITTEE ACTION
