

COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



FISCAL IMPACT STATEMENT

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

FROM: Jennifer Budoff, Budget Director *Jennifer Bluff*

DATE: March 17, 2020

SHORT TITLE: "COVID-19 Response Emergency Amendment Act of 2020" and
"COVID-19 Response Temporary Amendment Act of 2020"

TYPE: Emergency/Temporary

REQUESTED BY: Chairman Phil Mendelson

Conclusion

Funds are sufficient in the District's FY2020 budget and financial plan to implement the COVID-19 Response Emergency Amendment Act of 2020, and its corresponding temporary measure. The Mayor has flexibility within the contingency and emergency reserve funds - along with existing resources - to cover the District government costs associated with this emergency.

Background

On March 11, 2020, Mayor Muriel Bowser issued the Declaration of Public Emergency: Coronavirus (COVID-19) and the Declaration of Public Health Emergency: Coronavirus (COVID-19) due to the imminent threat to the health, safety, and welfare of District residents posed by the spread of the coronavirus.¹ This emergency and temporary legislation provides flexibility and authority to the Executive to address the critical needs of District residents during this public health emergency. The measure includes provisions to address wage replacement, business relief, and other health, public safety, and consumer protections.

Specifically, the legislation does the following:

¹ Mayor's Order 2020-045 and Mayor's Order 2020-046, respectively.

Title I: Labor and Employment Protections

- **Section 101** expands Unemployment Insurance eligibility to employees affected by the public health emergency, including employees who may be quarantined or working for an employer that ceases operations during a public health emergency. The legislation further refines certain eligibility requirements to ensure that eligible employees impacted by the public health emergency can more quickly receive their benefits. Funds are sufficient within the Unemployment Insurance Trust Fund to provide payments for the workers who may become eligible as a result of the public health emergency.
- **Section 102** expands protections and waives certain eligibility requirements under the District's Family and Medical Leave Act to employees who are ordered or recommended to quarantine or isolate by DC Health. There are no costs to the District associated with maintaining employment and benefits during a public health emergency as those costs fall to employers. Funds are sufficient for the District to provide these protections for District government employees.

Title II: Business Relief

- **Section 201** allows hotels and motels to delay the first two installments of their property tax payment without penalty until June 30, 2020. Providing this temporary delay equates to an approximately 3-month, \$84 million interest free loan to hotels. This section also allows any other businesses, except hotels and motels, required to file February 2020 and March 2020 returns for sales taxes to delay those payments and pay in full by July 20, 2020, equating to a \$182 million interest free loan to all other District businesses that remit sales taxes. This temporary tax remittance relief serves as \$266 million of cash flow for the District's businesses, large and small, over the next several months. This section will not impact the District's budget or financial plan because all payments are due within the current fiscal year.
- **Section 202** authorizes the creation of a public health emergency grant program, through which the Mayor may issue grants to small businesses, non-profits, or an independent contractor or self-employed individual ineligible for unemployment insurance. Eligible applicants must demonstrate financial distress caused by a reduction in business resulting from the declared public health emergency. The grants may only be used to pay for employee wages and benefits, operating costs, and repayment of U.S. Small Business Administration loans. All grants awarded under this program must be published online. The section allows the Mayor to use a third-party grant-management entity to administer the program and issue grants on behalf of the Mayor. It provides the Mayor the authority to stand up this grant program but does not require its implementation or funding. Accordingly, there is no cost to the authorization provided in this section. If the Mayor chooses to implement this program, the Mayor will need to utilize available resources to address any costs associated with offering this program.
- **Section 203** allows a restaurant or tavern to sell and deliver beer or wine in closed containers to the homes of District residents if that delivery accompanies one or more prepared food

items. Restaurants are required to receive written confirmation from the Alcohol Beverage Regulation Administration prior to starting these deliveries. ABRA can absorb any limited administrative costs associated with implementing this legislation.

- **Section 204** provides an extension of time for filing a first biennial corporate report from April 1 to June 1, 2020. There is no cost to the District for providing this extension.

Title III: Public Health, Safety, and Consumer Protections

- **Section 301** amends the District of Columbia Public Emergency Act of 1980 to authorize certain action by the Mayor during the declared public health emergency, including:
 - Waive certain insurance, securities, and banking laws;
 - Take specific personnel actions regarding executive branch subordinate agencies if the Mayor deems them necessary and appropriate;
 - Authorize the use of crisis standards of care or modified means of delivering health care services in times of scarce resources; and
 - Allow the Department of Health to coordinate health care delivery for first aid in certain shelters and facilities following provided plans and protocols.

This section also authorizes the Mayor to extend the 15-day public health emergency declared on March 11, 2020 for an additional 30 days. There is no cost associated with providing the Mayor these authorities.

- **Section 302** provides emergency authority to the Commissioner of the Department of Insurance, Securities, and Banking to undertake certain actions during the declared public health emergency. There is no cost associated with providing the Commission with this authorization.
- **Section 303** permits the Mayor to extend the eligibility period for individuals receiving benefits such as SNAP, TANF, and medical coverage through the Alliance program, extend the timeframe for determinations of new applicants, and take any other actions that may be necessary to support continuity of, and access to, public benefit programs. This provision extends until 60 days after the end of a public health emergency. Funds are sufficient to support this provision because the benefits for several of these programs are paid by the federal government and the District agencies responsible for these programs can absorb any administrative costs. For the Alliance program, funds are sufficient to support this provision.
- **Section 304** expands the existing price gouging prohibition to apply during a public health emergency and adds a prohibition against stockpiling large quantities of supplies the government declares necessary for first responders handling the crisis. The legislation also outlines penalties associated with violating these provisions. There are no costs associated with establishing these consumer protections.
- **Sections 305 – 307** prohibit the disconnection of electric, gas, or water service during a declared public health emergency for non-payment of a bill. There are no costs to the District associated with these sections.

- **Section 308** prohibits evictions during the time period when the Mayor has declared a public health emergency. There are no costs to the District associated with implementing this prohibition.
- **Section 309** allows pharmacists to authorize and dispense medication refills prior to the expiration of the waiting period between refills under protocols issued by the Board of Pharmacy and the Board of Medicine. There are no costs to the District associated with implementing this provision.
- **Section 310** allows the Mayor, during the declared public health emergency, to extend the validity of licenses and registrations that otherwise require in-person renewals, such as drivers' licenses and professional licenses. Because any license or registration extended as a result of this section will still require renewal there are no costs associated with this section.
- **Section 311** makes several amendments to the District's Homeless Services Reform Act to provide the Mayor flexibility around interim eligibility placements for the duration of a public health emergency, including authorizing the waiver of in-person visits where necessary. Funds are sufficient to cover the costs associated with potentially keeping homeless individuals and families in interim placements for longer than usual during a public health emergency.
- **Section 312** extends deadlines for tenants and tenant organizations exercising their rights under the District's Tenant Opportunity to Purchase Act (TOPA). This section also prevents the charging of late fees charged on tenants during any month in which there is a public health emergency declared. There are no costs to the District associated with implementing this section.
- **Section 313** amends the District's Good Time Credits act to provide the Department of Corrections the discretion to award additional credits beyond the limits otherwise described in the law to effectuate the immediate release of prisoners sentenced for misdemeanors, provided their release is consistent with public safety. Any administrative costs that may arise from implementing this legislation can be absorbed by the agency.

Title IV: Education

- **Section 401** provides the Chancellor of DC Public Schools the authority to waive summer school requirements for students during a school year that includes a period of time in which there is a declared public health emergency.
- **Section 402** extends the meeting deadline of the review panel established by the DC Education Research Practice Partnership Establishment and Audit Act of 2018.

There are no costs to the District associated with implementing these sections.

Title V: Public Body Meetings

- **Sections 501** waives certain meeting requirements for Advisory Neighborhood Commissions and authorizes remote meetings during a public health emergency.

- **Section 502** waives the meeting requirements of other boards and commissions, with some exceptions, during the duration of a declared public health emergency, and addresses vacancies and nomination approvals due during the public health emergency.
- **Section 503** amends the District's Freedom of Information Act, which requires the release of public records within 15 days except for Saturdays, Sundays, and legal holidays, to include days associated with a COVID-19 closure as exceptions to the 15-day requirement.
- **Section 504** allows a meeting to be deemed public during a public health emergency if the public body takes steps to allow the public to view or hear the meeting live, or as soon as reasonable thereafter. It also waives the physical public posting of notices during a public health emergency.

There are no costs to the District associated with implementing these sections.

Title V:

- **Section 601** postpones the date the Mayor is required to submit the Fiscal Year 2021 budget from March 19, 2020 to no later than May 6, 2020, unless another date is set subsequently by Council resolution. This section also requires the Mayor to submit permanent, emergency, and temporary version of the Fiscal Year 2021 Local Budget Act with the Fiscal Year 2021 budget.
- **Section 602** allows for the Council to conduct meetings virtually.
- **Section 603** approves the acceptance, obligation, and expenditure of federal, private, or other grants related to the public health emergency declaration, accompanied by a report by the Chief Financial Officer on March 17, 2020. There are no costs to the District associated with implementing these sections.

