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OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

March 22, 2018

The Honorable Phil Mendelson, Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Chairman Mendelson:

On behalf of the residents of the District of Columbia, I am pleased to submit to you the proposed District of Columbia Fiscal Year 2019 Budget and Financial Plan, "*A Fair Shot*." Included in this submission, you will find the "Fiscal Year 2019 Local Budget Act of 2018," the "Fiscal Year 2019 Federal Portion Budget Request Act of 2018," the "Fiscal Year 2019 Budget Support Act of 2018," the "Fiscal Year 2018 Revised Local Budget Emergency Adjustment Act of 2018," the "Fiscal Year 2018 Revised Local Budget Temporary Adjustment Act of 2018," and the "Fiscal Year 2018 Revised Local Budget Adjustment Emergency Declaration Resolution of 2018."

This proposal makes significant investments in a broad range of services and programs to ensure our residents and businesses have a ***Fair Shot*** in the District of Columbia. For the fourth consecutive year, I heard from residents before I finalized my budget; through a series of budget engagement forums, residents shared their ideas and concerns about education, public safety, affordable housing, jobs and economic development, and health and human services. This year we also convened a telephone town hall to hear directly from seniors on their concerns and budget priorities and a telephone town hall for DC government employees to solicit their ideas on how we can more effectively and efficiently deliver services to District residents. From these discussions I finalized the proposed FY 2019 Budget and Financial Plan.

The budget before you reflects the ideas and priorities of District residents and delivers on my commitment of ***a fair shot*** for every District resident. From again investing \$100 million in the

continued modernization of our schools, this budget continues to move Washington, DC forward. This budget also maintains critical investments to build a *safer, stronger* DC and to ensure our residents have access to job training programs that will put them on the pathway to the middle class. Below, I have highlighted a few of the key investments in the proposed FY 2019 Budget and Financial Plan.

Washington Metropolitan Area Transit Authority (WMATA)

The continued growth and vitality of our city and the region relies on a safe, efficient, and reliable Metro system to transport residents and visitors. The FY 2019 budget fully funds the District's contribution toward Metro's capital needs by allocating \$178.5 million in dedicated funding each year to WMATA. By joining our partners in Virginia and Maryland, this investment will ensure that Metro can make critical safety and infrastructure improvements with a \$500 million annual commitment from the region.

High-Quality Education

My Administration is committed to ensuring that every child in Washington, DC has access to high quality public education. The FY 2019 budget makes significant investments in education, including the following:

- An historically high investment of \$2.3 billion in total funds for K-12 public education, with a \$94 million increase in local funding for the District of Columbia Public Schools (DCPS) and public charter schools (DCPCS);
- A 3.91 percent increase to the base amount of the Uniform Per Student Funding Formula;
- Fully funding implementation of the Enhanced Special Education Services Act of 2014;
- \$12.5 million in new investments to help families obtain high quality and affordable child care, including \$10 million in provider rate increases to help providers stay open and create more slots for our families;
- \$1 million for field trips for schoolchildren to go to art exhibits and performances and \$1 million in cultural study-abroad experiences for students;
- \$63.2 million for the DC Public Library;
- \$87 million for programs and services at the University of the District of Columbia and the UDC Community College, in addition to a \$132 million in capital investments over the next six years for UDC to make campus improvements; and
- \$1.35 billion over the next six years for the modernization of twenty-six elementary schools, three high schools, and two middle schools.

Safer, Stronger DC

My Administration is committed to ensuring that residents in all neighborhoods feel— and are—safe, providing an environment in which residents and businesses can thrive. Our streets have become safer and crime is down, but continued investments are needed to maintain this progress.

The FY 2019 budget includes the following investments to further our commitment to a safer, stronger DC:

- \$11 million to continue funding for third-party ambulance services;
- \$4.6 million to hire 80 additional correctional officers at the Department of Corrections;
- \$2.4 million to hire 42 new dual-role firefighter/paramedics;
- \$1.7 million to expand the Police Cadet Corps by 30 slots, from 70 to 100 positions, and \$250,000 to expand a successful student loan forgiveness program for Metropolitan Police Department officers;
- \$1.5 million for community-based grants for violence interruption and \$575,000 for the Pathways program to support 50 at-risk youths through the newly created Office of Neighborhood Safety and Engagement;
- \$22 million in capital investments in Fiscal Year 2019 and \$76.4 million through the six-year capital improvements plan (CIP) for the Fire and Emergency Medical Services Department for emergency vehicles and apparatuses; and
- \$4.7 million in capital investments in Fiscal Year 2019 and \$36 million through the six-year CIP for Metropolitan Police Department vehicles.

Affordable Housing

Producing, preserving and protecting affordable housing in Washington, DC is a key goal of my Administration. The FY 2019 budget demonstrates this commitment by making the following investments in affordable housing:

- \$100 million for the Housing Production Trust Fund;
- \$96 million to subsidize affordable housing through the District of Columbia Housing Authority;
- \$10 million in additional funds to Home Purchase Assistance Program and Employer Assisted Housing Program to assist low-income and moderate-income families and District employees afford the down payment on their first home;
- \$10 million for the Housing Preservation Fund, so that along with creating new affordable housing units we bring additional focus to ensuring that we are preserving existing affordable housing units in the District; and
- \$57 million to make additional progress on the New Communities Initiatives at Park Morton, Barry Farm, and Lincoln Heights/Richardson Dwellings.

Jobs and Economic Opportunity

Maintaining a strong, diverse, and resilient city requires that every resident has a fair shot, and a pathway to the middle class. We accomplish this by supporting our most vulnerable families and residents; providing job training that leads to real employment opportunities; and by nurturing

our small businesses to help ensure their growth and success. The FY 2019 budget makes the following investments to help achieve these goals:

- \$19.2 million for the Mayor Marion S. Barry Summer Youth Employment Program, which provides constructive and gainful employment for youth during summer break;
- \$10.6 million for job training programs that target residents with barriers to employment, including Project Empowerment;
- \$2 million for information technology apprenticeships to provide pathways to the middle class in high-tech industries;
- \$1.2 million in apprenticeship programs to provide pathways to the middle class, including the Career Connections and Learn, Earn, Advance, Prosper (LEAP) program;
- \$6 million to help offset the Clean Rivers Impervious Area Charge, to be matched by DC Water, for a total of \$12 million in relief for residents, non-profits, and religious institutions;
- \$14.3 million for the Commission on the Arts and Humanities for capital grants to support renovations and repairs at our arts facilities, operating grants to support program development and operations, and funds for a new statue to honor a notable Washingtonian;
- \$1 million for three new clean teams and three new Main Streets; and,
- \$8.3 million in our Great Streets and Neighborhood Prosperity programs to support business development across the city with a focus on mixed-use development in high-unemployment areas.

Health and Human Services

Investing in the health and well-being of District residents remains a top priority of my Administration. Ensuring residents are able to provide for their families, and connecting families with valuable care and supportive programs when they need it most, ensures they have a fair shot at success in the future. The FY 2019 budget helps create these supports and opportunities by including the following investments:

- \$23 million in increased investments toward achieving the goals of Homeward DC, to make homelessness rare, brief, and non-recurring;
- \$2.5 million to expand the homeless crisis service response system for single adults, including day services, outreach to encampments, and improvements to low-barrier shelters;
- \$1.4 million to fund the Parental and Adolescent Support Services (PASS) and Strengthening Teens and Enriching Parents (STEP) programs to keep our youth and families engaged and moving toward a productive future;
- \$4.4 million to provide 40 hours each week of nursing suite coverage for each school;
- \$3 million for mental health services for school children;

- \$1.1 million to implement a local individual mandate to keep the Affordable Care Act protections strong in DC;
- \$300 million for a new, state-of-the-art hospital at St. Elizabeths east campus;
- \$640,000 to open pools two hours earlier at 10 a.m. in the summer; and
- \$900,000 for rat abatement efforts at the Department of Health.

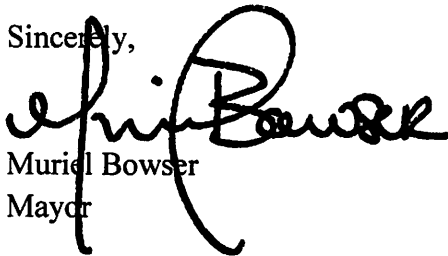
Government Operations

We are building a government that works for the residents of the District Columbia, streamlines processes, and improves efficiency. The FY 2019 budget supports these improvements by investing:


- \$2.6 million in additional funds to purchase new voting equipment for the Board of Elections;
- \$952,000 to support the Statehood Campaign Initiative to make sure DC becomes the 51st state;
- \$900,000 to defend the rights of immigrant residents through information programs and direct legal aid; and,
- \$22.1 million is included in the financial plan to fully fund and implement the Fair Elections Amendment Act, including \$860,000 in FY 2019 funding.

Our finances are the envy of cities across the country and this budget reflects our growing population of 700,000 residents and the benefits, needs, and stresses such growth entails. In a city as prosperous as ours, it is imperative that we make all of these critical investments to ensure that residents in all eight wards can have a fair shot.

Sincerely,



Muriel Bowser
Mayor


Chairman Phil Mendelson
at the request of the Mayor

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To enact and amend provisions of law necessary to support the Fiscal Year 2019 budget.

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106	BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this	
107	act may be cited as the “Fiscal Year 2019 Budget Support Act of 2018”.	
108	TITLE I. GOVERNMENT DIRECTION AND SUPPORT	
109	SUBTITLE A. IMPLEMENTATION OF THE FAIR ELECTIONS	
110	AMENDMENT ACT	
111	Sec. 1001. Short title.	
112	This subtitle may be cited as the “Fair Elections Implementation Amendment Act of	
113	2018”.	
114	Sec. 1002. The Fair Elections Amendment Act of 2018, enacted March 12, 2018 (D.C.	
115	Act 22-278; 65 DCR __), is amended as follows:	
116	(a) The portion of section 2(b)(5) that adds a new section 332i(e)(1) to the Board of	
117	Ethics and Government Accountability Establishment and Comprehensive Ethics Reform	
118	Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-124; D.C. Official Code 1-	
119	1161.01 et seq.), is amended to read as follows:	
120	“(e) (1) In time for inclusion in the Mayor’s budget and financial plan each year, and	
121	at other times as the Director of Campaign Finance deems necessary, the Director of Campaign	
122	Finance shall submit an estimate of the amount of public funds that will be necessary to provide	
123	for the following:	

124 “(A) Administration of the Fair Elections Program; and

125 “(B) Elections in the next year in which elections are scheduled.”.

126 (b) Section 3 is repealed.

127 **SUBTITLE B. INFORMATION SHARING FOR PROGRAM EVALUATION**
128 **AND IMPROVEMENT**

129 Sec. 1011. Short title.

130 This subtitle may be cited as the “Information Sharing for Program Evaluation and
131 Improvement Authorization Amendment Act of 2018”.

132 Sec. 1012. Section 106 of the Department of Youth Rehabilitation Services
133 Establishment Act of 2004, effective April 12, 2005 (D.C. Law 15-335; D.C. Official Code § 2-
134 1515.06), is amended by adding a new subsection (b-1) to read as follows

135 “(b-1) Notwithstanding the confidentiality requirements of this section, the Mayor may
136 authorize the disclosure of Department data or information to other District agencies for the
137 purposes of designing, administering, and evaluating policies or programs related to children,
138 youth, or young adults; provided, that the Department data and information is maintained,
139 transmitted, and stored in a manner to protect the security and privacy of the youth identified and
140 to prevent the disclosure of the data or information to any individual, entity, or agency not
141 authorized to receive the data or information by the Mayor.”

142 Sec. 1013. Title 16 of the District of Columbia Official Code is amended as follows:

143 (a) Section 16-2331(c)(4) is amended as follows:

144 (1) Paragraph (E) is amended by striking the word “and” at the end.

145 (2) A new paragraph (G) is added to read as follows:

“(G) To the Mayor, the City Administrator, the Deputy Mayor for Public Safety and Justice, or their designees, for the purposes of designing, administering, and evaluating policies and programs related to children, youth, or young adults under 22 years of age; and”.

(b) Section 16-2332(c)(4) is amended as follows:

(1) Paragraph (D)(ii)(II) is amended by inserting the word “and” at the end.

(2) A new paragraph (E) is added to read as follows:

“(E) To the Mayor, the City Administrator, the Deputy Mayor for Public Safety and Justice, or their designees, for the purposes of designing, administering, and evaluating policies and programs related to children, youth, or young adults under 22 years of age; and”.

(c) Section 16-2333(b)(4) is amended as follows:

(1) Paragraph (D) is amended by striking the word “and” at the end.

(2) A new paragraph (F) is added to read as follows:

“(F) To the Mayor, the City Administrator, the Deputy Mayor for Public Safety and Justice, or their designees, for the purposes of designing, administering, and evaluating policies and programs related to children, youth, or young adults under 22 years of age; and”.

SUBTITLE C. CONTINUATION OF CERTAIN PPRA EXEMPTIONS

Sec. 1021. Short title.

This subtitle may be cited as the “Procurement Practices Reform Exemption Amendment Act of 2017”.

Sec. 1022. Section 105(c) of the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.05(c)), is amended as follows:

(a) Paragraph (16) is amended by striking the phrase “The procurement” and inserting the phrase “Until September 30, 2023, the procurement” in its place.

(b) Paragraph (17) is amended by striking the word “District” and inserting the phrase “Until September 30, 2023, District” in its place.

Sec. 1023. Section 3 of the Procurement Practices Reform Exemption Amendment Act of 2014, effective March 14, 2014 (D.C. Law 20-94; 61 DCR 3749), is repealed.

Sec. 1024. Section 5(a)(5) of the Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code § 31- 3171.04(a)(5)), is amended to read as follows:

“(5) Until September 30, 2023, have procurement authority independent of the Office of Contracting and Procurement, and shall not be subject to the Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351.01 *et seq.*) (“PPRA”), except to the extent provided in section 105(c) of the PPRA (D.C. Official Code § 2-351.05(c)).”.

Sec. 1025. Applicability.

This subtitle shall apply as of September 30, 2018.

TITLE II. ECONOMIC DEVELOPMENT AND REGULATION

SUBTITLE A. SUPERMARKET TAX INCENTIVE TECHNICAL AMENDMENT

Sec. 2001. Short title.

190 This subtitle may be cited as the “Supermarket Tax Incentive Technical Amendment Act
191 of 2018”.

192 Sec. 2002. Section 47-3802 of the District of Columbia Official Code is amended by
193 adding a new subsection (d) to read as follows:

194 “(d) A qualified supermarket certified by the Mayor pursuant to this section shall be
195 eligible for the tax exemptions provided by subsection (a)(1) through (3) of this section
196 throughout the 10-year tax abatement period even if, during the 10-year period, the boundary of
197 the eligible area in which the qualified supermarket was located at the time of certification
198 changes and, as a result of the boundary change, the qualified supermarket is no longer located in
199 an eligible area.”

200 **SUBTITLE B. NEIGHBORHOOD PROSPERITY INITIATIVE**

201 Sec. 2011. Short title.

202 This subtitle may be cited as the “Neighborhood Prosperity Initiative Act of 2018”.

203 Sec. 2012. Establishment of the Neighborhood Prosperity Initiative.

204 (a) There is established the Neighborhood Prosperity Initiative (“Initiative”), which shall
205 be administered by the Mayor in accordance with this section,

206 (b) Pursuant to the Initiative the Mayor may provide grants, on a competitive basis, to
207 applicants that:

208 (1) Propose a mixed-use or retail real estate development project that is located in
209 a “low-income community” as defined by section 45D of the Internal Revenue Code of 1986,
210 approved December 21, 2000 (114 Stat. 2763; 26 U.S.C. § 45D), as of the date of the award of
211 the grant;

212 (2) Have a gap in funding for a commercial, non-residential component of the
213 project;
214 (3) Agree to commence construction on the project within 18 months of the
215 award of an Initiative grant, or within such other time period as may be established by the Mayor
216 based on the project;
217 (4) Agree to enter into the agreements required by subsection (d) of this section.
218 (c) A grant provided under the Initiative shall be used only for the commercial, non-
219 residential components of the project for which the grant is provided.
220 (d) Each grant recipient must:
221 (1) Enter into a First Source Agreement with the Department of Employment
222 Services pursuant to section 4 of the First Source Employment Agreement Act of 1984, effective
223 June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03), and Mayor’s Order 83-265,
224 dated November 9, 1983 (30 DCR 5990), if applicable;
225 (2) Enter into a Certified Business Enterprise Agreement with the Department of
226 Small and Local Business Development pursuant to the Small and Certified Business Enterprise
227 Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C.
228 Official Code § 2-218.01 *et seq.*) .

229 **SUBTITLE C. DMPED GRANT-MAKING AUTHORITY**

230 Sec. 2021. Short title.

231 This subtitle may be cited as the “Deputy Mayor for Planning and Economic
232 Development Grant-Making Authority Amendment Act of 2018”.

233 Sec. 2022. Section 2032(a) of the Deputy Mayor for Planning and Economic
234 Development Limited Grant-Making Authority Act of 2012, effective September 20, 2012 (D.C.
235 Law 19-168; D.C. Official Code § 1-328.04), is amended as follows:

236 (a) Subsection (a) is amended as follows:

237 (1) Paragraph (2) is amended by striking the word “and”.

238 (2) Paragraph (4) is amended by striking the period at the end and inserting the
239 phrase “; and” in its place.

240 (3) A new paragraph (5) is added to read as follows:

241 “(5) Funds to support business development in the District, including innovation
242 initiatives, corporate assistance, and the Great Streets Initiative.”.

243 (b) Subsection (d) is amended as follows:

244 (1) Paragraph (2) is amended by striking the word “and”.

245 (2) Paragraph (3) is amended by striking the period at the end and inserting the
246 phrase “; and” in its place.

247 (3) A new paragraph (4) is added to read as follows:

248 “(4) Funds to support real estate projects developed or to be developed on
249 properties disposed of pursuant to District law, including:

250 “(A) The redevelopment of the St. Elizabeths East Campus

251 Redevelopment Site, as defined in section 2042(e)(3) of the St. Elizabeths East Campus

252 Redevelopment Fund Establishment Act of 2017, effective December 13, 2017 (D.C. Law 22-33;

253 64 DCR 12875); and

254 “(B) The redevelopment of the Walter Reed Redevelopment Site, as
255 defined in section 2(17) of the Walter Reed Development Omnibus Act of 2016, effective May
256 18, 2016 (D.C. Law 21-119; D.C. Official Code § 2-1227.1(17)).”.

257 **SUBTITLE D. WALTER REED GRANT-MAKING AUTHORITY**

258 Sec. 2031. Short title.

259 This subtitle may be cited as the “Walter Reed Grant-Making Authority Amendment Act
260 of 2018”.

261 Sec. 2032. Section 7(d) of the Walter Reed Development Omnibus Act of 2016,
262 effective May 18, 2016 (D.C. Law 21-119; D.C. Official Code § 2-1227.06(d)), is amended by
263 striking the phrase “to the Developer”.

264 **SUBTITLE E. ADMINISTRATION OF THE DISTRICT OF COLUMBIA JOBS**
265 **TRUST FUND**

266 Sec. 2041. Short title.

267 This subtitle may be cited as the “Administration of the District of Columbia Jobs Trust
268 Fund Amendment Act of 2018”.

269 Sec. 2042. Section 5c(a) of the First Source Employment Agreement Act of 1984,
270 effective February 24, 2012 (D.C. Law 19-84; D.C. Official Code § 2-219.04c(a)), is amended
271 by striking the phrase “Deputy Mayor for Planning and Economic Development” and inserting
272 the phrase “Department of Employment Services” in its place.

273 **SUBTITLE F. EXTENDED HOURS OF ALCOHOLIC BEVERAGE SALES ON**
274 **CERTAIN HOLIDAY WEEKENDS**

275 Sec. 2051. Short title.

This subtitle may be cited as the “Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018”.

Sec. 2052. Section 25-723(c)(1) of the District of Columbia Official Code is amended as follows:

(a) Subparagraph (B) is amended by striking the phrase “Memorial Day and Labor Day, as set forth in § 1-612.02(a)); and” and inserting the phrase “Martin Luther King, Jr.’s Birthday, Washington’s Birthday, Memorial Day, Labor Day, and Columbus Day, as set forth in § 1-612.02(a));” in its place.

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

(c) A new subparagraph (D) is added to read as follows:

“(D) The Friday, Saturday, and Sunday following Thanksgiving Day, as set forth in § 1-612.02(a)(9).”.

SUBTITLE G. TARGETED HISTORIC PRESERVATION ASSISTANCE ELIGIBLE AREA EXPANSION

Sec. 2061. Short title.

This subtitle may be cited as the “Targeted Historic Preservation Assistance Amendment Act of 2018”.

Sec. 2062. Section 11b(b) of the Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02(b)), is amended as follows:

(a) The lead-in text is amended by inserting the phrase “or historic landmarks” after the phrase “historic districts”.

(b) Paragraph (11) is amended by striking the word “or”.

(c) Paragraph (12) is amended by striking the period at the end and inserting the phrase “; and” in its place.

(d) New paragraphs (13) and (14) are added to read as follows:

“(13) Emerald Street Historic District; and

“(14) Wardman Flats.”.

SUBTITLE H. EXPEDITED BUILDING PERMIT SPECIAL PURPOSE

REVENUE ACCOUNT

Sec. 2071. Short title.

This subtitle may be cited as the “Expedited Building Permit Review Fund Amendment Act of 2018”.

Sec. 2072. The Construction Codes Approval and Amendments Act of 1986, effective March 21, 1987 (D.C. Law 6-216; D.C. Official Code § 6-1401 *et seq.*), is amended by adding a new section 6e to read as follows:

“Sec. 6e. Expedited Permit Review Fund.

“(a) There is established as a special fund the Expedited Building Permit Review Program Fund (“Fund”), which shall be administered by the Director of the Department in accordance with subsection (c) of this section.

“(b) Revenue from fees imposed by the Department for the expedited review of building permit applications shall be deposited in the Fund.

“(c) Money in the Fund shall be used to administer the expedited building permit review program at the Department.

“(d) Amounts in excess of the money needed to pay for the costs described in subsection (c) of this section shall be deposited into the unrestricted fund balance of the General Fund of the District of Columbia.

“(e) Money remaining in the Fund at the end of a fiscal year shall revert to the unrestricted fund balance of the General Fund of the District of Columbia.”.

SUBTITLE I. ARTS AND HUMANITIES LICENSE PLATES

Sec. 2081. Short title.

This subtitle may be cited as the “Arts and Humanities License Plates Amendment Act of 2018”.

Sec. 2082. Title IV of the District of Columbia Revenue Act of 1937, approved August 17, 1937 (50 Stat. 679; D.C. Official Code § 50-1501.01 *et seq.*), is amended as follows:

(a) A new section 2e is added to read as follows:

“Sec. 2e. Issuance of arts and humanities motor-vehicle identification tags.

“(a) The Mayor may make available for issue one or more arts and humanities motor vehicle identification tags to enhance the public’s awareness of the District’s arts and humanities communities, works, and programming. At the request of the Mayor, the Commission on Arts and Humanities shall provide to the Mayor proposed designs of the arts and humanities motor vehicle identification tags, which may be determined by the Commission based on submissions from District residents.

“(b) A resident ordering arts and humanities motor vehicle identification tags shall pay a one-time application fee and a display fee each year thereafter. The dollar amount of each fee shall be established by the Mayor by rule.

“**(c)** Application fees and annual display fees collected pursuant to subsection **(b)** of this section shall be deposited into the Arts and Humanities Enterprise Fund, established by section 6a of the Commission on the Arts and Humanities Act, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01).”.

(b) Section 3 (D.C. Official Code § 50-1501.03) is amended as follows:

(1) Subsection **(a)(1)** is amended by adding a new subparagraph **(I)** to read as follows:

“**(I)** Any person ordering an arts and humanities motor vehicle identification tag issued pursuant to section 2e(a) shall pay the fees established pursuant to section 2e(b).”.

(2) Subsection **(d)** is amended as follows;

(A) Paragraph **(5)** is amended by striking the phrase “; and” and inserting a semicolon in its place.

(B) Paragraph **(6)** is amended by striking the period at the end and inserting the phrase “; and” in its place.

(C) A new paragraph **(7)** is added to read as follows:

“**(7)** The fees collected for arts and humanities identification tags shall be deposited into the Arts and Humanities Enterprise Fund, established by section 6a of the Commission on the Arts and Humanities Act, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01).”.

Sec. 2083. Section 6a of the Commission on the Arts and Humanities Act, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01), is amended as follows:

(a) Paragraph (3) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(b) Paragraph (4) is amended by striking the period at the end and inserting the phrase “; and” in its place.

(c) A new paragraph (5) is added to read as follows:

“(5) Fees collected pursuant to section 2e of Title IV of the District of Columbia Revenue Act of 1937 (as added by section 2082 of the introduced version of the Fiscal Year 2019 Budget Support Act of 2018).”.

SUBTITLE J. WIC-RELATED GRANT-MAKING AUTHORITY

Sec. 2091. Short title.

This subtitle may be cited as the “Workforce Investment Assistance Amendment Act of 2018”

Sec. 2092. Section 4 of the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code § 32-1603), is amended by adding a new subsection (k) to read as follows:

“(k) The Mayor may assist the WIC in the issuance and administration of WIC grants and may, at the request of the WIC, issue grants on behalf of the WIC. The Mayor may also issue and administer grants to support the purposes of the WIC or the implementation of the District’s state plan; provided, that such grants shall be administered pursuant to the requirements set forth in the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*).”.

386 **SUBTITLE K. TAXICAB AND FOR-HIRE VEHICLE OPERATOR FEE**

387 **ELIMINATION**

388 Sec. 2101. Short title.

389 This subtitle may be cited as the “Omnibus Operator Assessment Elimination Act of
390 2018”.

391 Sec. 2102. Section 20a(d) of the Department of For-Hire Vehicles Establishment Act of
392 1985, effective May 10, 1988 (D.C. Law 7-107; D.C. Official Code § 50-301.20(d)), is repealed.

393 **SUBTITLE L. EXTENSION OF PARKSIDE TAX ABATEMENT**

394 Sec. 2111. Short title.

395 This subtitle may be cited as the “Parkside Parcel E and J Mixed-Income Apartments Tax
396 Abatement Amendment Act of 2018”.

397 Sec. 2112. Section 47-4658(a) of the District of Columbia Official Code is amended by:

398 (a) Striking the phrase “10 property tax years” and inserting the phrase “30 property tax
399 years” in its place; and

400 (b) Striking the phrase “10th full real property tax year” and inserting the phrase “30th
401 full real property tax year” in its place.

402 **SUBTITLE M. ST. ELIZABETHS EAST TAX ABATEMENT**

403 Sec. 2121. Short title.

404 This subtitle may be cited as the “St. Elizabeths Job Creation Incentive Act of 2018”.

405 Sec. 2122. Chapter 46 of Title 47 of the District of Columbia Official Code is amended
406 as follows:

407 (a) The table of contents is amended by adding a new section designation to read as
408 follows:

409 “47-4667. St. Elizabeths East, Lot 2, Square 5868, tax abatements.

410 (b) A new section 47-4667 is added to read as follows:

411 “§ 47-4667. St. Elizabeths East, Lot 2, Square 5868, tax abatements.

412 “(a) Except as provided in subsection (c) of this section, and subject to the requirement
413 of subsection (b) of this section, all or a portion of the taxes imposed by chapters 8 and 10 of this
414 title on the portion of an eligible building that is occupied by a qualified tenant may be abated by
415 the Mayor during the length of the lease of the qualified tenant at the eligible building; provided,
416 that the length of an abatement for a qualified tenant under this subsection shall be determined by
417 the Mayor, but shall not exceed 15 years; provided further, that the percentage of the abatement
418 shall be determined by the Mayor, at an amount appropriate to provide an adequate incentive to
419 the qualified tenant to locate at the eligible building; provided further, that an abatement under
420 this section shall not be approved for a tax year before tax year 2024.

421 “(b) (1) The Mayor shall grant an abatement under subsection (a) of this section by
422 providing to the Office of Tax and Revenue a certification that includes:

423 “(A) The name of the qualified tenant;

424 “(B) The qualified tenant’s taxpayer identification number;

425 “(C) The name of the property owner;

426 “(D) The property owner’s taxpayer identification number;

427 “(E) A description of the portion of the eligible property, by street address
428 and square, lot, parcel, or reservation number, that is occupied by the eligible building;

429 “(F) A description of the eligible premises, including the number of floors
430 and square footage;

431 “(G) The percentage of the taxes abated; and

432 “(H) The start date and end date of the abatement;

433 “(2) The Mayor shall notify the Office of Tax and Revenue if an entity becomes

434 no longer eligible for a previously certified abatement.

435 “(c) Notwithstanding the end date specified by the Mayor pursuant to subsection

436 (b)(1)(H) of this section, an abatement provided under subsection (b) of this section shall

437 terminate at the beginning of the month following the date on which:

438 “(1) The qualified tenant no longer meets the standard set forth in subsection

439 (h)(4)(B) of this section; or

440 “(2) The qualified tenant no longer occupies the portion of the eligible building

441 for which the abatement was certified.

442 “(d) The Property and its owner shall be subject to the provisions of §§ 47-1005, 47-

443 1007, and 47-1009 as if the portion of the eligible property on which the eligible building is

444 located had been administratively exempted from real property taxation under chapter 10 of this

445 title.

446 “(e) The abatement provided by subsection (b) of this section for any real property tax

447 year may be allocated between half tax years at the discretion of the Office of Tax and Revenue.

448 “(f) The abatement provided under this section shall be in addition to, and not in lieu of,

449 any other tax relief or assistance from any other source applicable to the eligible property;

450 provided, that no appeal of the eligible property’s proposed assessed value and no claim for

451 refund of real property tax paid tax years shall be allowed for any tax year subject to an

452 abatement under this section; except, that the eligible property owner may seek enforcement of

453 the abatement provided by this section.

“(g) If a qualified tenant for which an abatement is granted under this section would otherwise be liable for all or some of the taxes that are abated under this section, the tenant shall receive a portion of the abatement equal to the amount of the taxes that are abated under this section for which the tenant would otherwise be liable.

“(h) For the purposes of this section, the term:

“(1) “Eligible building” means a commercial or mixed-use building located on the eligible property.

“(2) “Eligible premises” means the portion of an eligible building occupied by a qualified tenant.

“(3) “Eligible property” means the real property designated as Lot 2, Square 5868, except for the portion of the real property known as the St. Elizabeths East Campus Entertainment and Sports Arena Site located at 1100 Alabama Avenue, S.E., as defined in section 2041 of the Fiscal Year 2018 Budget Support Act of 2017, effective December 22, 2017 (D.C. Law 22-33; 64 DCR 12875).

“(4) “Qualified tenant” means an individual or entity:

“(A) That signs a lease of at least 10 years to occupy at least 35,000 square feet of office space in an eligible building;

“(B) Whose occupancy of the building, as determined by the Mayor, is consistent with the economic development goals of the 2012 St. Elizabeths East Master Plan and Design Guidelines, such as;

“(i) Promoting inclusive prosperity and resilience in the District;

“(ii) Promoting the District’s innovative economy;

476 “(iii) Fostering economic prosperity in the District by increasing
477 job opportunities; and

478 “(iv) Providing opportunities for growth and neighborhood
479 development.

480 “(C) That has submitted an application to the Mayor to receive a tax
481 abatement under this section; and

482 “(D) For which the Mayor has determined that the individual or entity
483 meets the requirements of this section.

484 **SUBTITLE N. USE OF TENANT-BASED LOCAL RENT SUPPLEMENT**
485 **PROGRAM FUNDS**

486 Sec. 2131. Short title.

487 This subtitle may be cited as the “Local Rent Supplement Program Amendment Act of
488 2018”.

489 Sec. 2132. Section 26c of the District of Columbia Housing Authority Act of 1999,
490 effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 6-228), is amended by adding a
491 new subsection (g) to read as follows:

492 “(g) (1) In addition to the uses authorized by subsection (a) of this section, funds
493 allocated for tenant-based assistance may be used to assist an eligible household in paying a
494 security deposit and application fee for a housing unit the eligible household is leasing or
495 intending to lease under the Authority’s Housing Choice Voucher Program

496 “(2) For the purposes of this subsection, the term “eligible household” means a
497 household determined by the Authority to be eligible to participate in the Authority’s Housing
498 Choice Voucher Program.”.

499 **SUBTITLE O. AFRICAN AMERICAN CIVIL WAR MUSEUM GRANT**

500 **IMPLEMENTATION**

501 Sec. 2141. Short title.

502 This subtitle may be cited as the “African-American Civil War Museum Grant
503 Implementation Act of 2018”.

504 Sec. 2142. Section 2032 of the Deputy Mayor for Planning and Economic Development
505 Limited Grant-Making Authority Act of 2012, effective September 20, 2012 (D.C. Law 19-168;
506 D.C. Official Code § 1-328.04), is amended by adding a new subsection (f) to read as follows:

507 “(f) Notwithstanding section 1094 of the Grant Administration Act of 2013, effective
508 December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13), the Deputy Mayor for
509 Planning and Economic Development may make a grant in Fiscal Year 2018 to the African
510 American Civil War Memorial Freedom Foundation, Inc. in an amount not to exceed \$500,000,
511 for the purpose of redeveloping the African American Civil War Museum located at 1925
512 Vermont Avenue, N.W.”.

513 Sec. 2143. Applicability.

514 This subtitle shall apply as of July 1, 2018.

515 **SUBTITLE P. NON-HEALTH PROFESSIONAL LICENSE FEES**

516 **ADJUSTMENT**

517 Sec. 2151. Short title.

518 This subtitle may be cited as the “Licensing Fees Amendment Act of 2018”.

519 Sec. 2152. Section 3500.2 of Chapter 35 of Title 17 of the District of Columbia
520 Municipal Regulations is amended by adding new paragraphs (s), (t), and (u) to read as follows:

 “(s) ELEVATOR CONTRACTOR, ELEVATOR MECHANIC, ELEVATOR
INSPECTOR

Application	\$65.00
License (DC Code § 47-2853.99)	\$260.00

(t) TOUR GUIDE:

Application	\$65.00
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(u) BODY ARTIST:

Application	\$65.00
License	\$110.00”.

Sec. 2153. Applicability.

(a) The application fees imposed by section 2152 for elevator contractors, elevator mechanics, elevator inspectors, and tour guides shall apply beginning May 1, 2004. The collection of all such fees during the period from May 1, 2004, to the effective date of this act is ratified. Any such fees for that period not already collected as of the effective date of this act shall be waived.

(b) The application and license fees imposed by section 2152 for body artists shall apply beginning October 1, 2012. The collection of all such fees during the period from October 1, 2012, to the effective date of this act is ratified. Any such fees for that period not already collected as of the effective date of this act shall be waived.

TITLE III. PUBLIC SAFETY AND JUSTICE

SUBTITLE A. EXTENSION OF THE TERM OF THE CRIMINAL CODE

REFORM COMMISSION

Sec. 3001. Short title.

This subtitle may be cited as the “Criminal Code Reform Commission Term Extension Act of 2018”.

Sec. 3002. The Criminal Code Reform Commission Establishment Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 *et seq.*), is amended as follows:

(a) Section 3123(a) (D.C. Official Code § 3-152(a)) is amended by striking the phrase “October 1, 2018” and inserting the phrase “April 1, 2019” in its place.

(b) Section 3127 (D.C. Official Code § 3-156) is amended by striking the phrase “October 1, 2018” and inserting the phrase “October 1, 2019” in its place.

SUBTITLE B. SENIOR POLICE OFFICERS PROGRAM AMENDMENTS

Sec. 3011. Short title.

This subtitle may be cited as the “Retired Police Officer Redeployment Program Amendment Act of 2018”.

Sec. 3012. Section 2(h) of the Retired Police Officer Redeployment Amendment Act of 1992, effective September 29, 1992 (D.C. Law 9-163; D.C. Official Code § 5-761(h)), is amended as follows:

(a) Paragraph (2) is amended to read as follows:

“(2) This subsection shall expire on September 30, 2022.”.

(b) New paragraphs (3) and (4) are added to read as follows:

“(3) A rehired retired police officer may be paid under this subsection for a length of time not to exceed 5 years.

“(4) Notwithstanding paragraph (2) of this subsection, a retired police officer who is rehired under this section before September 30, 2022, may continue in the position into which he or she was rehired after September 30, 2022, until the rehired retired police officer has served for the period of time authorized by paragraph (3) of this subsection.”

SUBTITLE C. USE OF 911/311 FUND

Sec. 3021. Short title.

This subtitle may be cited as the “Emergency and Non-Emergency Number Telephone

Calling Systems Fund Amendment Act of 2018”.

Sec. 3022. Section 603 of the Emergency and Non-Emergency Number Telephone Calling Systems Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1802), is amended as follows:

(a) Subsections (b-1), (b-2), and (b-3) are repealed.

(b) A new subsection (b-4) is added to read as follows:

“(b-4) The Fund shall be used solely to pay for personnel, technology hardware, software and software maintenance, contractual support, outreach, training, supplies, and equipment costs necessary to provide 911/311 communications. No monies in the Fund shall be used to defray non-personnel costs related to overhead, including energy, rentals, janitorial services, security, or occupancy costs. No monies in the Fund shall be used to defray direct costs incurred by wireless carriers in providing wireless E-911 service.”.

SUBTITLE D. PRIVATE SECURITY CAMERA INCENTIVE PROGRAM

REPORTING REQUIREMENTS

Sec. 3031. Short title.

This subtitle may be cited as the “Private Security Camera System Incentive Program Amendment Act of 2018”.

Sec. 3032. Section 214(h) of the Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2831(h)), is amended by striking the phrase “From January 15, 2016, to the issuance of the final rebate or voucher under this Program, the Mayor shall provide a monthly report to the Council that includes the following information:” and inserting the phrase “From January 15, 2016, to the issuance of the final rebate or voucher under this Program, the Mayor shall provide an annual

report to the Council by January 15 of each year and a monthly update online that includes the following information:" in its place.

**SUBTITLE E. EXTENSION OF THE COMPREHENSIVE HOMICIDE
ELIMINATION STRATEGY TASK FORCE**

Sec. 3041. Short title.

This subtitle may be cited as the "Comprehensive Homicide Elimination Strategy Task Force Extension Amendment Act of 2018".

Sec. 3042. Section 501 of the Homeland Security, Risk Reduction, and Preparedness Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-262; D.C. Official Code § 22-4251), is amended as follows:

(a) Subsection (a) is amended by striking the phrase "The Task Force shall develop a report" and inserting the phrase "The Task Force shall provide advice and recommendations" in its place.

(b) Subsection (c) is amended to read as follows:

"(c) The Task Force shall hold at least 3 public meetings annually and shall provide advice and recommendations to the Mayor and Council on successful violence interruption and violence prevention strategies that can be used to eliminate homicides."

(c) Subsection (d) is repealed.

**SUBTITLE F. TRANSFER OF A PORTION OF THE ROVING LEADERS
PROGRAM TO THE OFFICE OF NEIGHBORHOOD SAFETY AND ENGAGEMENT**

Sec. 3051. Short title.

This subtitle may be cited as the "Neighborhood Engagement Achieves Results Amendment Act of 2018".

Sec. 3052. Section 101(a) of the Neighborhood Engagement Achieves Results Act of 2016, effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2411(a)), is amended as follows:

(a) Paragraph (1) is amended by striking the word “and” at the end.

(b) Paragraph (2) is amended by strike the period at the end and insert the phrase “; and” in its place.

(c) A new paragraph (3) is added to read as follows:

“(3) A portion of the Roving Leaders Program, as determined by the Mayor, which shall be transferred to the ONSE from the Department of Parks and Recreation, along with all functions assigned, authorities delegated, positions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds available or to be made available for the purposes of the portion of the program transferred.”.

**SUBTITLE G. TRANSFER OF ADMINISTRATION OF THE PUBLIC FUND
FOR DRUG PREVENTION AND CHILDREN AT RISK TO THE OFFICE OF
NEIGHBORHOOD SAFETY AND ENGAGEMENT**

Sec. 3061. Short title.

This subtitle may be cited as the “Drug Prevention and Children at Risk Fund Amendment Act of 2018”.

Sec. 3062. The Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2411 *et seq.*), is amended as follows:

(a) Section 101(f) (D.C. Official Code § 7-2411(f)) is amended by striking the word “crime” and inserting the phrase “crime and to support drug prevention programs, as that term is

defined in section 103a(e)(2), and programs providing services to children at risk, as that term is defined in section 103a(e)(1)” in its place.

(b) Section 103a (D.C. Official Code § 7-2414) is redesignated as section 103b.

(c) A new section 103a is added to read as follows:

“Sec. 103a. Public Fund for Drug Prevention and Children at Risk.

“(a) There is established as a special fund the Public Fund for Drug Prevention and Children at Risk (“Fund”), which shall be administered by the Mayor in accordance with subsection (c) of this section.

“(b) Revenue from the tax check-off system established in D.C. Official Code § 47-1812.11b shall be deposited in the Fund.

“(c) Money in the Fund shall be used to implement or assist drug prevention programs and programs providing services or assistance to children at risk.

“(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.

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

“(1) “Children at risk” means persons under 18 years of age who have had direct or indirect contact with drugs.

“(2) “Drug prevention program” means a program designed to promote positive self-worth and stress the importance of the avoidance of drug and alcohol consumption.”.

Sec. 3063. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Sections 47-4001, 47-4002, and 47-4005 are repealed.

(b) Section 47-1812.11b is amended as follows:

(1) Subsection (a) is amended by striking the words “Public Fund for Drug Prevention and Children at Risk established by § 47-4002.” and replacing it with “Public Fund for Drug Prevention and Children at Risk (“Fund”) established by section 103a of The Neighborhood Engagement Achieves Results Amendment Act of 2016, as introduced on March 21, 2018 (Bill ----).”.

(2) Subsection (d) is repealed.

TITLE IV. PUBLIC EDUCATION

SUBTITLE A. UNIFORM PER STUDENT FUNDING FORMULA FOR PUBLIC SCHOOLS AND PUBLIC CHARTER SCHOOLS INCREASES

Sec. 4001. Short title.

This subtitle may be cited as the “Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2018”.

Sec. 4002. The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 *et seq.*), is amended as follows:

(a) Section 104 (D.C. Official Code § 38-2903) is amended by striking the phrase “\$9,682 per student for fiscal year 2018” and inserting the phrase “\$10,658 per student for Fiscal Year 2019” in its place.

(b) Section 105 (D.C. Official Code § 38-2904) is amended by striking the tabular array and inserting the following tabular array in its place:

Grade Level	Weighting	Per Pupil
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		Allocation in FY 2019
“Pre-Kindergarten 3	1.34	\$14,282
“Pre-Kindergarten 4	1.30	\$13,855
“Kindergarten	1.30	\$13,855
“Grades 1-5	1.00	\$10,658
“Grades 6-8	1.08	\$11,511
“Grades 9-12	1.22	\$13,003
“Alternative program	1.44	\$15,348
“Special education school	1.17	\$12,470
“Adult	0.89	\$9,486

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676 (c) Section 106(c) (D.C. Official Code § 38-2905(c)) is amended to read as follows:

677 “(c) The supplemental allocations shall be calculated by applying weightings to the

678 foundation level as follows:

679 “Special Education Add-ons:

“Level/ Program	Definition	Weighting	Per Pupil Supplemental Allocation FY 2019
“Level 1: Special Education	Eight hours or less per week of specialized services	0.97	\$10,338

“Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services	1.20	\$12,790
“Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services	1.97	\$20,996
“Level 4: Special Education	More than 24 hours per week of specialized services which may include instruction in a self-contained (dedicated) special education school other than residential placement	3.49	\$37,196
“Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	\$1,055

“Attorney’s Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per-student basis for attorney’s fees.	0.089	\$949
“Residential	D.C. Public School or public charter school that provides students with room and board in a residential setting, in addition to their instructional program	1.67	\$17,799

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“General Education Add-ons:

“Level/ Program	Definition	Weighting	Per Pupil Supplemental Allocation FY 2019
“ELL	Additional funding for English Language Learners.	0.49	\$5,222

“At-risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,334
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“Residential Add-ons:

“Level/ Program	Definition	Weighting	Per Pupil Supplemental Allocation FY 2019
“Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	0.37	\$3,943

“Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	1.34	\$14,282
“Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	2.89	\$30,802

“Level 4: Special Education - Residential	Additional funding to support the after-hours level 4 special education needs of limited and non- English proficient students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	2.89	\$30,802
“LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting	0.668	\$7,120

“Special Education Add-ons for Students with Extended School Year (“ESY”) Indicated
in Their Individualized Education Programs (“IEPs”):

“Level/ Program	Definition	Weighting	Per Pupil Supplemental Allocation FY 2019
“Special Education Level 1 ESY	Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs.	0.063	\$671
“Special Education Level 2 ESY	Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs	0.227	\$2,419
“Special Education Level 3 ESY	Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs	0.491	\$5,233

“Special	Additional funding to	0.491	\$5,233	.”.
Education Level 4	support the summer school			
ESY	or program need for			
	students who require			
	extended school year (ESY)			
	services in their IEPs			

(d) Section 115 (D.C. Official Code § 38-2913) is amended by striking the phrase

“Fiscal Year 2020” and inserting the phrase “Fiscal Year 2022” in its place.

SUBTITLE B. IMPLEMENTATION OF ENHANCED SPECIAL EDUCATION

SERVICES AMENDMENT ACT

Sec. 4011. Short title

This subtitle may be referred to as the “Enhanced Special Education Services Subject to Appropriations Repeal Amendment Act of 2018”.

Sec. 4012. Section 102(a)(2)(B) of the Placement of Students with Disabilities in Nonpublic Schools Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-269; D.C. Official Code § 38-2561.02(a)(2)(B)), is repealed.

Sec. 4013. Section 7h of the State Education Office Establishment Act of 2000, effective March 10, 2015 (D.C. Law 20-195; D.C. Official Code § 38-2614), is amended as follows:

(a) Subsection (a) is amended as follows:

(1) The lead-in language of paragraph (1) is amended by striking the phrase “Beginning July 1, 2016, or upon funding, whichever occurs later, the first IEP” and inserting the phrase “The first IEP” in its place.

(2) The lead-in language of paragraph (3) is amended by striking the phrase “Beginning July 1, 2017, or upon funding, whichever occurs later, a child” and inserting the phrase “A child” in its place.

(c) Subsection (c) is repealed..

SUBTITLE C. DISTRICT OF COLUMBIA STATE ATHLETICS AMENDMENT

Sec. 4021. Short title.

This subtitle may be cited as the “State Athletics Amendment Act of 2018”.

Sec. 4022. Section 104(g) of the District of Columbia State Athletics Consolidation Act of 2016, effective April 7, 2017 (D.C. Law 21-263; D.C. Official Code § 38-2661.12(g)), is repealed.

SUBTITLE D. HIGHER EDUCATION INCENTIVE PROGRAM AMENDMENT

Sec. 4031. Short title.

This subtitle may be cited as the “Early Childhood Higher Education Incentive Amendment Act of 2018”.

Sec. 4032. The Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01 *et seq.*), is amended as follows:

(a) Section 101 (D.C. Official Code § 38-271.01) is amended as follows:

(1) Paragraph (2A) is repealed.

(2) Paragraph (3) is amended by striking the word “grant”.

(b) Section 401(D.C. Official Code § 38-274.01) is amended as follows:

(1) Subsection (a) is amended to read as follows:

725 “(a) The University of the District of Columbia shall establish a Higher Education
726 Incentive Program (“HEI Program”) for the purpose of increasing the number of early education
727 teachers teaching in the District, including:

728 “(1) The number of pre-k teachers and assistant pre-k teachers working in
729 elementary education in public schools, public charter schools, and community-based
730 organizations who meet the degree and credential requirements established by OSSE pursuant to
731 section 201; and

732 “(2) The number of infant and toddler lead and assistant teachers working in a
733 child development facility, as defined in section 2(3) of the Child Development Facilities
734 Regulation Act of 1998, effective April 13, 1999 (D.C. Law 12-215; D.C. Official Code § 7-
735 2031(3)), who meet the degree and credential requirements established by OSSE pursuant to
736 section 7 of the Child Development Facilities Regulation Act of 1998, effective April 13, 1999
737 (D.C. Law 12-215; D.C. Official Code § 7-2036).

738 (2) New subsections (a-1) and (a-2) are added to read as follows:

739 “(a-1) As part of the HEI Program, the University of the District of Columbia may:

740 “(1) Award and administer grants to District of Columbia higher education
741 institutions to increase the number of early education teachers with advanced learning degrees or
742 credentials;

743 “(2) Establish and administer a scholarship, stipend, and financial assistance
744 program for qualified individuals who have an interest in the early childhood development or
745 pre-k education field, as described in section 402.

746 “(a-2) To assist in the establishment and implementation of the HEI Program, the
747 University of the District of Columbia shall establish and convene a working group comprised of

representatives of District of Columbia colleges and universities and the Office of the State Superintendent of Education, and such other individuals as the University of the District of Columbia determines may be helpful to achieve the purposes of the HEI Program. The working group shall be referred to as the DC Collaborative.”.

(3) Subsections (b), (c), and (d) are repealed.

(4) Subsection (e) is amended by striking the phrase “grant and scholarship programs” and inserting the word “Program” in its place.

(c) Section 401a (D.C. Official Code § 38-274.01a) is repealed.

(d) Section 402(a) (D.C. Official Code § 38-274.02(a)) is amended to read as follows:

“(a) As part of the HEI Program the University of the District of Columbia may establish and administer a scholarship-award program for qualified individuals who have an interest in the early childhood development or pre-k education field. In exchange for a commitment to teach in the early childhood development or pre-k education system in the District for 3 years, the University of the District of Columbia may provide to a qualified applicant a scholarship, stipend, tuition assistance, or other financial assistance, including financial assistance for mentoring, tutoring, transportation, and child care expenses, to remove barriers to lead and assistant teachers attaining or seeking to attain a higher education credential.”

(e) Section 403 (D.C. Official Code § 38-274.03) is amended as follows:

(1) Subsection (a) is amended as follows:

(A) Paragraph (1) is amended to read as follows:

“(1) There is established as a special fund the Higher Education Incentive Program Fund (“HEIP Fund”), which shall be administered by the University of the District of Columbia in accordance with subsection (b) of this section.”.

(B) The lead-in language of paragraph (2) is amended by striking the phrase “HEIG fund” and inserting the phrase “HEIP Fund” in its place.

(2) Subsection (b) is amended to read as follows:

“(b) Money in the HEIP Fund shall be used for the following purposes:

“(1) To fund the HEI Program’s grants, scholarships, stipends, and other payments;

“(2) To pay for the costs of administering the HEI Program, not to exceed 10% of the balance of the HEIP Fund per fiscal year.”.

(3) New subsections (c) and (d) are added to read as follows:

“(c) (1) The money deposited into the HEIP Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of the 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.

“(d) The HEIP Fund shall appear as a separate program line within the budget of the University of the District of Columbia.”.

SUBTITLE E. SUBSIDIZED CHILD CARE

Sec. 4041. Short title.

This subtitle may be cited as the “Child Care Payment Assistance Act of 2018”.

Sec. 4042. Definitions.

For purposes of this subtitle, the term:

(1) “Applicant” means a parent(s) who has applied for subsidized child care and whose child’s eligibility has not yet been determined.

794 (2) “Child” means:

795 (A) An individual who is less than 13 years of age; or

796 (B) An individual with documented special needs who is less than 19

797 years of age.

798 (3) “Child care provider” means:

799 (A) A licensed child development facility; or

800 (B) A person approved by OSSE to provide relative child care or in-home

801 child care under this subtitle.

802 (4) “Child development center” shall have the same meaning as set forth in

803 section 2(2B) of the Child Development Facilities Regulation Act of 1998, effective April 13,

804 1999 (D.C. Law 12-215; D.C. Official Code § 7-2031(2B)).

805 (5) “Child development facility” shall have the same meaning as set forth in

806 section 2(3) of the Child Development Facilities Regulation Act of 1998, effective April 13,

807 1999 (D.C. Law 12-215; D.C. Official Code § 7-2031(3)).

808 (6) “Child development home” shall have the same meaning as set forth in

809 section 2(3A) of in the Child Development Facilities Regulation Act of 1998, effective April 13,

810 1999 (D.C. Law 12-215; D.C. Official Code § 7-2031(3A)).

811 (7) “Child experiencing homelessness” means a child who is homeless as defined

812 in section 725(2) of the McKinney-Vento Homeless Assistance Act, approved January 8, 2002

813 (115 Stat. 2005; 42 U.S.C. § 11434a(2)).

814 (8) “Documented special needs” means special needs documented in an

815 individual family service plan or an individualized education plan.

816 (9) "Expanded child development home" shall have the same meaning as set
817 forth in section 2(3B) of the Child Development Facilities Regulation Act of 1998, effective
818 April 13, 1999 (D.C. Law 12-215; D.C. Official Code § 7-2031(3B)).

819 (10) "In-home child care" means child care provided in a child's home by a
820 relative or an in-home caregiver, pursuant to section 4048.

821 (11) "OSSE" means the Office of the State Superintendent of Education,
822 established by section 2 of the State Education Office Establishment Act of 2000, effective
823 October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2601).

824 (12) "Parent" means a parent by blood, marriage, or adoption, or a legal guardian
825 or other person standing in loco parentis.

826 (13) "Qualifying activity" means:

827 (A) Employment (including self-employment);

828 (B) Participation in a job search;

829 (C) Participation in a job training program;

830 (D) Participation in a work experience program;

831 (E) Participation in a Job Corps program;

832 (F) Enrollment and attendance in high school or adult education program;

833 (G) Enrollment and attendance in an undergraduate program; or

834 (H) Enrollment and attendance in a high school or undergraduate summer
835 school program.

836 (14) "Quality rating and improvement system" means OSSE's systemic approach
837 to assess, improve, and communicate the level of quality of a child development facility in the
838 District.

839 (15) “Recipient” means a child who is determined eligible for and receives
840 subsidized child care under this subtitle.

841 (16) “Relative child care” means child care that is provided by a relative of a
842 child in the relative’s home or in the child’s home.

843 (17) “Shared services business alliance” means an organization approved by
844 OSSE pursuant to section 4051.

845 (18) “Special needs” means conditions or characteristics of an individual that
846 reflect a need for particular care, services, or treatment, most commonly physical or mental
847 disabilities or delays.

848 (19) “State median income” means the median income of the District of
849 Columbia promulgated by the Secretary of Health and Human Services, as described in section
850 2603(11) of the Low-Income Home Energy Assistance Act of 1981, approved August 13, 1981
851 (95 Stat. 894; 42 U.S.C. § 8622(11)).

852 (20) “Subsidized child care” means part-time or full-time child care provided in a
853 licensed child development facility or through relative child care or in-home child care,
854 subsidized in whole or in part pursuant to this subtitle.

855 (21) “Temporary change” means:

856 (A) A time-limited absence from work by an employed parent(s) due to
857 reasons such as the need to care for a family member or an illness;

858 (B) An interruption in work for a seasonal worker who is not working
859 between regular industry work seasons;

860 (C) A student holiday or break for a parent(s) participating in training or
861 education;

(D) A reduction in work, training, or education hours, as long as the parent(s) is still working or attending training or education;

(E) Any other cessation of work or cessation of attendance at a training or education program that does not exceed 90 calendar days.

(22) "Very low family income" means a gross annual family income of less than 100% of federal poverty level based on family size.

(23) "Vulnerable child" means:

(A) A child with documented special needs;

(B) A child experiencing homelessness;

(C) A child in foster care;

(D) A child receiving or needing to receive protective services;

(E) A child of a parent with disabilities; or

(F) A child of a parent receiving vocational rehabilitation services.

Sec. 4043. Authorization.

(a) The Office of the State Superintendent of Education may establish and administer a subsidized child care program to provide financial assistance to families with eligible children seeking access to child care while parent(s) engage in a qualifying activity, and to vulnerable children, in accordance with this subtitle.

(b) OSSE may subsidize the cost of child care services through contracts, grants, or direct payments for children determined eligible to participate in the subsidized child care program who are receiving such services from an approved child care provider that has contracted or otherwise entered into an agreement with OSSE to provide subsidized child care.

Sec. 4044. Eligibility for subsidized child care.

885 (a) (1) Except as provided in paragraph (2) of this subsection, a child's eligibility to
886 receive subsidized child care shall be determined by OSSE.

887 (2) OSSE may delegate the function of determining a child's eligibility to receive
888 subsidized child care to:

889 (A) A licensed child development facility if:

890 (i) The facility has requested to perform this function; and

891 (ii) OSSE has determined that the facility has exhibited a
892 reasonable capacity to perform this function;

893 (B) An approved shared services business alliance, described in section
894 4051;

895 (C) Other government agencies; or

896 (D) A third party with the ability to conduct determinations effectively.

897 (c) To be eligible for subsidized child care, a child shall, at the time of eligibility
898 determination or redetermination:

899 (1) Reside in the District of Columbia with a parent(s) whose:

900 (A) Gross annual family income does not exceed 250% of the federal
901 poverty level or 85% of the District of Columbia's state median income based on family size,
902 whichever is lower; and

903 (B) Family assets do not exceed \$1,000,000.

904 (2) Be a United States citizen or an alien lawfully admitted for permanent
905 residence or otherwise lawfully and permanently residing in the United States; and

906 (3) Either:

907 (A) Reside with a parent(s) who is/are engaging in a qualifying activity;
908 or
909 (B) Be a vulnerable child.

910 (d) The District may limit subsidized child care based on available resources or funding.

911 (e) If a waitlist for subsidized child care is put into effect because there are more
912 applicants than available funds, OSSE shall give priority for subsidized child care to:

913 (1) Children of families with very low family incomes; and
914 (2) Vulnerable children.

915 (f) If a child is determined to be eligible to receive subsidized child care pursuant to this
916 section, the child shall remain eligible for subsidized child care for the following 12 months
917 regardless of:

918 (1) A change in gross annual family income of the parent(s) of the child, if the
919 new gross annual family income does not exceed 85% of the state median income for a family of
920 the same size;

921 (2) A temporary change, as defined in section 4042, in the status of the parent(s)
922 of the child;

923 (3) The child reaching 13 years of age (or, if an individual with documented
924 special needs, reaching 19 years of age); or

925 (4) A change in residency within the District of Columbia.

926 (g) After a child is initially determined to be eligible to receive subsidized child care, the
927 child may be redetermined eligible to receive subsidized child care even if the gross annual
928 family income of the child's parent(s) exceeds the level set forth in subsection (c)(1)(A) of this
929 section, if the gross annual family income does not exceed 300% of the federal poverty level or

85% of the state median income, whichever is lower, at the time of redetermination; provided, that the child is otherwise eligible to receive subsidized child care.

(h) Nothing in this subtitle shall be construed to create a private right of action or entitlement to subsidized child care.

Sec. 4045. Placement.

(a) A child that has been determined to be eligible to receive subsidized child care may receive subsidized child care in one of the following placement options if the child care provider has a valid agreement with OSSE to provide subsidized child care:

(1) A licensed child development facility; or

(2) An individual approved by OSSE to provide relative or in-home child care, as set forth in section 4048.

(b) Notwithstanding subsection (a) of this section, if OSSE determines that a placement option is not in the best interests of the child, and that another placement option will better meet the needs of the child, the child shall not receive subsidized child care in the placement option that OSSE determined is not in the best interests of the child.

Sec. 4046. Cost sharing.

(a) The parent(s) of a child receiving subsidized child care shall be responsible for paying a portion of the total costs of the child care provided to the child. The portion of the total costs for which the parent(s) shall be responsible shall be based on a sliding fee scale established through rulemaking by OSSE.

(b) The parent(s) shall be responsible for paying their portion of the costs directly to the authorized child care provider or to an authorized designee of the authorized child care provider approved by OSSE.

953 Sec. 4047. Requirements for child development facilities.

954 (a) To be eligible to contract with, enter into another form of agreement with, or receive
955 direct payments from OSSE to provide subsidized child care, a child development facility shall:

956 (1) Be licensed pursuant to the Child Development Facilities Regulation Act of
957 1998, effective April 13, 1999 (D.C. Law 12-530; D.C. Official Code § 7-2031 *et seq.*);

958 (2) Participate in the District's quality rating and improvement system; and

959 (3) Comply with all applicable District and federal laws, regulations, and
960 requirements.

961 Sec. 4048. Requirements for in-home or relative child care.

962 (a) A child shall be placed in subsidized in-home or relative child care, as authorized by
963 this subtitle, only when child care in a licensed child development facility is not feasible for the
964 needs or schedule of the parent(s) based on the qualifying activity of the parent(s), as determined
965 by OSSE;

966 (b) Prior to placement of a child in in-home or relative child care, a parent(s) shall make
967 attempts to enroll the child in at least 3 separate licensed child development facilities, unless the
968 parent(s) works non-traditional hours and in-home or relative child care is the only possible child
969 care arrangement, as determined by OSSE.

970 (c) Selection of an in-home or relative child care provider shall be made by the parent(s),
971 subject to approval by OSSE.

972 (d) OSSE may exempt in-home and relative child care providers from child development
973 facility licensing requirements.

974 (e) An in-home or relative child care provider shall:

975 (1) Be between 21 and 70 years of age;

(2) Not care for any children, other than his or her own children and the child receiving subsidized child care; and

(3) Furnish OSSE with a medical certification of good health for themselves and any of their own children.

Sec. 4049. Payments for subsidized child care.

(a) OSSE may enter into contracts, other agreements, or direct payment arrangements with child care providers to provide subsidized child care.

(b) Subsidy payments under this subtitle shall be rendered directly to the child care provider actually providing the subsidized child care, except in the following circumstances:

(1) For child care providers who are part of the quality improvement network, as set forth in section 4050, payments may be rendered to the child development hub; and

(2) For providers who are part of a shared services business alliance, as set forth in section 4051, payment may be rendered to the shared services business alliance.

(c) OSSE may also enter into contracts, other agreements, or direct payment arrangements with a child development facility that reserves at least 25% of its licensed capacity for children eligible for a child care subsidy under this subtitle, so long as the slots remain available to be utilized, or are utilized, by children eligible for a child care subsidy under this subtitle.

Sec. 4050. Quality improvement network

(a) OSSE may establish a community-based quality improvement network ("QIN") composed of:

(1) Child development hubs, selected through a competitive process, that will provide professional development and quality improvement technical assistance and

999 comprehensive services to licensed child development facilities selected by OSSE as provided in
1000 paragraph (2) of this subsection to participate in the QIN; and

1001 (2) Child development facilities, selected through a competitive process, to
1002 provide low-income infants and toddlers high-quality, full-day, full-year comprehensive early
1003 learning and development services and continuum of care.

1004 (b) OSSE may promulgate policies, procedures, standards, and payment rates for high-
1005 quality early learning and development services provided by the QIN.

1006 (c) Child development hubs shall provide child development facilities within the QIN
1007 technical assistance to achieve or provide:

1008 (1) Adult-to-child ratios and group sizes that meet or exceed federal Early Head
1009 Start Program Performance Standards, or other standards promulgated by OSSE, for all children
1010 from birth to 3 years of age in child development centers;

1011 (2) A comprehensive curriculum or program that is aligned with federal Early
1012 Head Start Program Performance Standards and the District's early learning and development
1013 standards for serving infants, toddlers, and their families;

1014 (3) Staff with direct supervision of infants and toddlers at child development
1015 facilities within the QIN that meet or exceed Early Head Start Program Performance Standards
1016 for staff qualifications or credentials;

1017 (4) A quality improvement plan, developed and implemented with the child
1018 development hub, that includes alignment of program policies and procedures to support on-site
1019 coaching, professional development, and teacher planning time;

1020 (5) Proper submission of child-level, family-level, and program-level data to
1021 OSSE and the child development hubs as requested;

(6) Participation in ongoing onsite and desktop monitoring activities to ensure compliance with program requirements and Early Head Start Program Performance Standards required to remain in good standing with OSSE, the child development hub, and the U.S. Department of Health and Human Services, Office of Head Start, if applicable;

(7) Comprehensive services for children and families, including implementation of family partnership agreements to support family well-being and child learning and development; provide, if applicable, services and supports for children with disabilities; and foster parental confidence and skills that promote the early learning and development of children;

(8) Participation in the Child and Adult Care Food Program, authorized by section 17 of the National School Lunch Act, approved October 7, 1975 (89 Stat. 522; 42 U.S.C. § 1766); and

(9) Facilitation of children's and families' transitions to pre-kindergarten or Head Start preschool programs.

(d) To be eligible for infant and toddler child development services provided by child development facilities in the QIN, a child shall be a resident of the District of Columbia and between birth and 3 years of age; provided, that a child who turns 3 years old during a program year may continue to receive services for the duration of the program year before transitioning into a pre-kindergarten or Head Start preschool program.

(e) To the extent possible, priority enrollment in a child development facility within the QIN shall be given to children between birth and 3 years of age whose families are living at or below the federal poverty level, who are homeless or in the foster care system, or who live with a relative who is receiving the relative or in-home child care subsidy pursuant to section 4048.

(f) OSSE shall monitor the child development hubs and child development facilities in the QIN for adherence to policies and procedures established under this subtitle.

(g) OSSE shall monitor child development facilities participating in the QIN for compliance with applicable District and federal licensing requirements; provided, that OSSE may delegate to a child development hub the responsibility to monitor a QIN's child development facilities' compliance with federal Early Head Start Program Performance Standards if the relevant data collected by the child development hub is regularly reported to OSSE.

(h) OSSE may issue grants to the QIN, including grants to a child development hub or a child development facility in the QIN, in order to facilitate the operation of the QIN, child development hub, or child development facility in providing high-quality child care to District children.

(i) OSSE may terminate, in whole or in part, the grant provided to a child development hub or child development facility at any time if OSSE determines that the hub or child development facility has:

(1) Substantially failed to comply with, or meet the objectives and terms of, the grant award; or

(2) Failed to comply with applicable federal or District laws or regulations.

(j) OSSE may modify the standards of eligibility for subsidized child care set forth in section 4044 for District children who receive child care through the QIN.

Sec. 4051. Shared services business alliances.

(a) OSSE may approve, as a shared services business alliance, a membership organization through which shared services are provided to strengthen business operations and

1068 teaching and learning of child development facilities by creating structures that enable the
1069 sharing of administrative services, staff, professional development, information, and other
1070 resources.

1071 (b) An approved shared services business alliance may, with the approval of OSSE:

1072 (1) Determine the eligibility of children to receive subsidized child care under
1073 this subtitle for children seeking to enroll in child development facilities within the alliance;

1074 (2) Collect, on behalf of child development facilities in the alliance, subsidized
1075 child care payments from OSSE; and

1076 (3) Collect co-payments from parents of children enrolled in child development
1077 facilities in the alliance.

1078 (c) OSSE may award a grant to a qualified entity to develop and operate a shared
1079 services business alliance in the District.

1080 Sec. 4052. Rulemaking.

1081 The Mayor, pursuant to the District of Columbia Administrative Procedure Act, approved
1082 October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules to
1083 implement the provisions of this subtitle, including:

1084 (a) Rules to establish and periodically revise the differentiated payment rates for child
1085 development facilities and in-home and relative child care providers that reflect variations in the
1086 cost of providing services to children of different age groups; and

1087 (b) Rules to establish and periodically revise the sliding fee scale that provides for cost
1088 sharing by the parent(s) of a child receiving subsidized child care under this subtitle.

1089 Sec. 4053. Conforming amendments.

1090 (a) The Child Development Facilities Regulation Act of 1998, effective April 13, 1999
1091 (D.C. Law 12-530; D.C. Official Code § 7-2031 *et seq.*), is amended as follows:

1092 (1) Section 2 (D.C. Official Code § 7-2031) is amended as follows:

1093 (A) New paragraphs (2A) and (2B) are added to read as follows:

1094 “(2A) “Child development associate credential” means a credential recognized by
1095 the Council for Professional Recognition and accepted by the Office of the State Superintendent
1096 of Education to demonstrate competency as a caregiver for young children.

1097 “(2B) “Child development center” means a child development facility that:

1098 “(A) Is located on premises other than a dwelling occupied by the
1099 operator of the child development center;

1100 “(B) Provides care and other services, supervision, and guidance for more
1101 than 6 children; and

1102 “(C) Provides a full day (more than 4 hours but less than 24 hours per
1103 day), part day (up to 4 hours per day), or before and after school child development program,
1104 including such programs provided during school vacations.”.

1105 (B) Paragraph (3) is amended to read as follows:

1106 “(3) (A) “Child development facility” means a facility that provides care and
1107 other services, supervision, and guidance for children, infants, and toddlers on a regular basis,
1108 regardless of its designated name.

1109 “(B) The term “child development facility” includes a child development
1110 center, child development home, and expanded child development home.

1111 “(C) The term “child development facility” does not include a public or
1112 private elementary or secondary school engaged in legally required educational and related
1113 functions.”.

1114 (C) Paragraph (3A) is redesignated as paragraph (3B).

1115 (D) A new paragraph (3A) is added to read as follows:

1116 “(3A) (A) “Child development home” means a child development facility that:

1117 “(i) Is located in a private residence or dwelling; and

1118 “(ii) (I) Provides care and other services, supervision, and
1119 guidance for no more than 6 children; or

1120 “(II) Provides, through 2 or more caregivers, care and
1121 other services, supervision, and guidance for no more than 12 children.

1122 “(B) The term “child development home” includes expanded child
1123 development homes.”.

1124 (E) A new paragraph (3C) is added to read as follows:

1125 “(3C) “Expanded child development home” means a child development home in
1126 which care and other services, supervision, and guidance is provided by 2 or more caregivers for
1127 no more than 12 children.”

1128 (2) Section 4 (D.C. Official Code § 7-2033) is amended as follows:

1129 (A) Paragraph (4) is amended by striking the phrase “toddler;” and
1130 inserting the phrase “toddler, if the applicable adult-to-child ratios issued by the Mayor pursuant
1131 to section 7 are maintained; and”

1132 (B) Paragraph (5) is amended by striking the phrase “; or” and inserting
1133 the phrase “; and” in its place.

1134 (C) A new paragraph (5A) is added to read as follows:
1135 “(5A) Play co-ops or nursery play supervised and facilitated by the Department
1136 of Parks and Recreation pursuant to section 3 of Article II of An Act To create a Recreation
1137 Board for the District of Columbia, to define its duties, and for other purposes, approved April
1138 29, 1942 (56 Stat. 261; D.C. Official Code § 10-213).”.

1139 (D) Subsection (6) is repealed.

1140 (3) Section 5 (D.C. Official Code § 7-2034) is amended by adding a new
1141 subsection (f) to read as follows:

1142 “(f) A license issued to a child development facility under this act shall be issued as a
1143 Public Health: Child Health and Welfare endorsement to a basic business license under the basic
1144 business license system as set forth in subchapter I-A of Chapter 28 of Title 47 of the District of
1145 Columbia Official Code.”.

1146 (4) A new section 21b is added to read as follows:

1147 “Sec. 21b. Prevention of dry cleaning agents in air in child development facilities.

1148 “OSSE shall not issue a license for a child development facility located within 200 feet of
1149 a dry cleaning facility that uses perchloroethylene or n-propyl bromide as a cleaning agent for
1150 clothes or other fabrics. The 200-foot restriction shall not apply at a location where a child-
1151 occupied facility is applying for renewal of a license that was initially issued before April 20,
1152 2013.”.

1153 (b) The Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18,
1154 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01 *et seq.*), is amended as follows:

1155 (1) Section 101(1) (D.C. Official Code § 38-271.01(1)) is repealed.

1156 (2) Section 102(c) (D.C. Official Code § 38-271.02(c)) is repealed.

1157 (3) Section 103 (D.C. Official Code § 38-271.03) is amended as follows:

1158 (A) Subsection (a) is amended to read as follows:

1159 “(a) The Mayor may enter into a contract with or issue a grant on a competitive basis to
1160 an entity to evaluate pre-k programs in accordance with this section.”.

1161 (B) Subsection (b) is amended by striking the word “approved”.

1162 (C) Subsection (e) is repealed.

1163 (4) Section 202 (D.C. Official Code § 38-272.02) is repealed.

1164 (c) The lead-in text of section 203(a-1)(1) of the Prevention of Child Abuse and Neglect
1165 Act of 1977, effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1302.03(a-
1166 1)(1)), is amended to read as follows:

1167 “(1) Except as provided in paragraph (3) of this subsection, the staff that
1168 maintains the Child Protection Register shall grant to the Office of the State Superintendent of
1169 Education access to substantiated reports for the purpose of conducting background checks,
1170 pursuant to section 658H of the Child Care and Development Block Grant Act of 1990, approved
1171 November 19, 2014 (128 Stat. 1990; 42 USC § 9858f), of employees of licensed child
1172 development facilities, and to the chief executive officers or directors of child development
1173 facilities, schools, or any public or private organizations working directly with children, for the
1174 purpose of making employment decisions regarding employees and volunteers or prospective
1175 employees and volunteers, if:”.

1176 Sec. 4054. Repealer.

1177 The Day Care Policy Act of 1979, effective September 19, 1979 (D.C. Law 3-16 D.C.
1178 Official Code § 4-401 *et seq.*), is repealed.

SUBTITLE F. EARLY LEARNING TAX CREDIT

Sec. 4061. Short title.

This subtitle may be cited as the “Early Learning Tax Credit Act of 2018”.

Sec. 4062. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“47-1806.15. Early learning tax credit.”

(b) A new section 47-1806.15 is added to read as follows:

“§ 47-1806.15. Early learning tax credit.

“(a) For the purposes of this section the term:

“(1) “Child development facility” means a child development facility licensed under Subchapter II of Chapter 20 of Title 7.

“(2) “Consumer Price Index” means the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, or any successor agency.

“(3) “Eligible child” means a dependent claimed by the taxpayer who has not attained the age of 4 years old on or before September 30 of the taxable year.

“(4) “Eligible child care expenses” means payments made by the taxpayer to a child development facility for child care services of an eligible child during the taxable year but does not include any payments for child care services provided after August 31 of the taxable year to an eligible child who meets the age requirement for enrollment under section 302(a) of

1201 the Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C.
1202 Law 17-202; D.C. Official Code § 38-273.02(a)).

1203 “(b) (1) For taxable years beginning after December 31, 2017, a taxpayer shall be
1204 allowed a credit against the tax imposed under this subchapter for eligible child care expenses
1205 paid by the taxpayer during the taxable year.

1206 “(2) The amount of the credit shall be the lesser of:

1207 “(A) The total amount of all eligible child care expenses paid by the
1208 taxpayer in the taxable year; or

1209 “(B) \$1,000 per eligible child.

1210 “(3) The credit claimed under this section in any one taxable year may exceed the
1211 taxpayer’s tax liability under this subchapter for that taxable year and shall be refundable to the
1212 taxpayer claiming the credit.

1213 “(c) In the case of a return made for a fractional part of a taxable year, the credit shall be
1214 reduced to an amount that bears the same ratio to the full credit provided as the number of
1215 months in the period for which the return is made to 12 months.

1216 “(d) Notwithstanding subsection (b) of this section, a taxpayer shall not be eligible to
1217 receive a credit under this section if:

1218 “(1) The taxpayer does not claim the eligible child as a dependent on his or her
1219 federal and District income tax returns for that taxable year;

1220 “(2) A person other than the taxpayer claimed the eligible child as a dependent on
1221 his or her federal and District income tax returns for that taxable year;

1222 “(3) Any child care subsidies authorized under Subchapter IV of Title 4 during
1223 the taxable year are received or paid on behalf of an eligible child of the taxpayer;

“(4) A person other than the taxpayer received a credit under this section for the same taxable year for the same eligible child; or

“(5) The taxpayer’s District taxable income for the taxable year exceeds the following amounts for taxable year 2018 and thereafter adjusted annually for inflation based on the Consumer Price Index:

“(A) Single and head of household: \$750,000;

“(B) Married filing jointly: \$750,000; or

“(C) Married filing separately: \$375,000.

“(e) The Chief Financial Officer may issue rules regarding the records required to be maintained and provided by taxpayers and child development facilities to substantiate any credits claimed under this section.

“(f) The credit under this section will not be allowed for taxable years beginning after December 31, 2018.”.

Sec. 4063. Applicability.

This act shall apply as of January 1, 2018.

SUBTITLE G. HEALTHY SCHOOLS ACT PHYSICAL ACTIVITY AND CAFETERIA GRANTS

Sec. 4071. Short title.

This subtitle may be cited as the “Healthy Schools Amendment Act of 2018”.

Sec. 4072. Section 102(c) of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)), is amended as follows:

(a) Paragraph (6) is amended to read as follows:

“(6) To increase physical activity in schools, the Office of the State

1247 Superintendent of Education may issue grants through a competitive process or a formula grants
1248 process to public schools, public charter schools, or organizations that provide technical
1249 assistance to public schools or public charter schools to increase the amount of physical activity
1250 in schools; provided, that a school receiving a grant shall seek to meet the requirements of
1251 section 402 and seek to increase the amount of physical activity in which its students engage;”.

1252 (b) Paragraph (10) is amended to read as follows:

1253 “(10) To increase cafeteria staff’s abilities to provide healthy meals for students, the
1254 Office of the State Superintendent for Education may issue grants through a competitive process
1255 or a formula grants process to public schools, public charter schools, or other organizations for
1256 the acquisition of school kitchen equipment and training sessions for school cafeteria workers
1257 and school food service vendors on cooking skills and nutrition.”.

1258 **SUBTITLE H. DC PUBLIC SCHOOLS SPECIAL PURPOSE REVENUE FUND**

1259 Sec. 4081. Short title.

1260 This subtitle may be cited as the “DC Public Schools Sales and Licensing Authority
1261 Amendment Act of 2018”.

1262 Sec. 4082. Section 105a of the District of Columbia Public Schools Agency
1263 Establishment Act of 2007, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code §
1264 38-174.01), is amended to read as follows:

1265 “Sec. 105a. Event sponsorships, sales of intellectual property and tickets; establishment
1266 of special fund.

1267 “(a) The Chancellor of the District of Columbia Public Schools may:

1268 “(1) Contract for advertisements and sponsorships for District of Columbia
1269 Public Schools athletics programs or events, community engagement events, educational
1270 programs, or facilities improvements;

1271 “(2) With the approval of the Mayor, sell or license intellectual property rights of
1272 the District for intellectual property created by the District of Columbia Public Schools for use
1273 by the District of Columbia Public Schools; and

1274 “(3) Sell tickets to District of Columbia Public Schools athletic events and school
1275 performances.

1276 “(b) There is established as a special fund the District of Columbia Public Schools Sales
1277 and Sponsorship Fund (“Fund”), which shall be administered by the District of Columbia Public
1278 Schools in accordance with subsection (d) of this section.

1279 “(c) Revenue from the following sources shall be deposited into the Fund:

1280 “(1) Contracts for advertisements and sponsorships for athletics programs and
1281 events, community engagement events, educational programs, or facilities improvements entered
1282 into pursuant to subsection (a)(1) of this section; and

1283 “(2) The sale of tickets to District of Columbia Public Schools athletic events and
1284 school performances.

1285 “(d) Money in the Fund shall be used for the support of the operations of the District of
1286 Columbia Public Schools., including instruction, education programs, human resources, athletics,
1287 the arts, and community engagement.

1288 “(e) (1) The money deposited into the Fund shall not revert to the unrestricted fund
1289 balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any
1290 other time.

1291 “(2) Subject to authorization in an approved budget and financial plan, any funds
1292 appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.

1293 **TITLE V. HEALTH AND HUMAN SERVICES**

1294 **SUBTITLE A. INDIVIDUAL HEALTH INSURANCE REQUIREMENT**

1295 Sec. 5001. Short title.

1296 This subtitle may be cited as the “Health Insurance Requirement Act of 2018”.

1297 Sec. 5002. Title 47 of the District of Columbia Official Code is amended as follows:

1298 (a) The table of contents is amended by adding a new chapter designation to read as
1299 follows:

1300 “50. Individual Taxpayer Health Insurance Responsibility Requirement”.

1301 (b) A new Chapter 50 is added to read as follows:

1302 “CHAPTER 50. HEALTH INSURANCE INDIVIDUAL RESPONSIBILITY REQUIREMENT.

1303 “Sec.

1304 “47-5001. Purpose.

1305 “47-5002. Definitions.

1306 “47-5003. Requirement to maintain minimum essential coverage; exemptions.

1307 “47-5004. District of Columbia shared responsibility payments.

1308 “47-5005. Exemptions from the minimum essential coverage and District of Columbia shared
1309 responsibility payment requirements.

1310 “47-5006. Reporting of health insurance coverage.

1311 “47-5007. Annual notification.

1312 “47-5008. Individual insurance market affordability and stability; use of revenue generated by
1313 District of Columbia shared responsibility payments.

1314 “47-5009. Administration and procedure.

1315 “47-5010. Rules; incorporation of federal rules.

1316 “§ 47-5001. Purpose.

1317 “The purpose of this chapter is to contribute to a stable health insurance marketplace.

1318 “§ 47-5002. Definitions.

1319 “For the purposes of this chapter, the term:

1320 “(1) “Applicable entity” means:

1321 “(A) An employer or other sponsor of an employment-based health plan

1322 with respect to employment-based minimum essential coverage;

1323 “(B) The Department of Health Care Finance with respect to coverage

1324 under Medicaid, the Children’s Health Insurance Program, and the District’s Immigrant

1325 Children’s Program established under § 1-307.03(b); or

1326 “(C) Insurance carriers licensed or otherwise authorized to offer minimum

1327 essential coverage with respect to coverage they provide that is not described in subparagraphs

1328 (A) or (B) of this paragraph.

1329 “(2) “Applicable individual” has the same meaning as under section 5000A of the

1330 Internal Revenue Code of 1986, as such section and implementing regulations were in effect on

1331 December 15, 2017; except, that:

1332 “(A) An individual enrolled in the DC Healthcare Alliance program

1333 established under §§ 7-1401 and 7-1405 shall not be considered an applicable individual with

1334 respect to any month during which the individual was enrolled in the DC Healthcare Alliance

1335 program;

1336 “(B) An individual shall not be considered an applicable individual with
1337 respect to any month during which the individual was a bona fide resident of a jurisdiction other
1338 than the District of Columbia; and

1339 “(C) An individual shall not be considered an applicable individual, based
1340 on a religious conscience exemption, if the individual is a member of a religious sect or division
1341 that is recognized by the U.S. Social Security Administration as conscientiously opposed to
1342 accepting any insurance benefits, including Social Security and Medicare.

1343 “(3) “Dependent” has the same meaning as under section 152 of the Internal
1344 Revenue Code of 1986.

1345 “(4) “Minimum essential coverage” means:

1346 “(A) Except as provided in subparagraph (C) of this paragraph, minimum
1347 essential coverage as defined by section 5000A of the Internal Revenue Code of 1986 and its
1348 implementing regulations, as such section and implementing regulations were in effect on
1349 December 15, 2017;

1350 “(B) The Immigrant Children’s Program established under D.C. Official §
1351 1-307.03(b); and

1352 “(C) Health coverage provided under a multiple employer welfare
1353 arrangement, but only if the multiple employer welfare arrangement was providing coverage in
1354 the District on December 15, 2017, or it complies with federal law and regulations applicable to
1355 multiple employer welfare arrangements that were in place as of December 15, 2017.

1356 “(5) “Multiple employer welfare arrangement” has the same meaning as under
1357 section 3(40) of the Employee Retirement Income Security Act of 1974, approved September 2,
1358 1974 (88 Stat. 833; 29 USC § 1002(40)).

1359 “§ 47-5003. Requirement to maintain minimum essential coverage; exemptions.

1360 “(a) An applicable individual shall, for each month beginning with January 2019, ensure
1361 that the applicable individual, and any dependent of the applicable individual who is also an
1362 applicable individual, is covered under minimum essential coverage for such month.

1363 “(b) The exemptions available from the federal requirement to maintain minimum
1364 essential coverage under section 5000A of the Internal Revenue Code of 1986 and its
1365 implementing regulations, as such section and implementing regulations were in effect on
1366 December 15, 2017, shall also be available as exemptions from the requirement to maintain
1367 minimum essential coverage contained in subsection (a) of this section, with the following
1368 modifications:

1369 “(1) Determinations as to hardship exemptions shall be made by the Executive
1370 Director of the District of Columbia Health Benefit Exchange Authority under § 47-5005(b)
1371 rather than by the U.S. Secretary of Health and Human Services under section 1311(d)(4)(H) of
1372 the Patient Protection and Affordable Care Act of 2010, approved March 23, 2010 (124 Stat.
1373 173; 42 U.S.C. § 18031(d)(4)(H)).

1374 “(2) (A) The requirement imposed by subsection (a) of this section shall not
1375 apply to:

1376 “(i) Taxpayers who are age 21 or older as of the last day of the tax
1377 year and whose federal adjusted gross income for the taxable year is equal to or less than an
1378 amount equal to 222% of the federal poverty level as published by the Executive Director of the
1379 Health Benefit Exchange Authority in accordance with subparagraph (B) of this paragraph;

1380 “(ii) Taxpayers who are age 20 or younger as of the last day of the
1381 tax year and not claimed as dependents on another individual’s tax form, and whose federal

adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the federal poverty level as published by the Executive Director of the Health Benefit Exchange Authority in accordance with subparagraph (B) of this paragraph;

“(iii) A dependent who is age 21 or older as of the last day of the tax year and claimed as a dependent by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the federal poverty level as published by the Executive Director of the Health Benefit Exchange Authority in accordance with subparagraph (B) of this paragraph; or

“(iv) A dependent who is age 20 or younger as of the last day of the tax year and claimed as a dependent by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the federal poverty level as published by the Executive Director of the Health Benefit Exchange Authority in accordance with subparagraph (B) of this paragraph.

“(B) The Executive Director of the Health Benefit Exchange Authority, after consultation with the Director of the Department of Health Care Finance, shall publish the qualifying income levels described in subparagraph (A) of this paragraph for each taxable year based on federal poverty levels using the poverty guidelines announced by the Secretary of the U.S. Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act, approved October 27, 1998 (112 Stat. 2729; 42 U.S.C. § 9902(2)). The qualifying income levels shall be for the number of individuals that include the taxpayer, the taxpayer’s spouse, and any dependents claimed by the taxpayer on the taxpayer’s income tax return for that taxable year. The Executive Director of the Health Benefit Exchange Authority shall publish the qualifying income levels for the taxable year within 60 days after the

1405 announcement of the poverty guidelines announced by the Secretary of the U.S. Department of
1406 Health and Human Services for that taxable year.

1407 “(C) The percent levels in subparagraph (A) of this paragraph may be
1408 adjusted by the Mayor if the eligibility level changes for the District of Columbia’s Medicaid,
1409 Children’s Health Insurance Program, or Immigrant Children’s Program.

1410 “§ 47-5004. District of Columbia shared responsibility payments.

1411 “(a) If a taxpayer who is an applicable individual, or an applicable individual for whom
1412 the taxpayer is liable under subsection (b) of this section, fails to meet the requirement of § 47-
1413 5003(a) for one or more months, the taxpayer shall pay a District of Columbia shared
1414 responsibility payment with respect to such failure. The amount of the shared responsibility
1415 payment shall be determined under section 5000A of the Internal Revenue Code of 1986 and its
1416 implementing regulations, as such section and implementing regulations were in effect on
1417 December 15, 2017, as modified by subsection (c) of this section.

1418 “(b) (1) If an individual with respect to whom a shared responsibility payment is
1419 imposed by this section for any month is a dependent of a taxpayer during the taxable year
1420 including such month, the taxpayer shall be liable for the shared responsibility payment.

1421 “(2) If an individual with respect to whom a shared responsibility payment is
1422 imposed by this section for any month files a joint return for the taxable year including such
1423 month, the individual and the spouse of the individual shall be jointly liable for the shared
1424 responsibility payment.

1425 “(c) The rules for determining the District of Columbia shared responsibility payment
1426 under this section shall be the rules used for determining the federal shared responsibility
1427 payment under section 5000A of the Internal Revenue Code of 1986 and its implementing

1428 regulations, as such section and implementing regulations were in effect on December 15, 2017,
1429 with the following modifications:

1430 “(1) The maximum amount of the District of Columbia shared responsibility
1431 payment imposed by this section shall be determined using the District of Columbia’s average
1432 premium for bronze-level plans rather than the national average premium for bronze-level plans.
1433 The Executive Director of the Health Benefit Exchange Authority shall annually publish on its
1434 website the maximum payment amount before September 30 of the taxable year.

1435 “(2) If a taxpayer is subject to both the District of Columbia shared responsibility
1436 payment imposed by this section and the federal shared responsibility payment under section
1437 5000A of the Internal Revenue Code of 1986 for a taxable year, the amount of the taxpayer’s
1438 District of Columbia shared responsibility payment under this section shall be reduced, but not
1439 below zero, by the amount of the taxpayer’s federal shared responsibility payment.

1440 “§47-5005. Exemptions from the minimum essential coverage and District of Columbia
1441 shared responsibility payment requirements.

1442 “(a) Except as provided in subsection (b) of this section, an individual may claim that the
1443 individual or a dependent is not an applicable individual with respect to the minimum essential
1444 coverage requirement under § 47-5003(a) or may claim that the individual or a dependent is
1445 eligible for an exemption under § 47-5003(b) by indicating the basis for the claim on a form as
1446 prescribed by the Chief Financial Officer.

1447 “(b) An individual must apply to the Executive Director of the District of Columbia
1448 Health Benefit Exchange Authority for a determination as to whether the individual or a
1449 dependent is eligible for:

1450 “(1) The exemption from the District of Columbia shared responsibility payment
1451 requirement contained in § 47-5003 for individuals for whom coverage is considered
1452 unaffordable based on projected income as defined by 45 C.F.R. § 155.605(d)(2) as such
1453 regulation was in effect on December 15, 2017; and

1454 “(2) The exemption from the District of Columbia shared responsibility payment
1455 requirement contained in § 47-5003 by reason of general hardship as defined by 45 C.F.R.
1456 § 155.605(d)(1) as such regulation was in effect on December 15, 2017.

1457 “(c) The Executive Director of the Health Benefit Exchange Authority shall notify the
1458 individual and the Chief Financial Officer of the District of Columbia of any exemption
1459 determination made under subsection (b) of this section at least annually.

1460 “§47-5006. Reporting of health insurance coverage.

1461 “(a) For the purposes of administering the requirement under § 47-5003, every applicable
1462 entity that provides minimum essential coverage to an individual during a calendar year shall
1463 make a return described in subsection (b) of this section at such time as the Chief Financial
1464 Officer of the District of Columbia may prescribe.

1465 “(b) A return required by subsection (a) of this section shall include the information
1466 contained in a return described in section 6055 of the Internal Revenue Code of 1986 and its
1467 implementing regulations, as such section and implementing regulations were in effect on
1468 December 15, 2017, and any such information required by the Chief Financial Officer.

1469 “(c) (1) Except as provided in paragraph (3) of this subsection, every applicable entity
1470 required to make a return under subsection (a) of this section shall furnish to each individual
1471 whose name is required to be set forth in such return a written statement showing:

1472 “(A) The name and address of the applicable entity required to make such
1473 return and the phone number of the information contact for such applicable entity or their
1474 delegee; and

1475 “(B) The information required to be shown on the return with respect to
1476 such individual.

1477 “(2) The written statement required under paragraph (1) of this subsection shall be
1478 furnished at such time as the Chief Financial Officer of the District of Columbia may prescribe.

1479 “(3) Notwithstanding the requirements of paragraphs (1) and (2) of this
1480 subsection, the requirements of this subsection may be satisfied by a written statement provided
1481 to an individual that is consistent with the requirements of section 6055 of the Internal Revenue
1482 Code of 1986 and its implementing regulations, as such section and implementing regulations
1483 were in effect on December 15, 2017.

1484 “(d) (1) In the case of coverage provided by an applicable entity that is a governmental
1485 unit or an agency or instrumentality of a governmental unit, the officer or employee who enters
1486 into the agreement to provide such coverage (or the person appropriately designated for purposes
1487 of this section) shall be responsible for the returns and statements required by this section.

1488 “(2) An applicable entity may contract with a third-party service provider,
1489 including an insurance carrier, to provide the returns and statements required by this section.

1490 “§47-5007. Annual notification

1491 “The Chief Financial Officer of the District of Columbia shall develop a program, in
1492 consultation with the Executive Director of the Health Benefit Exchange Authority and the
1493 Director of the Department of Health Care Finance, to provide notice to taxpayers who paid a
1494 District of Columbia shared responsibility payment during for the previous taxable year. The

notification shall include information on how to apply for individual health insurance, Medicaid, and the federal Children's Health Insurance Program, including contact information.

“§ 47-5008. Individual insurance market affordability and stability; use of revenue generated by District of Columbia shared responsibility payments.

“(a) There is established as a special fund the Individual Insurance Market Affordability and Stability Fund (“Fund”), which shall be administered by the Mayor in accordance with subsection (c) of this section.

“(b) Revenue from the District of Columbia shared responsibility payments collected pursuant to § 47-5004 shall be deposited into the Fund.

“(c) Money in the Fund shall be used to engage in outreach to uninsured District residents to increase health insurance coverage, to provide information to District residents on options for health insurance coverage, and to engage in other activities that either increase the availability of health insurance options for District residents or increase the affordability for District residents of insurance premiums in the individual health insurance market.

“(d) (1) The money deposited into the Fund shall not revert to the unassigned 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.

“§ 47-5009. Administration and procedure.

“A taxpayer who fails to pay the District of Columbia shared responsibility payment imposed by § 47-5004 shall be subject to all collection, enforcement, and administrative

provisions applicable to unpaid taxes or fees, as provided in Chapter 18, Chapter 41, Chapter 42, Chapter 43, and Chapter 44 of this title.

“§ 47-5010. Rules; incorporation of federal rules.

“(a) All federal regulations implementing section 5000A of the Internal Revenue Code of 1986, as such regulations were in effect on December 15, 2017, are incorporated into the District of Columbia Municipal Regulations. Federal guidance interpreting the federal regulations implementing section 5000A of the Internal Revenue Code of 1986, as such guidance was in effect on December 15, 2017, shall also apply. The Chief Financial Officer may amend the incorporated regulations and guidance and issue rules to implement this chapter; except, that:

“(1) The Mayor, and not the Chief Financial Officer, may amend the incorporated regulations and guidance and issue rules related to the definitions of applicable individual and minimum essential coverage and the exemptions under § 47-5003(b).

“(2) The Executive Director of the Health Benefit Exchange Authority, and not the Chief Financial Officer, may amend the incorporated regulations and guidance, and issue rules related to the authority specifically provided to the Health Benefit Exchange Authority under this chapter. The Executive Director of the Health Benefit Exchange Authority may also provide input on other regulations proposed to be issued under this chapter.

“(b) By November 1, 2018, the Chief Financial Officer of the District of Columbia shall provide to the Mayor, for publication in the D.C. Register, the complete text of the incorporated regulations and guidance referred to in subsection (a) of this section.”.

Sec. 5003. The Health Benefit Exchange Authority Establishment Act of 2011, effective March 2, 2012 (D.C. Law 19-94; D.C. Official Code § 31-3171.01 et seq.), is amended as follows:

1540 (a) Section 5(a) (D.C. Official Code § 31-3171.04(a)) is amended as follows:

1541 (1) Paragraph (22) is amended by striking the period at the end and inserting the

1542 phrase “; and” in its place.

1543 (2) A new paragraph (23) is added to read as follows:

1544 “(23) Administer the general hardship and affordability exemptions under Chapter

1545 50 of Title 47 of the District of Columbia Official Code.”

1546 (b) Section 18(a) (D.C. Official Code § 31-3171.17(a)), is amended by striking the phrase

1547 “this act” and inserting the phrase “this act and as authorized by D.C. Official Code § 47-

1548 5010(a)(2)” in its place.

1549 **TITLE VI. TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT**

1550 **SUBTITLE A. DEDICATED WMATA FUNDING**

1551 Sec. 6001. Short title.

1552 This subtitle may be cited as the “Dedicated Funding for the Washington Metropolitan

1553 Transit Authority Act of 2018”.

1554 Sec. 6002. Dedicated Funding for WMATA.

1555 (a) There is established as a special fund the Washington Metropolitan Area Transit

1556 Authority (“WMATA”) Dedicated Funding Fund (“Fund”), which shall be administered by the

1557 Mayor in accordance with subsection (c) of this section.

1558 (b) (1) There shall be deposited into the Fund the following amounts:

1559 (A) In Fiscal Year 2019, \$178.5 million of general retail sales tax

1560 revenue;

1561 (B) In Fiscal Year 2020, \$178.5 million of general retail sales tax

1562 revenue; and

1563 (C) In Fiscal Year 2021, and each successive year, an amount of general
1564 retail sales tax revenue equal to 103% of the amount deposited into the Fund in the prior fiscal
1565 year.

1566 (3) This subsection shall expire at the end of Fiscal Year 2059;

1567 (4) For the purposes of this subsection, the phrase “general retail sales tax”
1568 means the sales tax imposed by the lead-in language to section 47-2002(a) of the District of
1569 Columbia Official Code.

1570 (c) (1) Money in the Fund in Fiscal Year 2019 shall be used as a source of funding to
1571 make the District’s payment to WMATA through agency KE0 as shown in the Fiscal Year 2019
1572 Budget and Financial Plan.

1573 (2) (A) Starting in Fiscal Year 2020, money in the Fund shall be issued by the
1574 Mayor as a grant to WMATA for the purposes of WMATA capital improvements, subject to the
1575 requirement set forth in paragraph (2) of this subsection and subject to such other terms and
1576 conditions as may be set forth by the Mayor in the grant agreement.

1577 (B) The grant agreement between the District and WMATA shall require
1578 that payment by the District to WMATA in a fiscal year shall be made in 2 equal installments,
1579 the first of which shall be made on October 1 and the second of which shall be made on April 1.

1580 (C) This paragraph shall apply only if Maryland (or jurisdictions thereof)
1581 enacts legislation providing for new dedicated capital funding for WMATA of at least \$167
1582 million annually starting in its fiscal year 2020, increasing annually at a rate of at least 3% and
1583 Virginia (or jurisdictions thereof) enacts legislation providing for new dedicated capital funding
1584 for WMATA of at least \$155 million annually starting in its fiscal year 2020, increasing annually

1585 at a rate of at least 3%, and only during those years during which both Virginia and Maryland (or
1586 jurisdictions thereof) implement such legislation.

1587 (d) (1) The money deposited into the Fund shall not revert to the unrestricted fund
1588 balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any
1589 other time.

1590 (2) Subject to authorization in an approved budget and financial plan, any funds
1591 appropriated in the Fund shall be continually available without regard to fiscal year limitation.

1592 Sec. 6003. Conforming amendments.

1593 (a) Section 7102 of the Fiscal Year 2018 Budget Support Act of 2017, effective
1594 December 13, 2017 (D.C. Law 22-33; 64 DCR 7652), is amended as follows:

1595 (1) Subsection (a) is amended to read as follows:

1596 “(a) Notwithstanding any other provision of law, the portion of local revenues certified
1597 in the June 2017 revenue estimate and the September 2017 revenue estimate that exceeds the
1598 annual revenue estimate incorporated in the approved budget and financial plan for Fiscal Year
1599 2018 (“additional revenues”) shall be allocated as follows:

1600 “(1) Pursuant to subsection (b)(1) under the heading “Revised Revenue Estimate
1601 Contingency Priority” in the Fiscal Year 2018 Local Budget Act of 2017, effective August 29,
1602 2017 (D.C. Law 22-16; 64 DCR 6581), 50% of the additional revenues to the Workforce
1603 Investments account; and

1604 “(2) Pursuant to subsection (b)(2) under the heading “Revised Revenue Estimate
1605 Contingency Priority” in the Fiscal Year 2018 Local Budget Act of 2017, effective August 29,
1606 2017 (D.C. Law 22-16; 64 DCR 6581), 50% of the additional revenues as follows:

1607 “(A) \$24.175 million in additional revenues to the General Fund of the
1608 District of the Columbia; and

1609 “(B) All remaining additional revenues to the Workforce Investments
1610 account.”.

1611 (2) Subsections (b) and (c) are repealed.

1612 (b) Title 47 of the District of Columbia Official Code is amended as follows:

1613 (1) Section 47-2002(a) is amended as follows:

1614 (A) The lead-in text is amended by striking the phrase “Beginnning on
1615 October 1, 2013, the rate of such tax shall be 5.75%” and inserting the phrase “The rate of such
1616 tax shall be 6.00%” in its place.

1617 (B) Paragraph (2)(A) is amended by striking the phrase “The rate of tax
1618 shall be 10.05%” and inserting the phrase “The rate of such tax shall be 10.30%” in its place.

1619 (C) The lead-in text to paragraph (3) is amended by striking the phrase
1620 “The rate of tax shall be 9%” and inserting the phrase “The rate of tax shall be 9.25%” in its
1621 place.

1622 (D) Paragraph (3A) is amended by striking the phrase “The rate of tax
1623 shall be 10%” and inserting the phrase “The rate of tax shall be 10.25%” in its place.

1624 (E) Paragraph (4A) is amended by striking the phrase “The rate of tax
1625 shall be 5.75%” and inserting the phrase “The rate of tax shall be 6.00%” in its place.

1626 (2) Section 47-2202 is amended as follows:

1627 (A) The lead-in text is amended by striking the phrase “The rate of tax
1628 imposed by this section shall be 5.75%, except for the period beginning October 1, 2009, and

1629 ending September 30, 2012, the rate shall be 6%,” and inserting the phrase “The rate of tax
1630 imposed by this section shall be 6.00%” in its place.

1631 (B) Paragraph (2)(A) is amended by striking the phrase “The rate of tax
1632 shall be 10.05%” and inserting the phrase “The rate of such tax shall be 10.30%” in its place.

1633 (C) The lead-in text to paragraph (3) is amended by striking the phrase
1634 “The rate of tax shall be 9%” and inserting the phrase “The rate of tax shall be 9.25%” in its
1635 place.

1636 (D) Paragraph (3A) is amended by striking the phrase “Effective October
1637 1, 2011, the rate of the tax shall be 10%” and inserting the phrase “The rate of tax shall be
1638 10.25%” in its place.

1639 (3) Section 47-812(b-9)(2)(A)(ii) is amended by striking the period at the end and
1640 inserting the phrase “; provided, that for the tax year beginning October 1, 2018, and each tax
1641 year thereafter, the tax rate for the portion of the assessed value exceeding \$3 million shall be
1642 \$1.87 of each \$100 of assessed value.” in its place.

1643 (c) The Department of For-Hire Vehicles Establishment Act of 1985, effective March
1644 25, 1986 (D.C. Law 6-97; D.C. Official Code § 50-301.01 et seq.), is amended as follows:

1645 (1) Section 20a(a)(6) (D.C. Official Code § 50-301.20(a)(6)) is amended by
1646 striking the phrase “All funds” and inserting the phrase “21.05% of the funds” in its place.

1647 (2) Section 20/(b)(11) (D.C. Official Code § 50-301.31(b)(11)) is amended by:

1648 (A) Striking the phrase “1% of all gross receipts” and inserting the phrase
1649 “4.75% of all gross receipts” in its place; and

1650 (B) Striking the phrase “The money collected” and inserting the phrase
1651 “Of the money collected pursuant to this paragraph, 78.95% shall be deposited in the General
1652 Fund and the remaining 21.05%” in its place.

1653 (d) Subsections (b) and (c) of this section shall apply as of October 1, 2018.

1654 **SUBTITLE B. PERFORMANCE PARKING PROGRAM FUND REPEAL**

1655 Sec. 6011. Short title.

1656 This subtitle may be cited as the “Performance Parking Program Fund Amendment Act
1657 of 2018”.

1658 Sec. 6012. Section 3(h)(B) of the District of Columbia Motor Vehicle Parking Facility
1659 Act of 1942, approved February 16, 1942 (56 Stat. 91; D.C. Official Code § 50-2603(8)(B)(ii)),
1660 is repealed.

1661 Sec. 6013. Sections 2a and 5 of the Performance Parking Pilot Zone Act of 2008,
1662 effective November 25, 2008 (D.C. Law 17-279; DC Official Code §§ 50-2531.01 and 50-2534),
1663 are repealed.

1664 **SUBTITLE C. UTILITY RELOCATION ON INTERSTATE HIGHWAYS**

1665 Sec. 6021. Short title.

1666 This subtitle may be cited as the “Payment of Costs for the Relocation of Public Utilities
1667 on Interstate Highways Amendment Act of 2018”.

1668 Sec. 6022. Section 4(a) of the District of Columbia Public Utilities Reimbursement Act
1669 of 1972, approved October 14, 1972 (86 Stat. 812; D.C. Official Code § 9-107.02(a)), is
1670 amended by striking the phrase “shall be paid to the utility by the District of Columbia, as a part
1671 of the cost of such project” and inserting the phrase “shall be paid directly by the utility or, at the
1672 discretion of the Mayor, paid by the utility to the District” in its place.

Sec. 6023. Section 5 of An Act providing for a permanent form of government for the District of Columbia, approved June 11, 1878 (20 Stat. 107; D.C. Official Code § 9-401.03), is amended by striking the phrase “except as provided in sections 5(c) and 7(h) of the District of Columbia Redevelopment Act of 1945 and section 4 of the District of Columbia Public Utilities Reimbursement Act of 1972”.

SUBTITLE D. ADVERTISING ON DDOT ASSETS IN PRIVATE SPACE

Sec. 6031. Short title.

This subtitle may be cited as the “Advertisements on District Department of Transportation Assets on Private Property Amendment Act of 2018”.

Sec. 6032. Section 5(a)(3)(H) of the Department of Transportation Establishment Act of 2002, effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.04(a)(3)(H)), is amended by striking the phrase “in public space”.

SUBTITLE E. RAIL SAFETY OFFICE IMPLEMENTATION

Sec. 6041. Short title.

This subtitle may be cited as the “Rail Safety Office Implementation Amendment Act of 2018”.

Sec. 6042. The District Department of the Environment Establishment Act of 2005, effective February 15, 2006 (D.C. Law 16-51; D.C. Official Code 8-151.01 *et seq.*), is amended as follows:

(a) Section 108b(c) is amended as follows:

(1) The lead-in language is amended by striking the phrase “The Director shall” and inserting the phrase “After the designation of DOEE as the state safety oversight agency, the Director shall” in its place.

1696 (2) Paragraph (3) is amended by striking the period at the end and inserting a
1697 semicolon its place.

1698 (3) Paragraph (4)(B) is amended by striking the period at the end and inserting a
1699 semicolon its place.

1700 (4) Paragraph (5) is amended by striking the period at the end and inserting a
1701 semicolon its place.

1702 (5) Paragraph (6)(B) is amended by striking the period at the end and inserting a
1703 semicolon its place.

1704 (6) Paragraph (7) is amended by striking the period at the end and inserting the
1705 phrase “; and”.

1706 (7) A new paragraph (8) is added to read as follows:

1707 “(8) Issue such rules as the Director determines appropriate to implement
1708 sections 108a and 108b.”.

1709 (b) A new section 108h is added to read as follows:

1710 “Sec. 108h. Rail Safety and Security Fund.

1711 “(a) There is established as a special fund the Rail Safety and Security Fund (“Fund”),
1712 which shall be administered by the Mayor in accordance with subsection (c) of this section.

1713 “(b) Revenue from the following sources shall be deposited into the Fund:

1714 “(1) Fees assessed pursuant to section 110(c); and

1715 “(2) Fines collected for violations of section 108c or the regulations issued
1716 thereunder.

1717 “(c) Money in the Fund shall be used to administer and manage expenses of the
1718 emergency response, rail safety, and rail security programs for railroad operations in the District.

1719 “(d) (1) The money deposited into the Fund, and interest earned, shall not revert to the
1720 unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal
1721 year, or at any other time.

1722 “(2) Subject to authorization in an approved budget and financial plan, any funds
1723 appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.”

1724 (c) Section 110(c) (D.C. Official Code § 8-151.10(c)) is amended as follows:

1725 (1) Paragraph (1) is amended by striking the phrase “to implement the Rail Safety
1726 and Security Amendment Act of 2016, passed on 2nd reading on December 20, 2016 (Enrolled
1727 version of Bill 21-3)” and inserting the phrase “to implement sections 108c, 108d, 108e, 108f,
1728 and 108h of this act” in its place.

1729 (2) A new paragraph (1A) is added to read as follows:

1730 “(1A) (A) The rules promulgated pursuant to this subsection shall establish fees
1731 to be paid by railroad carriers for the inspection, surveillance, enforcement, and investigative
1732 activities performed pursuant to section 108c and pursuant to sections 108d, 108e, and 108f with
1733 respect to rail systems other than the DC Streetcar and shall require reimbursement of costs from
1734 railroad carriers for emergency response services related to actions of the railroad carriers in the
1735 District.

1736 “(B) The fees under subparagraph (A) of this paragraph shall be
1737 established at amounts reasonably calculated to reimburse the cost to the District of
1738 implementing and enforcing the provisions of section 108c and sections 108d, 108e, and 108f
1739 with respect to rail systems other than the DC Streetcar.”

1740 Sec. 6043. Section 501 of the Rail Safety and Security Amendment Act of 2016,
1741 effective April 7, 2017 (D.C. Law 21-254; 64 DCR 3975), is amended to read as follows:

1742 “Sec. 501. Applicability.

1743 “(a) The amendatory provisions of section 101(c) that adds new section 108e to the
1744 District Department of the Environment Establishment Act of 2005, effective February 15, 2006
1745 (D.C. Law 16-51; D.C. Official Code § 8-151.01 et seq.), shall apply on the latest of the
1746 following dates: (1) October 2, 2019; (2) the date the Mayor enters an agreement to participate in
1747 railroad investigative and surveillance activities with the Federal Railroad Administration
1748 (“FRA”); and (3) the date the FRA delegates investigative and surveillance authority with respect
1749 to all or any part of federal railroad safety laws pursuant to 49 C.F.R. § 212.105.

1750 “(b) Section 301 shall apply on the date the requirements of new section 108a of the
1751 District Department of the Environment Establishment Act of 2005, effective February 15, 2006
1752 (D.C. Law 16-51; D.C. Official Code § 8-151.01 et seq.), added by section 101(c), have been
1753 met.”.

1754 **SUBTITLE F. KIDS RIDE FREE PROGRAM**

1755 Sec, 6051. Short title.

1756 This subtitle may be cited as the “Kids Ride Free Program Amendment Act of 2018”.

1757 Sec, 6052. Section 2(h) of the School Transit Subsidy Act of 1978, effective March 6,
1758 1979 (D.C. Law 2-152; D.C. Official Code § 35-233(h)), is revived as of September 30, 2016,
1759 and amended by adding new paragraphs (7) and (8) to read as follows:

1760 “(7) Notwithstanding subsection (b) of this section, the program authorized by
1761 this subsection may also provide subsidies for Metrorail, Metrobus, and DC Circulator fares for
1762 travel to employment or training sites.

1763 “(8) The Mayor may implement the program authorized by this subsection
1764 through the issuance of a passcard that allows for subsidized Metrorail, Metrobus, and DC

Circulator travel for purposes other than those described in this subsection, if the Mayor determines that such a passcard will enhance the efficiency or effectiveness of the program or alleviate administrative issues encountered, or likely to be encountered, by the Washington Metropolitan Area Transit Authority in the administration of the program.”.

SUBTITLE G. DC WATER RATE INCREASE MITIGATION PROGRAM

Section 6061. Short title.

This subtitle may be cited as the “District of Columbia Water and Sewer Authority Rate Increases Mitigation Amendment Act of 2018”.

Section 6062. Mitigation of impact of water and sewer rates on District residents; temporary rate freeze.

The Water and Sewer Authority Establishment and Department of Public Works Reorganization Act of 1996, effective April 18, 1996 (D.C. Law 11-111; D.C. Official Code § 34-2201.01 et seq.), is amended as follows:

(a) A new section 216b is added to read as follows:

“Sec. 216b. Financial assistance programs; rate stabilization.

“(a) The Authority shall establish a financial assistance program to assist low-income, moderate-income, and senior fixed-income households in the District with the payment of their water and sewer bills, including water charges, sewer charges, and impervious area charges. The Authority shall also establish a financial assistance program to assist non-profit organizations located in the District with the payment of their impervious area charges.

“(b) The Mayor may provide to the Authority funding for the financial assistance programs established by the Authority pursuant to subsection (a) of this section and may condition such funding on such terms and conditions as the Mayor deems appropriate.

“(c) In addition to the programs established by the Authority pursuant to subsection (a) of this section, the Mayor may establish financial assistance programs to assist low-income, moderate-income, and senior fixed-income households in the District with the payment of their water and sewer bills, including water charges, sewer charges, and impervious area charges and may also establish a financial assistance program to assist non-profit organizations located in the District with the payment of their impervious area charges.

“(d) (1) The Authority shall allocate at least \$6 million in Fiscal Year 2019 to the programs described in subsection (a) of this section.

“(2) The amount set forth in paragraph (1) of this subsection shall be in addition to any amounts expended by the Authority in Fiscal Year 2017 on financial assistance programs for low-income, moderate-income, and senior fixed-income households and non-profit institutions.

(b) Section 216(b-1) (D.C. Official Code § 34-2202.16(b-1)) is repealed.

TITLE VII. FINANCE AND REVENUE

SUBTITLE A. SENIOR RESIDENTS REAL PROPERTY TAX CAP

Sec. 7001. Short title.

This subtitle may be cited as the “Senior Residents Real Property Tax Cap Act of 2018”.

Sec. 7002. Section 47-864 of the District of Columbia Official Code is amended by inserting a new subsection (b-1) to read as follows:

“(b-1) For real property receiving the homestead deduction under § 47-850 and the reduced liability provided under § 47-863, the credit under subsection (a) shall be computed under subsection (b) by substituting “105%” for “110%”.”.

1810 **SUBTITLE B. SUBJECT-TO-APPROPRIATIONS REPEALS**

1811 Sec. 7011. Short title.

1812 This subtitle may be cited as the “Subject to Appropriations Repeals Amendment Act of
1813 2018”.

1814 Sec. 7012. Section 4 of the Deferred Compensation Program Enrollment Amendment
1815 Act of 2017, passed on 2nd reading on March 6, 2018 (Enrolled version of Bill 22-68), is
1816 repealed.

1817 Sec. 7013. Section 4 of the Defending Access to Women’s Health Care Services
1818 Amendment Act of 2018, enacted on January 31, 2018 (D.C. Act 22-246; 65 DCR 1374), is
1819 repealed.

1820 Sec. 7014. Section 6 of the Office to Affordable Housing Task Force Establishment Act
1821 of 2018, passed on 2nd reading on March 6, 2018 (Enrolled version of Bill 22-289), is repealed.

1822 Sec. 7015. Section 16 of the Union Market Tax Increment Financing Act of 2017,
1823 effective February 15, 2018 (D.C. Law 22-58; 64 DCR 13442), is repealed.

1824 Sec. 7016. Section 10 of the Maternal Mortality Review Committee Establishment Act
1825 of 2018, passed on 2nd reading on March 6, 2018 (Enrolled version of Bill 22-524), is repealed.

1826 Sec. 7017. Section 4 of the Elderly and Tenants with Disabilities Protection Amendment
1827 Act, effective April 7, 2017 (D.C. Law 21-239; 64 DCR 3960), is repealed.

1828 Sec. 7018. Section 3 of the Electric Vehicle Public Infrastructure Expansion Amendment
1829 Act of 2018, enacted on February 6, 2018 (D.C. Act 22-249; 65 DCR 1560), is repealed.

1830 Sec. 7019. Section 3 of the Four-unit Rental Housing Tenant Grandfathering
1831 Amendment Act of 2016, effective April 15, 2017 (D.C. Law 21-270; 64 DCR 4528), is
1832 repealed.

1833 Sec. 7020. Section 4 of the National Community Reinvestment Coalition Real Property
1834 Tax Exemption Amendment Act of 2018, enacted February 5, 2018 (D.C. Act 22-247; 65 DCR
1835 1551), is repealed.

1836 Sec. 7021. Section 4 of the Africare Real Property Tax Relief Act of 2018, enacted on
1837 February 6, 2018 (D.C. Act 22-250; 65 DCR 1563), is repealed.

1838 **SUBTITLE C. FEMININE HYGIENE PRODUCTS SALES TAX EXEMPTION**
1839 **IMPLEMENTATION**

1840 Sec. 7031. Short title.

1841 This subtitle may be cited as the “Feminine Hygiene Products Sales Tax Exemption
1842 Implementation Amendment Act of 2018”.

1843 Sec. 7032. Section 3 of the Feminine Hygiene and Diaper Sales Tax Exemption
1844 Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-201; 63 DCR 15041), is
1845 amended by striking the phrase “This act” and inserting the phrase “The portion of this act that
1846 exempts the sale of diapers from the tax imposed by Chapter 20 of Title 47 of the District of
1847 Columbia Official Code” in its place.

1848 **SUBTITLE D. QUALIFIED BUSINESS INCOME TAX DEDUCTION**
1849 **CLARIFICATION**

1850 Sec. 7041. Short title.

1851 This subtitle may be cited as the “Qualified Business Income Tax Deduction Clarification
1852 Amendment Act of 2018”.

1853 Sec. 7042. Section 47-1803.03(b) of the District of Columbia Official Code is amended
1854 as follows:

1855 (a) Paragraph (8) is repealed.

(b) A new paragraph (9) is added to read as follows:

“(9) Any deduction allowed under section 199A of the Internal Revenue Code of 1986.”.

Sec. 7033. Applicability.

This subtitle shall apply as of January 1, 2018.

TITLE VIII. CAPITAL BUDGET

SUBTITLE A. FISCAL YEAR 2019 CAPITAL PROJECT FINANCING

REALLOCATION APPROVAL

Sec. 8001. Short title.

This subtitle may be cited as the “Fiscal Year 2019 Capital Project Financing Reallocation Approval Act of 2018”.

Sec. 8002. (a) Pursuant to and in accordance with Chapter 3 of Title 47 of the District of Columbia Official Code, the Council approves the Mayor's request to reallocate \$1,887,698 in general obligation bond proceeds from the District capital projects listed in Table A to the District capital projects listed in Table B, in the amounts specified.

(b) The current allocations were made pursuant to the Fiscal Year 2014 Income Tax Secured Revenue Bond and General Obligation Bond Issuance Approval Resolution of 2013, effective November 5, 2013 (Res. 20-321; 60 DCR 15794), and the Fiscal Year 2015 Income Tax Secured Revenue Bond and General Obligation Bond Issuance Approval Resolution of 2014, effective November 18, 2014 (Res. 20-687; 61 DCR 12738.).

TABLE A

Owner Agency	Project	Implementing	Project Title	Bond Issuance	Amount
Name	Number	Agency		Series	

DCPS	MJ1	DGS	Janney ES Renovation/Modernization	2014C G.O.	\$4,370
DOC	CR1	DGS	General Renovations—DC Jail	2014C G.O.	\$251,678
DDOT	ED1	DDOT	Rhode Island Ave NE Small Area Plan Infrastructure	2014C G.O.	\$426,109
DDOT	PLU	DDOT	Power Line Undergrounding	2015A G.O.	\$396,361
DCPS	JOH	DGS	Johnson Middle School Renovation/Modernization	2015A G.O.	\$680,583
DPR	THP	DGS	Therapeutic Recreation Center	2015A G.O.	\$36,445
DMPED	EB3	DMPED	Neighborhood Revitalization	2015A G.O.	\$92,152
TOTAL					\$1,887,698

TABLE B

Owner Agency Name	Project Number	Implementing Agency	Project Title	Bond Issuance Series	Amount
DCPS	YY1	DGS	DC Public Schools Modernization/Renovations	N/A	\$1,887,698
TOTAL					\$1,887,698

SUBTITLE B. REALLOCATIONS TO MASTER LOCAL TRANSPORTATION

CAPITAL PROJECTS

Sec. 8011. Short title.

This subtitle may be cited as the “Master Local Transportation Capital Projects

Amendment Act of 2018”.

Sec. 8012. Section 3(e)(4)(C) of the Department of Transportation Establishment Act of

2002, effective May 21, 2002 (D.C. Law 14-137; D.C. Official Code § 50-921.02(e)(4)(C)), is

1887 amended by striking the phrase “January 31, 2018” and inserting the phrase “January 31, 2019”
1888 in its place.

1889 **SUBTITLE C. TRANSPORTATION MITIGATION FUND REPROGRAMMINGS**

1890 Sec. 8021. Short title.

1891 This subtitle may be cited as the “Transportation Infrastructure Project Review Fund
1892 Capital Reprogrammings Amendment Act of 2018”.

1893 Sec. 8022. Section 47-363 of the District of Columbia Official Code is amended by
1894 adding a new subsection (g) to read as follows:

1895 “(g) A reprogramming from the Transportation Infrastructure Project Review Fund
1896 established by section 9i of the Department of Transportation Establishment Act of 2002,
1897 effective July 23, 2014 (D.C. Law 20-128; D.C. Official Code § 50-921.17), to a capital project
1898 shall not require Council approval, if the reprogramming does not modify the purposes for which
1899 the reprogrammed funds may be expended.”.

1900 **SUBTITLE D. MASTER CAPITAL PROJECTS**

1901 Sec. 8031. Short title.

1902 This subtitle may be cited as the “Master Capital Projects Funding Reallocation
1903 Amendment Act of 2018”.

1904 Sec. 8032. Chapter 3 of Title 47 of the District of Columbia Official Code is amended as
1905 follows:

1906 (a) The table of contents is amended by striking the section designation “47-310.
1907 [Reserved]” and inserting the section designation “47-310. Master capital projects” in its place.

1908 (b) Section 47-310 is amended to read as follows

1909 “§ 47-310. Master capital projects.

1910 “(a) When a master capital project is included in an approved budget and financial plan,
1911 and the same agency is both the owner and implementer of all of the sub-projects within the
1912 master capital project, the director of that agency may submit requests to the Office of Budget
1913 and Planning (“OBP”) of the Office of the Chief Financial Officer to:

1914 “(1) Reallocate funds from the master capital project to a sub-project;

1915 “(2) Reallocate funds from a sub-project to the master capital project; and

1916 “(3) Reallocate funds from one sub-project to another sub-project;

1917 “(b) Upon receiving a request under subsection (a) of this section, OBP shall reallocate
1918 the funds as requested, unless OBP determines that the funds are not available for reallocation.

1919 “(c) After funds are reallocated pursuant to subsections (a) and (b) of this section, the
1920 agency director described in subsection (a) of this section may obligate and expend the
1921 reallocated funds.

1922 “(d) (1) An agency director described in subsection (a) of this section may also submit
1923 requests to OBP to reallocate to a master capital project any available fund balances from a
1924 related capital project, in order to align the related capital project with the master capital project.

1925 “(2) For the purposes of this subsection, the term “related capital project” means
1926 a capital project that:

1927 “(A) Was created before the master capital project was created;

1928 “(B) Is associated with the master capital project based on the description
1929 of the master project and the description of the capital project; and

1930 “(C) Has current fund balances for which there are no out-year
1931 appropriations.”.

1932 “(e) Subchapter IV of Chapter 3 of Title 47 of the District of Columbia Official Code
 1933 shall not apply to reallocations made pursuant to this section.”.

1934 **TITLE IX. SPECIAL PURPOSE AND DEDICATED REVENUE FUNDS**

1935 **SUBTITLE A. DESIGNATED FUND TRANSFERS**

1936 Sec. 9001. Short title.

1937 This subtitle may be cited as the “Designated Fund Transfer Act of 2018”.

1938 Sec. 9002. (a) Notwithstanding any provision of law limiting the use of funds in the
 1939 accounts listed in the following chart, the Chief Financial Officer shall transfer in Fiscal Year
 1940 2018 the following amounts from certified fund balances and other revenue in the identified
 1941 accounts to the unassigned fund balance of the General Fund of the District of Columbia:

Agency	Fund Detail	Fund Detail Name	Amount
AT0	0606	Recorder of Deeds Surcharge	\$ 916,062
AT0	6115	Office of Finance and Treasury Central Collection Unit	\$ 8,000,000
CB0	0603	Child Support – TANF/AFDC Collections	\$ 1,000,000
CB0	0604	Child Support – Reimbursements and Fees	\$ 188,408
CE0	6108	Copies and Printing	\$ 36,401
CF0	0618	Wage Theft	\$ 91,260
CR0	6006	Nuisance Abatement	\$ 123,318
CR0	6008	Real Estate Guaranty and Education Fund	\$ 4,621,110
CR0	6010	Occupational and Professional Licensing Administration (OPLA) - Special Account	\$ 47,836
CR0	6040	Corporate Recordation Fund	\$ 2,205,979

EB0	0609	Industrial Revenue Bond Program	\$ 265,000
GD0	0619	State Athletic Acts Program and Office Fund	\$ 74,667
HC0	0661	ICF / MR Fees and Fines	\$ 50,602
HT0	0632	Bill of Rights (Grievance and Appeals)	\$ 250,000
KA0	6901	DDOT Enterprise Fund-Non Tax Revenues	\$ 825,000
KE0	6030	WMATA Projects	\$ 56,168
KE0	6031	DC Circulator Fund – National Park Service Mall Route	\$ 413,520
SR0	2910	Foreclosure Mediation Fund	\$ 108,750
TC0	2400	Public Vehicles For Hire Consumer Service	\$ 164,521
TO0	0602	DC Net Service Support	\$ 500,000
N/A	N/A	Fixed Cost Commodity Reserve Fund	\$ 4,205,259
		Total	\$ 24,143,861

(b) The total amount identified in subsection (a) of this section shall be made available as set forth in the approved Fiscal Year 2019 Budget and Financial Plan.

TITLE X. APPLICABILITY; FISCAL IMPACT; EFFECTIVE DATE

Sec. 10001. Applicability.

Except as otherwise provided, this act shall apply as of October 1, 2018.

Sec. 10002. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 10003. Effective date.

1953 This act shall take effect following approval by the Mayor (or in the event of veto by the
1954 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
1955 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
1956 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
1957 Columbia Register.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL**



**ATTORNEY GENERAL
KARL A. RACINE**

Legal Counsel Division

MEMORANDUM

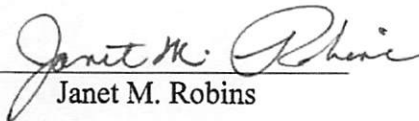
**TO: Alana Intrieri
Executive Director
Office of Policy and Legislative Affairs**

**FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division**

DATE: March 21, 2018

**SUBJECT: Legal Sufficiency Review of Proposed Bill, the "Fiscal Year 2019 Budget
Support Act of 2018"
(AE-18-141 A through YY)**

This is to Certify that this Office has reviewed the above-referenced legislation and has found it to be legally sufficient. If you have any questions regarding this certification, please do not hesitate to contact me at 724-5524.


Janet M. Robins

JMR/jmr

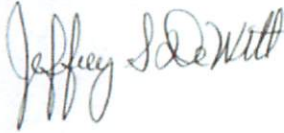
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: March 21, 2018

SUBJECT: Fiscal Impact Statement – “Fiscal Year 2019 Budget Support Act of 2018”

REFERENCE: Draft bill provided to the Office of Revenue Analysis on March 20, 2018

Conclusion

Funds are sufficient in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the Fiscal Year 2019 Budget Support Act of 2018.

The Mayor’s fiscal year 2019 budget proposes \$7.85 billion in Local funds spending supported by \$7.88 billion of local resources, with a \$24.7 million increase in reserves and an operating margin of \$0.5 million. The estimated expenditures for the proposed General Fund budget, which includes dedicated taxes and special purpose fund revenue in addition to Local funds, are \$9.1 billion.

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

The bill, the “Fiscal Year 2019 Budget Support Act of 2018,” is the legislative vehicle for adopting statutory changes needed to implement the Mayor’s proposed budget for the fiscal years 2019 through 2022 budget and financial plan period. The following pages summarize the purpose and the impact of each subtitle.

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TITLE I - GOVERNMENT DIRECTION AND SUPPORT

Subtitle (I)(A) – Fair Elections Implementation Amendment Act of 2018

Background

The District recently approved the establishment of a Fair Elections Program (Program) as a publicly-funded campaign finance program administered by the Office of Campaign Finance (OCF).¹ Candidates running for covered offices² in the District who want to participate and meet the Program's requirements can get a base amount of public funding and matching contributions against small-dollar contributions, up to a limit. The Mayor must budget for the funding of elections in the District, including special elections and a contingency. The Act, as approved, is not funded and its implementation is subject to its inclusion in an approved budget and financial plan.

The subtitle eliminates the requirement that the Mayor budget for special elections and other contingencies and repeals the clause that makes the Act subject to its inclusion in an approved budget and financial plan.

Financial Plan Impact

Implementation of the Fair Elections Program will cost \$860,000 in fiscal year 2019 and approximately \$20.6 million over the four-year financial plan period.

The public financing of campaigns will begin with the 2020 election cycle and is estimated to cost \$555,000 in fiscal year 2019 and \$19.5 million over the four-year financial plan period. The actual funding needs will depend on the number of candidates that elect to participate in the Program, the number who can reach the minimum required number of contributions, and the amount of qualifying matching contributions they raise. The subtitle's changes to the underlying Act eliminate the need for an annual appropriation of approximately \$1.6 million to cover special elections and contingencies. These activities, if necessary, can be funded out of the District's Contingency Reserve Fund³ if they are replenished within the two fiscal year's budget immediately following the fiscal year of expenditure.

OCF will require three new auditors to implement the Program. This will cost \$243,000 in fiscal year 2019 and \$1 million over the four-year financial plan period. As more candidates elect to participate in the Program, OCF will utilize existing auditors to assist with Program implementation and oversight. OCF will also need to upgrade its filing system at a one-time technology cost of \$62,000 in fiscal year 2019.

These costs are included in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan.

¹ Fair Elections Amendment Act of 2018, enacted March 12, 2018 (D.C. Act 22-278; 65 DCR).

² Covered offices include State Board of Education seats, Council, Attorney General, and the Mayor.

³ District of Columbia Appropriations Act, 2001, effective November 22, 2000 (PL 106-522; D.C. Official Code § 1-204.50a).

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Fair Elections Implementation Amendment Act of 2018 Implementation Costs Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Primary and General Election Financing^b	\$555	\$2,305	\$4,312	\$12,298	\$19,470
OCF Administrative Costs	\$305 ^a	\$252	\$260	\$269	\$1,086
Total Program Costs	\$860	\$2,557	\$4,572	\$12,567	\$20,556

Table Notes

^a OCF administrative costs includes the \$62,000 technology cost in fiscal year 2019.

^b The public financing costs assume that, for an election cycle that does not include the Mayor, approximately 17 percent of the funding is needed in the fiscal year prior to the primary election, 73 percent in the fiscal year of the primary election, and 10 percent in the fiscal year of the general election. For an election cycle that includes the Mayor, approximately 21 percent is required in the fiscal year prior to the primary election, 66 percent in the fiscal year of the primary election, and 13 percent in the fiscal year of the general election.

Subtitle (I)(B) – Information Sharing for Program Evaluation and Improvement Authorization Amendment Act of 2018

Background

The subtitle allows⁴ the Mayor to authorize the disclosure of data from the Department of Youth and Rehabilitation Services (DYRS) to other District agencies for the purposes of designing, administering, and evaluating policies or programs related to children, youth, or young adults. The data must be maintained, transmitted, and stored in a manner that protects the security and privacy of the youth identified in the data.

The subtitle also allows⁵ juvenile case records and social records from the family court, as well as law enforcement records concerning a child, to be shared with the Mayor, City Administrator, Deputy Mayor for Public Safety and Justice, or their designees, for the purposes of designing, administering, and evaluating policies and programs related to children, youth, or young adults under 22 years old.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. DYRS can securely share its data with other District agencies without additional resources.

⁴ By amending section 106 of the Department of Youth Rehabilitation Services Establishment Act of 2004, effective April 12, 2005 (D.C. Law 15-335; D.C. Official Code § 2-1515.06).

⁵ By amending Section 16-2331 of the District of Columbia Official Code.

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Subtitle (I)(C) – Procurement Practices Reform Exemption Amendment Act of 2018

Background

The subtitle extends the exemption that certain agencies and projects have from the Procurement Practices Reform Act of 2010⁶ ("PPA"). Under current law, the Health Benefit Exchange Authority, the Captive Insurance Agency, and certain procurements related to the production of permanent supportive housing will be subject to the PPA beginning October 1, 2018. The subtitle extends the exemption until October 1, 2023.

Financial Plan Impact

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

TITLE II - ECONOMIC DEVELOPMENT AND REGULATION

Subtitle (II)(A) – Supermarket Tax Incentive Technical Amendment Act of 2018

Background

A supermarket may be eligible for ten-year property and sales and use tax exemptions⁷ if it is located in one of five codified census tracts or in a Historically Underutilized Business Zone ("HUBZone").⁸ HUBZone boundaries are defined by the United States Small Business Administration (SBA) and subject to change regularly.

The subtitle clarifies that if a supermarket is certified eligible for a supermarket tax exemption by the Deputy Mayor for Planning and Economic Development, it remains eligible throughout the ten-year abatement period, even if boundaries are changed by the SBA and the supermarket is no longer in a HUBZone.

Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Current revenue estimates already assume the abatements will continue for the full ten years.

Subtitle (II)(B) – Neighborhood Prosperity Initiative Act of 2018

Background

The subtitle establishes the Neighborhood Prosperity Initiative whereby the Mayor can issue competitive grants to eligible mixed-use and retail development projects. The projects must be in a low-income community,⁹ have a gap in funding for only the commercial component of the project, and be ready to commence construction within eighteen months of the grant award. The project

⁶ Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-351 et seq.).

⁷ District of Columbia Official Code § 47-3802.

⁸ For more information on the Supermarket Incentive Program visit:

<https://dmped.dc.gov/publication/healthy-food-access>

⁹ As defined in the Internal Revenue Code of 1986, approved December 21, 2000 (114 Stat. 2763; 26 U.S.C. § 45D).

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developers must also enter into a First Source Agreement,¹⁰ a Certified Business Enterprise Agreement,¹¹ and offer an apprenticeship program if applicable.¹²

Financial Plan Impact

The proposed fiscal year 2019 budget includes \$2.9 million for the Deputy Mayor of Planning and Economic Development to issue Neighborhood Prosperity Initiative Grants.

Subtitle (II)(C) – Deputy Mayor for Planning and Economic Development Grant-Making Authority Amendment Act of 2018

Background

The subtitle expands the Local Fund grant-making authority of the Deputy Mayor for Planning and Economic Development (DMPED) to include innovation initiatives, corporate assistance, and the Great Streets Initiative. It also expands DMPED's authority to issue grants for projects related to the redevelopment of the St. Elizabeths East Campus and the Walter Reed Redevelopment Site. The DMPED grants to support the St. Elizabeths and Walter Reed redevelopment projects will be exempt from the competitive bidding requirements for grants over \$50,000 and the associated public notice requirements.¹³

Financial Plan Impact

The proposed fiscal year 2019 budget includes \$5.4 million in local funding to issue Great Streets Initiative grants. The subtitle gives DMPED the authority to issue grants against that funding. Exemptions from grant-making processes for St. Elizabeths and Walter Reed grants do not have a fiscal impact.

Subtitle (II)(D) – Walter Reed Grant-Making Authority Amendment Act of 2018

Background

The Walter Reed Redevelopment Fund (Fund) was established to support the maintenance, operation, and construction activities on the Walter Reed Redevelopment Site¹⁴. The funding source for the Fund is the possessory interest tax¹⁵ the developer pays for the property. Current law grants authority for the Deputy Mayor for Planning and Economic Development to make grants from the Fund to the developer only.¹⁶ The subtitle removes this limitation and allows DMPED to grant more broadly from the Fund for the same allowable purposes of the Fund.

¹⁰ First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03).

¹¹ Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-21801 et seq.).

¹² Amendments to An Act to Provide for Voluntary Apprenticeship in the District of Columbia Act of 1978, effective March 6, 1979 (D.C. Law 2-156; D.C. Official Code § 32-1431).

¹³ Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13).

¹⁴ This is the site of the former Walter Reed Army Medical Center in Ward 4. For more information on development on the site visit the Local Redevelopment Authority site for the Walter Reed campus at <http://www.walterreedlra.com/>.

¹⁵ See D.C. Official Code § 47-1005.01 regarding possessory interest tax obligations.

¹⁶ D.C. Official Code § 2-1227.06(d).

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Financial Plan Impact

The subtitle has no impact on the budget and financial plan. Total grants cannot exceed money in the Fund, so expanding who can receive grants from the Fund has no fiscal impact.

Subtitle (II)(E) – Administration of the District of Columbia Jobs Trust Fund Amendment Act of 2018

Background

The bill transfers¹⁷ the administration of the District of Columbia Jobs Fund (Fund) from the Deputy Mayor of Planning and Economic Development (DMPED) to the Department of Employment Services (DOES). Money in the Fund is currently used for the Workforce Intermediary Pilot Program, which is run by the Workforce Investment Council.

Money in the Fund can come from two sources: donations and fines from violations of the District's First Source law¹⁸, which requires projects receiving financial assistance from the District¹⁹ to hire District residents as part of a project's workforce. DOES enforces the First Source law, and in fiscal year 2017 it made the first deposit into the Fund from fines it levied for First Source violations. The Fund currently holds about \$60,000 from these fines.

Administration of the Fund involves transferring money from the Fund to the Workforce Intermediary Pilot Program, and auditing and reporting on these transfers and the use of the money. Although the D.C. Code currently lists DMPED as the administrator of the Fund, DMPED never dedicated any resources to administering the Fund nor did it make any transfers from it since the Fund was empty until fiscal year 2017.

Financial Plan Impact

Funds are sufficient in the budget and financial plan for DOES to implement the subtitle. DOES has hired a contractor to manage the Fund. The contractor will oversee transfers out of the Fund and will audit and report on the use of the money.

Subtitle (II)(F) – Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018

Background

On a standard weekend night, on-premises alcoholic beverage retailers must stop selling alcohol and cease operations at 3 a.m. On the Saturday and Sunday before Memorial Day and Labor Day, extended hours are in effect, and on-premises retailers may remain open 24 hours and sell alcohol until 4 a.m.

The subtitle expands extended hours to four additional holiday weekends: the Saturday and Sunday before Columbus Day, Washington's Birthday (Presidents' Day), and Martin Luther King, Jr.'s Birthday, and the Friday, Saturday, and Sunday after Thanksgiving Day.

¹⁷ By amending Section 5 of the First Source Employment Agreement Act of 1984, effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.01 et seq.).

¹⁸ Codified at D.C. Code § 2-219.01 et seq.

¹⁹ Contracts, grants, tax abatements, land transfers for redevelopment, or tax increment financing that results in a financial benefit of \$300,000 or more.

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Financial Plan Impact

The subtitle will increase sales tax revenue by \$313,000 in fiscal year 2019 and \$1.3 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (II)(F) Extended Hours for On-Premises Alcoholic Beverage Sales on Certain Holiday Weekends Amendment Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Increase in general sales tax revenue	\$313	\$325	\$338	\$352	\$1,328

Subtitle (II)(G) – Targeted Historic Preservation Assistance Amendment Act of 2018

Background

The subtitle adds the Emerald Street Historic District and Wardman Flats to the list of districts eligible for the Historic Homeowner Grant Program (Program). The Program, managed by the Office of Planning, gives grants for exterior repairs, rehabilitation, and structural work on historic properties for low to moderate income households living in 12 historic districts. The maximum grant given is \$25,000, except in the Anacostia Historic District where the maximum is \$35,000.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Total grants cannot exceed available budget for the Program, so adding eligible locations does not have a fiscal impact.

Subtitle (II)(H) – Expedited Building Permit Review Fund Amendment Act of 2018

Background

The subtitle establishes a special purpose revenue fund called the Expedited Building Permit Review Program Fund (Fund) within the Department of Consumer and Regulatory Affairs (DCRA) in which revenues from fees for expedited review of building permit applications will be deposited. Three levels of accelerated review permits were created by emergency rulemaking on September 26, 2017. For projects 50,000 square feet or less, the fee for DCRA review is \$50,000 per day. For projects between 50,000 and 99,999 square feet, an additional 50 cents per square foot above 50,000 square feet is charged per day. For projects over 100,000 square feet, the fee is \$75,000 per day. The funding will be used to pay the costs of the expedited building permit review program. Any revenue deposited above the cost of administering the program will be directed to the General Fund.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Because the program began in January 2018, there is insufficient data to estimate how much revenue will be deposited in the Fund, so no budget authority is authorized in fiscal year 2019. Directing the fees to the new Fund does not have a fiscal impact because the fees generated in these first few weeks of operations are not included in current revenue forecasts.

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Subtitle (II)(I) – Arts and Humanities License Plates Amendment Act of 2018

Background

The subtitle authorizes the Mayor to issue one or more vehicle tags that enhance the public’s awareness of the District’s arts and humanities communities, works, and programming. The subtitle requires interested residents to pay a one-time application fee and an annual display fee at a level established by the Mayor. The Mayor will deposit application and display fees into the Arts and Humanities Enterprise Fund (Fund) to support the Commission on the Arts and Humanities’ programs.²⁰

Financial Plan Impact

There are over 300,000 active vehicle tags in the District, but the number of residents who are willing to pay an additional fee for and register their cars with the new arts and humanities tag is unknown. Tag revenues will be deposited into the Fund, but the Mayor must initiate a subsequent budget action to spend any new revenues.

The Commission on the Arts and Humanities will design the new tag and the agency can do this with the resources proposed in the fiscal year 2019 budget. The Department of Motor Vehicles can also support the implementation of the new tag with the resources proposed in its fiscal year 2019 budget.

Subtitle (II)(I) – Workforce Investment Assistance Amendment Act of 2018

Background

The subtitle allows²¹ the Mayor to assist the Workforce Investment Council (WIC) in issuing and administering WIC grants.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. The Deputy Mayor for Greater Economic Opportunity can assist WIC in issuing and administering grants without additional resources.

Subtitle (II)(K) – Omnibus Operator Assessment Elimination Act of 2018

Background

The subtitle eliminates a \$50 annual license fee that District law authorizes the Department of For-Hire Vehicles (DFHV) to charge taxicab and for-hire vehicle operators.²²

Financial Plan Impact

DFHV charges operators for a one-year or two-year hacker’s license but does not separately charge the \$50 annual license fee as authorized. The subtitle’s elimination of the \$50 fee will not impact the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan.

²⁰ Commission on the Arts and Humanities Act, effective January 29, 1998 (D.C. Law 12-42; D.C. Official Code § 39-205.01).

²¹ By amending section 4 of the Workforce Investment Implementation Act of 2000, effective July 18, 2000 (D.C. Law 13-150; D.C. Official Code § 32-1603).

²² Department of For-Hire Vehicles Establishment Act of 1985, effective May 10, 1988 (D.C. Law 7-107; D.C. Official Code § 50-301.20(d)).

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Subtitle (II)(L) – Parkside Parcel E and I Mixed-Income Apartments Tax Abatement Amendment Act of 2018

Background

Parkside mixed-income apartments²³ receive a 10-year real property tax abatement beginning fiscal year 2015 with a cap of \$600,000. The subtitle extends the abatement an additional 20 years, extending it to fiscal year 2044.

Financial Plan Impact

The subtitle does not impact the budget and financial plan. Extending the abatement has no cost in the budget and financial plan period, but will reduce revenues beyond the current 10 year authorization.

Subtitle (II)(M) – St. Elizabeths Job Creation Incentive Act of 2018

Background

The subtitle authorizes a real property tax²⁴ abatement for any commercial or mixed-use properties located at the St. Elizabeths East Campus²⁵ that are occupied by qualified tenants. A qualified tenant is one that signs a lease of at least ten years; occupies at least 35,000 square feet of office space; and meets the Mayor’s objectives of promoting inclusive prosperity and resilience, the District’s innovative economy, economic prosperity, and opportunities for neighborhood development. If the tenant is liable for a portion of the property’s real property tax, then the tenant should receive the portion of the abatement for which it is liable. Properties will be eligible for the tax abatement beginning in tax year 2024 and the Mayor will determine the share of the property tax abatement allocated to each eligible tenant.

Financial Plan Impact

The District, which owns the St. Elizabeths East Campus properties, has approved the disposition of some of the properties for private development. The first commercial or mixed-use development is expected to deliver in fiscal year 2020, but eligibility for the tax abatement will not begin until tax year 2024. There is no impact on the proposed budget and financial plan because the tax abatements will not begin until after the financial plan ends in fiscal year 2022. The subtitle ensures that any real property tax abatement accrues to the tenant because the property owner will be liable for the tax obligation.

²³ Located on Lot 808 in Square 5041 and Lot 811 in Square 5056

²⁴ As imposed by Title 47, Chapters 8 and 10 of the D.C. Official Code.

²⁵ St. Elizabeths East Campus includes the property known as Record Lot 2 in Square 5868. Eligible properties exclude the Entertainment and Sports Arena Site located on property known for tax and assessment purposes as Lot 815 and a portion of Lot 819 in Square 5868.

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Subtitle (II)(N) – Local Rent Supplement Program Amendment Act of 2018

Background

The subtitle allows²⁶ local rent supplement funds allocated for tenant-based assistance to be used to pay for security deposits and application fees for units leased under the D.C. Housing Authority's Housing Choice Voucher Program.

Financial Plan Impact

This subtitle does not have a fiscal impact since it expands the use of local rent supplement funds but does not require a change in the amount of funding for the program.

Subtitle (II)(O) – African-American Civil War Museum Grant Implementation Act of 2018

Background

The African-American Civil War Museum occupies space in the Historic Grimke School located at 1923 Vermont Avenue, N.W. The District recently approved the disposition²⁷ of the school building for private development, but the development project will continue to include at least 10,000 square feet of space for the Museum.²⁸

The subtitle authorizes the District to grant up to \$500,000 in fiscal year 2018 to the Museum to redevelop its space within the Grimke School building. The subtitle exempts this grant from the competitive bidding requirements for grants over \$50,000 and the associated public notice requirements.²⁹

Financial Plan Impact

This subtitle authorizes the Deputy Mayor for Planning and Economic Development (DMPED) to issue a grant up to \$500,000 in fiscal year 2018 to the African-American Civil War Museum. DMPED has the funding available in its Economic Development Special Account³⁰ to support the grant in fiscal year 2018. There is no fiscal impact associated with exempting this grant from grant-making processes.

Subtitle (II)(P) – Licensing Fees Amendment Act of 2018

Background

The subtitle ratifies license fees that are currently being collected by the Department of Consumer and Regulatory Affairs for elevator inspectors, elevator mechanics, elevator contractors, tour guides and body artists. Fees for body artist license that have been collected since October 1, 2012 are ratified, and those that have not been collected as of the effective date of the fiscal year 2019 Budget

²⁶ By amending Section 26c of the District of Columbia Housing Authority Act of 1999, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 6-228).

²⁷ As authorized in the Grimke School Disposition Approval Resolution of 2017, effective November 7, 2017 (D.C. Resolution 22-257; 65 DCR 13).

²⁸ African-American Civil War Memorial Freedom Foundation Inc., Museum Development Act, effective December 24, 2013 (D.C. Law 20-61; 61 DCR 962).

²⁹ Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.13).

³⁰ National Capital Revitalization Corporation and Anacostia Waterfront Corporation Reorganization Act of 2008, effective March 26, 2008 (D.C. Law 17-138; D.C. Official Code § 2-1225.21).

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Support Act will be waived. Fees for the above referenced elevator and tour guide licenses that have been collected since May 1, 2004 are ratified, and those that have not been collected by the effective date of the fiscal year 2019 Budget Support Act are waived.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan.

TITLE III - PUBLIC SAFETY AND JUSTICE

Subtitle (III)(A) - Criminal Code Reform Commission Term Extension Act of 2018

Background

In fiscal year 2017, the Criminal Code Reform Commission (Commission) was created as a separate commission by pulling the criminal code review component from the Sentencing and Criminal Code Revision Commission.³¹ The Commission is scheduled to deliver its final criminal code reform recommendations by October 1, 2018, when its establishing authority sunsets.

The subtitle extends the due date of the Commission's report to April 1, 2019 and sunsets the Commission's activities on October 1, 2019.

Financial Plan Impact

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan funds the Commission's activities at approximately \$705,000 in fiscal year 2019. The Commission will terminate at the end of fiscal year 2019.

Subtitle (III)(B) - Retired Police Officer Redeployment Program Amendment Act of 2018

Background

The Metropolitan Police Department (MPD) currently rehires retired police officers as fully sworn officers with no impact on their retirement benefits. These officers are paid on the Police Service pay schedule as officers³² and are not eligible for longevity pay. The Omnibus Public Safety and Justice Amendment Act³³ expanded the retired police officer rehire program to include pay opportunities at the detective³⁴ and sergeant³⁵ levels of the Police Service pay schedule for eligible retirees. The detective and sergeant programs will sunset on October 12, 2019.

The subtitle changes the sunset date for the rehiring of retired police officers at the detective and sergeant levels from October 12, 2019 to September 30, 2022. The subtitle allows MPD to rehire an officer under this part of the program for no more than five years even if five years carries the appointment beyond September 30, 2022.³⁶

³¹ Fiscal Year 2017 Budget Support Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 3-151 et seq.).

³² The pay grade and step is class 1, step 5.

³³ Effective April 22, 2017 (D.C. Law 21-280; D.C. Official Code § 5-761(h)).

³⁴ The pay grade and step is class 3, step 4.

³⁵ The pay grade and step is class 4, step 3.

³⁶ The officer still must be rehired prior to September 30, 2022.

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Financial Plan Impact

MPD rehires retired officers into positions that are included in MPD's budget in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. The extended sunset provision and the five-year limit for rehired officers at the detective and sergeant levels can also be accommodated within the proposed budget.

Subtitle (III)(C) – Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2018

Background

The subtitle designates that the Emergency and Non-Emergency Number Telephone Calling Systems Fund (Fund)³⁷ resources can only be used to pay personnel, technology hardware, software and software maintenance, contractual support, 911/311 outreach, 911/311 training, supplies, and equipment costs necessary to provide 911/311 communications. The subtitle also prohibits the Office of Unified Communications (OUC) from using the Fund's resources to defray direct costs incurred by wireless carriers.

Presently, the Fund's resources can only be used to defray technology and equipment costs directly incurred by providing the 911 system and costs incurred by wireless carriers to provide E-911 services.

Financial Plan Impact

OUC plans to transition 23 information technology contractors to full-time employees and will pay their salaries out of the Fund. This transition will save approximately \$969,000 annually for the Fund that generates approximately \$11 million in revenue annually. OUC does not currently reimburse wireless carriers for the provision of 911 services, so there is no impact related to that change.

Emergency and Non-Emergency Number Telephone Calling Systems Fund Amendment Act of 2018					
Special Purpose Revenue Fund Cost Savings					
Fiscal Year 2019 – Fiscal Year 2022					
(\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Current Contractor Costs	\$3,351	\$3,431	\$3,513	\$3,597	\$13,892
Full-time Employee Costs^a	\$2,416	\$2,474	\$2,533	\$2,594	\$10,017
Cost Savings	\$935	\$957	\$980	\$1,003	\$3,875

Table Notes

^a Cost includes 23 full-time employees and 4 specialty contractors.

³⁷ Emergency and Non-Emergency Number Telephone Calling Systems Fund Act of 2000, effective October 19, 2000 (D.C. Law 13-172; D.C. Official Code § 34-1802).

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Subtitle (III)(D) – Private Security Camera System Incentive Program Amendment Act of 2018

Background

In 2016, the District began a private security camera incentive program managed by the Office of Victim Services and Justice Grants to provide vouchers and reimbursements to residents and businesses in the District who purchase, externally install, and register with the Metropolitan Police Department private security cameras at their residence or place of business.³⁸ OVSJG produces monthly reports that it makes available on its website and transmits to Council.

The subtitle reaffirms that OVSJG produce a monthly report, but only requires that it be made available on its website. OVSJG would be required to transmit an annual report to Council.

Financial Plan Impact

OVSJG currently produces monthly reports and makes them available on its website. The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan maintains the resources necessary for OVSJG to continue posting reports online and to transmit an annual report to Council.

Subtitle (III)(E) – Comprehensive Homicide Elimination Strategy Task Force Extension Amendment Act of 2018

Background

The Neighborhood Engagement Achieves Results Amendment Act³⁹ reestablished the Comprehensive Homicide Elimination Strategy Task Force to provide effective strategies toward eliminating homicides in the District. The Task Force is required to hold three public meetings and deliver a report to the Mayor and Council. After the Task Force issues its report, it will dissolve.

The subtitle eliminates the Task Force's required report and only requires it to provide advice and recommendations to the Mayor and Council. The subtitle also eliminates the dissolution date of the Task Force.

Financial Plan Impact

The Office of Neighborhood Safety and Engagement (ONSE)⁴⁰ will provide administrative support to the Task Force's three annual public meetings and its ongoing recommendations to the Mayor and Council. The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan includes the resources ONSE needs to provide this support.

³⁸ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2831).

³⁹ Effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 22-4251).

⁴⁰ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-125; D.C. Official Code § 7-2411 et seq.).

Subtitle (III)(F) – Neighborhood Engagement Achieves Results Amendment Act of 2018

Background

The Office of Neighborhood Safety and Engagement (ONSE)⁴¹ is a combination of the Community Stabilization Program⁴² and the Safer, Stronger DC Community Partnerships Program.⁴³ These programs fulfill ONSE's duties of coordinating the District's violence prevention strategy, identifying and engaging individuals who might be at high risk for criminal activity, identifying high crime neighborhoods, and coordinating with District agencies and nonprofits to provide youth outreach and employment opportunities for individuals in high crime neighborhoods or who are at high risk for criminal activity. ONSE will also collaborate with District agencies and nonprofits to provide wrap-around services to crime victims and their families.

The subtitle enhances ONSE by transferring a portion of the Department of Parks and Recreation's (DPR) Roving Leaders Program to ONSE. The Roving Leaders Program performs outreach to youth and youth groups to prevent, neutralize, and control hostile behaviors through the development of positive relationships between youth and outreach workers.

Financial Plan Impact

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan transfers ten Roving Leaders Program workers and their associated personnel costs from DPR to ONSE. The proposed budget also includes a \$52,000 salary enhancement for the transferred positions to ensure their salaries are consistent with existing ONSE personnel.

Subtitle (III)(G) – Drug Prevention and Children at Risk Fund Amendment Act of 2018

Background

The District allows residents to contribute to the Public Fund for Drug Prevention and Children at Risk (Fund)⁴⁴ when filing their income tax returns. Funds received are granted to the Children and Youth Investment Trust Corporation (CYITC) to support programs for children who have direct or indirect contact with drugs or programs that promote drug and alcohol avoidance.

The subtitle ends the grant to CYITC, which dissolved in 2016,⁴⁵ and establishes the Fund as a special purpose revenue fund under the Office of Neighborhood Safety and Engagement⁴⁶ to pursue the same drug prevention programs for at-risk children.

⁴¹ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-1251 D.C. Official Code § 7-2411 et seq.).

⁴² The Community Stabilization Program is currently administered by the Office of the Deputy Mayor for Public Safety and Justice.

⁴³ The Safer, Stronger DC Community Partnerships Program is currently administered by the Office of the Deputy Mayor for Health and Human Services.

⁴⁴ The revenues are held in a separate account of the District's Local Fund.

⁴⁵ https://www.washingtonpost.com/local/dc-politics/mismanagement-has-bankrupted-a-dc-nonprofit-endangering-programs-for-at-risk-youth-board-members-say/2016/04/26/51f4a51c-0bb4-11e6-bfa1-4efa856caf2a_story.html?utm_term=.48ec1daf785c

⁴⁶ Neighborhood Engagement Achieves Results Amendment Act of 2016, effective June 30, 2016 (D.C. Law 21-1251 D.C. Official Code § 7-2411 et seq.).

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Financial Plan Impact

The tax contribution generates approximately \$56,000⁴⁷ annually and establishment of the Fund under ONSE has been included in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. The Fund currently has a balance of approximately \$102,000.

TITLE IV - PUBLIC EDUCATION

Subtitle (IV)(A) – Funding for Public Schools and Public Charter Schools Increase Amendment Act of 2018

Background

This subtitle sets⁴⁸ the base level funding for the Uniform Per Student Funding Formula (UPSFF) at \$10,658. This is a 3.9 percent increase over the fiscal year 2018 base amount.⁴⁹ Base level funding is multiplied by the weighting for each grade level or add-on services to determine the per-pupil funding at that level or for these services.

The subtitle also increases the weighting for the special education compliance add-on from 0.069 to 0.099. This will increase the per pupil allocation for the special education add-on from \$708 in fiscal year 2018 to \$1,055 per pupil in fiscal year 2019.⁵⁰

The following tables show the foundation level funding at each grade level and the various add-ons:

Weightings applied to counts of students enrolled at certain grade levels		
Grade Level	Weighting	Per Pupil Allocation in FY 2019
Pre-Kindergarten 3	1.34	\$14,282
Pre-Kindergarten 4	1.30	\$13,855
Kindergarten	1.30	\$13,855
Grades 1-5	1.00	\$10,658
Grades 6-8	1.08	\$11,511
Grades 9-12	1.22	\$13,003
Alternative program	1.44	\$15,348
Special education school	1.17	\$12,470
Adult	0.89	\$9,486

⁴⁷ The Office of Tax and Revenue retains approximately 10 percent of the gross collections to cover processing costs as authorized in D.C. Official Code § 47-1812.11b.

⁴⁸ By amending The Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2903 et seq.).

⁴⁹ The Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017, effective Jan 25, 2018, (D.C. Law 22-44) sets the base level funding for the Uniform Per Student Funding Formula at \$10,257.

⁵⁰ Id.

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Special Education Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special Education	Eight hours or less per week of specialized services.	0.97	\$10,338
Level 2: Special Education	More than 8 hours and less than or equal to 16 hours per school week of specialized services.	1.20	\$12,790
Level 3: Special Education	More than 16 hours and less than or equal to 24 hours per school week of specialized services.	1.97	\$20,996
Level 4: Special Education	More than 24 hours per week which may include instruction in a self-contained (dedicated) special education school other than residential placement.	3.49	\$37,196
Special Education Compliance	Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance.	0.099	\$1,055
Attorney's Fees Supplement	Weighting provided in addition to special education level add-on weightings on a per student basis for attorney's fees.	0.089	\$949
Residential	DCPS or public charter school that provides students with room and board in a residential setting, in addition to their instructional program.	1.67	\$17,799

General Education Add-ons			
Level / Program	Definition	Weighting	Per Pupil Supplemental Funds
ELL	Additional funding for English Language Learners	0.49	\$5,222
At-Risk	Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level.	0.219	\$2,334

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Residential Add-ons			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Level 1: Special Education - Residential	Additional funding to support the after-hours level 1 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.37	\$3,943
Level 2: Special Education - Residential	Additional funding to support the after-hours level 2 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	1.34	\$14,282
Level 3: Special Education - Residential	Additional funding to support the after-hours level 3 special education needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.89	\$30,802
Level 4: Special Education - Residential	Additional funding to support the after-hours level 4 special education needs of limited and non-English proficient students living in a DCPS or public charter school that provides students with room and board in a residential setting.	2.891	\$30,802
LEP/NEP - Residential	Additional funding to support the after-hours limited and non-English proficiency needs of students living in a DCPS or public charter school that provides students with room and board in a residential setting.	0.668	\$7,120

Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Special Education Level 1 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.063	\$671
Special Education Level 2 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.227	\$2,419

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Special Education Add-ons for Students with Extended School Year (ESY) Indicated in Their Individualized Education Programs (IEPs)			
Level/ Program	Definition	Weighting	Per Pupil Supplemental Funds
Special Education Level 3 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs.	0.491	\$5,233
Special Education Level 4 ESY	Additional funding to support the summer school/program needs for students who require extended school year services in their IEPs	0.491	\$5,233

Financial Plan Impact

The proposed 3.9 percent increase, combined with the effects of growth in the projected enrollments, will increase the formula-driven local fund expenditures. The proposed fiscal year 2019 budget includes approximately \$1.59 billion for instructional budgets; \$846.63 million for the District of Columbia Public Schools and \$742.27 million for the public charter schools. The increase to the special education compliance weight will result in an additional \$2.26 million for the District of Columbia Public Schools and \$1.96 million for the public charter schools above what would have been expected if the weight had remained the same.

Charter schools will receive \$149.30 million for facilities allowances in fiscal year 2019, bringing the collective public charter school local budget to \$891.91 million.

Subtitle (IV)(B) – Enhanced Special Education Services Subject to Appropriations Repeal Amendment Repeal Act of 2018

Background

This subtitle makes effective⁵¹ three provisions in the Enhanced Special Education Services Amendment Act of 2014 that are currently subject to appropriations.

The first provision requires local education agencies (LEAs) to evaluate students who may have a disability and may require special education services within 60 days from the date that the student's parent or guardian provides consent. The LEA must make reasonable efforts to obtain parental consent within 30 days from the date the student is referred for an evaluation. Currently, LEAs are provided 120 days from the date a student is referred to special education services to complete an evaluation and make an eligibility determination.

⁵¹ By repealing Section 102(a)(2)(B) of the Placement of Students with Disabilities in Nonpublic Schools Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-269; D.C. Official Code § 38-2561.02(a)(2)(B)) and by repealing Section 7h(c) of the State Education Office Establishment Act of 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-2614(c)).

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The second provision lowers the age at which secondary transition plans are first required from age 16 or older to age 14 or older. Secondary transition plans outline measurable postsecondary goals and inter-agency responsibilities for when the child leaves the school.

The third provision expands eligibility for early intervention services to children demonstrating a 25 percent developmental delay in any one area of development. Currently children must demonstrate either a 50 percent developmental delay in one area or 25 percent delay in two or more areas of development.

Financial Plan Impact

The proposed fiscal year 2019 budget includes sufficient resources in the budgets of the Office of the State Superintendent of Education (OSSE), the District of Columbia Public Schools (DCPS) and Public Charter School LEAs to fully implement the Enhanced Special Education Services Amendment Act of 2014 (Act).

The District has invested significant resources to help LEAs lower the age for adulthood transition plans and reduce time between student disability referrals and evaluations. Since fiscal year 2015, \$32 million has been budgeted through the Uniform Per Student Funding Formula (UPSFF)⁵² to build capacity at LEAs to implement the Act. OSSE also provided \$3.7 million in fiscal year 2018 directly to LEAs through a Special Education Enhancement Fund grant to help LEAs prepare to meet the new requirements.

Updated eligibility data and changes to the early intervention services program model suggests that the cost of expanding early intervention services is significantly lower than previously estimated.⁵³ OSSE estimates that 180 children will be eligible for expanded early intervention services each month at an average cost of \$865 per child. Additionally, OSSE has been able to use Medicaid payments to offset a portion of the costs of providing direct services to students. As a result, providing direct service to students has a local cost of \$990,000 and federal Medicaid cost of \$880,000 (\$1.87 million total). OSSE will also complete on-going evaluations and Individualized Family Services Plans at a local cost of \$300,000 annually. The total cost of providing early intervention services is incorporated into the fiscal year 2019 budget and financial plan.

Subtitle (IV)(C) – State Athletics Amendment Act of 2018

Background

This subtitle creates a completely independent District of Columbia State Athletic Commission (DCSAC) by no longer requiring DCSAC to submit its annual budget and program oversight reports to Council through the Office of the State Superintendent of Education (OSSE). The DCSAC will also have independent budget authority rather than being a program code within OSSE.

Financial Plan Impact

This subtitle will transfer the school athletics budget out of OSSE and into its own standalone budget. The proposed fiscal year 2019 budget for the DCSAC is \$1.34 million. This funding transfer is incorporated into the budget and financial plan.

⁵² The Special Education Compliance weight was formerly known as the Blackman Jones Compliance weight. The District exited the Blackman Jones Consent Decree in fiscal year 2015 so the fund was repurposed.

⁵³ The Office of Revenue Analysis estimated that expanding early intervention services would cost the District \$11 to \$23 million per year.

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Subtitle (IV)(D) – Early Childhood Higher Education Incentive Amendment Act 2018

Background

This subtitle makes technical amendments to the Higher Education Incentive Program (HEIP) to clarify allowable costs and reporting requirements. The program is operated by the University of the District of Columbia and aims to increase the number of early education teachers teaching in the District by offering tuition assistance to students.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan.

Subtitle (IV)(E) – Child Care Payment Assistance Act of 2018

Background

This subtitle updates⁵⁴ the laws that govern the District's Subsidized Child Care Program to conform with current practice. The subtitle also aligns local law with the federal law⁵⁵ and updates statutory language to be consistent with current eligibility provisions, use of federal and local funds, and method for payment. Specifically, the updates address:

- Child eligibility requirements for subsidized child care;
- Parent co-payment requirements;
- Eligibility guidelines for participating child development facilities;
- Requirements for in-home or relative child care;
- Child care provider payments;
- The Quality Improvement Network (QIN);
- Shared services business alliances; and
- Rulemaking authority.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. The subtitle codifies the current Subsidized Child Care Program at the Office of the State Superintendent of Education.

Subtitle (IV)(F) Early Learning Tax Credit Act of 2018

Background

The subtitle creates a refundable income tax credit up to \$1,000 per eligible child age 3 and under⁵⁶ for spending at a licensed child development facility in the District. To be eligible, a taxpayer must have taxable income of less than \$750,000 and must not currently be receiving child care subsidies under the Office of the State Superintendent of Education Subsidy Program. The credit will only apply for tax year 2018.

⁵⁴ By repealing The Day Care Policy Act of 1979, effective September 19, 1979 (D.C. Law 3-16 D.C. Official Code § 4-401 et seq.) and by amending The Pre-K Enhancement and Expansion Amendment Act of 2008, effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38-271.01 et seq.).

⁵⁵ Specifically, the reauthorization of the Child Care Development Block Grant Act in 2014.

⁵⁶ Children must not turn 4 years old prior to September 30 of the taxable year.

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Financial Plan Impact

The subtitle will reduce expected income tax revenue by \$2.5 million in fiscal year 2019. An estimated 2,500 taxpayers will be eligible for the credit, and it is assumed the entire \$1,000 credit will be claimed. The credit is in addition to existing credit available for child care expenses. The Office of Tax and Revenue will require \$38,000 in one-time administrative costs to update forms to implement the credit.

Fiscal Impact of Subtitle (IV)(F) District Child Care Tax Credit Act of 2018				
(\$ thousands)	FY 2019^(a)	FY 2020	FY 2021	FY 2022
Decrease in income tax revenue	\$2,500	\$0	\$0	\$0
Administrative costs for OTR	\$38	\$0	\$0	\$0
TOTAL	\$2,538	\$0	\$0	\$0

^(a) Credit applies only to Tax Year 2018, but reduced revenue will be realized in fiscal year 2019.

Subtitle (IV)(G) Healthy Schools Amendment Act of 2018

Background

This subtitle allows⁵⁷ organizations that provide technical assistance to schools to apply for Healthy Schools grants which are administered by the Office of the State Superintendent of Education. Specifically, these organizations can apply for grants that promote physical activity in schools and increase cafeteria staff's abilities to provide healthy meals for students.

Financial Plan Impact

This subtitle does not have an impact on the District's budget and financial plan. Expanding the entities that are eligible to receive Healthy School grants does not have a financial impact.

Subtitle (IV)(H) – DC Public Schools Sales and Licensing Authority Amendment Act of 2018

Background

The subtitle allows⁵⁸ the Chancellor of the District of Columbia Public Schools (DCPS) to sell or license DCPS intellectual property rights. DCPS may also sell tickets to school athletic events and performances. All revenue generated by the sale of advertisements, intellectual property, and tickets must be deposited into a newly established, non-lapsing District of Columbia Public Schools Revenue Generation and Sponsorship Fund. DCPS may use any revenue collected to support instruction, education programs, human resources, athletics, the arts, and community engagement.

Financial Plan Impact

The subtitle may generate a small amount of revenue for DCPS, which will be deposited into the District of Columbia Public Schools Revenue Generation and Sponsorship Fund. The proposed budget and financial plan does not rely on any such deposits.

⁵⁷ By amending Section 102(c) of the Healthy Schools Act of 2010, effective July 27, 2010 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)).

⁵⁸ By amending Section 105a of the District of Columbia Public Schools Agency Establishment Act of 2007, effective October 22, 2015 (D.C. Law 21-36; D.C. Official Code § 38-174.01).

TITLE V - HEALTH AND HUMAN SERVICES

Subtitle (V)(A) –Health Insurance Requirement Act of 2018

Background

The subtitle establishes, as of January 1, 2019, a health insurance requirement ("Requirement") for District taxpayers and their dependents and requires payment of a shared responsibility payment from individuals not meeting the Requirement, unless they qualify for an exemption. The required payment is the same due under federal regulations that were in effect as of December 15, 2017, with one modification to tie the maximum payment to District health insurance prices. Subsequent to that date, federal law changed the federal shared responsibility payment amount to zero. If federal law should reinstate the federal shared responsibility payment, the subtitle provides that the payment due to the District would be reduced by such federal payment.

The Requirement to maintain health insurance applies to all individuals who are residents of the District. Part-year residents of the District are subject to the requirements during months of District residency. Health insurance providers must provide information to District taxpayers and the Office of Tax and Revenue in a similar manner to which they have produced and filed federal 1095 forms.

In order to meet the Requirement, individuals must maintain health insurance coverage meeting the definition of "minimal essential coverage" as defined under federal law as of December 15, 2017; the Immigrant Children's Program established under D.C. Official § 1-307.03(b); or health coverage provided by ERISA-eligible employers that was offered as of December 15, 2017.

Under the subtitle, the following individuals are exempt from the Requirement:

- Taxpayers aged 21 and over whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the applicable income level published by the Health Benefit Exchange Authority (HBX) based on the federal poverty level;
- Taxpayers who are aged 20 and younger, not claimed as a dependent on someone else's return, and whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the federal poverty level;
- Dependents aged 21 and over who are claimed by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 222% of the federal poverty level as published by HBX; and
- Dependents aged 20 or younger who are claimed as a dependent by a taxpayer whose federal adjusted gross income for the taxable year is equal to or less than an amount equal to 324% of the applicable qualifying income level published by HBX;

The income levels may be adjusted by the Mayor if eligibility requirements for the District's Medicaid, Children's Health Insurance Program or Immigrant Children's Program change.

In addition to the above exemptions, individuals may apply to the HBX for an exemption from the Requirement for reasons of unaffordability based on projected income or general hardship. HBX will apply the same affordability and hardship exemptions that were allowed under the federal regulations as of December 15, 2016. Such exemptions are to be applied for during the tax year, at the time an individual does not purchase insurance.

The subtitle establishes a special, non-lapsing fund, the Individual Insurance Market Affordability and Stability Fund ("Fund"), into which the shared responsibility payments will be deposited. Money

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in the Fund shall be used to engage in outreach and other activities that either increase the availability of health insurance options for District residents or increase the affordability for District residents of insurance premiums in the individual health insurance market.

Financial Plan Impact

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan provides one-time and recurring funding to the Office of Tax and Revenue (OTR) for setting up new tax forms and systems modifications, and for providing additional (OTR) personnel to support the new Requirement. The HBX can absorb any additional costs of administering affordability and hardship exemptions. At this time, the OCFO is not estimating revenue from shared responsibility payments for the Fund. Any payments will first be received in FY 2020.

Health Insurance Requirement Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
OCFO Set-up Costs ^a	\$549	\$0	\$0	\$0	\$549
OTR Additional Employees ^b	\$551	\$561	\$603	\$613	\$2,328
Total Cost	\$1,100	\$561	\$603	\$613	\$2,877

Table Notes

^a Cost includes forms, programming and public information campaign

^b 5 FTEs

TITLE VI - TRANSPORTATION, PUBLIC WORKS, AND THE ENVIRONMENT

Subtitle (VI)(A) – Dedicated Funding for the Washington Metropolitan Transit Authority Act of 2018

Background

The subtitle dedicates, in each of fiscal years 2019 and 2020, \$178.5 million of general sales tax revenue annually to a new fund called the "Washington Metropolitan Area Transit Authority (WMATA) Dedicated Funding Fund" ("Fund"). The dedication amount grows by three percent annually, beginning in fiscal year 2021⁵⁹. In fiscal year 2019, the funding will be included as part of the District's regular subsidy payments to WMATA.⁶⁰ Beginning in fiscal year 2020, the funding will be issued as a grant to WMATA for the purposes of WMATA capital improvements, to be paid in two equal installments⁶¹, provided that:

- 1) Maryland (or its jurisdictions) enacts legislation dedicating at least \$167 million annually to WMATA beginning in fiscal year 2020, and increasing three percent annually; and,
- 2) Virginia (or its jurisdictions) enacts legislation dedicating at least \$155 million annually to WMATA beginning in fiscal year 2020, and increasing three percent annually.

The subtitle offsets the loss of general fund revenue that will go to the Fund by:

⁵⁹ The dedication expires at the end of fiscal year 2059.

⁶⁰ See the Washington Metropolitan Area Transit Authority budget book chapter under agency code KE0 for more detail on the regular subsidy transfer to WMATA.

⁶¹ The first installment will be October 1 annually and the second installment will be April 1 annually.

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- 1) Raising the general sales tax and corresponding use tax⁶² rates from 5.75 percent to 6.0 percent;
- 2) Raising the hotel sales tax and corresponding use tax⁶³ rates from 10.05 percent to 10.30 percent (not including the rate dedicated to the Washington Convention and Sports Authority);
- 3) Raising the restaurant sales tax⁶⁴ and corresponding use tax rates from 9.0 percent to 9.25 percent (not including the rate dedicated to the Washington Convention and Sports Authority);
- 4) Raising the gross receipts tax⁶⁵ on for-hire vehicles, which does not include taxis, from 1 percent to 4.75 percent;
- 5) Raising the Class 2 property tax rate⁶⁶ on the value above \$3 million from \$1.85 per \$100 of assessed value to \$1.87 per \$100 of assessed value;

In addition, the subtitle eliminates an existing dedication⁶⁷ for WMATA of 50 percent of revenue certified above the amounts certified in the June and September 2017 revenue estimates.

All of the above tax changes will be effective October 1, 2018. Any money deposited in the Fund cannot revert to the general fund of the District at any time.

Financial Plan Impact

All of the revenue changes made by this subtitle are included in the proposed budget and financial plan, and are summarized in the chart below:

Summary of changes made by Subtitle (VI)(A) Dedicated Funding for WMATA Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$millions)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Total dedication of sales tax revenue to WMATA Dedicated Funding Fund	\$178.5	\$178.5	\$183.9	\$189.3	\$730.2
LOCAL REVENUE ADJUSTMENTS MADE BY SUBTITLE TO PARTIALLY OFFSET DEDICATION OF SALES TAX TO WMATA					
General Sales Tax Increase to 6 percent	\$26.2	\$27.3	\$28.5	\$29.8	\$111.8
Hotel Sales Tax increase to 10.3 percent	\$5.7	\$5.9	\$6.2	\$6.5	\$24.2
Restaurant Sales Tax Increase to 9.25 percent	\$11.1	\$11.6	\$12.1	\$12.7	\$47.5
Gross Receipts Tax Increase for for-hire vehicles (not taxis) to 4.75 percent	\$17.3	\$17.8	\$18.4	\$19.0	\$72.5

⁶² D.C. Official Code §§ 47-2002(a); D.C. Official Code § 47-2202. Does not include parking sales tax, but does include tax on theaters and entertainment venues and use tax.

⁶³ D.C. Official Code §§ 47-2002(a)(2); 47-2202(2)(A)

⁶⁴ D.C. Official Code §§ 47-2002(a)(3); 47-2202(3)(A)

⁶⁵ D.C. Official Code § 50-301.31(b)(11).

⁶⁶ D.C. Official Code § 47-812(b-9)(2)(A)(ii).

⁶⁷ See Section 7102 of the Fiscal Year 2018 Budget Support Act of 2017, effective August 29, 2017 (D.C. Law 22-16; 64 DCR 6581).

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Commercial property tax increase on valuation above \$3 million to \$1.87 per \$100 of assessed value	\$16.8	\$17.3	\$17.8	\$18.4	\$70.3
Reverse current WMATA Dedicated Funding	\$24.2	\$24.2	\$24.2	\$24.2	\$96.7
TOTAL	\$101.2	\$104.1	\$107.2	\$110.5	\$423.0

Subtitle (VI)(B) – Performance Parking Program Fund Amendment Act of 2018

Background

In fiscal year 2014, the District ended the transfer of some parking meter revenues to two special purpose revenues funds:⁶⁸ the Performance Parking Fund⁶⁹ and the Sustainable Transportation Fund.⁷⁰

The subtitle repeals the language that directed parking meter revenue transfers to these funds prior to fiscal year 2014. The subtitle also repeals the Performance Parking Fund and its authorized uses.

Financial Plan Impact

The District ended the transfer of parking meter revenues to these two Funds beginning in fiscal year 2014 and the repeal of the transfers will have no impact on the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. The repeal of the Performance Parking Fund and its uses will also have no impact.

Subtitle (VI)(C) – Payment of Costs for the Relocation of Public Utilities on Interstate Highways Amendment Act of 2018

Background

The District Department of Transportation has a \$900 million federally funded transportation program that, among other objectives, repairs roads, bridges, and sidewalks; installs bicycle facilities; manages streetlights and traffic signals; and enhances the public right-of-way. When a federally funded DDOT project requires the relocation, adjustment, replacement, or removal of utility facilities located under the roadway, the federal project funds those activities.

The subtitle ends the practice of using the federal transportation program to pay for utility infrastructure changes and requires the utility companies to pay for their own work.

Financial Plan Impact

The subtitles implementation will save anywhere from \$250,000 to \$3 million in Highway Trust Fund⁷¹ resources to support federal transportation projects annually that can be shifted to support

⁶⁸ Fiscal Year 2014 Budget Support Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 50-2603(8)(B)(2)).

⁶⁹ Performance Parking Pilot Zone Act of 2008, effective November 25, 2008 (D.C. Law 17-279; D.C. Official Code § 50-2531.01).

⁷⁰ Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168, D.C. Official Code §50-921.15).

⁷¹ Highway Trust Fund Establishment Act and the Water and Sewer Authority Amendment Act of 1996, effective April 9, 1997 (D.C. Law 11-184; D.C. Official Code § 9-111.01).

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other eligible projects. Utility companies will now pay for the relocation, adjustment, replacement, and removal activities, which they are required to do for locally funded projects.

Subtitle (VI)(D) – Advertisements on District Department of Transportation Assets on Private Property Amendment Act of 2018

Background

The District Department of Transportation (DDOT) currently has the authority to enter into advertising agreements for the placement of advertisements on District property located in the public space, including advertising related to the bicycle sharing, DC Circulator, and DC Streetcar programs.

The subtitle extends DDOT’s authority to enter into advertising agreements to include DDOT controlled assets in private space.

Financial Plan Impact

DDOT does not have any current plans to sell advertising on its assets located in private space and no new revenues are included in the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan. Any revenues received for future advertising agreements will be deposited into the DDOT Enterprise Fund for Transportation Initiatives.⁷²

Subtitle (VI)(E) – Rail Safety Office Funding Amendment Act of 2018

Background

The District approved, but did not fund, the Rail Safety and Security Amendment Act of 2016⁷³ which establishes a comprehensive rail program within the Department of Energy and Environment (DOEE) to oversee both railroad⁷⁴ that operates in the District and the DC Streetcar program. The rail program includes a DOEE Rail Safety Division (Division) that oversees a State Railroad Safety and Security Authority (Authority) that works with the Federal Railroad Administration (FRA) to ensure compliance with federal railroad safety laws and the State Safety Office (SSO)⁷⁵ that implements the Federal Transit Administration (FTA) safety and security requirements for the DC Streetcar program. DOEE must seek certification with both FRA and FTA to implement both the Authority and the SSO, respectively. The SSO is currently established within the Fire and Emergency Medical Services Department (FEMS).

The subtitle establishes the Rail Safety and Security Fund (Fund) to collect fees and fines imposed by the Authority as authorized by FRA. DOEE can use the Fund’s resources for emergency response, rail safety, and rail security programs. The subtitle amends the Act’s applicability clause to implement the Division and conditions the transfer for the SSO from FEMS to DOEE upon DOEE’s certification

⁷² District Department of Transportation Omnibus Amendment Act of 2010, effective April 8, 2011 (D.C. Law 18-370; D.C. Official Code § 50-921.13).

⁷³ Effective April 7, 2017 (D.C. Law 21-254; D.C. Official Code § 8-151.08c). The Act was passed subject to its inclusion in an approved budget and financial plan.

⁷⁴ Railroad does not include rail services operated by the Washington Metropolitan Area Transit Authority or the District Department of Transportation (DC Streetcar).

⁷⁵ State Safety Oversight Agency Establishment Amendment Act of 2012, effective September 20, 2012 (D.C. Law 19-168; D.C. Official Code § 5-401.01).

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with FTA. The subtitle also conditions the Act's reporting requirements upon the later of October 2, 2019, the date the Mayor enters into an agreement with FRA for the investigation and surveillance of railroad activities, or the date FRA delegates investigative and surveillance authority to the District.⁷⁶

Financial Plan Impact

DOEE requires two new staff members to manage the Division and begin the process of obtaining FRA and FTA approvals for the Authority and SSO, respectively. The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan includes the resources necessary to establish the Division. DOEE will issue rules to begin charging fees to railroad providers to support the Authority's operations. The fees are not yet set, but DOEE expects to set the fees at a level sufficient to fund the Authority's operations. DOEE will deposit the fees into the Fund.

The SSO will not transfer from FEMS to DOEE until DOEE receives the appropriate FTA approval. A portion of the resources that currently support the SSO at FEMS can transfer to DOEE and they will be sufficient to operate the SSO.⁷⁷

Rail Safety Office Funding Amendment Act of 2018 Implementation Costs Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
Division	\$255	\$248	\$254	\$260	\$1,017
Personnel					

Table Notes

a Fiscal year 2019 costs includes approximately \$13,000 in one-time non-personnel funds to support two new staff members.

Subtitle (VI)(F) – Kids Ride Free Program Amendment Act of 2018

Background

The subtitle expands⁷⁸ the Kids Ride Free program by allowing the Mayor to subsidize Metrorail, Metrobus, and DC Circulator fares for public school students under 22 years old traveling to employment and training sites. Currently Kids Ride Free subsidies are available for school-related trips only.

The Mayor may issue passcards to subsidize travel for other purposes for public school students under the age of 22 years.

The implementation of subsidized travel for non-school-related activities is subject to funding availability.

Financial Plan Impact

The subtitle does not have a fiscal impact. It allows Kids Ride Free subsidies to be used for an additional set of circumstances, but it does not require that the number or amount of subsidies increase.

⁷⁶ Pursuant to 49 C.F.R. § 212.105.

⁷⁷ The SSO is currently staffed by two employees, one of whom is a uniformed firefighter. The non-uniformed employee can move to DOEE and reestablish the FTA grant funds necessary to run the SSO.

⁷⁸ By amending the School Transit Subsidy Act of 1978, effective March 6, 1979 (D.C. Law 2-152; D.C. Official Code § 35-233(h))

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Subtitle (VI)(G) – District of Columbia Water and Sewer Authority Rate Increases Mitigation Amendment Act of 2018

Background

The subtitle requires DC Water to establish a financial assistance program for low-income, middle-income, and fixed-income seniors to help pay water and sewer bills, including the impervious area charges.⁷⁹ DC Water will also be required to establish a financial assistance program for District non-profits to help pay for impervious area charges. DC Water must fund these financial assistance programs at \$6 million in fiscal year 2019, in addition to what it spent on low-income financial assistance programs in fiscal year 2017.

The Mayor may appropriate additional funding to help support these financial assistance programs at DC Water or may establish the District's own financial assistance programs.

Financial Plan Impact

DC Water spent approximately \$1.1 million on financial assistance for low-income District residents in fiscal year 2017 through its Customer Assistance Program (CAP).⁸⁰ The bill requires DC Water to spend that amount plus \$6 million in fiscal year 2019 and expands the eligible recipients to include middle-income, fixed-income seniors, and non-profits. DC Water will contribute \$6 million from its Rate Stabilization Fund to support the expanded financial assistance programs in fiscal year 2019.

The proposed fiscal year 2019 through fiscal year 2022 budget and financial plan includes \$6 million for the District to send to DC Water to support the expanded financial assistance program.

TITLE VII – FINANCE AND REVENUE

Subtitle (VII)(A) – Senior Residents Real Property Tax Cap Act of 2018

Background

Current law⁸¹ caps the growth of taxable assessments of class 1 (residential) property⁸² with the homestead exemption to 10 percent annually. The subtitle lowers the cap to five percent annually for homestead-qualified residents who are over the age of 65 and have a household adjusted gross income of less than \$125,000⁸³ or homestead-qualified residents with a permanent disability having a household adjusted gross income of less than \$125,000.

⁷⁹ Stormwater Permit Compliance Amendment Act of 2000, effective June 13, 2001 (D.C. Law 13-311; D.C. Official Code § 34-2202.16).

⁸⁰ DC Water also assisted customers with financial need through its SPLASH program, but the funds from that program come from customer donations, the community, and DC Water employee donations.

⁸¹ D.C. Official Code §47-864.

⁸² D.C. Official Code § 47-813.

⁸³ Per D.C. Official Code § 47-863. The maximum adjusted gross income increase by a senior/disabled cost of living each year.

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Financial Plan Impact

The subtitle reduces property tax revenue in the proposed budget by \$796,000 in fiscal year 2019 and \$4.6 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (VII)(A) Senior Residents Real Property Tax Cap Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduction in property tax revenue	\$796	\$995	\$1,244	\$1,555	\$4,590

Subtitle (VII)(B) – Subject to Appropriations Repeals Amendment Act of 2018

Background

The subtitle authorizes expenditures for the following laws, which passed subject to appropriations:

- National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018⁸⁴
- Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016⁸⁵
- Africare Real Property Tax Relief Act of 2018⁸⁶
- Elderly and Tenants with Disabilities Protection Amendment Act of 2015⁸⁷
- Deferred Compensation Program Enrollment Amendment Act of 2017⁸⁸
- Defending Access to Women's Health Care Services Amendment Act of 2018⁸⁹
- Affordable Housing Task Force Establishment Act of 2018⁹⁰
- Union Market Tax Increment Financing Act of 2017⁹¹
- Maternal Mortality Review Committee Establishment Act of 2018⁹²
- Electric Vehicle Public Infrastructure Expansion Amendment Act of 2018.⁹³

Financial Plan Impact

Repealing the subject to appropriations provisions of the above-mentioned laws authorizes additional expenditures of approximately \$371,000 in fiscal year 2019 and \$1.5 million over the four-year financial plan period. The repeals also reduce revenues by \$9 million in fiscal year 2019 and \$19.2 million over the four-year financial plan period.

⁸⁴ D.C. Act 22-247, projected law date is April 11, 2018.

⁸⁵ D.C. Law 21-270, effective April 15, 2017.

⁸⁶ D.C. Act 22-250, projected law date is April 11, 2018.

⁸⁷ D.C. Law 21-239, effective April 7, 2017.

⁸⁸ Bill 22-68, passed on final reading March 6, 2018, not yet transmitted to Congress.

⁸⁹ D.C. Act 22-246, projected law date is April 10, 2018.

⁹⁰ Bill 22-289, passed on final reading March 6, 2018, not yet transmitted to Congress.

⁹¹ D.C. Law 22-58, effective February 15, 2018. The Mayor is including the cost of this in the Fiscal Year 2018 Supplemental Budget request.

⁹² Bill 22-524, passed on final reading March 6, 2018.

⁹³ D.C. Act 22-249, projected law date April 11, 2018.

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Fiscal Impact of Subtitle (VII)(B) Subject to Appropriations Repeals Amendment Act of 2018, Revenue Impact Fiscal Year 2019 – Fiscal Year 2022 (\$000s)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
DECREASED PROPERTY TAX REVENUE						
National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018 ^(a)	\$2,781	\$1,269	\$1,347	\$1,429	\$1,427	\$8,298
Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016	\$0	\$18	\$20	\$22	\$24	\$84
Africare Real Property Tax Relief Act of 2018	\$503	\$103	\$105	\$106	\$110	\$927
Elderly and Tenants with Disabilities Protection Amendment Act of 2015	\$0	\$1,281	\$1,313	\$1,346	\$1,379	\$5,319
SUBTOTAL PROPERTY TAX REVENUE DECREASE	\$3,284	\$2,671	\$2,785	\$2,903	\$2,940	\$14,583
DECREASED DEED RECORDATION AND TRANSFER TAX REVENUE						
National Community Reinvestment Coalition Real Property Tax Exemption Amendment Act of 2018 ^(a)	\$1,430	\$0	\$0	\$0	\$0	\$1,430
DECREASED INCOME TAX REVENUE						
Deferred Compensation Program Enrollment Amendment Act of	\$0	\$176	\$548	\$950	\$1,381	\$3,055
Four-unit Rental Housing Tenant Grandfathering Amendment Act of 2016	\$0	\$12	\$13	\$14	\$16	\$55
SUBTOTAL INCOME TAX REVENUE DECREASE	\$0	\$188	\$561	\$964	\$1,397	\$3,110
GRAND TOTAL REVENUE DECREASE	\$4,714	\$2,859	\$3,346	\$3,867	\$4,337	\$19,169

^(a) The fiscal year 2018 total cost includes refunds for fiscal years 2016, 2017 and 2018.

Fiscal Impact of Subtitle (VII)(B) Subject to Appropriations Repeals Amendment Act of 2018, Increased Expenditures Fiscal Year 2019 – Fiscal Year 2022 (\$000s)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Total
Defending Access to Women's Health Care Services Amendment Act of 2018	\$0	\$107	\$120	\$123	\$127	\$477

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Electric Vehicle Public Infrastructure Expansion Amendment Act of 2018 ^(a)	\$0	\$114	\$142	\$133	\$137	\$526
Affordable Housing Task Force Establishment Act of 2018	\$0	\$43	\$0	\$0	\$0	\$43
Maternal Mortality Review Committee Establishment Act of 2018	\$0	\$107	\$109	\$112	\$115	\$443
Union Market Tax Increment Financing Act of 2017 ^(b)	\$2,990	\$0	\$0	\$0	\$0	\$2,990
TOTAL INCREASED EXPENDITURES	\$2,990	\$371	\$371	\$368	\$379	\$4,943

Table Notes

(a) The cost of the Electric Vehicle Public Infrastructure Expansion Act is being absorbed.

(b) The cost of the Union Market Tax Increment Financing Act of 2017 is included in the Mayor's FY18 Supplemental Budget.

Subtitle (VII)(C) – Feminine Hygiene Products Sales Tax Exemption Implementation Amendment Act of 2018

Background

The subtitle exempts feminine hygiene products from the District's general sales tax by partially funding the Feminine Hygiene and Diaper Sales Tax Exemption Amendment Act of 2016⁹⁴. Feminine hygiene products are defined to include sanitary napkins, sanitary towels, tampons, menstrual cups and sanitary pads. The part of the law that exempted diapers will remain subject to appropriation in an approved budget and financial plan.

Financial Impact

The subtitle reduces sales tax revenue in the proposed budget by \$403,000 in fiscal year 2019 and \$1.7 million over the four-year budget and financial plan.

Fiscal Impact of Subtitle (VII)(C) Feminine Hygiene Products Sales Tax Exemption Implementation Amendment Act of 2018 Fiscal Year 2019 – Fiscal Year 2022 (\$000s)					
	FY 2019	FY 2020	FY 2021	FY 2022	Total
Reduction in general sales tax revenue	\$403	\$419	\$436	\$453	\$1,710

Subtitle (VII)(D) – Qualified Business Income Tax Deduction Clarification Amendment Act of 2018

Background

The federal Tax Cuts and Jobs Act, Public Law 115-97,⁹⁵ provides for a new deduction from federal income taxes for individual taxpayers in the amount of 20 percent of a taxpayer's qualified business income from a partnership, S corporation, or sole proprietorship.

⁹⁴ D.C. Law 21-201, effective February 18, 2017.

⁹⁵ By creating a new Section 199A of the Internal Revenue Code.

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Current law provides that taxpayers are permitted District deductions for any deduction allowed under federal law except for federal deductions that are specifically enumerated under District law as not allowed. The subtitle amends current law⁹⁶ to clarify that a qualified business income deduction is not allowed by specifically enumerating it as an additional deduction that is not allowed for purposes of calculating District taxable income.

Financial Plan Impact

There is no fiscal impact to the subtitle. The subtitle clarifies the assumed treatment of qualified business income deductions included in the February revenue estimates, in the absence of Internal Revenue Service guidance.

TITLE VIII – CAPITAL BUDGET

Subtitle (VIII)(A) – Fiscal Year 2019 Capital Project Financing Reallocation Approval Act of 2018

Background

The subtitle authorizes the Office of the Chief Financial Officer to reallocate approximately \$1.9 million in bond balances from capital projects with slow activity to public school modernization projects with insufficient bond balances to cover expenditures. The reallocation does not change project costs or authorized budget amounts; rather, it directs capital funds to projects that are most likely to spend them. In this way, the District can make better use of the bonds proceeds in escrow (at a low interest rate), improve cash flow, and reduce future borrowing. The two tables below show the sources and uses of these funds.

Financial Plan Impact

The reallocations do not change the budget authority for any capital project. The intent is to improve resource use by reallocating available bond balances to where they are needed.

Subtitle (VIII)(A) – Projects that will Serve as Source of Financing		
Table A		
Owner Agency Name	Project Title	Amount
District of Columbia Public Schools	Janney ES Renovation/Modernization	\$4,370
	Johnson Middle School Renovation/Modernization	\$680,583
Department of Corrections	General Renovations—DC Jail	\$251,678
District Department of Transportation	Rhode Island Ave NE Small Area Plan Infrastructure	\$426,109
	Power Line Undergrounding	\$396,361
District Department of Parks and Recreation	Therapeutic Recreation Center	\$36,445
Deputy Mayor for Planning and Economic Development	Neighborhood Revitalization	\$92,152
TOTAL		\$1,887,698

⁹⁶ D.C. Official Code § 47-1803.03(b).

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Subtitle (VIII)(A) – Projects that will Use Financing Table B		
Owner Agency Name	Project Title	Amount
District of Columbia Public Schools	DC Public Schools Modernization/Renovations	\$1,887,698

Subtitle (VIII)(B) – Master Local Transportation Capital Projects Amendment Act of 2018

Background

Since fiscal year 2012, capital projects funded through the District of Columbia Highway Trust Fund have been regarded as "Master" projects associated with several "Related Projects". For such capital projects, the District Department of Transportation may not spend directly from the capital projects, but must submit requests to the Office of Budget and Planning to allocate funds for Related Projects before obligating and spending funds. The subtitle extends⁹⁷ allowed use of the procedure from January 31, 2018 to January 31, 2019.

Financial Plan Impact

This subtitle extends the use of budgeting procedures for certain transportation capital projects and has no impact on the budget or financial plan.

Subtitle (VIII)(C) – Transportation Infrastructure Project Review Fund Capital Reprogrammings Amendment Act of 2018

Background

The subtitle exempts reprogrammings from the Transportation Infrastructure Project Review Fund⁹⁸ ("Fund") to a capital project from Council approval requirements, provided the use of the reprogrammed funds does not change. The Fund is a non-lapsing fund that funds:

- 1) District Department of Transportation (DDOT) reviews of a project that may affect the transportation infrastructure or public space in the District;
- 2) Transportation infrastructure or public space improvements or mitigation measures;
- 3) Improvements ordered by the Zoning Commission or Board of Zoning Adjustment; and
- 4) Local transportation improvement projects and studies, so long as funds are not required for the first three activities.

The Fund receives revenue from payments made by an individual or entity such as a developer to cover the cost of DDOT's review of these projects.

Financial Plan Impact

This subtitle does not change the total amount of authorized funding for capital projects, so does not have an impact on the District's budget and financial plan.

⁹⁷ By changing D.C. Official Code § 50-921.02(e)(4)(C).

⁹⁸ D.C. Official Code § 50-921.17.

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Subtitle (VIII)(D) – Master Capital Projects Reallocation Process Amendment Act of 2018

Background

The subtitle authorizes reallocations within master capital projects that an agency fully manages. An agency that is the owner agency and implementer agency for a master project and all of its subprojects will be able to request the Office of Budget and Planning to reallocate funding from a master project to a sub-project, a sub-project to the master project or from one sub-project to another. The reallocation will be exempt from current reprogramming rules⁹⁹ and OBP will be authorized to approve the transfer.

Additionally, an agency may request reallocation of a master capital project to a "related" capital project. A "related" capital project is defined as one that was created prior to the master capital project, is associated with the master project based on the description, and has current fund balances for which there are no future year appropriations.

Financial Plan Impact

This subtitle does not change the amount of authorized funding, so does not have an impact on the District's budget and financial plan.

TITLE IX – SPECIAL PURPOSE AND DEDICATED REVENUE FUND AMENDMENTS AND TRANSFERS

Subtitle (IX)(A) - Designated Fund Transfer Act of 2018

Background

The subtitle allows the District to use the certified fund balance available in 22 funds as a source of funding for the fiscal year 2019 through fiscal year 2022 budget and financial plan. The subtitle uses balances totaling \$24.1 million from 20 special purpose funds and two discontinued funds. The affected funds and transfer amounts are listed in the chart below:

Recorder of Deeds Surcharge ¹⁰⁰	\$ 916,062
Office of Finance and Treasury Central Collection Unit ¹⁰¹	\$ 8,000,000
Child Support – TANF/AFDC Collections ¹⁰²	\$ 1,000,000
Child Support – Reimbursements and Fees ¹⁰³	\$ 188,408
Copies and Printing ¹⁰⁴	\$ 36,401
Wage Theft ¹⁰⁵	\$ 91,260
Nuisance Abatement ¹⁰⁶	\$ 123,318

⁹⁹ Reprogramming policies codified at D.C. Official Code § 47-361 et seq.

¹⁰⁰ D.C. Official Code § 42-1211.

¹⁰¹ D.C. Official Code § 1-350.04.

¹⁰² D.C. Official Code § 46-226.01.

¹⁰³ D.C. Official Code § 46-226.01.

¹⁰⁴ D.C. Official Code § 1-204.24d.

¹⁰⁵ D.C. Official Code § 32-1307.01.

¹⁰⁶ D.C. Official Code § 6-916, § 42-3131.01, and § 42-3504.01.

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Real Estate Guaranty and Education Fund ¹⁰⁷	\$ 4,621,110
Occupational and Professional Licensing Administration (OPLA) - Special Account ¹⁰⁸	\$ 47,836
Corporate Recordation Fund ¹⁰⁹	\$ 2,205,979
Industrial Revenue Bond Program ¹¹⁰	\$ 265,000
State Athletic Acts Program and Office Fund ¹¹¹	\$ 74,667
ICF / MR Fees and Fines ¹¹²	\$ 50,602
Bill of Rights (Grievance and Appeals) ¹¹³	\$ 250,000
DDOT Enterprise Fund-Non Tax Revenues ¹¹⁴	\$ 825,000
WMATA Projects ¹¹⁵	\$ 56,168
DC Circulator Fund - National Park Service Mall Route ¹¹⁶	\$ 413,520
Foreclosure Mediation Fund ¹¹⁷	\$ 108,750
Public Vehicles For Hire Consumer Service ¹¹⁸	\$ 164,521
DC Net Service Support ¹¹⁹	\$ 500,000
Fixed Cost Commodity Reserve Fund ¹²⁰	\$ 4,205,259
Total	\$24,143,861

Financial Plan Impact

The proposed budget and financial plan includes \$24.1 million of fund balance use from the above-named special funds.

¹⁰⁷ D.C. Official Code § 42-1706.

¹⁰⁸ D.C. Official Code § 47-2853.11.

¹⁰⁹ D.C. Official Code § 29-102.13.

¹¹⁰ D.C. Official Code § 47-131.

¹¹¹ D.C. Official Code § 36-2672.

¹¹² D.C. Official Code § 7-731.

¹¹³ D.C. Official Code § 1-204.24d.

¹¹⁴ D.C. Official Code § 50-921.13.

¹¹⁵ D.C. Official Code § 50-2603.

¹¹⁶ D.C. Official Code § 50-921.33.

¹¹⁷ D.C. Official Code § 42-815.03.

¹¹⁸ D.C. Official Code § 50-320.

¹¹⁹ D.C. Official Code § 1-1432.

¹²⁰ D.C. Official Code § 47-368.04.