

COUNCIL OF THE DISTRICT OF COLUMBIA  
COMMITTEE OF THE WHOLE  
FISCAL YEAR 2021 COMMITTEE BUDGET REPORT



DRAFT 6/24

**TO:** Members of the Council of the District of Columbia

**FROM:** Chairman Phil Mendelson  
Committee of the Whole

**DATE:** June 25, 2020

**SUBJECT:** Report and Recommendations of the Committee of the Whole on the  
Fiscal Year 2021 Budget and Corresponding Budget Support Act

The Committee of the Whole, having conducted hearings and received testimony on the Mayor’s proposed fiscal year 2021 operating and capital budgets for the agencies under its purview, reports its recommendations for consideration by members for inclusion in the final Fiscal Year 2021 Budget. The Committee also comments on several subsections of the Fiscal Year 2021 Budget Support Act of 2020 and makes its own additional proposals.

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# INTRODUCTION

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## Introduction to this Report

This report presents the Council of the District of Columbia Committee of the Whole’s recommendations regarding funding allocations for the fiscal year 2021 budget for the agencies under the Committee’s purview. In addition, the Committee comments on policy priorities and concerns raised during performance oversight and budget hearings, provides comments and amendments on the Mayor’s proposed Budget Support Act subtitles, and proposes its own additional subtitles.

## Committee of the Whole, Overview

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

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

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

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

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

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

## **Committee Review of the Budget**

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

Earlier this year, the world was stricken with a viral pandemic that has affected every person's everyday life. The District was not immune to the extraordinary challenge – the Mayor declared a public health emergency on March 11, 2020. This led to a virtual shutdown of the District, urging residents to stay at home, and shuttering District small businesses. This led to a precipitous reduction in the District's revenue estimate for Fiscal Years 2020 and 2021, just weeks before the Mayor was scheduled to submit the FY 2021 budget to the Council. As a result, on May 18, 2020, Mayor Bowser submitted to the Council a proposed Fiscal Year 2021 Budget and Financial Plan that allocates resources for programs and services for the upcoming fiscal year in line with the reduced revenues.

In order to review the Mayor's budget proposal, determine the needs of each agency under its jurisdiction, and provide the public with an opportunity to comment in this unprecedented time, the Committee, for the first time, held virtual budget hearings via the Zoom videoconferencing platform in order to allow members of the public to socially distance and still participate in the budget process. As a result, the Committee limited agency testimony to the larger agencies under its purview. However, the Committee afforded the public an opportunity to provide testimony on all agencies between its two budget hearings. Over two days, June 17<sup>th</sup> and June 18<sup>th</sup>, 2020, the Committee held a virtual hearing on both the Local Budget Act, the Federal Funds Portion Budget Act, the Budget Support Act, and the FY 2020 Revised Budget Act with over 100

individuals providing live testimony. The Committee also allowed the public to submit written testimony, and for the first time, transcribed voicemail testimony. Between the three hearings, the Committee received over 1,300 pages of written testimony. Typical of Council committee budget reports, testimony and written statements are made a part of the record but are not attached to the report. The committee also held two joint hearings with the Committee on Education, which have joint jurisdiction over a number of education agencies.

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

As such, the Committee presents its recommendations for the District's fiscal year 2021 budget that the Committee believes that the recommendations contained herein provide each agency under its purview with the funds necessary to fulfill its core mission and represent the policy priorities that best serve the people of the District of Columbia.

The Committee also provides thanks to the Council Budget Office and the staff of the Committee of the Whole, without whose support this unprecedented budget process would not have been possible: Evan Cash, Committee and Legislative Director; Christina Setlow, Deputy Committee Director; Blaine Stum, Legislative Policy Advisor; LeKisha Jordan, Legislative Policy Advisor; Julia Koster, Senior Planning Advisor; Destiny Price, Committee Assistant; Anne Phelps, Budget Counsel; and Dan Golden, Deputy General Counsel.

## Fiscal Year 2021 Budget Hearings

### Committee of the Whole/Education Fiscal Year 2021 Joint Budget Hearing Schedule

Thursday, **June 4, 2020** at Noon

- Public Witnesses for all agencies under its purview.

Thursday, **June 4, 2020** at 3:00 p.m.

- Office of the State Superintendent of Education (Agency Witnesses)

Thursday, **June 11, 2019** at 9:00 a.m.

- District of Columbia Public Schools (Agency Witnesses)
- Deputy Mayor for Education (Agency Witnesses)

### Committee of the Whole Fiscal Year 2021 Budget Hearing Schedule

Wednesday, **May 27, 2020** at 9:00 a.m.

- |   |   |
|---|---|
| ▪ Department of Consumer and Regulatory Affairs | ▪ Historic Preservation Review Board                                  |
| ▪ Office of Planning                            | ▪ District of Columbia Retirement Board                               |
| ▪ Office of Zoning                              | ▪ Other Post-Employment Benefits<br>(Public Witnesses only for above) |

Friday, **May 29, 2020** at 9:00 a.m.

- |  |  |
|--|--|
| ▪ Commission on the Arts and Humanities  | ▪ Council of the District of Columbia                                    |
| ▪ University of the District of Columbia | ▪ District of Columbia Auditor   |
| ▪ Events DC                              | ▪ New Columbia Statehood Commission<br>(Public Witnesses only for above) |

Wednesday, **June 17, 2020** at Noon, reconvened Thursday, **June 18, 2020** at 9:00 a.m.

- Bill 23-761, Fiscal Year 2021 Local Budget Act of 2020
- Bill 23-762, Fiscal Year 2021 Federal Portion Budget Request Act of 2020
- Bill 23-763, Fiscal Year 2020 Revised Local Budget Emergency Act of 2020
- Bill 23-760, Fiscal Year 2021 Budget Support Act of 2020

## Fiscal Year 2019/2020 Agency Performance Oversight Hearings

### Committee of the Whole/Education 2019/2020 Joint Performance Hearing Schedule

Wednesday, **February 12, 2020** at 10:00 a.m. in Room 412

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

Wednesday, **February 19, 2020** at 11:00 a.m. in Room 412

- District of Columbia Public Schools (Public Witnesses)

Thursday, **February 20, 2020** at 10:00 a.m. in the Council Chamber

- District of Columbia Public Schools (Agency Witnesses)

Wednesday, **February 26, 2020** at 10:30 a.m. in the Council Chamber

- Office of the State Superintendent of Education

### Committee of the Whole 2018/2019 Performance Hearing Schedule

Monday, **February 24, 2020** at 10:00 a.m. in the Council Chamber

- Metropolitan Washington Council of Governments
- New Columbia Statehood Commission
- Events DC
- Commission on the Arts and Humanities

Tuesday, **February 25, 2020** at 10:30 a.m. in Room 412

- Metropolitan Washington Airports Authority (reconvened on March 11, 2020)
- Office of Zoning
- Office of Planning

Thursday, **February 27, 2020** at 10:00 a.m. in Room 412

- District of Columbia Auditor
- District Retiree Health Contribution
- District of Columbia Retirement Board and Teacher, Police, and Firefighter Funds

Thursday, **March 5, 2020** at 10:00 a.m. in the Council Chamber

- Office of Budget and Planning
- University of the District of Columbia
- Department of Consumer and Regulatory Affairs

## SUMMARY TABLES

### COMMITTEE TRANSFERS IN AND RESOURCE ADJUSTMENTS

*(whole dollars)*

Committee	Description	Amount	Type
Committee on the Judiciary and Public Safety	Enhancement to fund the IT fiscal impact of Bill 23-48	\$10,300	One Time Local
Committee on Transportation and Environment	MWCOG Agricultural Task Force	\$25,000	Recurring Local
Committee on Transportation and Environment	Chevy Chase Planning Study	\$150,000	One Time Local
Committee on Business and Economic Development	Council Equity Assessment Program (3.0 FTEs)	\$321,450	Recurring Local
Committee on Business and Economic Development	Funding to support racial equity in the Council's budget	\$8,025	One Time Local
Committee on Health	Design/ production of Police Reform Commission report	\$50,000	One Time Local
Committee on Housing and Neighborhood Revitalization	Police Reform Commission NPS	\$25,000	One Time Local
Committee of the Whole	Align UDC budget with recognized SPR funds and awarded Federal grants	\$11,300,000	One Time Enterprise
Committee of the Whole	Align OSSE budget with awarded Federal grants	\$38,814,032	One Time Federal
Committee of the Whole	Reduce DCRA expedited building permit review SPR funds per Errata Letter	(\$1,150,000)	One Time SPR
<b>Total:</b>		<b>\$49,553,807</b>	

# AGENCY FY 2021 OPERATING CHANGES SUMMARY TABLE

*(dollars in whole dollars)*

Agency	Amount	Type	Attributes	Description
District of Columbia Auditor	(\$246,000)	Recurring Local	Pgm.2000/2010 CSG 11	Reduce Personal Services to increase Contract Audits
District of Columbia Auditor	(\$54,000)	Recurring Local	Pgm.2000/2010 CSG 14	
District of Columbia Auditor	\$300,000	Recurring Local	Pgm.2000/2010 CSG 41	
University of the District of Columbia	\$1,100,000	One Time Enterprise	Pgm. 1000/1050 CSG 50	Recognize funds from SPR
University of the District of Columbia	\$7,200,000	One Time Enterprise	Pgm. 1000/1065 CSG 41	CARES Act Funding - Chief Operating Officer funds
University of the District of Columbia	\$1,000,000	One Time Enterprise	Pgm. 2000/2045 CSG 50	CARES Act Funding - Enrollment Services
University of the District of Columbia	\$700,000	One Time Enterprise	Pgm. 2000/2045 CSG 41	CARES Act Funding - Enrollment Services
University of the District of Columbia	\$1,300,000	One Time Enterprise	Pgm. 4000/4008 CSG 50	USDA Award for UDC CAUSES
Dept. of Consumer & Regulatory Affairs	\$10,300	One Time Local	Pgm. 1000/1040 CSG 40	Enhancement to fund the IT fiscal impact of Bill 23-48
Dept. of Consumer & Regulatory Affairs	(\$1,150,000)	One Time SPR	Pgm. 2500/2520 CSG 41	Reduce expedited building permit review funds per Errata
MW Council of Governments	\$25,000	Recurring Local	Pgm. 1000/1100 CSG 50	MWCOG Agricultural Task Force
Office of Planning	\$150,000	One Time Local	Pgm. 3000/3010 CSG 41	Chevy Chase Planning Study
Council of the District of Columbia	\$311,905	Recurring Local	Pgm. 2000/0025 CSG 11	Council Equity Assessment Program (3.0 FTEs)
Council of the District of Columbia	\$8,345	Recurring Local	Pgm. 2000/0025 CSG 14	
Council of the District of Columbia	\$1,200	Recurring Local	Pgm. 2000/0025 CSG 40	Council Equity Assessment Program (Admin. Costs)
Council of the District of Columbia	\$8,025	One Time Local	Pgm. 2000/0025 CSG 40	Council Equity Assessment Program (Startup Admin.)
Council of the District of Columbia	\$75,000	One Time Local	Pgm. 2000/0025 CSG 40	Police Reform Commission
Office of the State Superintendent	\$47,604,000	One Time Federal	Pgm. E600/E601 CSG 50	Federal Grants (School relief/Governors relief funds)
Office of the State Superintendent	\$210,032	One Time Federal	Pgm. E600/E601 CSG 41	
Office of the State Superintendent	\$1,000,000	One Time Federal	Pgm. E800/E805 CSG 50	Federal Grants (Child Care Dev. Block Grant)
Office of the State Superintendent	(\$110,445)	One Time Federal	Pgm. E800/E805 CSG 11	Reduction reflecting unawarded Federal grant included in Mayor's proposed
Office of the State Superintendent	(\$367,750)	One Time Federal	Pgm. E800/E805 CSG 12	
Office of the State Superintendent	(\$110,463)	One Time Federal	Pgm. E800/E805 CSG 14	
Office of the State Superintendent	(\$6,314,802)	One Time Federal	Pgm. E800/E805 CSG 41	
Office of the State Superintendent	(\$3,096,540)	One Time Federal	Pgm. E800/E805 CSG 50	
Office of the State Superintendent	(\$1,250,000)	Recurring Local	Pgm. E800/E803 CSG 50	Technical swap at the request of the AFO
Office of the State Superintendent	\$1,250,000	Recurring Local	Pgm. E800/E802 CSG 50	
<b>Total:</b>	<b>\$49,553,807</b>			

# AGENCY FY 2021 CAPITAL BUDGET SUMMARY TABLE

*(thousands of dollars)*

The Mayor's proposed fiscal year 2021 capital budget for agencies under the purview of the Committee of the Whole includes the following capital projects in fiscal year 2021. The Committee recommends no changes to the Mayor's proposed capital budget and recommends adoption as shown below.

Project No.	Project Title	Available Allotmen	FY 2021 Budget	FY 2021 Budget	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget	Total FY 2021-26
<b>COUNCIL OF THE DISTRICT OF COLUMBIA</b>									
WIL04C	John A. Wilson Building Fund	2,267	0	0	0	0	0	0	0
WIL05C	IT Upgrades	1,982	0	0	0	0	0	0	0
<b>Total</b>		<b>4,249</b>	<b>0</b>						
<b>OFFICE OF ZONING</b>									
JM102C	Zoning Information Technology Systems	256	0	180	186	0	0	0	366
<b>Total</b>		<b>256</b>	<b>0</b>	<b>180</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>366</b>
<b>COMMISSION ON THE ARTS AND HUMANITIES</b>									
CHH04C	Charles Hamilton Houston Bronze Statue	300	0	0	0	0	0	0	0
CTN04C	Chinatown Friendship Archway Renovation	0	0	0	0	0	0	0	0
<b>Total</b>		<b>300</b>	<b>0</b>						
<b>DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS</b>									
ISM07C	IT Systems Modernization	1,125	0	3,000	2,375	3,000			8,375
ISM11C	DCRA Business Portal	94	0	0	0	0	0	0	0
NEW	Short-Term Rental Technology	2,226	0	0	0	0	0	0	0
<b>Total</b>		<b>3,445</b>	<b>0</b>	<b>3,000</b>	<b>2,375</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>8,375</b>
<b>UNIVERSITY OF THE DISTRICT OF COLUMBIA</b>									
ET940C	Higher Education Back Office	1,522	0	0	0	0	0	0	0
UG706C	Renovation of University Facilities	74,487	19,125	18,375	10,000	10,000	25,500	25,500	108,500
<b>Total</b>		<b>76,009</b>	<b>19,125</b>	<b>18,375</b>	<b>10,000</b>	<b>10,000</b>	<b>25,500</b>	<b>25,500</b>	<b>108,500</b>

## AGENCY FISCAL YEAR 2021 BUDGET RECOMMENDATIONS

The Committee presents the following with regard to the agencies and programs under its purview. The information contained herein provides for each agency: (I) a brief overview of its purpose and function; (II) a summary of the Mayor’s fiscal year 2021 budget proposal; (III) commentary on issues and concerns the Committee has identified; and (IV) the recommended changes to the proposed budget as well as policy recommendations.

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
*Committee Recommendations – See Page xvi*

### I. AGENCY OVERVIEW

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

### II. MAYOR’S PROPOSED BUDGET

#### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>1</sup>

The Mayor’s Fiscal Year 2021 budget proposal for the Council of the District of Columbia is \$28,909, an increase of \$693, or 2.5 percent, over the current fiscal year. The proposed budget supports 203.0 FTEs, which represents a decrease of 3.0, or 1.5 percent, under the current fiscal year.

**Table AB-A: Council of the District of Columbia;  
Total Operating Funds Budget FY 2014-2021**

	<b>Actual 2015</b>	<b>Actual 2016</b>	<b>Actual 2017</b>	<b>Actual 2018</b>	<b>Actual 2019</b>	<b>Budget 2020</b>	<b>Mayor 2021</b>
<b>Total Funds</b>	19,539	21,295	22,359	24,144	26,914	28,252	28,909
<b>FTEs</b>	171.2	181.0	185.1	193.0	196.2	206.0	203.0

*Source: Budget Books (dollars in thousands)*

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

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

### III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed Fiscal Year 2021 (FY 2021) budget and agency performance over the last year.

**FY 2019 and FY 2020 Accomplishments:** The Secretary to the Council is responsible for internal administrative, budget, and operational support to the Council. Other central offices include the Office of the General Counsel, which provides legal counsel and legislative advice, and the Office of the Budget Director, which provides advice and support in crafting the annual District budget.

Over the last year, the Council has increased engagement and accessibility with design improvements to the Legislative Information Management System (LIMS) including a new interface released in June 2020. The Council has also expanded availability of interpretation services including installation of assistive hearing technology in each of the Council’s four hearing rooms. The Council continues its online social media engagement through Twitter and expanded commenting capabilities on LIMS. The Council has also continued its commitment to highlighting District history and arts by installation of additional photo and art exhibits throughout the Wilson Building.

**FY 2021 Budget:** The FY 2021 budget submission includes funding for the 3% retirement matching program instituted by the Council in FY 2019, and the student loan repayment program instituted in FY 2020. The proposed budget is adequate to support 12 standing committees in FY 2021.

**Council Information Technology Fund:** The Council has a Council Technology Projects Fund that captures all excess monies remaining in the operating budget for the Council at the end of each fiscal year in the form of capital funds. Therefore, any underspending by the Council supports future information technology needs of the Council. The Fund is administered by the Council Chief Technology Officer and currently has a pre-encumbered available balance of approximately \$1.9 million.

### IV. COMMITTEE RECOMMENDATIONS

#### Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee on Health and the Committee on Housing and Neighborhood Revitalization each transferred \$50,000 to the Committee to support the police reform board created by Bill 23-774, the “Comprehensive Policing and Justice Reform Emergency Amendment Act of 2020.” The Committee on Business and Economic Development transferred \$329,475 to

the Council to fund potential costs of Bill 23-38, the “Racial Equity Achieves Results Amendment Act of 2019,” which the Committee intends to mark up before the end of Fiscal Year 2020.

The Committee recommends the following changes to the Council of the District of Columbia FY 2021 budget:

1. Increase Program/Activity 2000/0025, CSG 11 by \$311,905 (Recurring, Local).
2. Increase Program/Activity 2000/0025, CSG 14 by \$8,345 (Recurring, Local).
3. Addition of 3.0 FTEs in Program/Activity 2000/0025.
4. Increase Program/Activity 2000/0025, CSG 40 by \$1,200 (Recurring, Local).
5. Increase Program/Activity 2000/0025, CSG 40 by \$1,200 (Recurring, Local).
6. Increase Program/Activity 2000/0025, CSG 40 by \$83,025 (One Time, Local).

## OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>2</sup>

The Mayor’s fiscal year 2021 budget proposal for the Office of the District of Columbia Auditor is \$5,653, an increase of \$100, or 1.8 percent, over the current fiscal year. The proposed budget supports 31.8 FTEs, which represents an increase of 0.2, or 0.5 percent, over the current fiscal year.

**Table AC-A: Office of the District of Columbia Auditor;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	4,460	4,549	4,669	5,945	5,415	5,552	5,653
<b>FTEs</b>	31.0	29.2	30.9	30.4	30.5	31.6	31.8

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

**Discretionary Audits:** Over the last several fiscal years, the Auditor has increased the use of contract audits for non-statutory audits and investigations. The Committee believes this is an important tool to fulfill the Auditor’s mission. However, in some fiscal years, the Council has acted to push current year money into a subsequent fiscal year when the contract crosses fiscal years. This has caused the Auditor in some cases to plan audit work around budgetary constraints rather than audit efficiency. The Committee recognizes that allowing the Auditor additional flexibility with these funds could streamline planning for these audits by removing this barrier. Thus, the Committee is recommending a new Audit Engagement Fund to provide not only the ability to conduct contract audits between fiscal years, but to also allow additional discretionary audits that are requested by the Council or recommended by the Auditor. The Committee recommends a new Budget Support Act subtitle to create a new non-lapsing fund that will collect any unused funding in a fiscal year and make it available in subsequent fiscal years. The fund mirrors the Council Technology Projects Fund established as part of the Fiscal Year 2012 budget.<sup>3</sup>

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

<sup>3</sup> Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011, § 1082 (D.C. Official Code 1-325.201).

***IT Enhancements:*** The Auditor has been undertaking a review of its information technology needs over the last two fiscal years. The Council directed additional resources in Fiscal Year 2019 to allow for needed technology upgrades with its physical IT infrastructure. Funding was also increased for new audit management software which was not able to be brought online in Fiscal Year 2019 due to ongoing evaluation of system needs. The Auditor has requested that funds reprogrammed to the Council Technology Projects Fund be reprogrammed back to the Auditor before the end of Fiscal Year 2020 to allow that project to move forward.

***Rent Costs:*** The Auditor occupies leased office space at 717 17<sup>th</sup> Street NW under a lease negotiated almost 20 years ago. The space has become obsolete by today's standards, especially with regard to space efficiency for a number of employees that spend significant time away from the office in the field conducting audits. The rent under that lease has escalated at a tremendous pace in the past several fiscal years. For FY 2021, the Auditor is examining potential new spaces to move its operations to. The Auditor provided testimony that they are looking for new office space that can proactively be configured for what is likely to be a reimagined office concept in reaction to the COVID-19 pandemic that is ongoing as of the passing of this budget. The Committee is pleased that for FY 2021, there is budgeted a reduction, from \$609,000 to \$605,000 in its Rental budget to reflect a space that meets the needs of the Auditor within a reasonable budget. The Committee looks forward to the Auditor's move into more appropriate space in the coming fiscal year.

#### IV. COMMITTEE RECOMMENDATIONS

##### *Committee's Recommended fiscal year 2021 Operating Budget*

The Auditor has requested that \$300,000 in personal services funds be converted to non-personal services in order to carry out additional contract audits for FY 2021.

The Committee recommends the following changes to the Office of the District of Columbia Auditor's FY 2021 budget:

1. Reduce Program/Activity 2000/2010, CSG 11 by \$246,000 (Recurring, Local).
2. Reduce Program/Activity 2000/2010, CSG 14 by \$54,000 (Recurring, Local).
3. Increase Program/Activity 2000/2010, CSG 41 by \$300,000 (Recurring, Local).

Policy Recommendations

1. The Committee recommends that the Auditor work with the Department of General Services to identify office space that meets the current and future needs of the agency, with an emphasis on outfitting the space to promote public health and safety.
2. The Committee recommends that after creation of a new Audit Engagement Fund, the Auditor develop timelines and scopes for its work that prioritize best practices for audits and not artificial budgetary deadlines.

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS**

*Committee Recommendations – See Page XX*

**I. AGENCY OVERVIEW**

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

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

## II. MAYOR'S PROPOSED BUDGET

### Mayor's Proposed Fiscal Year 2021 Operating Budget:<sup>4</sup>

The Mayor's FY 2021 budget proposal for COG is \$554, an increase of \$12, or 2.2 percent, over the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year. This budget proposal represents the District's annual payment to COG and is equal to the dues required to be a member of COG.

**Table EA-A: Metropolitan Washington Council of Governments;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2016	Actual 2017	Actual 2017	Actual 2019	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	450	472	495	520	242	554	561
<b>FTEs</b>	0	0	0	0	0	0	0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE CONCERNS

The Committee provides the following commentary and concerns in relation to the proposed FY 2021 budget and agency performance over the last year.

Funding for COG is determined by a funding formula based in large part on the population of each member's jurisdiction. As the population grows, each member's jurisdiction can count on owing more in COG dues. Any annual increases in dues is subjected to a five percent cap. Under COG's bylaws, member contributions are calculated based on a prorated share of the region's population. Based on work program priorities and revenue requirements, each fiscal year an assessment rate is applied to population forecasts for each COG member jurisdiction. Based on population estimates, the District's FY 2021 proposed contribution to COG is \$561, up from \$554 from the previous year.

Dues from member jurisdictions account for approximately eight percent of COG's total budget. This funds regional programs, such as the Cooperative Purchasing Program, which gives member jurisdictions the ability to save money by participating in certain contracts, such as cooperating with Maryland to obtain a bulk rate for road deicing chemicals. The remaining 92 percent represents funding from federal and state contracts that involve regional projects, including transportation and homeland security projects.

<sup>4</sup> The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

## IV. COMMITTEE RECOMMENDATIONS

### Committee's Recommended Fiscal Year 2021 Operating Budget:

The Committee on Transportation and the Environment transferred funds to the Committee to support an Agricultural Task Force at MWCOG.

The Committee recommends the following changes to the Metropolitan Washington Council of Governments FY 2021 budget:

1. Increase Program/Activity 1000/1100, CSG 50 by \$25,000 (Recurring, Local).

### Policy Recommendations:

1. The Committee recommends that the Metropolitan Washington Council of Governments should continue to implement programs and policies to increase regional cooperation and foster regionalism, especially leading the charge for securing state and federal funding for WMATA.
2. The Committee recommends that MWCOG work collaboratively from a regional perspective to address the impacts of COVID-19 on the entire region.

## STATEHOOD INITIATIVES AGENCY

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>5</sup>

The Mayor’s FY 2021 budget proposal for the Statehood Initiatives Agency is \$245, an increase of \$3, or 1 percent, over the current fiscal year. The proposed budget supports 1.0 FTE, which represents no change from the current fiscal year.

**Table AR-A: Statehood Initiatives Agency;  
 Total Operating Funds Budget FY 2014-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	137	290	240	324	245	245	241
<b>FTEs</b>	2.2	1.3	1.0	1.0	3.9	1.0	3.0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed FY 2021 budget and agency performance over the last year. The New Columbia Statehood Initiative and Omnibus Boards and Commissions Reform Amendment Act of 2014<sup>6</sup> created the New Columbia Statehood Commission (Commission), the Office of the Statehood Delegation, and the New Columbia Statehood Fund. The Commission and Delegation are both budgeted under the Statehood Initiatives Agency in the budget, and funds from the Statehood Fund would also be reflected in this agency.

## IV. COMMITTEE RECOMMENDATIONS

### Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the FY 2021 budget for the Statehood Initiatives Agency as proposed by the Mayor.

<sup>5</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

<sup>6</sup> Effective May 2, 2015 (D.C. Law 20-271; D.C. Official Code § 1-129 *et seq.*).

Policy Recommendations

1. The Committee recommends that the Commission convene to adopt a FY 2021 budget based on the budget approved by the Council ahead of the new fiscal year.
2. The Committee recommends that the Commission develop a comprehensive, multi-year strategy to achieve statehood and develop future budget requests to support the plan.

**OFFICE OF BUDGET AND PLANNING**  
*Committee Recommendations – See Page XX*

**I. AGENCY OVERVIEW**

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

**II. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget

The Mayor’s fiscal year 2021 budget proposal for the Office of Budget and Planning is \$6,326, an increase of \$7, or less than 0.1 percent, over the current fiscal year. The proposed budget supports 41.0 FTEs which represents a decrease of 1.0, or 0.2 percent, under the current fiscal year.

**Table AT1-A: Office of Budget and Planning;  
Total Operating Funds Budget FY 2014-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	5,364	5,715	6,006	6,026	6,182	6,319	6,326
<b>FTEs</b>	42.0	38.8	40.2	39.9	38.6	41.0	40.0

*Source: Budget Books (dollars in thousands)*

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

### III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

**FY 2021 Budget Formulation:** OBP began the FY 2021 budget formulation process in collaboration with the Executive beginning in 2019 as usual. The budget was to be submitted to the Council on March 19, 2020. However, beginning in late February and early March 2020, it became apparent that an unprecedented public health threat was looming. By March 11, 2020, the Mayor had declared a public health emergency in the District, shutting down most businesses, shuttering offices, closing schools, and asking District residents to stay at home to limit the spread of the novel COVID-19 coronavirus. It was clear that this unprecedented move would deal a heavy blow to the District's current FY 2020 budget with a loss of revenues and new costs that were sure to flow into the FY 2021 budget and through the financial plan. On May 15, 2020, the Council adopted legislation to delay the submission of the FY 2021 budget from March 19<sup>th</sup> to May 6<sup>th</sup>. During that time, the Executive had to reformulate the FY 2021 budget in conjunction with OBP for an additional two months. The Council subsequently moved the budget submission date to May 18<sup>th</sup> to allow OBP to ensure the Mayor's proposed budget was balanced, and the generate the budget for transmission to the Council. The Committee commends OPB for its work in this unprecedented moment and looks forward to a partnership with the Council as the FY 2021 budget is finalized.

**Budget Controls:** The Committee continues to remain concerned over execution of current year budgets. In FY 2019, it was discovered that DCPS was overspending its budget by approximately \$25 million and the Executive and Chief Financial Officer had to put controls in place to mitigate the spending pressure. Such a spending pressure might not take place should better assumptions be utilized during budget formulation. There also continues to be a number of unfunded spending initiatives requiring mid-year reprogrammings which are approved by the OCFO through OBP. For example, in FY 2019, the Executive unilaterally made fares on the Circulator free – even after the Council rescinded additional funds in the FY 2019 Revised Local Budget Act in an amount equal to the cost of the free fares. While the Council should have been more explicit in its recession, the free service continued until the end of the fiscal year. There is also concern that OBP may be reviewing reprogramming requests that come close to reversing Council budget actions which would not be in accordance with our reprogramming law. For example, after Council action to delay the K Street Transitway project, the Executive requested a reprogramming in FY 2020 to move planning money into the project. While the reprogramming was sent to the Council for its passive review, perhaps the OCFO should have pushed back on this request. There has also been a move by the Executive to transfer administration of the automated traffic enforcement system from Metropolitan Police Department to the District Department of Transportation, despite the Council's rejection of such a move. It seems that budgetary actions were taken to effectuate the transfer despite the Council's rejection.

The Council implores OBP and the OCFO to scrutinize these mid-year budget adjustments and challenge the Executive with respect to the need for the changes, and if necessary, deny requests that run counter to the intent of the Council.

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Office of Budget and Planning as proposed by the Mayor.

##### Policy Recommendations

1. The Committee recommends the OCFO continue to modernize its budget IT systems to more effectively and efficiently provide support to the Executive and Council in budget formulation, especially when unplanned events like COVID-19 require flexibility.
2. The Committee recommends that OCFO scrutinize mid-year funding changes requested by the Executive, and consult with the Council before approving such shift, to ensure it does not run counter to the Council's intended budget actions.

## OFFICE OF PLANNING

Committee Recommendations – See Page XX

#### I. AGENCY OVERVIEW

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

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>7</sup>

The Mayor’s fiscal year 2021 budget proposal for the Office of Planning is \$11,110, a decrease of \$3,309 or -22.9 percent, from the current fiscal year. The proposed budget supports 76.0 FTEs, reflecting no increase, under the current fiscal year.

**Table BD-A: Office of Planning  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	10,617	9,927	10,138	10,628	10,988	14,419	11,110
<b>FTEs</b>	70.1	64.6	70.6	72.0	75	76	76

*Source: Budget Books (dollars in thousands)*

**Local Funds:** The Mayor’s proposed budget is \$10,415, a decrease of -\$3,269, or -23.9 percent, under the current fiscal year. The proposed budget supports 72.5 FTEs, no change under the current fiscal year.

**Special Purpose Funds:** The Mayor’s proposed budget is \$150, a decrease of -\$50, or 25 percent, from the previous fiscal year. The proposed budget supports no FTEs, which represents no change from the previous fiscal year.

**Federal Grant Funds:** The Mayor’s proposed budget is \$535, which represents an increase of \$10, or 1.9 percent from the previous fiscal year. The proposed budget supports 3.5 FTEs which represents no change from the previous fiscal year.

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

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

<sup>7</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

### III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

**Budget reductions:** OP's proposed FY 21 budget reflects a decrease of \$3,309 or 22.9 percent from the FY 20 budget. However, OP had a major increase in FY 20 of \$3,213, primarily to support Census work (\$2,517) and one-time contractor funding (\$525) for a housing study and other related planning. Comparing the FY 21 to the FY 19 budget, the decrease is less dramatic: \$95, or an .8 percent decrease, although OP will support more staff in FY 21 than in FY 19. OP's budget reflects other reductions in response to the economic impacts of the pandemic, including the loss of other recurring contracting, salary freezes, the loss of a contract position, and elimination or reductions in overtime, travel and supplies. The impacts to OP's work program are described in more detail below, and also include OP's current redirection of planning resources to respond to the pandemic, including ReOpen DC, and potentially delaying or rescoping the agency's anticipated planning initiatives to be accomplished in-house, rather than through consultant services.

**Comprehensive Plan Amendment Cycle:** The District of Columbia's Comprehensive Plan is a twenty-year framework that guides future growth and development. Originally adopted in 2006 and amended in 2011, it addresses a wide range of topics to guide the development and experience of the city. OP launched the Comprehensive Plan amendment cycle in 2016 and received nearly 3,000 amendments, which according to OP was ten times the amount anticipated. As a result, OP's submission of the Comprehensive Plan amendments to the Council for approval was considerably delayed.<sup>8</sup>

The Mayor took an unprecedented approach by dividing the amendment cycle into two separate legislative packages,<sup>9</sup> the first introduced as Bill 22-663, the "Comprehensive Plan Act of 2018" which proposed amendments only to the Framework Element. On March 20, 2018, the Committee of the Whole held a public hearing with 178 public witnesses. Additional information was submitted to the Council by OP, and in January 2019, the Framework Element amendments were reintroduced as Bill 23-1, the "Comprehensive Plan Amendment Act of 2019." The Council made significant edits and additions to the Framework Element to reflect Council and public concerns, including sections on affordable housing and equity, and clarified the process for reviewing discretionary development proposals. The Council passed Bill 23-1 on October 8, 2019. It was published on February 14, 2020 in the DC Register as Act Number A23-0217.

OP conducted a DC Values campaign in the summer of 2019 to clarify broad themes and completed updates to the rest of the Comprehensive Plan, which includes 14 citywide elements,

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<sup>8</sup> OP originally committed to having a complete legislative package of Comprehensive Plan amendments prepared for the Council by January 2018.

<sup>9</sup> Specifically, the Framework Element provides the context for the Comprehensive Plan: it describes the forces driving change in the city; describes the District's growth forecasts and projections; lays out principals to be followed; describes the relationship between the plan and development reviews; and describes the Comprehensive Plan Policy Map and the Future Land Use Map.

10 area elements, and the Generalized Policy Map and Future Land Use Map. The draft document was released for public comment, with the general public provided 88 days and Advisory Neighborhood Commissions (ANCs) 123 days. After the public comment period closed in February 2020, OP further updated the draft Comprehensive Plan. As noted in OP's testimony<sup>10</sup>, the plan was also updated during this time to acknowledge the pandemic, reinforcing language regarding resilience and equity, revising economic growth estimates, and addressing public health emergencies. The Mayor submitted the final draft Comprehensive Plan to the Council and it was introduced on April 23, 2020 as Bill 23-0736, the "Comprehensive Plan Act of 2020."

The Committee places great significance on amending the Comprehensive Plan to reflect the District's updated policy goals that guide land use in the District, and to set the stage for the next several years. Public testimony was received requesting that the draft Comprehensive Plan be returned to OP until more detailed information on the economic, social, and other planning implications of the pandemic were identified and could be incorporated into the plan.<sup>11</sup> The Committee notes that the Comprehensive Plan is intended to be a long-range planning document, broadly setting general policy direction in a way that enables responses to known and unforeseen future events. The public and the District have invested considerable effort into the updates in the draft document, and it reflects important, relevant policy guidance on more and more affordable housing, improving the environment, sustaining economic vitality, and providing infrastructure and services that promote an inclusive community for all. It includes overarching policies on equity and resilience. The Committee notes that the Council will consider the submitted plan later in 2020, following review of the budget, and does not intend to return the plan to OP for additional updates. The Committee recommends that OP continue to assess the short-term impacts of the pandemic and provide this information in a report format as the Council takes up review of Comprehensive Plan. The Committee further recommends that OP continue to assess the long-term planning implications of the pandemic and related economic downturn and incorporate this information into a future full rewrite of the Comprehensive Plan. This rewrite should incorporate new Census data and be considerably shorter to increase clarity and effectiveness.

**General Planning Initiatives:** OP's proposed budget for consulting is \$100,000, a significant decline from prior years. About half of this amount will be used to finish the Comprehensive Plan, including preparation of the final document and publication. In its testimony, OP proposes to use in-house resources rather than consultant services to advance various planning initiatives, which may mean that certain initiatives with technical study requirements may be delayed. OP intends to scope and begin work on approximately five area planning efforts. This will advance ongoing initiatives into FY 21, including Congress Heights, the North Capitol Crossroads/Armed Forces Retirement Home, and Poplar Point. OP will then use the future planning analysis areas identified on the Mayor's proposed General Policy Map in the Comprehensive Plan to scope other planning studies. OP noted that it will not initiate these new planning studies until after the Council adopts the Comprehensive Plan updates to ensure that

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<sup>10</sup> Testimony of Andrew Trueblood, Director, DC Office of Planning, before the Committee of the Whole FY 21 Budget Oversight Hearing, May 27, 2020, Page 4.

<sup>11</sup> Letter from The Committee of 100 on the Federal City, Kirby Vining, Chair, Re: Return the Draft Comprehensive Plan to the Office of Planning, May 15, 2020

planning actions are consistent with Council direction.<sup>12</sup> OP also proposes to conduct other planning work, including implementation assessments for completed small area plans, the Civic Infrastructure and Facilities Initiative, and updates to housing and population forecast models. The Committee notes that public testimony and Councilmember comments indicated interest in OP conducting or updating planning studies in various neighborhoods.

The Committee recommends that OP continue to provide a multi-year work program for proposed planning initiatives, including small area plans, design and market studies, and other work, to help establish expectations and demonstrate consideration of policy priorities and areas experiencing or seeking change. The Committee encourages OP to use in-house expertise and resources, to consider ways to tailor planning initiatives to be accomplished more quickly, at lower cost, and with implementable recommendations that reflect coordination with other public and private activities.

**Census:** The pandemic has limited in-person follow-up and delayed deadlines for the Census nationwide. While the District overall has had response rates comparable to those across the nation, the rate of response for certain populations - the homeless, immigrant communities, and those without access to technology - and in Wards 7 and 8 have been lower than desired. The Census effort will be complete before the start of FY 21. The Committee recommends that OP continue to provide updates to the Council on District Census activities, including lessons learned.

**Staffing:** At the time of the budget hearing, OP was fully staffed and proposes to remain at this level in FY 21. OP noted that several FTE moves across divisions were “paper” changes to reflect current duties. In FY 21, OP will no longer have a contract position providing administrative support.

**Historic Preservation:** The Historic Preservation Review Board (HPRB) is the official body of advisors appointed by the Mayor to guide the government and public on preservation matters in the District of Columbia. The HPRB also assists with the implementation of federal preservation programs and the review of federal projects in the District. In order for the HPRB to adequately serve the District and support the mission of the Historic Preservation Office (HPO), members are expected to understand the Secretary of Interior Standards for Evaluation of Historic Properties, along with District historic preservation standards. The Committee recommends that new and tenured HPRB members receive rigorous training on these standards. OP confirmed that at the time of the hearing there are two vacancies on the HPRB. The Committee recommends that nominees be submitted to the Council expeditiously to ensure that the Board has appropriate expertise and maintain quorums at meetings.

OP’s only special purpose fund, the Historic Landmark and Historic District Filing Fees, generates revenue from fees and fines and is used to nominate historic districts or landmarks. It is

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<sup>12</sup> Office of Planning Responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

anticipated that this fund will be reduced in FY 20 by \$127 to address pandemic-related cuts, leaving approximately \$125 at the end of the fiscal year.<sup>13</sup>

The Historic Homeowner Grant Program has the same proposed FY 21 funding, \$250, as last year. The Committee recommends HPO continue to increase public awareness of these grants and seek to expend allocated funds in a timely fashion.

**Permit Reviews:** OP provided comparative information on FY 19 and FY 20 Historic Preservation Office reviews. Stating that FY 20 was similar to FY19 until March, OP notes, “The suddenly lower numbers suggest uncertainty about investment risk, the difficulty of project teams collaborating, and initially more difficult permit processing while systems were being adapted to entirely remote use.”<sup>14</sup> Fewer HPRB and CFA reviews also partly reflect the exercise of discretion as to administrative reviews and hearings rescheduled into the future.

In addition, OP provided information on real and projected Board of Zoning Adjustment and Zoning Commission cases. It anticipates a decline in BZA FY 20 cases (202) due to rescheduling with a strong uptick in FY 21 (280) as BZA addresses this case backlog. The Zoning Commission had 32 and 36 cases filed in FY 18 and 19, respectively, and OP projects similar numbers in FY 20 (30) and FY 21 (32) with some potential for more cases filed once the Comprehensive Plan is fully adopted.<sup>15</sup>

The Committee recommends that OP continue to track and report the number of review cases, analyzing any year to year changes. In addition, the Committee encourages OP to continue to improve the quality of its reports to the Zoning Commission and Board of Zoning Adjustment to ensure that orders are detailed and provide thorough explanations for the basis of decisions.

**Food Systems:** OP noted that the Food Policy Director and other staff are presently working on policies and strategies to improve access to food during the pandemic. In FY 20 the Food Policy Council, in consultation with DOES, DHS and HSEMA, will complete a study regarding food access needs throughout the District during and following the COVID-19 public health emergency. The Council will also hire a consultant to conduct a feasibility analysis to locate a Food Policy and Innovation Center in the District.<sup>16</sup> Food insecurity is a critical issue facing many District residents and has been exacerbated by the pandemic. The Committee continues to recommend that OP track pertinent food access data and provide this data to the Council and public, along with specific recommendations for addressing food insecurity for the District’s most vulnerable residents.

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<sup>13</sup> Office of Planning Responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

<sup>14</sup> Office of Planning Responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

<sup>15</sup> Office of Planning Responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

<sup>16</sup> Office of Planning Responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal Year 2021 Operating Budget

The Committee on Transportation and the Environment transferred funds to the Committee to support a planning study for the Chevy Chase neighborhood.

The Committee recommends the following changes to the Office of Planning FY 2021 budget:

1. Increase Program/Activity 3000/3010, CSG 41 by \$150,000 (Local, One Time).

##### Committee's Recommended Fiscal Year 2021 Capital Budget

The Committee recommends no change to the fiscal year 2021 budget for the Office of Planning capital budget as proposed by the Mayor.

##### Policy Recommendations

1. The Committee recommends that OP continue to assess the short-term planning impacts of the pandemic and provide this information in a report format as the Council takes up review of Comprehensive Plan.
2. The Committee recommends that OP continue to assess the long-term planning implications of the pandemic and related economic downturn and incorporate this information into a future full rewrite of the Comprehensive Plan. This rewrite should incorporate new Census data and be considerably shorter to increase clarity and effectiveness.
3. The Committee recommends that OP continue to provide a multi-year work program for proposed planning initiatives, including small area plans, design and market studies, and other work, to help establish expectations and demonstrate consideration of policy priorities and areas experiencing or seeking change. The Committee encourages OP to use in-house expertise and resources, to consider ways to tailor planning initiatives to be accomplished more quickly, at lower cost, and with implementable recommendations that reflect coordination with other public and private activities.
4. The Committee recommends that OP continue to provide updates to the Council on District Census activities, including lessons learned.
5. The Committee recommends that new and tenured HPRB members receive rigorous training on the Secretary of Interior Standards for Evaluation of Historic Properties.

6. The Committee recommends that nominees to fill HPRB vacancies be submitted to the Council expeditiously to ensure that the Board has appropriate expertise and maintain quorums at meetings.
7. The Committee recommends HPO continue to increase public awareness of the Historic Homeowner Grant Program and seek to expend allocated funds in a timely fashion.
8. The Committee recommends that OP continue to track and report the number of review cases, analyzing any year to year changes. In addition, the Committee encourages OP to continue to improve the quality of its reports to the Zoning Commission and Board of Zoning Adjustment to ensure that orders are detailed and provide thorough explanations for the basis of decisions.
9. The Committee continues to recommend that OP track pertinent food access data and provide this data to the Council and public, along with specific recommendations for addressing food insecurity for the District's most vulnerable residents.

## OFFICE OF ZONING

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>17</sup>

The Mayor’s fiscal year 2021 budget proposal for the Office of Zoning is \$3,256, a decrease of \$79, or -2.4 percent, over the current fiscal year. The proposed budget supports 21.0 FTEs, three more than in the Mayor’s FY 2020 budget proposal, but the same as the current fiscal year, as the approved FY 20 budget funded three additional positions assigned to the Office of Zoning.

**Table BJ-A: Office of Zoning;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Approved 2020	Mayor 2021
<b>Total Funds</b>	2,644	2,837	3,070	2,871	2,901	3,335	3, 256
<b>FTEs</b>	19.0	19.6	19.0	19.0	18.0	21.0	21.0

*Source: Budget Books (dollars in thousands)*

**Local Funds:** The Mayor’s proposed budget is \$3,232, a decrease of -\$79, or -2.4 percent, over the current fiscal year. The proposed budget supports 21.0 FTEs, the same as the current fiscal year.

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

**OAG and OZ Coordination:** The quality and timeliness of BZA and ZC orders is contingent upon having sufficient legal resources. OZ and the Office of the Attorney General (OAG) had a long-standing arrangement that enabled five OAG land use attorneys to spend most of their time in support of OZ’s work. To ensure OZ had sufficient dedicated legal resources to conduct its work, to reduce the existing backlog of orders, and to enable OAG to deploy attorneys for other related work, OZ and OAG entered into a new Memorandum of Understanding (MOU) in FY 20. This enabled OZ to hire one new attorney and retain funds previously used for Intra-district funding of two OAG attorneys to fund those positions in OZ. The remaining OAG land use attorneys continue to provide support as needed to OZ. All attorneys are presently housed in

<sup>17</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

OAG space and under the supervision of an OAG attorney. This arrangement is proposed to continue through FY 21. In the future, OZ is proposing to seek funding for up to three new OZ positions, so OZ would have six attorneys, and OAG would propose retaining its three land use attorneys.

The Committee recommends that OZ maintain its current MOU arrangement with OAG for FY 21. OZ should identify the number of additional FTEs needed to eliminate order backlog and support OZ's workload, and request funding for these additional FTEs in future years. In addition, OZ should work with the Department of General Services to identify appropriate office space, furnishings, and equipment to house the OZ attorneys in the future.

**Online Meetings:** The pandemic restricted public gatherings, including in-person Board of Zoning Adjustment (BZA) and Zoning Commission (ZC) hearings. OZ noted in its testimony that both the ZC and BZA have initiated online meetings and hearings and have not experienced a significant delay in processing applications. The Committee recommends that OZ use online hearings as an opportunity to explore ways to improve public participation and effectiveness in case processing.

**Zoning Commission and Board of Zoning Adjustment Appeals and Order Backlogs:** In recent years, the District has experienced an increase in the number of BZA and ZC case appeals. Notably, many of the appealed ZC cases were remanded. While the appeals process is an integral part of our judicial system, the Committee recognizes that there are ways to lessen the likelihood of appeals; doing so can prevent long delays, preserve District resources, and provide certainty for all involved. While the number of appeals and the instances of remanded cases has plateaued in comparison to prior years, the Committee remains focused on ensuring the quality and timeliness of the orders produced. As in previous years, the Committee recommends that OZ continue to rigorously train ZC and BZA members and newer staff, including reviews of recent appeals and multidisciplinary training related to the impacts of development.

There are 35 BZA orders and 28 ZC orders currently backlogged, either as orders to be drafted or drafted orders waiting for review.<sup>18</sup> In the hearing, OZ noted continuing progress in addressing backlogs, and that legal staff used the time when the agency transitioned to online hearings to further address backlogged orders. The Committee recommends that OZ work with OAG to continue to improve the quality and completeness of the orders to provide sufficient substance and detail. The review process for draft orders should continue to be evaluated to ensure timeliness and quality.

**Tracking Cases and Anticipated Case Filings:** OZ has generally seen recent ZC and BZA filings continue at levels comparable to prior years and following some delay due to the transition to online reviews, anticipates that applications will remain steady in the future, projecting 258 cases filed in FY 20, with similar volumes for FY 21.<sup>19</sup> In addition, OZ noted at the hearing that applicants may be waiting to file certain case types, including Planned Unit Developments and

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<sup>18</sup> Office of Zoning June 1, 2020 responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

<sup>19</sup> Office of Zoning June 1, 2020 responses to May 27, 2020 Committee of the Whole Budget Hearing Questions

Map Amendments, until after the adoption of proposed updates to the Comprehensive Plan, anticipated in FY 21.

The Committee is interested in understanding the continuing impacts of the pandemic, the economic downturn, and the transition to on-line services on the volume and type of applications filed and timely OZ reviews. OZ has provided information to the Committee regarding the number of BZA and ZC cases submitted, reviews completed, and appeals. To better understand case load and timeliness, to meet OZ's stated three-month goal for issuing orders, and to consider the impacts of current events, the Committee recommends that OZ track and report the number of BZA and ZC cases filed, length of time to produce contested and non-contested orders, existing backlogs, consistency of orders with ANC and OP positions, and the number and status of any appeals or remands for variances, appeals, PUDs, design reviews and other matters. This information would also help OZ identify cases with unusually long review times, particularly for residential applicants.

***Technology Innovations:*** OZ continues to integrate user-friendly technologies to enhance the effectiveness of the agency's zoning processes and provide greater transparency. The Interactive Zoning Information System and other related tools are fully operational, and OZ had previously identified several years of capital improvement funding to continue adding features in response to user feedback. OZ is requesting no capital funding in FY21, and at its hearing, testified that it would use \$131 in unexpended funding to continue these improvements in FY 21 without a loss in momentum, with the intent of requesting capital funding in FY 22 and FY 23. The Committee recommends that OZ continues its efforts to integrate technology into the zoning process.

#### IV. COMMITTEE RECOMMENDATIONS

##### *Committee's Recommended Fiscal Year 2021 Operating Budget*

The Committee recommends no change to the fiscal year 2021 budget for the Office of Zoning as proposed by the Mayor.

##### *Committee's Recommended Fiscal Year 2021 Capital Budget*

The Committee recommends no change to the fiscal year 2021 budget for the Office of Zoning capital budget as proposed by the Mayor.

##### *Policy Recommendations*

1. The Committee recommends that OZ maintain its current MOU arrangement with OAG for FY 21. OZ should identify the number of additional FTEs needed to eliminate order backlog and support OZ's workload, and request funding for these additional FTEs in future years. In addition, OZ should work with the Department of General Services to

- identify appropriate office space, furnishings, and equipment in the future to house the OZ land use attorneys.
2. The Committee recommends that OZ use online hearings as an opportunity to explore ways to improve public participation and effectiveness in case processing.
  3. The Committee recommends that OZ continue to rigorously train ZC and BZA members and newer staff, including reviews of recent appeals and multidisciplinary training related to the impacts of development.
  4. The Committee recommends OZ work with OAG to continue to improve the quality and completeness of the orders to provide sufficient substance and thorough explanations for the basis of decisions. The internal review process for draft orders should continue to be evaluated to ensure timeliness, quality, and completeness.
  5. The Committee recommends that OZ track and report to the Committee the number of BZA and ZC cases filed, length of time to produce contested and non-contested orders, existing backlogs, consistency of orders with ANC and OP positions, and the number and status of any appeals or remands for variances, appeals, PUDs, design reviews and other matters.
  6. The Committee recommends that OZ continue its efforts to integrate technology into the zoning process.

## DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>20</sup>

The Mayor’s fiscal year 2021 budget proposal for the Department of Consumer and Regulatory Affairs (DCRA) is \$73,729, an increase of \$5,886, or 8.7% over the current fiscal year. The proposed budget supports 475 FTEs, an increase of one FTE.

**Table CR-A: Department of Consumer and Regulatory Affairs;  
Total Operating Funds Budget FY 2015-2020**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Approved 2020	Proposed 2021
<b>Total Funds</b>	\$43,517	\$48,578	\$50,850	\$57,154	\$59,956	\$67,843	\$73,729
<b>FTEs</b>	335.4	335.8	391.4	409.4	414.2	474	475

*Source: Budget Books (dollars in thousands)*

**Local Funds:** The Mayor’s proposed budget is \$27,533, an increase of \$32, or 0.1% percent, over the current fiscal year. The proposed budget supports 203.5 FTEs.

**Special Purpose Funds:** The Mayor’s proposed budget is \$46,047, an increase of \$5,705, or 14.1% percent, over the current fiscal year. The proposed budget supports 270.5 FTEs.

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

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

**Intra-District Funds:** The Mayor’s proposed budget is \$149, an increase of \$0, or 0.0 percent, over/under the current fiscal year. The proposed budget supports one FTE.

### Mayor’s Proposed Fiscal Year 2021 Capital Budget

The Mayor’s capital improvement plan includes \$8,375 for DCRA over the 6-year plan. The plan authorizes \$0 for fiscal year 2021, \$3,000 for fiscal year 2022, \$2,375 for fiscal year 2023, \$3,000 for fiscal year 2024, \$0 for fiscal year 2025, and \$0 for fiscal year 2026.

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

### III. COMMITTEE COMMENTARY<sup>21</sup>

The Committee provides the following commentary and concerns about the proposed fiscal year 2021 (FY 2021) budget and agency performance over the last year.

**Rental Housing Inspections:** The Mayor’s proposed FY 2021 budget includes \$3,232 and 36 FTEs for residential inspections. The agency’s “Schedule A” attachment for FY 2021 shows only 25 housing code inspectors under the residential inspection program activity (3080). The proposed budget’s failure to invest in a more robust residential inspection and enforcement strategy will continue to allow habitually negligent and malicious landlords to operate without proper accountability and put the health and safety of tenants at greater risk.

Data from DCRA’s dashboard suggests that the number of housing code inspections has remained relatively flat over the last three fiscal years, but the number of violations that have been abated has decreased drastically. In fiscal years 2017 and 2018, roughly half of all housing code violations were abated. In fiscal year 2019, less than third (31.5%) were abated. During the first two quarters of fiscal year 2020, only 9.5% of housing code violations have abated.

**Table CR-B: Department of Consumer and Regulatory Affairs:  
Housing Inspections and Abatements by Fiscal Year**

	FY17	FY18	FY19	FY20 <sup>22</sup>
<b>Number Inspections</b>	7,955	7,978	7,588	--
<b>Number Inspections with a Violation</b>	3,649	3,878	4,191	2,349
<b>Number of Violations Abated</b>	1,847	1,964	1,321	223
<b>Percent of Violations Abated</b>	50.6%	50.6%	31.5%	9.5%

At the agency’s performance hearing in March, Director Ernest Chrappah noted that this data does not give us the full picture, citing abatements conducted by agency staff, final orders issued by the Office of Administrative Hearings, and the new “triage” system for handling tenant complaints of housing code violations. The Committee is not convinced that these would present a less incriminating picture. In the triage system, DCRA contacts the landlord or property owner after it receives a complaint from the tenant to let them know that a violation has been reported and that an inspection is forthcoming. If the landlord “abates” the condition to the satisfaction of the tenant prior to any inspection taking place, DCRA closes the case. Since the agency does not inspect the alleged violation, it cannot properly determine the extent of the violation, whether other violations exist, and whether the abatement meets the standards of the District’s housing code.

**Proactive Inspections:** The Committee continues to be concerned that the Proactive Inspections program dilutes the agency’s ability to target “bad actors” effectively, even with recent

<sup>21</sup> All figures presented here are dollars in thousands.

<sup>22</sup> Only includes the first two quarters of fiscal year 2020.

changes to the algorithm used to randomly select properties.<sup>23</sup> Additionally, the Committee is concerned about DCRA’s ability to meet the goals of the program. Currently, proactive inspections are handled by five contract inspectors with the Veterans Contractor Assistance Support Services.<sup>24</sup> To inspect all renter-occupied units that are currently eligible, inspectors would need to conduct roughly 35,000 inspections every two years.<sup>25</sup> In fiscal years 2018 and 2019, a total of 8,666 proactive inspections were conducted.<sup>26</sup> That amounts to 26.7% of the units that should have been inspected during that timeframe. The agency could not even reach half of the 35,000 inspections needed in three fiscal years.

**Table CR-C: Department of Consumer and Regulatory Affairs:  
Proactive Inspections by Fiscal Year**

	FY17	FY18	FY19	FY20 <sup>27</sup>
<b>Number Inspections</b>	5,115	3,731	4,935	3,763

Given current resource constraints, the Committee recommends that DCRA overhaul its proactive inspection program to focus on properties where there is actual evidence or a high risk of substandard housing conditions. To determine the risk of substandard housing conditions at specific properties, the Committee recommends that DCRA explore using indicators such as delinquent property taxes, a history of pest infestations, and areas with a higher percentage of vulnerable populations to prioritize proactive inspections. Research has found that many of these data points are strong determinants of substandard housing.<sup>28</sup> The data are also easily accessible to DCRA through the Census Bureau, or through sister agencies.

**Illegal Construction:** At oversight hearings and other public venues, the Committee continues to receive complaints about lax enforcement and unresponsiveness to reports of illegal construction. Per DCRA’s data dashboard, the percent of illegal construction inspections that have taken place four days after an initial complaint has increased: In fiscal year 2017, it was only 9.4% of inspections. By fiscal year 2019, it increased to 20% of all inspections.

**Table CR-D: Department of Consumer and Regulatory Affairs:  
Illegal Construction Inspections by Fiscal Year**

<sup>23</sup> Martin Austermuhle, “How Georgetown Grad Students are Helping D.C. Conduct Better Housing Inspections,” WAMU, January 22, 2020 (<https://wamu.org/story/20/01/22/how-georgetown-grad-students-are-helping-d-c-conduct-better-housing-inspections/>).

<sup>24</sup> Contract number CW58444.

<sup>25</sup> Estimated using American Community Survey 2018 (1-Year Estimate) data, Tenure by Units in Structure. Accessed via U.S. Census Bureau (data.census.gov).

<sup>26</sup> Data via the DCRA Agency Dashboard. Accessed on March 19, 2020.

<sup>27</sup> Only includes the first two quarters of fiscal year 2020.

<sup>28</sup> See, for instance: Clark, C. S., Bornschein, R. L., Succop, P., Hee, S. Q., Hammond, P. B., & Peace, B. (1985). Condition and type of housing as an indicator of potential environmental lead exposure and pediatric blood lead levels. *Environmental Research*, 38(1), 46-53; Kutty, N. (1999). Determinants of structural adequacy of dwellings. *Journal of housing research*, 10(1), 27-43; Northridge, J., Ramirez, O. F., Stingone, J. A., & Claudio, L. (2010). The role of housing type and housing quality in urban children with asthma. *Journal of Urban Health*, 87(2), 211-224.

	FY17	FY18	FY19	FY20 <sup>29</sup>
<b>Number Inspections</b>	2,418	2,404	2,832	1,456
<b>Percent of Initial Inspections Occurring Four or More Days After Complaint</b>	9.4%	13.7%	20.2%	12.9%

Given the issues with DCRA’s current illegal construction regime, the Committee recommends that the Department conduct proactive random inspection blitzes and inspection of areas with a high volume of complaints, and of contractors who have a track record of complaints and stop-work orders related to illegal construction. Further, the agency must improve its business processes to track bad actors and ensure compliance with fines. Illegal construction must result in swift sanctions.

**Short-term rental regulations:** On November 13, 2018, the Council unanimously approved the Short-Term Rental Regulation Act of 2018 (D.C. Law 22-307). In the FY 2020 budget, the Committee identified dollars within DCRA to fund the administrative costs for the new law (as identified in updated fiscal impact numbers from the OCFO): 17.0 new FTEs at a cost of approximately \$2 million in recurring funds and approximately \$2 million in information technology costs. According to Director Chrappah, the agency has hired all of the necessary staff to enforce the law. Additionally, DCRA began procurement of a short-term rental platform on February 7, 2020.<sup>30</sup> The platform solicitation was closed on April 20, 2020 and is currently pending selection. The agency has also included a \$300,000 “short-term rental system maintenance” contract among its contracts and grants for FY 2021.<sup>31</sup> The Committee is pleased to see the agency moving toward implementation of the law, but continues to be concerned about the fact that proposed regulations have yet to be published. At the Committee’s oversight hearing on Law 22-307 on November 21, 2019, it was indicated that regulations would be published in December. Since then, the Committee has not heard any updates. The Committee therefor urges DCRA to publish proposed regulations for public comment immediately.

**Department of Buildings Establishment Act:** Committee Chairman Phil Mendelson re-introduced the Department of Buildings Establishment Act of 2019 on January 22, 2019 with ten councilmembers as co-introducers. The bill will create a Department of Buildings that includes construction permitting and inspection, residential housing enforcement, and zoning administration. The remainder of DCRA would be redesignated as the Department of Licensing and Consumer Protection. The Committee held a hearing on the bill on December 10, 2019. As with the hearing on Bill 22-669, public comments were mostly supportive of the bill, with several advocates noting that DCRA’s performance on housing inspections and illegal construction has not improved. Given this, the Committee remains committed to moving this bill.

<sup>29</sup> Only includes the first two quarters of fiscal year 2020.

<sup>30</sup> Doc 489517 – Short-Term Rental Compliance Solution.

<sup>31</sup> DCRA FY 2021 Budget Oversight Materials, Attachment I, Contracts and Grants.

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal Year 2021 Operating Budget

The Committee on the Judiciary and Public Safety transferred funds to fully implement Bill 23-48, the "Housing Conversion and Eviction Clarification Amendment Act of 2019" which requires DCRA to charge a new fee for building permits that reduce the number of units in a building. Funding was necessary to make IT changes to allow DCRA to charge the fee.

The Committee recommends the following changes to the Office of the Department of Consumer and Regulatory Affairs FY 2021 budget:

1. Increase Program/Activity 1000/1040, CSG 40 by \$10,300 (One Time, Local).
2. Reduce Program/Activity 2500/2520, CSG 41 by \$1,150,000 (One Time, SPR).

##### Committee's Recommended Fiscal Year 2021 Capital Budget

The Committee recommends adoption of the fiscal year 2021 capital improvement plan budget for the Department of Consumer and Regulatory Affairs as proposed by the Mayor.

##### Policy Recommendations

1. The Committee recommends that DCRA increase the number of housing code inspectors.
2. The Committee recommends that DCRA explore ways to enhance its proactive inspection program so that the program better targets nuisance and problem-properties.
3. The Committee recommends that DCRA conduct proactive, random inspection blitzes of areas with a high volume of complaints, and of contractors who have a track record of complaints and stop-work orders related to illegal construction.
4. The Committee recommends that DCRA publish proposed regulations for the Short-Term Rental Regulation Act of 2018 (Law 22-307) for public comment.

## I. AGENCY OVERVIEW

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

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

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

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

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

This program contains the following 4 activities:

- **Facilities and Buildings Grantmaking** - Provides grants to the National Capital Arts Cohort and the Arts and Humanities Cohort for the purchase or renovation of a facility designed for the management, production or presentation of performances, exhibitions, or professional training in the arts or humanities. Grant support for facility-based projects is also provided. The grants are competitively awarded by the agency using the agency's criteria.
- **The National Capital Arts Cohort** - Provides grants to organizations that belong to the National Capital Arts Cohort. The grants are competitively awarded by the agency using the agency's criteria.
- **The Arts and Humanities Cohort** - Provides grants to organizations that directly produce or present content or facilitate productions of other organizations in the arts

and humanities that not members of the National Capital Arts Cohort. The grants are competitively awarded by the agency using the agency's criteria.

- **Humanities Grant Program** - Provides subgrants for the humanities made through a grant-making entity. The grant-managing entity shall be required to enter into a Memorandum of Understanding (MOU) with the Commission. The MOU shall set forth certain administrative requirements for the grant-managing entity to abide by when it obtains District funds and awards subgrants involving District funds, and will clarify and reaffirm the grant-managing entity responsibility and obligation with respect to District funds, including the monitoring of the use of District funds.

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

This program contains the following 4 activities:

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

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

historically underserved populations, as well as grants and cultural events to the general public, so that they can access and participate in educational opportunities in the arts.

This program contains the following 3 activities:

- **Community Outreach** - Provides funding for community outreach-based projects including special performances, workshops, consultants and other opportunities that aim to enhance the agency's operations and the cultural community of the District;
- **Arts Education** - Provides funding to the Department of Employment Services (DOES) to give young adults work experience in the arts and humanities and grants to support arts programming for youth. Funding to DOES supports opportunities for young adults to receive work experience in the arts and humanities under the auspices of the Mayor Marion S. Barry Summer Youth Employment Program. Arts and Humanities Education Projects grants are open to any arts and humanities organization executing an educational initiative for youth in the District. Youth arts and humanities grants are competitively awarded by the agency using the agency's criteria.
- **Local/Regional Field trips** - Provides grants for field trips in the DC metropolitan area to provide DC Public School students with the opportunity to view an art exhibition, performance, or humanities event.

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

## II. MAYOR'S PROPOSED BUDGET

### Mayor's Proposed Fiscal Year 2021 Operating Budget<sup>32</sup>

The Mayor's fiscal year 2021 budget proposal for the Commission on the Arts and Humanities (Commission) is \$38,725, an increase of \$3,697, or 10.6 percent, over the current fiscal year. The proposed budget supports 35 FTEs, an increase of one FTE, or 2.9 percent, over the current fiscal year. The proposal comes mostly from dedicated sales tax revenue established by the Council under the Fiscal Year 2020 Budget Support Act of 2019 (Law 23-16, Subtitle U). Approximately \$877, or 2.2 percent, of the Commission's proposed budget is from federal grants or intra-District funds.

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

**Table BX-A: Commission on the Arts and Humanities;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Approved 2020	Proposed 2021
<b>Total Funds</b>	\$14,555	\$15,351	\$20,868	\$28,617	\$31,367 <sup>33</sup>	\$35,028 <sup>34</sup>	\$38,725
<b>FTEs</b>	18	17.6	28	25.9	27	34	35

*Source: Budget Books (dollars in thousands)*

**Dedicated Taxes:** The Mayor’s proposed budget is \$37,848, an increase/decrease of \$6,822, or 22 percent, over the current fiscal year. The proposed budget supports 29.5 FTEs, an increase of 10.5 FTEs over the current fiscal year.

**Special Purpose Funds:** The Mayor’s proposed budget is \$0, a decrease of \$133, or 100 percent, under the current fiscal year.

**Federal Funds:** The Mayor’s proposed budget is \$719, which is an increase of \$5 over the current fiscal year. The proposed budget supports 5.5 FTEs.

**Intra-District Funds:** The Mayor’s proposed budget is \$158, an increase/decrease of \$2, or 0.9 percent, under the current fiscal year.

### III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed FY 2021 budget and agency performance over the last year.

**Dedicated Funding:** In 2019, the Council showed its commitment to the arts and humanities by creating a dedicated funding stream for the Commission. The Council directed 0.3 percent of the general sales tax revenue to the Commission. The committee report noted that “[a]dequate funding is the cornerstone of any public arts program, and the Council’s investment will help ensure that the [District] remains a vibrant and imaginative place to live, work, and visit.”<sup>35</sup> This was a major change to provide more stability and support for the arts and humanities.

The FY 2020 budget, as proposed by the Mayor, would repeal the dedicated funding. Hearing the concerns from witnesses testifying at the budget hearing and unconvinced of the

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

<sup>34</sup> Due to the pandemic’s impact on District revenues, the Fiscal Year 2020 Revised Local Budget Emergency Act of 2020 proposes rescinding \$938 in local funding from the Commission.

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

arguments made by the Commission to repeal the dedicated funding, the Council approved striking the repeal of the dedicated funding stream. Maintaining the dedicated funding stream shows the government’s strong commitment to the arts and humanities. The FY 2021 budget maintains the dedicated taxes under D.C. Official Code §§ 47-2002(d) and 47-2202(b). These sections require that 0.3 percent of the District’s six percent retail sales tax be deposited into the Arts and Humanities Fund established by D.C. Official Code § 39-205.01.

**Grants Funding Structure:** Last year the Council approved restructuring the grantmaking programs and divisions within the Commission. The Council consolidated most of the Commission’s grant funding budget (CSG 50) and moved it to Program 2000 - Arts Building Communities (Program). Within the Program, the Council approved establishing four divisions to include the Facilities and Buildings Grantmaking division, the National Capital Arts Cohort division, the Arts and Humanities Cohort division, and the Humanities Grant Program. Under D.C. Official Code § 39-205(c-1), these divisions must receive 77% of the annual budget allocated to the Commission. Of that funding, 17% is for capital projects in support of the Arts and Humanities Cohort or the National Capital Arts Cohort, 50% is for grants to support the Arts and Humanities Cohort, 28% is for grants to support the National Capital Arts Cohort, and 5% is for the Humanities Grant Program.

**Table BX-B: Commission on the Arts and Humanities;  
 Arts Building Communities Funding**

	Approved 2020	Proposed 2021	Change From 2020
Facilities & Buildings Grantmaking	\$4,349	\$5,267	\$919
National Capital Arts Cohort	\$7,972	\$8,675	\$703
The Arts & Humanities Cohort	\$13,046	\$15,046	\$2,001
Humanities Grant Program	\$1,160	\$1,549	\$389

*Source: Budget Books (dollars in thousands)*

#### IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends adoption of the fiscal year 2021 budget for the Commission on the Arts and Humanities as proposed by the Mayor.

Policy Recommendations

1. The Committee recommends the Commission work with the Office of Planning to assemble and facilitate the Cultural Planning Steering Committee (required by statute) to review the recommendations made in the Cultural Plan.
2. The Committee recommends the members of the Commission work with the Council and the Mayor to determine how to implement the Cultural Plan best and to determine what resources should be allocated for the Cultural Plan.
3. The Committee encourages the Commission to be more transparent with its policies and to collect greater input from the arts and humanities community.
4. The Committee recommends that the Commission conduct targeted outreach to artists and musicians in marginalized communities for funding and partnership opportunities.

## WASHINGTON CONVENTION AND SPORTS AUTHORITY (EVENTS DC)

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>36</sup>

The Mayor’s fiscal year 2021 budget proposal for Events DC is \$164,271, a decrease of \$49,530, or 23.2 percent under the current fiscal year. The proposed budget supports 278 FTEs, which represents an decrease of 42 FTEs, or 13.1 percent, under the current fiscal year.

**Table ES-A: Events DC;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	0	0	0	0	200,612	213,801	164,271
<b>FTEs</b>	0	0	0	0	295	320	278

*Source: Budget Books (dollars in thousands)*

**Enterprise Funds:** Events DC’s entire budget is comprised of an Enterprise Fund. The FY 2021 budget proposal for Events DC includes a \$93,145 subsidy provided via dedicated taxes and special purpose revenue funds. The remaining balance of Events DC’s budget is comprised of TIF revenue, an IRS subsidy, operating revenue, and interest income. Please see pages **XX-XX** of this report for further information regarding the subsidy.

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed FY 2021 budget and agency performance over the last year.

**Conventions and Meetings:** The Conventions and Meetings division at Events DC operates the Convention Center and the Carnegie Library. This division is one of two divisions at Events DC that generates operating revenue. The other division that generates revenue is the Sports and Entertainment division. The proposed FY 2021 operating budget for this division is \$21 million, down significantly from the \$65 million budgeted in FY 2020 as a result of postponement of conventions and meetings beginning in March 2020 due to the coronavirus pandemic. 16 events have already been cancelled in FY 2021, although Events DC has been able to work with customers to reschedule events should proper mitigation efforts lead to reopening for events.

**Sports and Entertainment:** The Sports and Entertainment division operates RFK Stadium, the DC Armory, the ESA, the Gateway DC and R.I.S.E. Demonstration Center. The

<sup>36</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

proposed budget for FY 2021 for this division is \$4.5 million, down from \$18.25 million budgeted in FY 2020. As with the Convention and Meetings division, sports and entertainment events have been put on hold as a result of the coronavirus, reducing revenues significantly, but also reducing costs.

***Dedicated Taxes:*** A significant source of revenue for Events DC is derived from dedicated taxes. Events DC receives 4.45 percent of the gross receipts for the sale or charges for any hotel room charges, and one percent of the gross receipts from the sale or charges on restaurant meals, on-premise alcohol consumption, and car rental or leasing charges.<sup>37</sup> As a result of the pandemic, the OCFO issued a revised revenue estimate reducing the total from \$146 million for FY 2021 to \$63 million. This has caused Events DC to utilize its reserves to balance its 3-year budget. At the end of FY 2019, Events DC had \$140 million in its unrestricted reserves. For FY 2020, \$79 million is projected to be used to balance. In FY 2021 Events DC expects to utilize \$21.7 million and in FY 2022, \$3.2 million, leaving a projected FY 2022 balance of only \$35.9 million.

***FY 2020 Transfer to the District:*** During consideration of the Fiscal Year 2020 budget, the Council examined Events DC's reserves to identify possible on-time cost savings due to the Council's belief that the reserves were overfunded. This is important because while it is an independent agency, much of its reserves are derived from dedicated taxes in the District's budget. Working with the Council's General Counsel and the Attorney General, the Council identified \$49 million in excess reserves that should have reverted to the District's general fund. When the authority issued its original bonds in 1998, the Council set the reserve requirement at 3.0 times the operating and marketing budget of the authority. However, in 2007, the multiplier was lowered from 3.0 to 1.5 pursuant to a Memorandum of Understanding between the Chief Financial Officer and the authority. However, that calculation was never applied correctly. As a result, the CFO recalculated the reserves and found \$49 million in excess reserves. The Council was able to use that one-time sweep from the reserves of \$49 million, divided equally to (1) contribute to the Public Housing Authority's critical maintenance needs to keep (or make) more units available to low income residents; and (2) avoid the Mayor's proposed \$0.80 per room or suite per night tax on hotels.

Given that the reserve calculations have now been corrected, and due to the significant reduction in the authority's reserves as a result of the pandemic, Events DC reserves are not likely to be a source of additional funding for the foreseeable future. However, Events DC has been able to identify additional funds to disburse \$18 million to provide relief and recovery to the District's hospitality and tourism industry.

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<sup>37</sup> Supra Note 2 at 3.

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends adoption of the FY 2021 operating budget for Events DC as proposed by the Mayor.

##### Policy Recommendations

1. The Committee recommends that Events DC continue to plan for the future when its operations may come back online and contribute positively to the District’s economy.

## CONVENTION CENTER TRANSFER

Committee Recommendations – See Page XX

#### I. AGENCY OVERVIEW

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

#### II. MAYOR’S PROPOSED BUDGET

##### Mayor’s Proposed Fiscal year 2021 Operating Budget

The Mayor’s proposed budget is \$97,358, a decrease of \$55,869, or 36.5 percent, under the current fiscal year. The proposed budget supports 0.0 FTEs, representing no change from the current fiscal year.

**Table EZ-A: Events DC Subsidy;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	120,448	131,916	141,802	143,246	143,188	153,227	97,358
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

***Dedicated Taxes:*** The proposed FY 2021 budget includes \$93,145 in dedicated taxes, which is \$56,352 or 37.7 below the current fiscal year.

***Special Purpose Revenue Funds:*** The proposed FY 2021 budget includes \$4,213 in special purpose revenue funds, which is \$483 or 12.9 percent below the current fiscal year.

### III. COMMITTEE COMMENTARY

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

### IV. COMMITTEE RECOMMENDATIONS

#### *Committee's Recommended Fiscal Year 2021 Operating Budget*

The Committee recommends approval of the FY 2021 operating budget for the Events DC Subsidy as proposed by the Mayor.

## DISTRICT OF COLUMBIA RETIREMENT BOARD

*Committee Recommendations – See Page DY*

### I. AGENCY OVERVIEW

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

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

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>38</sup>

The Mayor’s fiscal year 2021 budget proposal for the District of Columbia Retirement Board is \$44,099, an increase of \$1,264, or 2.9 percent, over the current fiscal year. The proposed budget supports 75.0 FTEs which represents no change from the current fiscal year.

**Table DY-A: District of Columbia Retirement Board  
Total Operating Funds Budget FY 2014-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Budget 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	28,738	31,819	33,852	41,644	43,579	42,836	44,099
<b>FTEs</b>	57.6	62.6	69.6	75.0	75.0	75.0	75.0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

**Annually Determined Employer Contributions:** Each year, DCRB must calculate and certify the annually determined employer contribution (ADEC) – previously known as the annual required contribution (ARC) – to both the Teachers’ Retirement System (TRS) and the Police Officers’ and Fire Fighters’ Retirement System (POFFRS).<sup>39</sup> In 2012, the Board adopted a closed amortization period for the TRS of 20 years to fully fund the accrued unfunded liability. There are currently 13 years remaining in the TRS amortization period. The POFFRS is currently more than fully funded, meaning that the annual required contribution maintains a funding level that could pay out all current liabilities.

<sup>38</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

<sup>39</sup> D.C. OFFICIAL CODE § 1-907.03(a).

The District's commitment to fully funding the two pension funds are the reason for the health of the pension system. This contributes to the District's excellent bond ratings as compared to most other jurisdictions. District law requires the Mayor and Council to include the full actuarially determined amount necessary to fund the pensions in the annual budget.<sup>40</sup> While not required under the law, DCRB does use more conservative assumptions than most other plans across the country. The District uses a price inflation assumption of 3.5%, a payroll growth assumption of 4.25%, and a rate of return assumption of 6.5%.<sup>41</sup> This is in contrast to public pension systems nationwide that use an average inflation rate assumption of 3.2% and a rate of return assumption of 7.5%.<sup>42</sup> The Committee commends DCRB for its ongoing work to use sound judgment in managing the plan funds. The Committee notes that for FY 2021, the ADEC increased to \$180.4 million, an increase of \$28.5 million over last year's ADEC. The TRS increased by approximately \$11.6 million while the POFFRS increased by approximately \$16.9 million. The increases are driven by demographic experience including increased police pay under their 2018 contract and teacher turnover<sup>43</sup> and the economic impact of COVID-19 is likely to affect valuations going forward.<sup>44</sup> The FY 2021 valuation was the first valuation conducted by DCRB's new actuary, Bolton.

**Agency Management:** The Committee is pleased that DCRB continues to look to control its agency spending, which is funded out of the funds. DCRB has come to rely on efficiencies that can be gained by utilizing the District government's Office of the Chief Technology Officer, and in management restructuring.<sup>45</sup> However, the Committee is concerned over the Fiscal Year 2020 CAFR audit finding with respect to a weakness in internal controls over financial reporting. DCRB has committed to examine practices and implement procedures for more rigorous review of transactions and reconciliation. Auditors also noted that DCRB did not have a formal written financial reporting manual in place which DCRB has committed to address. Finally, the Auditor found that payment of investment managers fees was not properly reported, and DCRB will engage a firm that specializes in payment of fees to address this concern. The Committee also questioned why DCRB's CAFR timing did not coincide with the District's CAFR. DCRB has committed to completing the CAFR as early as possible.<sup>46</sup>

**Fossil Fuel Divestment:** According to DCRB, the funds have limited exposure to two companies that are on the Carbon Tracker 200 List. The Committee has long encouraged DCRB to eliminate exposure to such companies.

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<sup>40</sup> D.C. OFFICIAL CODE § 1-907.03(b).

<sup>41</sup> REPORT ON THE ACTUARIAL VALUATIONS OF THE TEACHERS' RETIREMENT PLAN AND POLICE OFFICERS AND FIREFIGHTERS' RETIREMENT PLAN p 30 (December 17, 2018).

<sup>42</sup> See NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS AND COBALT COMMUNITY RESEARCH, 2015 NCPERS PUBLIC RETIREMENT SYSTEMS STUDY (November 2015).

<sup>43</sup> *District of Columbia Retirement Board: Budget Oversight Hearing before the Council of the District of Columbia Committee of the Whole* (May. 27, 2020) (written testimony of Sheila Morgan-Johnson, Executive Director, District of Columbia Retirement Board).

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> June 16, 2020 letter to Committee of the Whole Chairman Phil Mendelson from Executive Director Sheila-Morgan Johnson (on file with the Committee).

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the District of Columbia Retirement Board as proposed by the Mayor.

##### Policy Recommendations

1. The Committee recommends that DCRB continue to leverage resources available from the District government in its operations.
2. The Committee recommends that DCRB follow through on its commitments to address auditor concerns.
3. The Committee recommends that DCRB endeavor to coincide release of its CAFR with the overall District CAFR.

## **POLICE OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM**

*Committee Recommendations – See Page XX*

#### I. AGENCY OVERVIEW

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

Under provisions of the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 ("the Act"), the federal government assumed the District's unfunded pension liability for the retirement plans for teachers, police officers, fire fighters and judges. Pursuant to the Act, the federal government will pay the retirement and death benefits, and a defined share of disability benefits, for employees for service accrued prior to July 1, 1997. The cost for benefits earned after June 30, 1997 is the responsibility of the government of the District of Columbia. This proposed FY 2016 budget reflects the required annual District contribution. Pursuant to D.C. Official Code § 1-907.02(a), the District is required to budget the pension contribution at an amount equal to, or greater than, the amount certified by the DCRB on the basis of a prescribed actuarial study and formula calculation that is set forth in § 1-907.03. On

January 7, 2015, DCRB transmitted the certified contribution for inclusion in the Mayor’s FY 2016 proposed budget, and it is reflected in this chapter.

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>47</sup>

The Mayor’s fiscal year 2021 budget proposal for the Police Officer’s and Fire Fighters’ Retirement System is \$109,933, an increase of \$16,872, or 18.1 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Table FD-A: Police Officer’s and Fire Fighters’ Retirement System;  
 Total Operating Funds Budget FY 2014-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	103,430	135,577	145,627	105,596	91,083	93,061	109,993
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

**Fund Contribution Levels:** Funding for the POFFRS is set by law as a calculated annual required contribution, also known as an annually determined employer contribution (ADEC). For fiscal year 2021, the ADEC for POFFRS is \$109,993. Additional analysis of the ADEC can be found in the chapter for the District of Columbia Retirement Board.

**Funding Ratio and Unfunded Liability:** According to the most recent actuarial valuation, POFFRS is currently 111.9 percent funded on an actuarial basis – a decrease of less than one percent below year’s level.

<sup>47</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

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

Funding Measures – Police				
Police	10/1/2018	10/1/2019	Percent Change	
1. Actuarial Accrued Liability				
a. Active	n/a	\$ 1,965,788	n/a	
b. Retirees and Beneficiaries	n/a	1,895,162	n/a	
c. Inactive with Deferred Benefits	n/a	37,037	n/a	
<b>d. Total</b>	<b>\$ 3,592,965</b>	<b>\$ 3,897,987</b>	<b>8.49%</b>	
2. Actuarial Value of Assets	\$ 4,083,671	\$ 4,359,508	6.75%	
3. Plan Funded Ratio (2. / 1.d.)	113.66%	111.84%		
4. Market Value of Assets	\$ 4,199,797	\$ 4,350,405	3.59%	
5. Funded Ratio based on Market Value of Assets (4. / 1.d.)	116.89%	111.61%		

(\$ in Thousands)

Funding Measures – Fire				
Fire	10/1/2018	10/1/2019	Percent Change	
1. Actuarial Accrued Liability				
a. Active	n/a	\$ 1,091,647	n/a	
b. Retirees and Beneficiaries	n/a	602,003	n/a	
c. Inactive with Deferred Benefits	n/a	12,936	n/a	
<b>d. Total</b>	<b>\$ 1,630,796</b>	<b>\$ 1,706,586</b>	<b>4.65%</b>	
2. Actuarial Value of Assets	\$ 1,764,905	\$ 1,910,120	8.23%	
3. Plan Funded Ratio (2. / 1.d.)	108.22%	111.93%		
4. Market Value of Assets	\$ 1,816,156	\$ 1,905,808	4.94%	
5. Funded Ratio based on Market Value of Assets (4. / 1.d.)	111.37%	111.67%		

(\$ in Thousands)

#### IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Police Officer’s and Fire Fighters’ Retirement System as proposed by the Mayor.

**TEACHERS’ RETIREMENT SYSTEM**  
*Committee Recommendations – See Page XX*

#### I. AGENCY OVERVIEW

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

Under provisions of the Police Officers, Firefighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 (“the Act”), the federal government assumed the District’s unfunded pension liability for the retirement plans for teachers, police officers, firefighters and judges. Pursuant to the Act, the federal government will pay the retirement and death benefits, and a defined share of disability benefits, for employees for service accrued prior to July 1, 1997. The costs for benefits earned after June 30, 1997 are the responsibility of the District government. The Mayor’s proposed budget reflects the required annual District contribution to fund these earned benefits. Pursuant to D.C. Official Code § 1-907.02(a), the District is required to budget the pension contribution at an amount equal to, or greater than, the amount certified by the DCRB on the basis of a prescribed actuarial study and formula calculation that is set forth in § 1-907.03. On January 7, 2015, the DCRB transmitted the certified contribution for inclusion in the Mayor’s FY 2016 proposed budget as reflected in this chapter.

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>48</sup>

The Mayor’s fiscal year 2021 budget proposal for the Teachers’ Retirement System is \$70,748, an increase of \$11,590, or 19.7 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Table GX-A: Teachers’ Retirement System;  
Total Operating Funds Budget FY 2014-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	39,443	44,659	56,618	58,844	53,099	58,888	70,748
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

<sup>48</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Fund Contribution Levels:** Funding for the Teachers’ Retirement System (TRS) is set by law as a calculated annual required contribution, also known as an annually determined employer contribution. For fiscal year 2021, the calculated amount for TRS is \$70,478,000.

**Funding Ratio and Unfunded Liability:** According to the most recent actuarial valuation, TRS is currently 91.1 percent funded, approximately 2 percent less than at the last valuation.

**Table FD-B: Teachers’ Retirement System;  
Plan Summary**

Funding Measures - Teachers			
Teachers	10/1/2018	10/1/2019	Percent Change
1. Actuarial Accrued Liability			
a. Active	\$ 1,066,518	\$ 1,230,678	15.39%
b. Retirees and Beneficiaries	1,054,091	1,107,126	5.03%
c. Inactive with Deferred Benefits	180,705	156,487	(13.40%)
d. Total	\$ 2,301,314	\$ 2,494,291	8.39%
2. Actuarial Value of Assets	\$ 2,139,911	\$ 2,271,160	6.13%
3. Plan Funded Ratio (2. / 1.d.)	92.99%	91.05%	
4. Market Value of Assets	\$ 2,193,598	\$ 2,264,428	3.23%
5. Funded Ratio based on Market Value of Assets (4. / 1.d.)	95.32%	90.78%	

(\$ in Thousands)

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee’s Recommended Fiscal year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Teachers’ Retirement System as proposed by the Mayor.

## OTHER POST-EMPLOYMENT BENEFITS ADMINISTRATION

*Committee Recommendations – See Page XX*

#### I. AGENCY OVERVIEW

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

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>49</sup>

The Mayor’s fiscal year 2021 budget proposal for the Other Post-Employment Benefits Administration is \$9,088, an increase of \$19, or less than 1 percent over the current fiscal year. The proposed budget supports no FTEs.

**Table UB-A: Other Post-Employment Benefits Administration;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	0	0	0	0	0	9,069	9,088
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

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

<sup>49</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

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

Unlike DCRB, OPEBA does not carry any FTE positions. Instead, it carries contractual services funds that are paid to the Office of the Chief Financial Officer under a Memorandum of Understanding for those OCFO staff that are supporting OPEBA. In addition, OPEBA pays for all investment management fees related to the OPEB fund. For FY 2021, according to follow up documentation provided by the OCFO, OPEBA will pay for **6.0 FTEs** at OCFO at a cost of \$938,000.00. The budget for investment management fees is \$6.7 million – these fees are negotiated with each investment manager and very depending on asset class being managed. There are other expenses budgeted of \$1.2 million.

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

Other Post-Employment Benefits Administration			
	Actual FY 2019	Budget FY 2020	Proposed Budget FY 2021
11 Regular Pay - Continuing Full Time	\$ 302	\$ 750	\$ 750
14 Fringe Benefits - Current Personnel	\$ 101	\$ 188	\$ 188
15 Overtime Pay	\$ -	\$ -	\$ -
<b>SUBTOTAL PERSONAL SERVICES*</b>	<b>\$ 403</b>	<b>\$ 938</b>	<b>\$ 938</b>
20 Supplies and Materials			
Energy, Communications and Building			
30 Rental			
40 Other Services and Charges			
41 Contractual Service - Other	\$ 6,942	\$ 8,132	\$ 7,980
50 Subsidies and Transfers			
70 Equipment and Equipment Rental			
<b>* OPEB pays OCFO/ATD for staff expense</b>	<b>\$ 7,345</b>	<b>\$ 9,070</b>	<b>\$ 8,918</b>

Source: Testimony from OCFO, March 27, 2020

**Calculation of the Annually Determined Employer Contribution (ADEC):** The results of a study to examining funding requirements for OPEB that began in 2015 found that the District had been significantly over-funding the OPEB. The study found that actual retiree participation rates are lower than the initial assumptions.<sup>50</sup> As a result, OCFO worked with the DC Department of Human Resources to model a more appropriate participation rate which was validated by the Advisory Committee. The change in assumptions also now closely align the OPEB assumptions to those of the DC Retirement Board. The ADEC also assumes a 20-year closed amortization

<sup>50</sup> *Other Post-Employment Benefits: Agency Performance Oversight Hearing before the Council of the District of Columbia Committee of the Whole* (Mar. 27, 2018) (oral testimony of Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer, Office of the Chief Financial Officer).

period and a target return rate of 6.5%. As a result, the ADEC payment for FY 2021 is \$56.6 million.

**Funding Ratio and Unfunded Liability:** OPEB is currently 103.48% funded meaning that the OPEB fund has no unfunded liability.

**Table UBC: Other Post-Employment Benefits Administration;  
Summary of Valuation Results**

Valuation Date	September 30, 2018	September 30, 2019
Discount Rate	6.50%	6.50%
Actuarial Liability (AL)	\$ 1,345,257,470	\$ 1,493,023,648
Actuarial Value of Assets	1,447,562,933	1,544,974,993
<b>Unfunded actuarial liability (UAL)</b>	<b>\$ (102,305,463)</b>	<b>\$ (51,951,345)</b>
Funded Ratio (AVA/AL)	107.60%	103.48%
Market Value of Assets	1,462,029,859	1,509,102,271
Funded Ratio (MVA/AL)	108.68%	101.08%
<b>Fiscal Year Ending</b>	<b>September 30, 2020</b>	<b>September 30, 2021</b>
Actuarially Determined Contribution	\$ 47,300,000	\$ 53,600,000
Expected Net Benefit Payments	27,336,117	33,410,732

Source: Other Post-Employment Benefits Fund 2019 Annual Report

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Other Post-Employment Benefits Administration as proposed by the Mayor.

##### Policy Recommendations

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

## DISTRICT RETIREE HEALTH CONTRIBUTION (OPEB)

## **I. AGENCY OVERVIEW**

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

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

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

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

## **II. MAYOR'S PROPOSED BUDGET**

### *Mayor's Proposed Fiscal Year 2021 Operating Budget*<sup>51</sup>

The Mayor's fiscal year 2021 budget proposal for the Retiree Health Contribution is \$53,600, an increase of \$6,300, or 2.8 percent, over the current fiscal year. The proposed budget supports no FTEs.

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<sup>51</sup> The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table RH-A: Retiree Health Contribution;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	91,400	29,000	31,000	44,500	46,000	47,300	53,600
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

### III. COMMITTEE COMMENTARY

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

### IV. COMMITTEE RECOMMENDATIONS

Committee's Recommended Fiscal year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Retiree Health Contribution as proposed by the Mayor.

## UNIVERSITY OF THE DISTRICT OF COLUMBIA

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

The University is governed by a board of trustees comprised of 15 members, 11 of whom are appointed by the Mayor with the advice and consent of the Council, one who is a full-time

student in good-standing at the University, and three who have either graduated UDC or one of its predecessor institutions.

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal Year 2021 Operating Budget<sup>52</sup>

The Mayor’s fiscal year 2021 budget proposal for the University of the District of Columbia is \$165,791 a decrease of \$8,067, or -4.6 percent, under the current fiscal year. The proposed budget supports 948.4 FTEs, a decrease of 20.0 FTEs, or -2.1 percent from the fiscal year 2020 approved budget.

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

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	139,524	154,968	164,015	168,255	179,406	173,857	165,791
<b>FTEs</b>	948.4	932.4	957.7	968.4	968.4	968.4	948.8

*Source: Budget Books (dollars in thousands) and email from UDC’s Agency Fiscal Officer.<sup>53</sup>*

**Enterprise Funds:** It is important to note that UDC’s entire budget is aggregated into an Enterprise Fund. The fiscal year 2021 budget proposal for UDC includes a \$90,303 subsidy provided via local funds. The remaining balance of UDC’s budget, \$75,488, is comprised of grants, tuition, fees, an endowment, and indirect costs. Please see pages **XX-XX** of this report for further information regarding the subsidy.

### Mayor’s Proposed Fiscal Year 2021 Capital Budget

The Mayor’s proposed capital improvements plan includes \$108,500 for UDC, representing a decrease of \$11,500, or -9.58%, over the six-year plan. The proposed plan authorizes \$19,125 for fiscal year 2021, \$18,375 for fiscal year 2022, \$10,000 for fiscal year 2023, \$10,000 for fiscal year 2024, \$25,500 for fiscal year 2025, and \$25,500 for fiscal year 2026. This funding is for construction and renovation of UDC sites.

## III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and UDC’s performance over the last year.

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

<sup>53</sup> Email from Munetsi Musara to Christina Setlow on June 10, 2020 (on file with the Committee).

**Capital Projects:** Over the past several years, UDC has faced a decline in its capital budget. In the fiscal year 2014 budget, UDC had its capital budget reduced by nearly \$70 million over a six-year period.<sup>54</sup> Because of this reduction, the University had to reevaluate what capital projects it was going to carry forward and had to place several projects on the back burner or eliminate them altogether. Then in the proposed fiscal year 2016 budget, Mayor Bowser eliminated all of UDC's capital funds for fiscal year 2016 – which reduced UDC's capital budget by another \$15 million over a six-year period. Given that UDC had several projects already in progress that would have had to grind to a halt, as well as the fact that UDC needed capital funds to complete projects necessary for its reaccreditation by Middle States, the Council restored the \$15 million to UDC - \$5 million in fiscal year 2015, \$10 million in fiscal year 2016, and \$10 million in fiscal year 2017. Yet despite the Council's clear signal that capital investments need to be made with regard to UDC, its fiscal year 2018 budget remained stagnant with no new capital funds included.

UDC's fiscal year 2019 capital budget, on the other hand, was welcomed by the Committee. UDC's capital budget increased by over \$81 million, or 161.7%, over the six-year capital plan. Yet, the Mayor's proposed fiscal year 2020 capital budget for UDC was concerning, as it was over \$27 million less than the capital plan adopted for UDC in fiscal year 2019. Such a decrease meant that UDC's plans to renovate its ailing buildings, particularly at its Van Ness campus, were not going to be able to come to fruition. Additionally, Mayor Bowser previously identified Building 41 on UDC's Van Ness campus as a potential site for DC's new Archives building and asked UDC to vacate the building by the summer of 2020. Given those two factors, along with the fact that UDC needed additional space since Building 44 was also rapidly deteriorating, the University began to lease property around its Van Ness campus.<sup>55</sup> While the Committee supported UDC's decision, it was concerned because UDC had, and continues to have, limited operational funds, which had to be used to pay for the leased property. For this reason, along with the needs for additional building space that UDC identified, the Council included \$35 million in capital funding in fiscal year 2020 for UDC to purchase 4250 Connecticut Avenue (“4250”).<sup>56</sup>

While UDC's purchase of 4250 in May 2020 resolves some of its space issues, the University still has substantial facilities needs, with its five largest priorities – renovating 4250; renovating and expanding its Bertie Backus location; replacing roofs, windows, and elevators; overhauling its mechanical, electrical, plumbing, HVAC, and IT systems, and purchasing its Old Congress Heights location in Ward 8 – requiring an investment of almost \$200 million in capital funds. Additionally, UDC has several lower priority projects that it needs to complete over the next six years, which cost approximately \$62 million. Thus, the Mayor's proposed fiscal year 2021 capital budget of \$108.5 million is insufficient to meet these needs, leaving UDC to, once again, face very tough decisions about how it will allocate its limited capital funding.

Given the tight economic climate due to the impact of the COVID-19 global pandemic, the Committee applauds the Executive for identifying \$108.5 million for UDC's fiscal year 2021 capital budget. However, the Committee recognizes that such funding is insufficient for UDC's

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<sup>54</sup> COW Report on Recommendations for the FY 2014 Budget at 69.

<sup>55</sup> Further, UDC planned for the leased space to serve as swing space in the future when it did eventually have enough funds to begin major renovations.

<sup>56</sup> See Fiscal Year 2020 COW Budget Report.

needs. Without additional capital funding, UDC will not be able to renovate 4250 sufficiently; renovate and add to its Bertie Backus campus; address fully its failing mechanical, electrical, plumbing, HVAC, and IT infrastructure; or purchase the Old Congress Heights property, which the University is currently leasing in Ward 8.<sup>57</sup> In other words, four of UDC's top five facility needs cannot be addressed sufficiently by the \$108.5 million allocated for UDC in the fiscal year 2021 capital budget.

Unfortunately, the tight fiscal climate also means that the Committee does not have the necessary funds to provide to UDC this year. However, the Committee is hopeful that funds will be identified in fiscal year 2022 and 2023 so that UDC may renovate 4250 sufficiently and encourages the Executive to make it a priority to identify such funds in next year's budget. Additionally, the Committee is committed to trying to find sufficient capital funds in future years for the renovation and addition at UDC's Backus location, as well as for the acquisition of the Old Congress Heights property, which UDC is currently leasing. Since the renovation and expansion of the Backus location only needs to be completed by 2027, which is when the University's lease for the Community College main location on North Capital Street expires, funding for this project may be found in the out years. The same is true for the acquisition of 3100 Martin Luther King Jr. Avenue, S.E. (Old Congress Heights), as UDC is currently leasing that property, and the lease does not provide UDC with an option to buy until the sixth year of the lease, meaning fiscal year 2025.

Yet, aside from finding funding for these discrete projects, the Committee is fully aware that because UDC's capital needs are so great, it will continue to have issues over the years until it receives adequate funding to renovate and modernize its buildings, particularly those on its Van Ness campus, fully. At the very least, UDC will still need adequate to address fully the mechanical, electrical, plumbing, HVAC, and IT needs. Its inability to do so means that the University wastes a considerable amount of money fixing the same issues over and over again and also affects UDC's ability to recruit and retain students. As much, the Committee stresses the importance of providing UDC with the adequate funding necessary for the University to address its serious facilities needs, while also urging UDC to consider public-private partnerships to finance their capital needs since the University continues to face capital funding shortfalls year after year.

***Private Fundraising:*** Since fiscal year 2014, the Council has set aside funds for the University as part of a fundraising match. Originally as a means of supporting UDC's accreditation efforts, the Council set aside a million dollars in matching funds in fiscal year 2014 to aid the University with accreditation activities and readiness.<sup>58</sup> For every dollar UDC raised in private donations, up to a maximum of a million dollars, the District matched those donations dollar for dollar. While the University was unsuccessful in raising private funds in fiscal year 2014 for this match, the Council agreed to extend the match opportunity to the University again in fiscal year 2015. UDC rose to the challenge that year and again in 2016.

Starting in fiscal year 2017, the Council put forth more stringent match requirements – for every two dollars the University raised, it would receive a dollar, up to \$1.5 million. The

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<sup>57</sup> Email from Troy Stovall, UDC Chief Operating Officer to Christina Setlow, COW Deputy Committee Director (on file with the Committee).

<sup>58</sup> See Title X, Sec. 10002 of D.C. Law 20-61, the Fiscal Year 2014 Budget Support Act of 2013.

University was just short of fulfilling the match in fiscal year 2017, but in fiscal year 2018, it raised over \$3.4 million. It also met the match in fiscal year 2019 for a total of \$4.5 million.<sup>59</sup> While UDC was working toward meeting the match again in fiscal year 2020, its fundraising efforts were stalled by the COVID-19 global pandemic. At UDC's annual performance hearing in early March 2020, it indicated that it had raised \$1.5 million toward its goal of \$3 million.<sup>60</sup> However, it was unsuccessful in raising additional funds, and at the end of March 2020, the University requested that the match requirements for fiscal year 2020 be amended to a one-to-one match ratio so that it would receive the full \$1.5 million match given that the University had successfully raised \$1.5 million in private funds thus far. Given UDC's financial needs because of the global pandemic and because the pandemic has hindered greatly fundraising by all institutions – including UDC – the Council agreed to amend the match requirements for fiscal year 2020 to a one-to-one match ratio.<sup>61</sup> The maximum amount of the fundraising match remains unchanged at \$1.5 million.<sup>62</sup>

As in past years, the Committee believes the fundraising match should be continued in fiscal year 2021. However, because the COVID-19 pandemic continues and another increase in reported cases of the virus is expected in fall of 2020 – most likely severely limiting UDC's ability to fundraise for much of 2020, and possibly into 2021 – the Committee recommends that the match be a dollar-to-dollar ratio, up to a maximum of \$1.5 million. The Committee stresses that this reversion from a two-to-one ratio back to a one-to-one ratio is only for fiscal year 2021 and only because of the global pandemic. If the Committee recommends continuation of the fundraising match in fiscal year 2022, it is expected that the match ratio will become more stringent once again. Additionally, while the University has a reprieve from the more stringent fundraising conditions, the Committee urges UDC to continue to fundraise as fervently as possible. Over the years, the Committee has been impressed by the steps the University has taken in terms of increasing its private fundraising, and it is hopeful that UDC will continue to strengthen its fundraising efforts despite COVID-19. Additionally, the Committee recommends that UDC maintain its efforts in diversifying its fundraising sources, as such diversification will be crucial given that traditional sources of fundraising may be taxed due to COVID-19.

**Enrollment:** A key to a successful education system in the District is a thriving public university, and instrumental to having a thriving public university is its enrollment. Thus, as the District's only public institution of higher education, it is essential that UDC's enrollment not only remain steady but grow. Given this, the Committee has monitored the University's enrollment over the years. A part of this monitoring involves not just watching UDC's overall enrollment but also looking at the enrollment of UDC's four-year institution, Community College (UDC-CC), and law school. Since UDC-CC was formed in 2009, the Committee has focused on UDC's enrollment data beginning with that academic year. Table B below shows UDC's enrollment, broken down by undergraduate, graduate, law school, and community college, from academic year 2009-2010 through its most recent academic year, 2019-2020.

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<sup>59</sup> \$3 million raised by the University and \$1.5 million, in matching funds, from the District government.

<sup>60</sup> See President Mason's FY19-20 performance oversight hearing oral testimony, Mar. 5, 2020.

<sup>61</sup> See Title 1, Sec.105 of D.C. Act 23-286, the COVID-19 Response Supplemental Emergency Amendment Act of 2020, effective April 10, 2020. This amendment moved the deadline for fundraising from April 1, 2020 to May 1, 2020 to provide the University with additional time to receive all eligible fundraising given COVID-19. See *id.*

<sup>62</sup> See *id.*

**Table XX-B: University of the District of Columbia;  
Enrollment Academic Years 2009-2010 through 2019-2020**

Students	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Undergraduate	2,991	2,636	2,129	2,019	2,026	1,959	2,124	2,051	2,009	1,957	1,938
Graduate	190	207	263	253	299	312	320	368	388	377	371
Law School	300	337	365	380	344	315	313	286	280	256	257
UDC-CC	1,779	2,675	2,529	2,838	2,686	2,532	2,361	1,899	1,850	1,910	1,890
Total	<b>5,260</b>	<b>5,855</b>	<b>5,286</b>	<b>5,490</b>	<b>5,355</b>	<b>5,118</b>	<b>5,118</b>	<b>4,604</b>	<b>4,527</b>	<b>4,500</b>	<b>4,456</b>

*Source: UDC's FY 2019-2020 2<sup>nd</sup> Round Performance Oversight Responses*

Unfortunately, UDC's enrollment is currently heading in the wrong direction. Instead of seeing its enrollment grow, it has declined over the years. Given the University's improvements over the past few years, particularly since President Mason assumed responsibility over the University, the Committee would expect to see UDC's enrollment improve. Yet, this has not occurred. When asked to explain why enrollment has continued to decline, UDC has defended the slight decline over the last three years as enrollment actually holding steady since enrollment has declined less than a hundred students overall during that time period.<sup>63</sup> Moreover, the University has noted that universities nationwide are seeing a decline due to a decline in enrollment amongst 18-24 year old students (traditionally the age of students enrolled in college).<sup>64</sup> UDC also indicated that this nationwide enrollment trend is expected to continue for several years and that its most recent strategic plan, *The Equity Imperative*, accounts for this dip in enrollment and projects enrollment growth towards the latter half of the plan.<sup>65</sup> Further, UDC argues that retention rather than enrollment is the driver behind its declining numbers and that students' work/life balance and academic preparedness issues have resulted in a large number of students dropping out despite initially enrolling in the University.<sup>66</sup>

The Committee acknowledges that the University has improved in its efforts to increase initial enrollment over the last three years, but the Committee is concerned by the overall decline in enrollment and the large retention issue plaguing the University. The two main drivers behind its retention issue are complicated and not entirely within UDC's control, which makes it hard for UDC to correct them quickly in order to improve its enrollment. Improving academic preparedness lies mostly with the K-12 education system, and the University can only do so much when it comes to aiding students with their work/life balance. Yet, the Committee does not believe that UDC should be excused from finding solutions to those two issues. UDC needs to identify more avenues for cross-collaboration with the various agencies in the District that play a role in solving these issues, and it needs to find and utilize strategies at both its four-year and Community College institutions that will alleviate these pressures, thereby improving its retention rates.

Given the current global pandemic, the Committee would also be remiss if it did not express concerns about how the University will maintain enrollment and retention during this upcoming

<sup>63</sup> 3.4.20 UDC 2<sup>nd</sup> Round Performance Oversight Responses, page 3.

<sup>64</sup> 3.4.20 UDC 2<sup>nd</sup> Round Performance Oversight Responses, page 3.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at 4.

academic year. When it comes to retaining students, the Committee is concerned that the University will face a more difficult year than most because the pandemic will most likely intensify the issues the UDC's students face and that cause them to withdraw from the University. Likewise, the Committee is concerned that new enrollment will also falter. However, UDC believes that it could potentially use the pandemic to its benefit.<sup>67</sup> Because the global pandemic may restrict travel and result in students needing to attend a university in the District, UDC may be able to capitalize and enroll students this year who cannot or do not want to attend their regular university due to the pandemic. Additionally, since UDC is considerably cheaper than the other universities in the District, it is an attractive option for students who want to continue their studies but need an affordable and local option this year. While the Committee encourages UDC to explore this potentiality, it also urges the University to be creative in identifying ways to improve retention during this upcoming academic year. Thus, UDC is going to have to ensure that while it is serving as a port in the storm for visiting students, it is also identifying and utilizing strategies to maintain enrollment of its current students.

***DC's Affordable Law Firm:*** One of the shining stars at UDC is its law school and its clinical program, for this program is one of the best law school clinic programs in the country. Given this recognition and focus, the law school has been looking for ways to expand its clinical programs beyond its current students. One such opportunity is the DC Affordable Law Firm (DCALF). This firm was established in 2015 when Georgetown University, Arent Fox, and DLA Piper joined together to create DCALF, which has been established as a non-profit organization.<sup>68</sup> DCALF provides affordable legal services to District residents – those who make too much money to receive free legal services but do not make enough to be able to afford to pay an attorney hundreds of dollars an hour for legal services.<sup>69</sup>

Georgetown provides six fellows, but the firm needs more attorneys.<sup>70</sup> Similar to Georgetown, those UDC law school graduates who desire to work at the firm would go through a competitive selection process in order to be selected as one of the UDC-supported attorneys at the firm. Each individual will work at DCALF for a 15-month tenure and earn a salary of \$53,000 annually. Additionally, UDC has reached an arrangement with Georgetown University so that each UDC DCALF fellow will receive a LLM degree from Georgetown, at no cost to the fellow once the fellow successfully completes the fellowship.

In order for UDC to participate, it must contribute \$450,000 annually. This will cover the compensation for all three fellows and DCALF administrative costs, which include a portion of the salary of a senior associate attorney, a half-time office manager, a legal assistant, and half of the salary of the DCALF Executive Director. UDC proposes to cover these costs by utilizing \$450,000 in recurring funds. These funds, which were originally included in UDC's fiscal year 2017 budget as one-time funds and then made recurring in fiscal year 2018, were intended for

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<sup>67</sup> Add cite.

<sup>68</sup> <http://dcaffordablelaw.org/about-the-firm/our-story/>.

<sup>69</sup> Individuals who are 200-400% above the poverty line.

<sup>70</sup> Since DCALF's inception, the firm has received 163 requests for legal services from Ward 8 residents, who have requested services more than any other ward in the District. Email from Matthew Fraidian, UDC Law to Veronica Holmes, DC Council, CM Trayon White (on file with the Committee of the Whole).

UDC to develop an elder law clinic. While UDC did establish such a clinic, over the years, UDC has found that most of the elderly clients have other legal needs that are met through their other legal clinics. Those clients that do have elder law related issues will still be served by UDC's clinics and the law school will absorb the associated costs. Thus, the University is requesting flexibility in how they use the \$450,000, so that they may use those funds to fund either UDC's participation in DCALF or the elder law clients.

Given that the University has been serving elder law clinic clients for years now, the Committee trusts that the University knows best how to spend its funds and that UDC will fulfill its commitment to continue serving all elder law clients. Additionally, the Committee believes that the DCALF program serves an important purpose in the District and that UDC law graduates should also have an opportunity to serve as attorneys at DCALF. Given UDC's law school mission and the high reputation of its clinical program, supporting attorneys to work at DCALF is a logical next step toward ensuring that all District residents have the ability to procure legal services without going bankrupt to do so. Further, the ability for each UDC DCALF fellow to receive a LLM from Georgetown University at the end of their fellowship, free of charge, is a huge benefit. Thus, the Committee supports providing UDC with flexibility on how it spends the \$450,000 recurring funds.

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal year 2021 Operating Budget

The University of the District of Columbia as requested a number of changes to its budget to reflect an increase in federal funding of \$11.3 million.

The Committee recommends the following changes to the University of the District of Columbia FY 2021 budget:

1. Increase Program/Activity 1000/1050, CSG 50 by \$1,100,000 (Enterprise, One Time).
2. Increase Program/Activity 1000/1065, CSG 41 by \$7,200,000 (Enterprise, One Time).
3. Increase Program/Activity 2000/2045, CSG 50 by \$1,000,000 (Enterprise, One Time)
4. Increase Program/Activity 2000/2045, CSG 41 by \$700,000 (Enterprise, One Time)
5. Increase Program/Activity 4000/4008, CSG 50 by \$1,300,000 (Enterprise, One Time)

*Committee's Recommended Fiscal year 2021 Capital Budget*

The Committee recommends adoption of the fiscal year 2021 budget for the University of the District of Columbia as proposed by the Mayor.

*Policy Recommendations*

1. The Committee stresses the importance of providing UDC with the adequate funding necessary for the University to address its serious facilities needs.
2. The Committee urges UDC to consider public-private partnerships to finance their capital needs.
3. The Committee recommends that the University continue to make private fundraising, from a diverse range of sources, a priority in fiscal year 2021.
4. The Committee agrees to providing UDC with flexibility by offering a one-to-one match fundraising ration during fiscal year 2021 due to difficulty in fundraising during the COVID-19 pandemic.
5. The Committee believes UDC needs to identify more avenues for cross-collaboration with the various agencies in the District in order to address its retention issues.
6. The Committee encourages the University to identify avenues for increasing enrollment during the 2020-2021 academic year.
7. The Committee supports providing UDC with flexibility to spend \$450,000 in recurring funds on its participation in DCALF and to serve elder law clients.

**UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY**

*Committee Recommendations – See Page XX*

**I. AGENCY OVERVIEW**

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

## II. MAYOR’S PROPOSED BUDGET

### Mayor’s Proposed Fiscal year 2021 Operating Budget

The Mayor’s proposed budget is \$90,303, an increase of \$0, representing no change from the current fiscal year. The proposed budget supports 0.0 FTEs, representing no change from the current fiscal year.

**Table XX-A: University of the District of Columbia Subsidy;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	73,458	71,942	77,671	80,000	89,003	90,303	90,303
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

## III. COMMITTEE COMMENTARY

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

## IV. COMMITTEE RECOMMENDATIONS

### Committee’s Recommended Fiscal Year 2020 Operating Budget

The Committee recommends adoption of the fiscal year 2021 budget for the University of the District of Columbia as proposed by the Mayor.

# DISTRICT OF COLUMBIA PUBLIC EDUCATION

*Committee Recommendations – See Page XX*

## I. OVERVIEW

For Council Period 23, the Committee of the Whole has joint oversight over all K-12 issues including truancy. This oversight is shared with the Committee on Education, which is responsible for all matters related to public education, including authorizing public charter schools (but not

including the University of Columbia for which oversight remains exclusively with the Committee of the Whole).

## II. COMMITTEE COMMENTARY

The Committee provides the following commentary in relation to the proposed fiscal year 2021 budget and performance over the last year.

The Committee believes that public education, can be a great equalizer in our society. The ability to access a quality public education enables the opportunity of America for everyone. It gives people the knowledge and tools to help themselves. A quality public education can be our greatest weapon in the fight against social and economic inequality, but deeply embedded inequalities can undermine this potential.

***COVID-19 & Distance Learning:*** During the last quarter of the school year, beginning on March 13, the District was significantly impacted by the COVID-19 virus, and the subsequent stay-at-home order and quarantine. Students and families were told that they were to engage in distance learning, with the end-date moving further and further out at every announcement. Some but not all students were provided access to laptops and hot spots in order to access the internet for their distance learning activities and paper packets to complete during their time at home, and teachers and school staff were checking in with their students and families – offering learning support, hosting live classes, and helping to meet families needs’. And yet, despite the response of the school system during this difficult time, there were a great number of students who were unable to access technology, who had left the District, who did not connect with the school, and who were generally disengaged from distance learning altogether.

What we saw during this time was resonant of what we’ve seen in public education across the country – those that have the resources, the flexibility, and the educational background to facilitate learning with their students will see some but no real loss in academic achievement. Those without will go without; and will be significantly behind academically when school resumes in the fall. It will be incumbent on the District of Columbia Public Schools, charter LEA leaders and the executive to think critically about how we restore learning for all students once we emerge from the pandemic.

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

The Mayor's proposed fiscal year 2021 budget provides for a UPSFF foundational level of \$11,310 per student, a three percent increase to the fiscal year 2020 UPSFF foundational base level of \$10,980 per student. The Committee welcomes this increase to the UPSFF. Yet, the Committee would be remiss not to note that Mayor Bowser had originally promised an increase of four percent to the UPSFF foundational level period to the COVID-19 pandemic.<sup>71</sup> However, due to the severe decline in the District's projected revenue for fiscal year 2021 and because the proposed budget must be balanced, the Executive had to roll back the UPSFF increase from four to three percent in its final version of its proposed fiscal year 2021 budget.

Although the Committee would have preferred to see a four percent increase to the UPSFF included in the proposed fiscal year 2021 budget, it still praises the Executive for including a three percent increase despite the more difficult financial climate in the coming years. Such an inclusion clearly demonstrates that the Executive has prioritized education in its proposed fiscal year 2021 budget and that the Executive has heard the call from school leaders for additional funding. These additional funds will enable local education agencies (LEA) to buy additional technology, which is necessary due to distance learning, as well as more resources to aid in closing the achievement gap. Thus, the Committee supports the three percent increase to the UPSFF foundation level and urges the Executive to continue prioritizing education in future budgets.

***Hold Harmless:*** As part of determining how much funding each LEA will receive via the UPSFF funding formula and in crafting the District's education budgets, the Deputy Mayor for Education, the Office of the State Superintendent of Education (OSSE), and each LEA work together each year to craft a projected enrollment count for each school and each LEA in the District. Those enrollment counts are then used, in conjunction with the UPSFF, to determine the necessary funding for each LEA that is included in the proposed budget transmitted to the Council each year. Thus, the projected enrollment for each LEA is vital to ensuring that enough funds are included in each annual budget.<sup>72</sup>

Yet, while the District of Columbia Public Schools (DCPS) are funded solely based on the projected enrollments to ensure that they have enough enrollment reserves to account for any unforeseen circumstances,<sup>73</sup> this is not the case for DC public charter schools. The first of the four quarterly payments for each DC public charter LEA is based on a school's estimated population as of June 30<sup>th</sup> of that year.<sup>74</sup> However, the second and third payments are based on a public charter LEA's unverified October enrollment, which is based on a single enrollment count done on

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<sup>71</sup> See <https://thedcline.org/2020/02/03/press-release-mayor-bowser-launches-mobile-dcps-pocket-budget-guide-for-school-communities/>.

<sup>72</sup> Note that while schools in the District generally begin in August each year, the District's fiscal year runs from October 1 – September 30. This means that LEAs would be almost two months into the school year before they received funding for that particular school year, which would cause major delays in order supplies and in providing and adequate education to students. To ensure that schools have sufficient funds during the entire school year, LEAs receive their first quarterly payment in July of each year, about a month in advance of school beginning and about three months before the beginning of the fiscal year.

<sup>73</sup> Since DCPS is a District agency and District agencies must not be anti-deficient, the projected enrollment for DCPS includes enough padding each year to ensure that enough funds for DCPS are included in each annual budget.

<sup>74</sup> See D.C. Code § 38-2906.02(b).

October 5<sup>th</sup> of each year.<sup>75</sup> The last quarterly payment of the fiscal year, which occurs in April of each year, is based on the audited October enrollment for that current school year.<sup>76</sup> If the public charter LEA actually has a higher October enrollment than its projected enrollment, it receives additional funding to account for those additional students in the last three quarterly payments. But if its October enrollment is lower than its projected enrollment, three of its four quarterly payment are lower than its first.

Because of this, several public charter schools have reached out to the Committee to express concerns about how they will be funded in fiscal year 2021. Given that a second wave of COVID-19 is expected and that the District is still recovering for the first wave, public charter schools are currently concerned that their October unverified and audited enrollment will not reflect the true number of students that they are serving. Thus far, it has been difficult for families to enroll online, particularly for lower-income families that do not have ready access to a computer or the Internet, and many alternative and adult charter school students who have children are very hesitant to enroll in school until they see what will happen with their children. Further, the fall is expected to be uncertain, and more likely than not, this school year will be an anomaly. While District law provides for stabilization for DCPS schools from year to year,<sup>77</sup> this is not the case for public charter LEAs.

Various suggestions have been put forth to account for this problem, such as having multiple count days or delaying the count to later in the year, but multiple count days are expensive and time-consuming for both OSSE and LEAs and delaying the count does not make sense, as we want to know as soon as possible where our students are in the District. During this spring's distance learning, various LEAs did not have contact with all of their students, and the District needs to know where those gaps are so that we can ensure that students are in contact with some LEA/school and attending school. Thus, the Committee does not believe either of those suggestions will work. Instead, the Committee proposes to provide stabilization for public charter schools for this one year, and to fund public charter schools just like the District does DCPS – based on its projected enrollment for the year. Such an approach provides stability for each public charter LEA, allowing them to focus on ensuring that students are attending school and learning, while accounting for the difficult and different circumstances they are facing this year. It also provides equity amongst the public charter school sector, as this approach ensures that public charter adult and alternative schools are also stabilized and able to continue this school year. Finally, such an approach is cost neutral, since the Mayor's proposed fiscal year 2021 budget is based on the projected enrollment of each LEA in the District. Given the decline in the District's projected revenue, it is going to be difficult to fund additional items in the fiscal year 2021 budget, so taking a cost-neutral approach also makes the most sense to the Committee.

***At-risk Funding:*** In 2013, the Council approved D.C. Law 20-87, the “Fair Student Funding and School Based Budgeting Act of 2013,” which added an at-risk weight to the UPSFF. According to D.C. Law 20-87, students are considered at-risk if they are homeless, in the Supplemental Nutrition Assistance Program, or are in high school and at least one year older than

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<sup>75</sup> See *id.*

<sup>76</sup> See *id.*

<sup>77</sup> D.C. Code §38-38-2907.01(a)(2).

the expected age for the grade in which they are enrolled. The Council adopted this weight fact to ensure that all students receive an equitable education. However, the at-risk weight has never been properly funded despite support from both the Council and Executive. According to the 2013 Adequacy Study, the at-risk weight should be 0.37<sup>78</sup>.

While at-risk funds are intended to follow students who are defined as at-risk, they often are used to supplant, not supplement, services and costs that should be covered by the base UPSFF. At-risk funds are meant to supplement a school's base budget, but instead they are used for core programming and staffing positions; positions that should be funded through the Comprehensive Staffing Model or otherwise provided to schools by DCPS central. School leaders continuously note that they would love to have at-risk funds actually supplement, instead of supplant, core funding. For example, some schools with a high number of at-risk students are allocated at-risk funds and use them to fund Physical Education teacher positions. Physical education is a subject that should be afforded to all students, regardless of whether they are at-risk or not because there is a benefit to PE. However, schools that do receive at-risk funds are asked to make the decision of whether to fund necessary positions or services, or invest in services specific to at-risk student services that would better support the academic development and learning of students who need those additional supports.

The committee calls upon the Deputy Mayor of Education (DME) to share the results of the UPSFF study that studies specifically the at-risk weight categories, and devise a plan to implement the funding and category recommendations in the plan over the next 3-5 years.

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

Over the past twelve years, notorious and tragic situations like Banita Jacks, the South Capitol Street murders, and Relisha Rudd could have been avoided if more attention was given to truancy as not only an educational issue but as a criminal justice issue (as an early warning system).<sup>79</sup> Addressing truancy is one of the few proactive strategies that government can take to prevent crime. But addressing truancy has other far-reaching benefits. Addressing the cause of a child's truancy is likely to keep him or her in school. Graduation rates increase. The value of

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<sup>78</sup> 2013 Adequacy Study

<sup>79</sup> Eight-year-old Relisha Rudd disappeared from the D.C. General family homeless shelter on March 1, 2014. On March 13, 2014, a counselor at Payne Elementary School wrote a referral to CFSA noting the child's many absences – more than 30 days. Reporting the truancy to CFSA earlier might have enabled that agency to intervene before her disappearance and presumed death.

education as an antidote to poverty is realized. Teen pregnancy, demand for TANF, the cycle of poverty – may all be reduced generally. A child with potential . . . may reach that potential.

Given the importance of this issue, the Committee has shared joint oversight with the Committee on Education over all truancy matters since 2013 (when the Committee on Education was reconstituted). Millions in resources and programming have been spent to try and move the needle on both truancy and chronic absenteeism. Yet, despite the continued focus on both, both truancy and chronic absenteeism rates have continued to rise in both DCPS and public charter schools. Because of this and because it is unclear as to which programs are in which schools and at which times and what the impact of having multiple programs in the same school for an entire school year has on both truancy and chronic absenteeism rates, the Committee funded a truancy reduction and literacy pilot grant program in the fiscal year 2020 budget. The goal was to provide two schools with the opportunity to create their own truancy reduction model, allowing them to bring together all the resources they needed to tackle truancy, while also aiding them in increasing their literacy goals. Turner Elementary (Turner) and Dancemakers/Langdon Elementary School won the grants and worked to facilitate their own programs during fiscal year. Yet, Turner only received its grant funds in January 2020 and had less than two months to begin its work before COVID-19 hit and the schools had to move to distance learning. Because of this, at the time of this report, Turner has only spent 1.7% of its grant funds. The Committee believes that Turner should have the opportunity to continue its pilot during School Year 2020-2021 and to spend down the remainder of its grant funds. Thus, the Committee recommends that at its next Committee meeting the money for Turner be carried over to fiscal year 2021, as the Committee cannot do so at the current time given that such a move involves the fiscal year 2020 supplemental.

As seen in the case of Turner Elementary and the spending of its grant funds, the COVID-19 pandemic has complicated how schools tackle truancy and chronic absenteeism. Because of the swift rise in the number of COVID-19 cases in the District, the Executive had to make a quick and sudden decision to move to distance/remote learning during the middle of March. While DCPS and public charter schools in the District were discussing the possibility of having to move to distance/remote learning, few, if any, of them were truly prepared when the time came. Additionally, because of the uncertainty and suddenness nationwide, the US Department of Education decided to waive the traditional attendance requirements, which allowed for the District's Office of the State Superintendent of Education (OSSE) to provide DCPS and DC public charter schools flexibility when it came to attendance. This resulted in schools not having to report daily attendance feeds to OSSE and the District's attendance regulations being halted, making it impossible to track truancy and chronic absenteeism during distance learning. Given that the remainder of School Year 2019-2020 was conducted via distance learning, this means there is no way to track truancy or chronic absenteeism for over a third of the school year. Additionally, as seen with Turner, all of the efforts that LEAs were undertaking to address truancy and chronic absenteeism have been stalled during the pandemic.

Since no data on truancy and chronic absenteeism exists for a third of School Year 2019-2020, the entire year's truancy and chronic absenteeism data is skewed and most likely, unusable for any real analysis. Because the pandemic continues and many, if not all, students will have to participate in distance learning during School Year 2020-2021, it will also be difficult to track

accurately truancy and chronic absenteeism. While OSSE has been clear with LEAs that it expects daily attendance counts to recommence when school begins in August, much uncertainty lies around how school will be conducted, how long students will have to participate in distance learning, how schools will ensure students are authentically engaging, and how schools will ensure that students are attending, especially those students who lack the technology or Internet access to participate in distance learning. As such, the Committee is highly concerned that truancy and chronic absenteeism reduction efforts will remain stalled during School Year 2020-2021, resulting in continued dysfunction in students' lives, which have been undoubtedly complicated by the pandemic. Two years lost means so many more students lost to the larger issues to lead to a student's truant behavior. It also means two years lost to trying to figure out the solution so that the government can appropriately intervene to help students and their families. Thus, the Committee challenges the Executive, the Public Charter School Board, DCPS, and DC public charter schools to redoubling its efforts during School Year 2020-2021, despite the pandemic, to battling truancy and chronic absenteeism.

***Master Facilities Plan (MFP) and Capital planning for schools:*** The "Planning Actively for Comprehensive Education Facilities Amendment Act of 2016"(D.C. Law 21-219) required the Deputy Mayor for Education to prepare a ten-year Master Facilities Plan "to anticipate and enable the development of adequate public-school facilities." Submitted to the Council in March 2019, the 2018 Master Facilities Plan (MFP) analyzed the state of the District's current school facilities and specialized programs, forecasted future enrollment growth, analyzed the gap between enrollment and facility capacity now and in the future, and made recommendations for efficient and equitable delivery of high quality public school facilities over the next ten years. The plan incorporated information about the District of Columbia Public Schools (DCPS) and public charter schools to better understand the current landscape and future facility needs. However, the document was substantially deficient as a plan and was disapproved by the Committee in Bill 23-216, "Wells Middle School Designation and Master Facility Plan Disapproval Act of 2019".

Without a cohesive and comprehensive MFP, gaps exist around major capital planning and facility moves. Two examples of this can be seen in the Mayor's proposed fiscal year 2021 budget. As part of the budget, the Executive announced the creation of a new Foxhall Elementary School in the southern part of Ward 3 as a solution to alleviate overcrowding in the Wilson Feeder pattern. The new school uses funds previously allocated for additions at Key Elementary and Stoddert Elementary to construct the new school. However, Foxhall is not slated to begin design until FY2026 and there are no plans to address overcrowding at Key and Stoddert in the meantime. An adequate Master Facilities Plan should have spoken to the plan for a new school in the Wilson feeder pattern and how to alleviate overcrowding in Key and Stoddert.

Additionally, the Mayor's proposed fiscal year 2021 budget calls for Excel DCPS to remain in its current location, the Birney Elementary School (Birney). However, Birney is currently being leased by the Charter School Incubator Initiative (CSII), as the CSII executed a 20-year lease with the District government in 2011. CSII's goal is to provide facility space to new charter schools, which may not have high enough enrollments to support leasing or buying expensive DC real estate, and CSII's Birney lease required it to sublease the school to at least one public charter school. In September 2011, CSII entered into a five-year sublease, which also had three five-year

renewal options, with Excel Academy, a public charter school that would later become Excel DCPS.

For seven years, Excel Academy operated as a public charter school, but on January 12, 2018, the Public Charter School Board revoked Excel's charter and ordered the school to close at the end of School Year 2017-2018. Shortly thereafter, Mayor Bowser announced that DCPS would absorb the 700 students enrolled at Excel Academy and renamed the school Excel DCPS. However, the Executive never communicated to CSII its intention to absorb Excel, and only after the Mayor had announced the plans for DCPS to subsume Excel, did the Department of General Services (DGS) approach CSII about Excel DCPS remaining in Birney, despite CSII's lease with the District requiring CSII to sublease Birney to at least one public charter school. Because it would have been too disruptive to move Excel immediately, the District and CSII entered into a six-month agreement in June 2018 for Excel to remain in a portion of Birney, and in December 2018, the District subleased 63,000 square feet of Birney from the CSII so that Excel could remain in the same location for two years, with an option for a one-year extension. The District's sublease terminates on July 15, 2021.

While Excel DCPS occupies most of Birney, CSII's lease with the District still required it to sublease a portion of the building to at least one public charter school. During School Year 2019-2020, Lee Montessori Public Charter School – East End subleased the basement of Birney, and from July 1, 2020 to June 30, 2022, DC Prep Public Charter School is subleasing that space for their middle school swing space. Yet, given that the District's sublease with CSII for the space Excel is occupying ends in July 2021 and that an adequate MFP does not exist stating otherwise, it was expected that Excel would vacate Birney and move to a different location after School Year 2020-2021, leaving the entire building to be available for sublease to one or more public charter schools. In fact, DC Prep and CSII executed their short-term sublease with the intent that upon Excel DCPS' relocation, CSII would sublease the entire building to DC Prep or co-locate DC Prep and another charter school in the building beginning on July 16, 2021.

Because of this understanding, the Executive included a subtitle in the Fiscal Year 2021 Budget Support Act of 2020 that gives the Mayor the ability to give the right of first offer to purchase, lease, or otherwise use the Wilkinson School building to the CSII or a public charter school that is occupying all or a portion of Birney as of October 1, 2020 (i.e. DC Prep). Although this handles the issue of needing a facility for DC Prep's middle school, it is not a simple exchange. CSII has invested millions to renovate Birney. Wilkinson needs substantial renovations, including extensive mold and asbestos remediation. The Infrastructure Academy currently occupies the first floor of Wilkinson, so it will have to move out before DC Prep can move in. However, that move is predicated on Spingarn, the Infrastructure Academy's new home, being renovated first. If there are delays with that renovation, it could delay the Infrastructure Academy vacating Wilkinson, which could then be problematic for DC Prep, which would have nowhere to go, and for Excel, because it needs DC Prep to move out by the summer of 2022 so that the basement of Birney can be available for Excel when it expands. If the District had an adequate, cohesive, and comprehensive MFP that laid all of these plans out, more planning could be done, which would ultimately save time and money. Instead, there are incomplete plans without clear direction as to where the District is going when it comes to school facilities.

In addition to these examples, the current MFP also does not provide a plan for schools with low enrollment in under-utilized facilities, an important strategy that should have come before the Executive's introduction of a new Budget Support Act subtitle to allow for colocation of DCPS and charter schools. These issues all demonstrate the need for a true MFP. The Committee will continue to urge the Executive to submit a sufficient Master Facilities Plan that informs their decisions making on school locations, school building utilization, student enrollment, and potential charter school locations.

***Washington Metropolitan High School Closure:*** In the winter of the 2019-20 school year, DCPS made the decision to close the Washington Metropolitan High School, an alternative school that serves middle and high school students who struggled on traditional school campuses. Washington Met is the only DCPS Opportunity Academy that serves middle and high school students. The school, with 157 students, was failing academically. The attendance rate was abysmal, the school building was not suitable for its student size and population, and the graduation rates from the school were lower than at the city's other alternative high schools.

***Mental health supports and trauma-informed training:*** The Council has heard from many students, parents, and constituents about the need for school-based mental health support and trauma-informed training for school-based personnel. In addition to the significant impact COVID-19 has had on a large number of students and families due to job loss, decreased income, inability to access technology and/or internet, etc., our students and families are also grappling with the issues of racial injustice and equity, or lack thereof, that are ever so present in the District and nationwide. However, with the need for mental health supports being even greater, schools are still not able to provide appropriate mental health supports or services to help students with the challenges they face both inside and outside of the school. It is imperative that we are addressing the mental health needs among our students in our schools in order to better support the academic and social needs of all students.

Schools are places where our students should feel safe and supported and school staff should be provided the tools and training to recognize the warning signs and risk factors of a youth mental health crisis. In FY19, the Executive allocated \$3 million toward the expansion of school-based mental health expansion plan in its first year, and increased that to \$9 million for the 2019-2020 school year to offer prevention, intervention, and treatment services at schools for both teachers and students, while also providing resources to address the needs of students' families.

The Committee knows that more work needs to be done when it comes to school based mental health services and the demand millions more dollars in this area are not lost on the Committee. Looking ahead, the Committee will continue to work with the DME, DCPS, the public charter schools, the Department of Behavioral Health, and advocates to continue to find ways to enhance school-based mental health services.

***OSSE Budget:*** The Committee received a number of technical changes to OSSE's budget reflecting allocated federal funding that was not included in the Mayor's submission. This includes an increase of \$42 million in Elementary and Secondary School Emergency Relief Funds being

provided to states; an increase of \$5.8 million as part of the Governor's Emergency Relief Fund being provided to states; an increase of \$1 million received as part of the Child Care Development Block Grant Relief Fund; and a decrease of \$10,000,000 to reflect the federal government's notification to OSSE that certain funds were not awarded. In addition, the agency identified a \$1.25 million in the Division of Early Learning that was loaded into the incorrect program code.

### III. COMMITTEE RECOMMENDATIONS

#### Committee's Recommended Fiscal Year 2021 Operating Budget

The Committee recommends the following changes to the Office of the State Superintendent for Education FY 2021 budget:

1. Increase Program/Activity E600/E601, CSG 50 by \$47,604,000 (One Time, Federal).
2. Increase Program/Activity E600/E601, CSG 41 by \$210,032 (One Time, Federal).
3. Increase Program/Activity E800/E805, CSG 50 by \$ 1,000,000 (One Time, Federal).
4. Decrease Program/Activity E800/E805, CSG 11 by \$110,445 (One Time, Federal).
5. Decrease Program/Activity E800/E805, CSG 12 by \$367,750 (One Time, Federal).
6. Decrease Program/Activity E800/E805, CSG 14 by \$110,463 (One Time, Federal).
7. Decrease Program/Activity E800/E805, CSG 41 by \$6,314,802 (One Time, Federal).
8. Decrease Program/Activity E800/E805, CSG 50 by \$3,096,540 (One Time, Federal).
9. Decrease Program/Activity E800/E803, CSG 50 by \$1,250,000 (Recurring, Local).
10. Increase Program/Activity E800/E802, CSG 50 by \$1,250,000 (Recurring, Local).

#### Policy Recommendations

1. The Committee urges school leaders to identify ways to ensure that at-risk funds are used to supplement and enhance the educational experience for students who need them the most.
2. The Committee presses upon DCPS, public charter schools, the DME, and the Department of Behavior Health the need to identify ways to provide mental health services within the school system.

3. The Committee calls upon the Deputy Mayor for Education (DME) to commission another Master Facilities Plan that addresses pressing school facility and enrollment, issues across all wards.
4. The Committee supports the three percent increase to the UPSFF foundation level and urges the Executive to continue prioritizing education in future budgets.
5. The Committee proposes funding public charter schools based on their projected enrollments for School Year 2020-2021 to provide stabilization to them during this uncertain and difficult time.
6. The Committee challenges the Executive, the Public Charter School Board, DCPS, and DC public charter schools to redoubling its efforts during School Year 2020-2021, despite the pandemic, to battling truancy and chronic absenteeism.
7. The Committee recommends that at its next Committee meeting the truancy prevention and literacy pilot grant funds awarded to Turner Elementary School be carried over to fiscal year 2021, as the Committee cannot do so at the current time given that such a move involves the fiscal year 2020 supplemental

## DEBT SERVICE

*Committee Recommendations – See Page XX*

### I. AGENCY OVERVIEW

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

### II. MAYOR'S PROPOSED BUDGET

#### Mayor's Proposed Fiscal Year 2021 Operating Budget<sup>80</sup>

The Mayor's fiscal year 2021 budget proposal for Debt Service is \$831,967, a decrease of \$13,000, or 1.6 percent, under the current fiscal year. The proposed budget supports no FTEs.

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<sup>80</sup> The Mayor's proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**Table DS-A: Debt Service;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	612,174	604,536	667,352	719,284	741,138	845,072	831,967
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

**Local Funds:** The Mayor’s proposed budget is \$800,004, a decrease of \$12,780, or 1.6 percent, under the current fiscal year. The proposed budget supports no FTEs.

**Dedicated Taxes:** The Mayor’s proposed budget is \$5,691, a decrease of \$2,148, or 27.4 percent, under the current fiscal year. The proposed budget supports no FTEs.

**Special Purpose Funds:** The Mayor’s proposed budget is \$7,777, an increase of \$1,794, or 30 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Federal Funds:** The Mayor’s proposed budget is \$18,465, which represents no change from the current fiscal year. The proposed budget supports no FTEs.

**Table DS-B: Debt Service;  
Operating Funds Budget by Sub-Entity, FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2020
<b>Repayment of Loans and Interest (DS)</b>	586,572	578,572	640,283	703,010	721,320	818,232	810,246
<b>Repayment of Revenue Bonds (DT)</b>	7,829	7,822	7,825	7,822	7,829	7,839	5,691
<b>Schools Modernization (SM)</b>	11,412	14,276	13,523	0	0	0	0
<b>Debt Service – Issuance Cost (ZB)</b>	5,638	2,945	5,721	5,571	5,210	9,000	10,000
<b>Commercial Paper Program (ZC)</b>	0	0	0	2,881	6,779	10,000	6,000
<b>Total Funds</b>	612,174	604,536	667,352	719,284	741,138	845,072	831,967

### III. COMMITTEE COMMENTARY

The Committee provides the following commentary and concerns in relation to the proposed fiscal year 2021 budget and agency performance over the last year.

The Mayor's proposed fiscal year 2021 budget includes a reduction in debt service payments – a \$13 million decrease over the last fiscal year. While expenditures to service debt are necessary to fund vital government projects, the increase cost of borrowing reflected in our budget from year to year is an issue of concern. Some level of debt is essential to operations, meaning that servicing that debt, too, will be necessary. To be sure, as a city, county, and state, the District's level of debt service is not easily comparable to other jurisdictions and, as a consequence, may be higher. However, the government must closely monitor debt service expenditures.

#### IV. COMMITTEE RECOMMENDATIONS

##### Committee's Recommended Fiscal Year 2020 Operating Budget

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

## PAY-AS-YOU-GO CAPITAL FUND

*Committee Recommendations – See Page XX*

#### I. AGENCY OVERVIEW

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

#### II. MAYOR'S PROPOSED BUDGET

##### Mayor's Proposed Fiscal Year 2021 Operating Budget<sup>81</sup>

The Mayor's fiscal year 2021 budget proposal for the Pay-As-You-Go Capital Fund is \$284,398, a decrease of \$527, or 0.2 percent, under the current fiscal year. The proposed budget supports no FTEs.

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

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

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	136,245	144,105	133,380	123,028	150,285	284,924	284,398
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

**Local Funds:** The Mayor’s proposed budget is \$15,000, a decrease of \$9,745, or 39.47 percent, under the current fiscal year. The proposed budget supports no FTEs.

**Dedicated Taxes:** The Mayor’s proposed budget is \$183,855, an increase of \$5,355, or 3.0 percent, over the current fiscal year. The proposed budget supports no FTEs.

**Special Purpose:** The Mayor’s proposed budget is \$85,543, an increase of \$3,864, or 0.4 percent, under the current fiscal year. The proposed budget supports no FTEs.

### III. COMMITTEE COMMENTARY

The Committee has no comments in relation to the proposed fiscal year 2021 budget and agency performance over the last year. However, the Committee reiterates its support for increasing the government’s use of Paygo for capital projects to reduce the reliance on borrowed capital funds that increase debt service obligations.

### IV. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Pay-as-you-go Capital Fund as proposed by the Mayor.

**JOHN A. WILSON BUILDING FUND**  
*Committee Recommendations – See Page XX*

**I. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>82</sup>

The Mayor’s proposed budget is \$4,464, an increase of \$919, or 17.3 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table ZZ-A: John A. Wilson Building Fund;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	4,336	4,289	4,210	4,014	4,256	3,807	4,464
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

**II. COMMITTEE RECOMMENDATIONS**

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the John A. Wilson Building Fund as proposed by the Mayor.

<sup>82</sup> The Mayor’s proposed budget provides numbers rounded to dollars in thousands; therefore, all figures presented here are dollars in thousands. Percent change is based on whole dollars.

**WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION**  
*Committee Recommendations – See Page XX*

**I. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>83</sup>

The Mayor’s proposed budget is \$165, an increase of \$7, or 4.4 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table EA-A: Washington Metropolitan Area Transit Commission;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	127	127	139	141	151	158	165
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

**II. COMMITTEE RECOMMENDATIONS**

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Washington Metropolitan Area Transit Commission as proposed by the Mayor.

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<sup>83</sup> *Id.*

**PURCHASE CARD TRANSACTIONS**  
*Committee Recommendations – See Page XX*

**I. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>84</sup>

The Mayor’s proposed budget is \$39,000, an increase of \$3,000, or 8.3 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table PX-A: Purchase Card Transactions;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	0	0	0	34,157	37,935	36,000	39,000
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

**II. COMMITTEE RECOMMENDATIONS**

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Purchase Card Transactions as proposed by the Mayor.

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<sup>84</sup> *Id.*

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

**I. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>85</sup>

The Mayor’s proposed budget is \$56,340, a decrease of \$8,012, or 12.5 percent below the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table TX-A: Tax Increment Financing (TIF) Program;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	15,901	21,889	31,113	47,790	44,492	64,352	56,340
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

**II. COMMITTEE RECOMMENDATIONS**

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Tax Increment Financing Program as proposed by the Mayor.

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<sup>85</sup> *Id.*

**REPAYMENT OF PILOT FINANCING**  
*Committee Recommendations – See Page XX*

**I. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>86</sup>

The Mayor’s proposed budget is \$50,992, a decrease of \$6,973, or 12.0 percent below the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table TY-A: Repayment of PILOT Financing;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	13,722	15,901	21,639	27,519	22,043	57,965	50,992
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

**II. COMMITTEE RECOMMENDATIONS**

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for the Repayment of PILOT Financing as proposed by the Mayor.

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<sup>86</sup> *Id.*

**NON-DEPARTMENTAL**  
*Committee Recommendations – See Page XX*

**I. MAYOR’S PROPOSED BUDGET**

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>87</sup>

The Mayor’s proposed budget is \$39,764, an increase of \$28,475, or 252.2 percent above the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table DO-A: Non-Departmental;  
Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	0	0	0	0	0	11,289	39,764
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

**Local Funds:** The Mayor’s proposed budget is \$1,750, a decrease of \$1,350, or 43.5 percent below the current fiscal year. The proposed budget supports no FTEs.

**Special Purpose Funds:** The Mayor’s proposed budget is \$347, a decrease of \$9,192, or 95.8 percent below the current fiscal year. The proposed budget supports no FTEs.

**Federal Payments:** The Mayor’s proposed budget is \$37,667, an increase of \$37,667 above the current fiscal year. The proposed budget supports no FTEs.

**II. COMMITTEE COMMENTARY**

The Non-Departmental account’s local funds budget reflects \$1.5 million for a matching fund for University of the District of Columbia fundraising, and \$250,000 for a return to work initiative. There are also proposed federal funds budgeted in this agency reflecting federal funding for coronavirus response. Such federal funds can be loaded into the budget as appropriated by Congress.

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<sup>87</sup> *Id.*

### III. COMMITTEE RECOMMENDATIONS

Committee’s Recommended Fiscal Year 2021 Operating Budget

The Committee recommends no change to the fiscal year 2021 budget for Non-Departmental as proposed by the Mayor.

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

#### I. MAYOR’S PROPOSED BUDGET

Mayor’s Proposed Fiscal Year 2021 Operating Budget:<sup>88</sup>

The Mayor’s proposed budget is \$0, a decrease of \$4,486, or 100 percent below the current fiscal year. The proposed budget supports no FTEs, representing no change from the current fiscal year.

**Table EL-A: Master Equipment Lease/Purchase;  
 Total Operating Funds Budget FY 2015-2021**

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Mayor 2021
<b>Total Funds</b>	43,778	38,914	27,445	19,254	11,844	4,485	0
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0

*Source: Budget Books (dollars in thousands)*

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

### II. COMMITTEE RECOMMENDATIONS

Agency Operating Budget:

The Committee recommends no change to the fiscal year 2021 budget for the Master Equipment Lease/Purchase program as proposed by the Mayor.

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<sup>88</sup> *Id.*

## FISCAL YEAR 2021 BUDGET SUPPORT ACT LANGUAGE RECOMMENDATIONS

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The Committee of the Whole modifies, strikes, or otherwise provides comments on the following subtitles of Bill 23-761, the “Fiscal Year 2021 Budget Support Act of 2020”:

### **Title I. Government Direction and Support**

- Subtitle A. Facility Operations Reprogrammings (strike)
- Subtitle B. Review of Option Year Contracts (strike)

### **Title II. Economic Development and Regulation**

- Subtitle H. Targeted Historic Preservation Assistance (strike)
- Subtitle K. Community Restrooms

### **Title III. Public Safety and Justice**

- Subtitle K. Rehiring of Retired Police Officers (strike)

### **Title IV. Public Education**

- Subtitle A. UPSFF for Public Schools and Public Charter Schools Increases
- Subtitle B. Education Facility Colocation
- Subtitle C. Child Care Grant
- Subtitle F. Child Development Facilities and Pre-K Reports (strike)
- Subtitle G. School Meal Cost Reimbursements and Subsidies
- Subtitle H. Early Head Start Home Visiting Grants
- Subtitle L. Recreational Space Use Fee Waiver
- Subtitle J. Wilkinson School Disposition Process

### **Title VI. Operations and Infrastructure**

- Subtitle B. Special Purpose Revenue Accounts of the Department of Consumer & Regulatory Affairs
- Subtitle G. Third Party Inspection Platform

The Committee Also recommends the following additional subtitles:

- Subtitle COW-A. Archives Advocacy Group
- Subtitle COW-B. Audit Engagement Fund
- Subtitle COW-C. University of the District of Columbia Matching Funds
- Subtitle COW-D. Public Charter School Funding Hold Harmless
- Subtitle COW-E. Events DC Go-Go Grant-making Authority

## TITLE I-A FACILITY OPERATIONS REPROGRAMMINGS

### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to allow the Department of General Services to reprogram fund between accounts without submitting such reprogramming requests to the Council for its review. The effect would be removing a step of the reprogramming process by amending the reprogramming law to exclude these reprogrammings.

### II. COMMITTEE REASONING

The Committee recommends striking this subtitle. The Department of General Services, like all agencies, has been required to comply with the reprogramming law since the department's establishment in 2011. The purpose of the department was to increase efficiency in the real estate and property management functions of the District. The Committee does not believe submitting reprogramming requests for Council review is a major impediment and instead reiterates that the Department should endeavor to properly budget funds where they will be needed during the fiscal year.

### III. SECTION BY SECTION ANALYSIS

N/A

### IV. LEGISLATIVE RECOMMENDATION

1	<del>TITLE II, SUBTITLE A. FACILITY OPERATIONS REPROGRAMMINGS</del>
2	<del>——— Sec. 1001. Short title.</del>
3	<del>——— This subtitle may be cited as the “Facility Operations Reprogrammings Amendment</del>
4	<del>Act of 2020”.</del>
5	<del>——— Sec. 1002. Section 47-363 of the District of Columbia Official Code is amended by</del>
6	<del>adding a new subsection (h) to read as follows:</del>
7	<del>——— “(h)(1) This subtitle shall not apply to a reprogramming from an activity within the</del>
8	<del>Facility Operations program of the Department of General Services to another activity within</del>
9	

10 the Facility Operations program of the Department of General Services, other than as  
11 provided in this subsection.  
12 \_\_\_\_\_“(2) The Chief Financial Officer of the District of Columbia (“CFO”) shall  
13 reprogram funds from an activity within the Facility Operations program of the Department  
14 of General Services to another activity within the Facility Operations program of the  
15 Department of General Services upon the request of the director of the Department of  
16 General Services, unless the CFO determines that the funds are not available for  
17 reprogramming.  
18 \_\_\_\_\_“(3) After funds are reprogrammed pursuant to paragraph (2) of this  
19 subsection, the director of the Department of General Services may obligate and expend the  
reprogrammed funds.”.

## V. FISCAL IMPACT

N/A

## TITLE I-B REVIEW OF OPTION YEAR CONTRACTS

### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to allow option period contracts to be pre-approved by the Council in a single annual transmission. The purported effect is to allow streamlined approval of option periods for which the Council has already approved the base period.

### II. COMMITTEE REASONING

The Committee recommends striking this subtitle. The Council has long held the view that under the Home Rule Act, a contract over \$1 million, including any option period renewal, must come to the Council for its review at the time the option is to be exercised. The Office of Contracting and Procurement has long sought this authority. Moreover, the Council adopted significant streamlining to the review process for option period contracts as part of the

Procurement Integrity, Transparency, and Accountability Amendment Act of 2015 (D.C. Law 21-158).

### III. SECTION BY SECTION ANALYSIS

N/A

### IV. LEGISLATIVE RECOMMENDATION

1 ~~TITLE I, SUBTITLE B. REVIEW OF OPTION YEAR CONTRACTS~~

2 ~~— Sec. 1011. Short title.~~

3 ~~— This subtitle may be cited as the “Streamlined Contract Review and~~  
4 ~~Procurement Efficiency Reform Amendment Act of 2020”.~~

5 ~~— Sec. 1012. Section 202 of the Procurement Practices Reform Act of 2010,~~  
6 ~~effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-352.02), is~~  
7 ~~amended as follows:~~

8 ~~—(a) Subsection (a)(2) is amended by striking the phrase “For a contract”~~  
9 ~~and inserting the phrase “Except as provided in subsection (b)(3)(B) of this~~  
10 ~~section, for a contract” in its place.~~

11 ~~—(b) Subsection (b)(3) is amended to read as follows:~~

12 ~~—————“(3)(A) Council approval of a contract submitted pursuant to~~  
13 ~~paragraph (2) of this subsection shall expire 12 months after the award of the~~  
14 ~~contract, except as provided in subparagraph (B) of this paragraph.~~

15 ~~—————“(B) Council approval of a multiyear contract or contract in~~  
16 ~~excess of \$1,000,000 during a 12-month period that contains a provision that~~  
17 ~~grants to the District the option to exercise one or more option periods each of a~~  
18 ~~duration of 12 months or less shall constitute the Council review and approval~~  
19 ~~required by section 451(b) of the District of Columbia Home Rule Act, approved~~  
20 ~~December 24, 1973 (87 Stat. 803; D.C. Official Code § 1-204.51(b)) of the base~~  
21 ~~period and of each exercise of an option period when, at the time of the exercise~~  
22 ~~of the option period, there has been no material change to the terms of the contract~~

23 ~~approved by the Council (“underlying contract”) before the option period is~~  
24 ~~exercised and the exercise of the option period does not result in a material~~  
25 ~~change in the terms of the underlying contract.”.~~

## V. FISCAL IMPACT

N/A

# TITLE II-H TARGETED HISTORIC PRESERVATION ASSISTANCE PROGRAM

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to expand the eligible uses of the Targeted Historic Preservation Assistance Program to a new Bloomingdale district. The total amount of funding would not change, but a new area would be eligible.

## II. COMMITTEE REASONING

The Committee recommends striking this subtitle. A standalone bill effectuating the expansion, Bill 23-670, the “Bloomingdale Historic District Targeted Historic Preservation Assistance Amendment Act of 2020” is currently pending before the Committee of the Whole. The Committee has scheduled a hearing on the legislation on July 8, 2020 and intends to mark up the legislation before the end of the Council Period. Given the subtitle has no financial impact, the expansion can be effectuated through the normal legislative process.

## III. SECTION BY SECTION ANALYSIS

N/A

## IV. LEGISLATIVE RECOMMENDATION

1 ~~TITLE II, SUBTITLE H. TARGETED HISTORIC PRESERVATION~~  
2 ~~ASSISTANCE PROGRAM~~

3           ~~————— Sec. 2071. Short title.~~  
4           ~~—— This subtitle may be cited as the “Targeted Historic Preservation~~  
5           ~~Assistance Amendment Act of 2020”.~~  
6           ~~—— Sec. 2072. Section 11b(b) of the Historic Landmark and Historic District~~  
7           ~~Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official~~  
8           ~~Code § 6-1110.02(b)), is amended as follows:~~  
9           ~~—— (a) Paragraph (14) is amended by striking the word “or”.~~  
10          ~~—— (b) Paragraph (15) is amended by striking the period and inserting the~~  
11          ~~phrase “; or” in its place.~~  
12          ~~—— (c) A new paragraph (16) is added to read as follows:~~  
13          ~~————— “(16) Bloomingdale Historic District.”.~~

## V. FISCAL IMPACT

N/A

# TITLE II-K COMMUNITY RESTROOMS

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is delay applicability of Section 4 of D.C. Law 22-280, the “Public Restroom Facilities Installation and Promotion Act of 2018.”

## II. COMMITTEE REASONING

The section created a pilot program to expand the availability of public restrooms. The subtitle was funded in the FY 2020 budget and the Mayor is seeking to delay the applicability in order to redirect the funds in order to close the budget gap created as a result of the COVID-19 pandemic. The funding necessary to strike this subtitle would be approximately \$62,000 per year through the financial plan.

### III. SECTION BY SECTION ANALYSIS

Sec. 2101. Short title.

Sec. 2102. Subject-to-Appropriations applicability insertion.

### IV. LEGISLATIVE RECOMMENDATION

1 TITLE II, SUBTITLE K. COMMUNITY RESTROOMS.

2 Sec. 2101. Short title.

3 This subtitle may be cited as the “Community Restroom Incentive Pilot Program  
4 Applicability Amendment Act of 2020”.

5 Sec. 2102. Section 5 of the Public Restroom Facilities Installation and Promotion  
6 Act of 2018, effective April 11, 2019 (D.C. Law 22-280; 66 DCR 1595), is amended to  
7 read as follows:

8 “Sec. 5. Applicability.

9 “(a) Section 4 shall apply upon the date of the inclusion of its fiscal effect in an  
10 approved budget and financial plan.

11 “(b) The Chief Financial Officer shall certify the date of the inclusion of the  
12 fiscal effect in an approved budget and financial plan and provide notice to the Budget  
13 Director of the Council of the certification.

14 “(c)(1) The Budget Director of the Council shall cause the notice of the  
15 certification to be published in the District of Columbia Register.

16 “(2) The date of publication of the notice of the certification shall not  
17 affect the applicability of section 4.”.

### V. FISCAL IMPACT

N/A

## TITLE III-G REHIRING OF RETIRED POLICE OFFICERS

### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to allow retired Metropolitan Police Department annuitants to be rehired, without affecting the annuity, by the Department of General Services' Protective Services Division or the Department of Parks and Recreation as a safety or security position.

### II. COMMITTEE REASONING

The Committee recommends striking the subtitle. Given the new focus on police personnel nationwide and in the District, the Committee believes that a broader discussion over the future of police policy is necessary to address public safety needs. This is consistent with the recommendation of the Committee on the Judiciary and Public Safety.

### III. SECTION BY SECTION ANALYSIS

N/A

### IV. LEGISLATIVE RECOMMENDATION

1           Sec. 3061. Short title.

2           This subtitle may be cited as the "~~Rehiring of Retired Police Officers by~~  
3 ~~the Department of General Services and the Department of Parks and Recreation~~  
4 ~~Amendment Act of 2020~~".

5           Sec. 3062. Section 2 of the Retired Police Officer Redeployment  
6 ~~Amendment Act of 1992, effective September 29, 1992 (D.C. Law 9-163; D.C.~~  
7 ~~Official Code § 5-761), is amended as follows:~~

8           (a) ~~A new subsection (a-2) is added to read as follows:~~

9           "~~(a-2) Except for a disability annuitant, a police officer retired from the~~  
10 ~~Metropolitan Police Department shall be eligible for rehire, without jeopardy to~~  
11 ~~his or her retirement benefits, as a full-time or part-time employee of the:~~

12           ———"~~(1) Department of General Services ("DGS") for positions within~~

13 ~~DGS’s Protective Services Division; and~~  
14 ~~——“(2) Department of Parks and Recreation (“DPR”) for a safety or~~  
15 ~~security position of DPR.”.~~  
16 ~~(b) Subsection (d-1) is amended by striking the phrase “under subsection~~  
17 ~~(a-1)” and inserting the phrase “under subsection (a-1) or (a-2)” in its place.~~  
18 ~~——(c) Subsection (f) is amended by striking the phrase “Metropolitan Police~~  
19 ~~Department and the Department of Forensic Sciences” and inserting the phrase~~  
20 ~~“Metropolitan Police Department, the Department of Forensic Sciences, the Department~~  
21 ~~of General Services, and the Department of Parks and Recreation” in its place.~~

## V. FISCAL IMPACT

N/A

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

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to set the base formula and weight amount for the Uniform Per Student Funding Formula (UPSFF) for fiscal year 2021. As introduced, this subtitle will amend the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998 to increase the foundation level by 3% from \$10,980 per pupil to \$11,310 per pupil.

## II. COMMITTEE REASONING

Due to the severe decline in the District’s projected revenue for fiscal year 2021, the Executive had to roll back the UPSFF increase from four to three percent in its final version of its proposed fiscal year 2021 budget. While the Committee recommends adoption of this subtitle, it is not lost that the 3% increase in the UPSFF is likely not enough to keep up with inflation nor enough to cover the expected costs related to preparing schools and students for new learning models in the fall. Preparing schools for distance learning, providing devices and internet access to students, and reconfiguring school facilities to allow for social distancing will come at a cost.

However, school leaders are grateful that the education cluster received an increase in funding during the District's financial shortfall.

Given that both the Committee on Education and the Committee of the Whole have joint oversight and purview over all K-12 education issues, this subtitle was jointly referred to both Committees. Additional funds have been sent to the Committee on Education to increase the at-risk weight in the UPSFF. The final report on the entire budget from the Committee will contain language that reconciles all the recommended changes to the UPSFF.

### **III. SECTION BY SECTION ANALYSIS**

Sec. 4001. Short title.

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

## **TITLE IV-B EDUCATION FACILITY COLOCATION**

### **I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW**

This subtitle allows existing public charter schools that are chartered by the District of Columbia Board of Education or the Public Charter School Board to occupy space in underutilized DCPS facilities and make provide payment to the DCPS school whose space they will share. Payments received from the public charter school occupying the space would go into a special fund administered by the District of Columbia Public Schools (DCPS) to be used for additional school programming, supplemental staff, special initiatives, and other programs and activities at the DCPS school in which the public charter school is located.

### **II. COMMITTEE REASONING**

The Committee supports the purpose of this subtitle and is pleased that the Executive is effectively planning for the use of underutilized DCPS school facilities. The Master Facilities Plan of 2018 revealed that over 25% of DCPS facilities are utilizing 65% of their buildings or less. Enrollment continues to increase in both sectors, and charter school leaders have long asked the Executive to make underutilized DCPS facilities available to new charters who are in need of buildings in order to provide high quality educational options for students and families. The Committee supports this subtitle to address that issue.

The Executive currently has the ability to allow collocation of charter schools in DCPS facilities and does not need legislation to do so. However, this subtitle has financial implications due to the acceptance of payment from public charter schools that will utilize the ability to collocate. Thus, this issue is germane to the budget.

Nonetheless, the Committee supports the adoption of this subtitle with amendments. The Committee believes that there should be additional parameters put in place to ensure that funds received from the DC Public charter school occupying space in a DCPS facility are spent fully at the DCPS facility that is collocating and that the DCPS school receiving funds is not penalized financially in the following budget year. It's imperative that the rental payments received go directly to the school, stay in the school's budget, and are not used at DCPS central or any other DCPS school or program. In the subtitle as amended, funds received shall be supplemental to any funds received by the school through the Uniform Per Student Funding Formula or any other fund source, and the school's budget shall not be penalized during the budgeting process for the current or following fiscal year.

### III. SECTION BY SECTION ANALYSIS

Sec. 4011. Short title.

Sec. 4012. Amends the Public School and Public Charter School Facilities Sharing Act of 2002 to allow for public charter schools to collocate with a DCPS school within DCPS facilities

### IV. LEGISLATIVE RECOMMENDATION

1 TITLE IV, SUBTITLE B. EDUCATION FACILITY COLOCATION.

2 Sec. 4011. Short title.

3 This subtitle may be cited as the "Education Facility Colocation Amendment Act  
4 of 2020".

5 Sec. 4012. Section 3422 of the Public School and Public Charter School Facilities  
6 Sharing Act of 2002, effective October 1, 2002 (D.C. Law 14-190; DC Official Code §  
7 38-1831.01), is amended as follows:

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

9 "(a) The District of Columbia Public Schools ("DCPS") system may allow  
10 existing public charter schools that are chartered by the District of Columbia Board of  
11

12 Education or the Public Charter School Board to utilize space in DCPS facilities, where  
13 such facilities are currently or projected to be underutilized.”.

14 (b) Subsection (b) is amended as follows:

15 (1) Paragraphs (1) and (2) are amended to read as follows:

16 “(1) As payment for the space allocation, the public charter school shall  
17 pay to DCPS an amount agreeable to the charter school and DCPS.

18 “(2) The amount of payment shall be agreed upon by DCPS and the  
19 public charter school before relocation of any public charter school into a public school  
20 facility.”.

21 (2) Paragraph (3) is repealed.

22 (c) Subsection (c) is amended by striking the phrase “Board of Education shall”  
23 and inserting the phrase “Mayor may” in its place.

24 (d) A new subsection (d) is added to read as follows:

25 “(d)(1) There is established as a special fund the DCPS School Facility  
26 Colocation Fund (“Fund”), which shall be administered by DCPS in accordance with this  
27 paragraph (3) of this subsection.

28 “(2) All payments received from public charter schools under this section  
29 shall be deposited in the Fund.

30 “(3) Money in the Fund shall be used:

31 “(A) To fund additional school programming, supplemental  
32 staff, special initiatives, and other activities and programs at DCPS schools in which  
33 charter schools are collocated; and

34 “(B) For maintenance of, or improvements to, DCPS schools in  
35 which charter schools are collocated.

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

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

42 (e) A new subsection (e) is added to read as follows:  
43 “(e) Any funds received by a DCPS school pursuant to this section shall be  
44 supplemental to any funds budgeted for the school from the Uniform Per Student  
45 Funding Formula or other fund source. A school’s school-based budget shall not be  
reduced based on funds received pursuant to this section.”.

## V. FISCAL IMPACT

N/A

## TITLE IV-C CHILD CARE GRANT

### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle authorizes the Office of the State Superintendent of Education (OSSE) to issue grants, which are funded with local dollars, to non-profit and community-based organizations (CBO) in order to increase the affordability of, access to, and quality of child care in the District.

### II. COMMITTEE REASONING

The Committee of the Whole agrees with the Committee on Education’s recommendation to adopt this subtitle. In the past, OSSE has administered grants, funded by federal Child Care & Development Block Grant (CCDBG) funds, targeted at indirect child care services. Such services do not directly finance child care but work to improve the quality of child care, such as grants to improve child care worker training on topics like sanitation, cleaning, and business operations. However, the federal government is now requiring that at least 70% of CCDBG funds be used on direct child care services. Thus, OSSE is having to shift more of its CCDBG funds to direct child care services, thereby reducing the amount of CCDBG funds that OSSE can provide for indirect services. To account for the reduced availability of CCDBG funds, OSSE is requesting authority to issue locally funded grants targeted at indirect child care services.

This is important work that should continue. Professional development for child care providers is crucial, and given the COVID-19 pandemic, quality training on sanitation and cleaning practices is going to be essential. Additionally, OSSE may need to increase its funding for indirect

services, because more trainings will be needed on how to notice COVID-19 symptoms and on the necessary safety precautions child care providers will now have to undertake. Given these factors, the Committee supports providing OSSE with the ability to use local funding for grants in order to increase the accessibility to, affordability of, and quality of child care in the District.

### III. SECTION BY SECTION ANALYSIS

Sec. 4021. Short title.

Sec. 4022 Authorizes OSSE to issue locally funded grants to non-profit and community-based organizations in order to increase: (1) access; (2) affordability; and (3) quality of child care in the District. It also makes conforming amendments.

### IV. LEGISLATIVE RECOMMENDATION

1 Sec. 4021. Short title.

2 This subtitle may be cited as the “Grantmaking Authority to Expand Access  
3 to Quality Child Care Amendment Act of 2020”.

4 Sec. 4022. Section 3(b) of the State Education Office Establishment Act of  
5 2000, effective October 21, 2000 (D.C. Law 13-176; D.C. Official Code § 38-  
6 2602(b)), is amended as follows:

7 (a) Paragraph (30) is amended by striking the phrase “; and” and inserting a  
8 semicolon in its place.

9 (b) Paragraph 31(C) is amended by striking the period and inserting the  
10 phrase “; and” in its place.

11 (c) A new paragraph (32) is added to read as follows:

12 “(32) Have the authority to issue grants, from funds under its administration,  
13 to non-profit and community-based organizations to increase access to, affordability  
of, and quality of child care in the District.”.

### IV. FISCAL IMPACT

This subtitle was funded in the Mayor’s budget.

## TITLE IV-F CHILD DEVELOPMENT FACILITIES & PRE-K REPORTS

### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is twofold: (1) repeal the requirement that the Office of the State Superintendent of Education (OSSE) and the District’s Department of Health (DOH) provide the Council and the Mayor with an annual report on what efforts have been made to promote WIC in child development facilities; and (2) allow OSSE to only report on the state of pre-K in the District every three years instead of annually.

### II. COMMITTEE REASONING

The Committee recommends striking this subtitle. The only nexus to the budget is that the WIC reporting requirement was included in D.C. Law 20-155, the “Fiscal Year 2015 Budget Support Act of 2014.” Otherwise, this subtitle is not germane to the budget and solely included in the introduced version of the BSA because the Executive saw it as a convenient way to make these two relatively minor amendments to the law. Thus, the Committee believes these provisions should not be included in the BSA but instead should move through the regular process as part of stand-alone legislation.

### III. SECTION BY SECTION ANALYSIS

N/A

### IV. LEGISLATIVE RECOMMENDATION

1	<del>TITLE IV, SUBTITLE F. Child Development</del>
2	<del>——— Sec. 4051. Short title.</del>
3	<del>——— This subtitle may be cited as the “Child Development Facilities and Pre k Reports</del>
4	<del>Amendment Act of 2020.</del>
5	<del>——— Sec. 4052. Section 4074(e) of the Healthy Tots Act of 2014, effective February 26,</del>
6	<del>2015 (D.C. Law 20-155; D.C. Official Code §283(e)), is repealed.</del>
7	
8	

9       ~~Section 4053. The Pre-k Enhancement and Expansion Amendment Act of 2008,~~  
effective July 18, 2008 (D.C. Law 17-202; D.C. Official Code § 38271.01*et seq.*), is amended  
10 as follows:

11       ~~(a) Section 103(e) (D.C. Official Code § 38-271.03(e)) is amended by striking the~~  
12 ~~phrase “by December 30 of each year, beginning in 2009” and inserting the phrase “by~~  
13 ~~December 30, 2022, and triennially thereafter” in its place.~~

14       ~~(b) The lead in text of section 104 (D.C. Official Code § 38-271.04) is amended by~~  
15 ~~striking the phrase “by December 30 of each year, beginning in 2008” and inserting the~~  
16 ~~phrase “by December 30, 2022, and triennially thereafter” in its place.~~

17       ~~(c) Section 105(a) (D.C. Official Code § 38-271.05(a)) is amended by striking the~~  
18 ~~phrase “by December 30 of each year, beginning in 2009” and inserting the phrase “by~~  
~~December 30, 2022, and triennially thereafter” in its place.~~

## V. FISCAL IMPACT

N/A

# TITLE IV-G SCHOOL MEAL COST REIMBURSEMENTS & SUBSIDIES

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle affects the amount of additional funding provided to schools that serve breakfast or offer an alternative breakfast service model. Specifically, the subtitle lowers the amount of additional local funding that a school receives from twenty cents to ten cents for each breakfast meal served. Additionally, it repeals a subsidy of two dollars per child that is provided to each public school, public charter school, and participating private school, which implement alternative breakfast serving models. Finally, a technical correction is made with regard to amount of funding available in the Healthy Schools Fund.

## II. COMMITTEE REASONING

The Committee supports the adoption of this subtitle as amended by the Committee on Education in its proposed fiscal year 2021 budget report. As amended, this subtitle solely increases the amount of funds in the Healthy Schools Act to \$5.59 million. The decrease in the breakfast meal reimbursement and the repeal of the two dollars per student subsidy for public schools, public charter schools, and participating private schools that implement alternative breakfast serving models have both been removed from the subtitle because the Committee on Transportation and the Environment transferred the \$844,000 in local funds needed to fund those provisions. Additionally, the Committee on the Transportation and the Environment also sent \$283,000 in one-time funds to reinstate the funding for environmental literacy grants; \$440,000 in one-time funds to support wellness grant programming, including school gardens, nutrition education, and physical education; \$480,000 in recurring funds to increase the annual amount of sales tax revenue dedicated to the Healthy Schools Fund; and \$844,000 in one-time funds to restore a cut to the Healthy Tots program to support healthy meals for childcare facilities. These increases, combined with the \$4.266 million that the Mayor includes in her proposed fiscal year 2021 budget, add up to the \$5.59 million total in the Healthy Schools Fund for fiscal year 2021.

## III. SECTION BY SECTION ANALYSIS

Sec. 4061. Short title.

Sec. 4062. Increases the amount of funding in the Healthy Schools Fund to \$5.59 million beginning on October 1, 2020.

## IV. LEGISLATIVE RECOMMENDATION

1 TITLE IV, SUBTITLE G. SCHOOL MEAL COST REIMBURSEMENTS AND  
2 SUBSIDIES

3

4 Sec. 4061. Short title.

5 This subtitle may be cited as the “School Meal Cost Reimbursement and Subsidies  
6 Amendment Act of 2020”.

7 Sec. 4062. Section 102(f) of the Healthy Schools Act of 2010, effective July 27, 2010  
8 (D.C. Law 18-209; D.C. Official Code § 38-821.02), is amended by striking the phrase  
9 “Beginning on October 1, 2019, an amount of \$5,110,000” and inserting the phrase  
10 “Beginning on October 1, 2020, an amount of \$5,590,000” in its place.

#### **IV. FISCAL IMPACT**

The Committee on the Transportation and the Environment transferred the additional funding of \$1.324 million, to the Committee on Education, and the Committee on Education has included the funding in its proposed changes to the Mayor’s proposed fiscal year 2021 budget. The \$1.324 million combined with the \$4.266 million that the Mayor includes in her proposed fiscal year 2021 budget add up to the \$5.59 million total in the Healthy Schools Fund for fiscal year 2021.

### **TITLE IV-H EARLY HEAD START HOME VISITING GRANTS**

#### **I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW**

This subtitle strikes the requirement that the Office of the State Superintendent of Education (OSSE) award a grant or contract to a non-profit organization to provide Early Head State to two specific populations. Instead, the subtitle indicates that OSSE **may** award a grant or contract for such purposes. Pursuant to Section 107 of D.C. Law 22-179, the “Birth to Three for All Act of 2018,” OSSE was supposed to award a grant or contract to a non-profit organization to provide Early Head Start services to homeless families that have infants or toddlers and who are residing in DC General or DC General replacement units. Additionally, this section also required OSSE to award a grant or contract non-profit organization to provide Early Head Start services to immigrant families. Thus, if this subtitle is enacted, OSSE will no longer have to award these grants or contract but it still can if funds are available to support such services.

#### **II. COMMITTEE REASONING**

The Committee supports adoption of this subtitle because the proposed fiscal year 2021 budget is balanced upon the cost savings achieved through this subtitle. In order to strike this subtitle and restore the requirement for OSSE to administer the two grants, \$4,037,563 per year would have to be added to the financial plan. Additionally, OSSE has indicated that the home-visiting services provided through these two grants are duplicative of other home-visiting programs administered by other agencies.

#### **III. SECTION BY SECTION ANALYSIS**

Sec. 4071      Short title

Sec. 4072 Indicates that OSSE may administer grants for Early Head Start services for homeless families and immigrant families instead of requiring OSSE to administer grants for these purposes.

#### IV. LEGISLATIVE RECOMMENDATION

1 TITLE IV, SUBTITLE H. EARLY HEAD START HOME VISITING GRANTS

2

3 Sec. 4071. Short title.

4 This subtitle may be cited as the “Early Head Start Home Visiting Grants  
5 Authority Amendment Act of 2020”.

6 Sec. 4072. Section 107 of the Birth to Three for All Act of 2018, effective  
7 October 30, 2018 (D.C. Law 22-179; D.C. Official Code § 4-651.07), is amended as  
8 follows:

9 (a) Subsection (a) is amended by striking the phrase “Beginning October 1, 2019,  
10 and annually thereafter, OSSE shall” and inserting the phrase “OSSE may” in its place.

11 (b) Subsection (b) is amended by striking the phrase “Beginning October 1, 2019,  
12 and annually thereafter, OSSE shall” and inserting the phrase “OSSE may” in its place.

13

#### V. FISCAL IMPACT

The subtitle has a cost savings of \$4,037,563, and the Mayor’s proposed fiscal year 2021 budget is balanced on this reduction.

### TITLE IV-L RECREATIONAL SPACE USE FEE WAIVER

#### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is delay applicability of Section 4 of D.C. Law 22-210, the “Ensuring Community Access to Recreational Spaces Act of 2018.”

## II. COMMITTEE REASONING

The section waived or reduced fees for the use of school facilities which had a small cost that was budgeted to cover the overhead costs related to public use of the space. The subtitle was funded in the FY 2020 budget and the Mayor is seeking to delay the applicability in order to redirect the funds in order to close the budget gap created as a result of the COVID-19 pandemic. Moreover, as a result of the pandemic, the demand to use public space is diminished meaning the funding may not be necessary for this purpose. The funding necessary to strike this subtitle would be approximately \$571,000.

## III. SECTION BY SECTION ANALYSIS

Sec. 4081. Short title.

Sec. 4082. Subject-to-Appropriations applicability insertion.

## IV. LEGISLATIVE RECOMMENDATION

1	TITLE IV, SUBTITLE J. RECREATIONAL SPACE USE FEE WAIVERS.
2	Sec. 4081. Short title.
3	This subtitle may be cited as the “Recreational Space Use Fee Waivers
4	Amendment Act of 2020”.
5	Sec. 4082. Section 4 of the Ensuring Community Access to Recreational Spaces
6	Act of 2018, effective February 22, 2019 (D.C. Law 22-210; D.C. Official Code § 38-
7	433), is amended as follows:
8	(a) Subsection (b) is amended by striking the phrase “Within 180 days after
9	February 22, 2019, the Mayor” and inserting the phrase “The Mayor” in its place.
10	(b) A new section 7a is added to read as follows:
11	“Sec. 7a. Applicability.
12	“(a) Section 4 shall apply upon the date of the inclusion of its fiscal effect in an
13	approved budget and financial plan.
14	“(b) The Chief Financial Officer shall certify the date of the inclusion of the
15	fiscal effect of this Act in an approved budget and financial plan, and provide notice to

16 the Budget Director of the Council of the certification.  
17 “(c)(1) The Budget Director of the Council shall cause the notice of the  
18 certification to be published in the District of Columbia Register.  
19 “(2) The date of publication of the notice of the certification shall not  
20 affect the applicability of this act.”..

## V. FISCAL IMPACT

N/A

# TITLE IV-J WILKINSON SCHOOL DISPOSITION PROCESS

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to provide the right of first offer to purchase, lease, or otherwise use the former Wilkinson Elementary School (“Wilkinson”) building to a charter school facility incubator or to a public charter school that is occupying all, or a portion of, the Birney school as of October 1, 2020. Additionally, the subtitle amends D.C. Official Code § 10-801 by adding a new subsection (b-6), which puts forth a slightly altered disposition process – it requires the Executive to only have one hearing to gather community input and on the finding that the property is no longer needed instead of the two hearings usually required in D.C. Code § 10-801.

## II. COMMITTEE REASONING

The Committee agrees with the Committee on Education’s recommendation that this subtitle be adopted. The Mayor’s proposed fiscal year 2021 budget calls for Excel DCPS to remain in its current location, the Birney Elementary School (Birney). However, Birney is currently being leased by the Charter School Incubator Initiative (CSII), as the CSII executed a 20-year lease with the District government in 2011. CSII’s goal is to provide facility space to new charter schools, which may not have high enough enrollments to support leasing or buying expensive DC real estate, and CSII’s Birney lease required it to sublease the school to at least one public charter school. In September 2011, CSII entered into a five-year sublease, which also had three five-year renewal options, with Excel Academy, a public charter school that would later become Excel DCPS.

For seven years, Excel Academy operated as a public charter school, but on January 12, 2018, the Public Charter School Board revoked Excel’s charter and ordered the school to close at the end of School Year 2017-2018. Shortly thereafter, Mayor Bowser announced that DCPS would absorb the 700 students enrolled at Excel Academy and renamed the school Excel DCPS. However, the Executive never communicated to CSII its intention to absorb Excel, and only after the Mayor had announced the plans for DCPS to subsume Excel, did the Department of General Services (DGS) approach CSII about Excel DCPS remaining in Birney, despite CSII’s lease with the District requiring CSII to sublease Birney to at least one public charter school. Because it would have been too disruptive to move Excel immediately, the District and CSII entered into a six-month agreement in June 2018 for Excel to remain in a portion of Birney, and in December 2018, the District subleased 63,000 square feet of Birney from the CSII so that Excel could remain in the same location for two years, with an option for a one-year extension. The District’s sublease terminates on July 15, 2021.

While Excel DCPS occupies most of Birney, CSII’s lease with the District still required it to sublease a portion of the building to at least one public charter school. During School Year 2019-2020, Lee Montessori Public Charter School – East End subleased the basement of Birney, and from July 1, 2020 to June 30, 2022, DC Prep Public Charter School is subleasing that space for their middle school swing space. Yet, given that the District’s sublease with CSII for the space Excel is occupying ends in July 2021 and that an adequate MFP does not exist stating otherwise, it was expected that Excel would vacate Birney and move to a different location after School Year 2020-2021, leaving the entire building to be available for sublease to one or more public charter schools. In fact, DC Prep and CSII executed their short-term sublease with the intent that upon Excel DCPS’ relocation, CSII would sublease the entire building to DC Prep or co-locate DC Prep and another charter school in the building beginning on July 16, 2021. Because of this understanding, the Executive included this subtitle.

Given that DC Prep and the CSII entered into an agreement with the understanding that DC Prep would be able to occupy Birney after Excel DCPS relocated, the Committee believes that it is only fair that the Executive offer CSII or DC Prep with the right of first offer on another District property. Moreover, the District actually gets the better bargain in this trade, as CSII has spent million renovating Birney, while Wilkinson needs substantial renovations, including extensive mold and asbestos remediation. Through this disposition, either CSII or DC Prep will renovate Wilkinson instead of the District having to do so. Additionally, allowing DC Prep to move into Wilkinson means that it will most likely no longer build on property that it currently owns, as the neighborhood in which the property is located does not want DC Prep to build there. Given these factors, the Committee finds that this subtitle should be adopted.

### III. SECTION BY SECTION ANALYSIS

Sec. 4091. Short title.

Sec. 4092. Provides the right of first offer to purch purchase, lease, or otherwise use the former Wilkinson Elementary School (“Wilkinson”) building to a charter school facility

incubator or to a public charter school that is occupying all, or a portion of, the Birney Elementary School as of October 1, 2020.

Sec. 4093. Amends D.C. Official Code § 10-801 to add a new subsection (b-6), which puts forth a slightly altered disposition process for the disposal of the Wilkinson Elementary School building. Specifically, it removes the requirement that a community hearing be held at least 60 days before seeking proposals to dispose of the property and before submitting the proposed disposition resolution to the Council and the need for the second community hearing, which is supposed to occur after the one required by subsection (a-1). Instead, it calls for one hearing to be held on the finding that the property is no longer needed and to obtain community input on the proposed disposition of the property, and it indicates that this hearing occur before the proposed surplus and disposition resolutions are submitted.

#### IV. LEGISLATIVE RECOMMENDATION

1 TITLE IV, SUBTITLE J. WILKINSON SCHOOL DISPOSITION PROCESS

2 Sec. 4091. Short Title.

3 This subtitle may be cited as the “Wilkinson School Disposition Process  
4 Amendment Act of 2020”.

5 Sec. 4092. Section 2209(b)(1) of the District of Columbia School Reform Act  
6 of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code § 38-  
7 1802.09(b)(1)), is amended by adding a new subparagraph (B-ii) to read as follows:

8 “(B-ii) Notwithstanding subparagraph (A) of this  
9 paragraph, the Mayor may give the right of first offer to purchase, lease, or otherwise  
10 use the former Wilkinson Elementary School building to a charter school facility  
11 incubator that leased, or a public charter school that occupied, all or a portion of the  
12 former Birney Elementary School building as of October 1, 2020.”.

13 Sec. 4093. Section 1 of An Act Authorizing the sale of certain real estate in the  
14 District of Columbia no longer required for public purposes, approved August 5, 1939  
15 (53 Stat. 1211; D.C. Official Code § 10-801), is amended by adding a new subsection  
16 (b-6) to read as follows:

17 “(b-6)(1) The public hearings required by subsections (a-1)(4) and (b-2) of this  
18 section shall not be required for the disposition of the former Wilkinson Elementary  
19 School. Instead, for such real property, the Mayor shall hold at least one public hearing  
20 on the finding that the real property is no longer required for public purposes and to

21 obtain community input on the proposed disposition of the real property before  
22 submitting the proposed surplus resolution and proposed disposition resolution to the  
23 Council under this section.

24                   “(2) The hearing required by paragraph (1) of this subsection shall be  
25 held at an accessible evening or weekend time and in an accessible location in the  
26 vicinity of the former Wilkinson Elementary School. The Mayor shall provide at least  
27 30 days written notice of the public hearing to the affected Advisory Neighborhood  
28 Commission and publish notice of the hearing in the District of Columbia Register at  
29 least 15 days before the hearing.”.

## V. FISCAL IMPACT

The funding for this is included in the Mayor’s proposed fiscal year 2021 budget.

# TITLE VI-B SPECIAL PURPOSE REVENUE ACCOUNTS OF THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to expand allowable uses of funds for five special revenue funds under the purview of the Department of Consumer and Regulatory Affairs.

The subtitle proposes the following changes: (1) Expands the allowable use of the Nuisance Abatement Fund to include inspection, demolition or enclosure of a property, and administrative and personnel costs, directs fines and penalties associated with vacant property enforcement into the fund, and expands the definition of “imminent danger” in nuisance properties; (2) Expands the allowable use of the Basic Business License Fund to include support for all DCRA services; (3) Expands the allowable use of the Green Building Fund to include support for all DCRA services, costs of abatement, and making green building materials accessible to low-income residents; (4) Expands the allowable use of the Corporate Recordation Fund to include support of all DCRA services and makes the fund non-lapsing; and (5) Expands the allowable use of the Expedited Building Permit Review Program Fund to include support for all DCRA services and makes the fund non-lapsing.

## II. COMMITTEE REASONING

The Committee recommends striking this subtitle, except subparagraph (G) of Section 6014 that authorizes DCRA to use Green Building funds to make green building materials accessible to low-income residents. The Department has not presented the Committee with sufficient information to justify using monies from any of the five special purpose revenue funds for other services and projects.

## III. SECTION BY SECTION ANALYSIS

N/A

## IV. LEGISLATIVE RECOMMENDATION

1 TITLE VI. SUBTITLE B. SPECIAL PURPOSE REVENUE ACCOUNTS OF THE  
2 DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

3 Sec. 6011. Short title.

4 This subtitle may be cited as the “Department of Consumer and Regulatory  
5 Affairs Special Purpose Revenue Fund Flexibility Amendment Act of 2020”.

6 ~~Sec. 6012. Section 1 of An Act To provide for the abatement of nuisances in the~~  
7 ~~District of Columbia by the Commissioners of said District, and for other purposes,~~  
8 ~~approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01), is amended as~~  
9 ~~follows:~~

10 (a) ~~Subsection (b) is amended to read as follows:~~

11 ~~“(b)(1) There is established as a special fund the Nuisance Abatement Fund~~  
12 ~~(“Fund”), which shall be administered by the Mayor in accordance with paragraph (3) of~~  
13 ~~this subsection.~~

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

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

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

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

20



51 ~~District of Columbia Code of Municipal Regulations, excluding funds obtained through~~  
52 ~~administrative proceedings; and~~

53 ~~“(J) Restitutions from any source to the Fund or to the District for~~  
54 ~~the purposes of the Fund.~~

55 ~~“(3) Money in the Fund shall be used for the following purposes:~~

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

58 ~~“(B) Paying the costs of inspecting or correcting any condition,~~  
59 ~~and all costs incident thereto, that the Mayor may order or cause pursuant to subsection~~  
60 ~~(a) of this section;~~

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

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

69 ~~“(E) Paying costs related to the abatement of nuisance properties~~  
70 ~~and housing code violations and improving the operations of the Department of~~  
71 ~~Consumer and Regulatory Affairs.~~

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

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

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

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

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

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

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

87               ~~Sec. 6013. Section 47-2851.13(c) of the District of Columbia Official Code is~~  
88     ~~amended to read as follows:~~

89                       ~~“(c) Revenue credited to the Fund shall be expended by the Department for the~~  
90     ~~purposes of:~~

91                               ~~“(1) Maintaining and upgrading the basic business licensing system,~~  
92     ~~including copying fees, automation upgrades, personnel costs, and supplies; and~~

93                               ~~“(2) Otherwise supporting the business service functions of the~~  
94     ~~Department.”~~

95               ~~Sec. 6012. Section 8(c)(2) of the Green Building Act of 2006, effective March 8,~~  
96     ~~2007 (D.C. Law 16-234; D.C. Official Code § 6-1451.07(c)(2)), is amended as follows:~~

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

99                       ~~(b) Subparagraph (E) is amended by striking the period and inserting “; and” in~~  
100     ~~its place.~~

101                       ~~(c) New subparagraph (F) is added to read as follows:~~

102                               ~~“(F) Costs incurred to make green building materials accessible to~~  
103     ~~low-income residents.”~~

104               ~~Sec. 6015. Section 29-102.13 of the District of Columbia Official Code is~~  
105     ~~amended as follows:~~

106                       ~~(a) Subsection (b) is amended to read as follows:~~

107                               ~~“(b) Revenue credited to the Fund shall be expended by the Department of~~  
108     ~~Consumer and Regulatory Affairs for the purposes of maintaining and upgrading the~~  
109     ~~corporate filing system and supporting the other functions of the Department.”.~~  
110

111                       ~~(b) A new subsection (g) is added to read as follows:~~

112           ~~“(g)(1) The money deposited in the Fund shall not revert to the unrestricted fund~~  
113 ~~balance of the General Fund of the District of Columbia at the end of a fiscal year or at~~  
114 ~~any other time.~~

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

118           ~~Sec. 6016. Section 8(b)(4) of the Vending Regulation Act of 2009, effective~~  
119 ~~October 22, 2009 (D.C. Law 18-71, D.C. Official Code § 37-131.07(b)(4)), is amended~~  
120 ~~by striking the phrase “under this act” and inserting the phrase “by the Department of~~  
121 ~~Consumer and Regulatory Affairs under this act and any other act administered by the~~  
122 ~~Department of Consumer and Regulatory Affairs” in its place.~~

123           ~~Sec. 6017. Section 63(e) of the Construction Codes Approval and Amendments~~  
124 ~~Act of 1986, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 6-~~  
125 ~~1405.05(e)), is amended as follows:~~

126           ~~(a) Subsection (e) is amended to read as follows:~~

127           ~~“(e) Money in the Fund shall be used to operate and administer the building~~  
128 ~~permit review programs of the Department and to support the other functions of the~~  
129 ~~Department.”~~

130           ~~(b) A new subsections (d) is added to read as follows:~~

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

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

137           ~~Sec. 6018. Conforming amendments.~~

138           ~~(a) Section 451(b) of the Abatement and Condemnation of Nuisance Properties~~  
139 ~~Omnibus Amendment Act of 2000, effective April 19, 2002 (D.C. Law 14-114; D.C.~~  
140 ~~Official § 42-3173.11(b)), is repealed.~~

141

142           (b) Section 14(b) of An Act to provide for the abatement of nuisances in the  
143 District of Columbia by the Commissioners of said District, and for other purposes,  
144 effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.14(b)), is  
145 amended by striking the phrase “and shall be expended for the general administration,  
146 inspection, and abatement costs incurred in the correction of wrongful conditions in  
147 vacant buildings and other nuisance properties” and inserting the phrase “and shall be  
148 expended for the purposes authorized under section (1)(b)” in its place.

149           (c) Section 16(b) of An Act to create a board for the condemnation of insanitary  
150 buildings in the District of Columbia, and for other purposes, approved May 1, 1906 (34  
151 Stat. 157; D.C. Official Code § 6-916(b)), is amended by striking the phrase “and shall  
152 be expended for the general administration of the Board”.

153  
154

## V. FISCAL IMPACT

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

## TITLE VI-G THIRD PARTY INSPECTION PLATFORM

### I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to authorize the Department of Consumer and Regulatory Affairs (DCRA) to require all third party inspections to be arranged through an exclusive DCRA online platform, and authorizes the agency to charge a fee for using the platform.

### II. COMMITTEE REASONING

The Committee supports this subtitle to the extent that an online platform will make it easier for DCRA to track and effectively regulate third-party inspections.

### III. SECTION BY SECTION ANALYSIS

Sec. 6061. Short title.

Sec. 6062. Grants the Department of Consumer and Regulatory Affairs the authority to establish an online platform for third-party inspections and collect fees for its use.

### IV. LEGISLATIVE RECOMMENDATION

1 TITLE VI, SUBTITLE G. THIRD PARTY INSPECTION PLATFORM

2 Sec. 6061. Short title.

3 This subtitle may be cited as the “Third Party Inspection Platform  
4 Amendment Act of 2020”.

5 Sec. 6062. Section 6d of the Construction Codes Approval and  
6 Amendments Act of 1986, effective June 25, 2002 (D.C. Law 14-162; D.C.  
7 Official Code § 6-1405.04), is amended by adding a new subsections (f) to read as  
8 follows:

9 “(f) The Department may establish an online platform that may, at the  
10 Director’s discretion, serve as the exclusive mechanism by which an individual or  
11 entity may hire a third party inspector to perform an inspection authorized by this  
12 section. The Department may charge a fee for the use of the online platform by an  
13 individual or entity and by the third party inspectors.”

### V. FISCAL IMPACT

This subtitle will increase local fund revenue by \$1.1 million in fiscal year 2021 and \$6.9 million over the financial plan.

## **I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW**

The purpose of this subtitle is to establish an advocacy group to advise the Council on next steps, funding, and needs with regard to the construction of a new District of Columbia Archives.

## **II. COMMITTEE REASONING**

For the past decade, the District has sought to build a new Archives facility to replace the deteriorating Naylor Court facility which is too small and is not built to archival standards. In past budgets, the Committee sought to spur this project on by analyzing reports from DGS on an archives needs assessment. The Executive had initially set its sights on a former DCPS facility known as Penn Center in Eckington. Subsequently, the executive floated the idea of also utilizing the Recorder of Deeds building in Judiciary Square as a component of an archives facility. This committee analyzed the feasibility study of variations of these solutions and determined that any archives facility should be purpose built from scratch. In Fiscal Year 2016, the Committee identified the W Street Trash Transfer Station in Brentwood as an ideal site for an archives facility that could be built after the District exercised eminent domain to remove the trash transfer facility – a longtime goal of the neighborhood. However, the Executive balked at this location, and it has since been authorized for eminent domain for warehouse purposes. In 2018, the Mayor announced that the administration was now looking at locating an Archives facility at the University of the District of Columbia. It was thought that an obsolete building on the campus could be repurposed into an Archives. A feasibility study was reportedly conducted on the site, but the Committee has not been able to access that study. The Committee now understands that the UDC site would need demolition of the current building. As of today, it is unclear what the Executive’s thinking on an archives facility is. This is all while funding for the new archives facility -- \$72 million, has been pushed back by several years in the capital improvement plan.

The Committee believes that the Council could better understand the facility needs for an archives and is recommending a subtitle to establish an Archives Advisory Group that will advise the Council with regard to how to move forward on the capital project. The group would be comprised of five to eleven members appointed by the Chairman of the Council. The group would have access to the various studies – whether in draft or final form – to be obtained on their behalf by the Chairman if needed. The group’s charge is to make recommendations to the Council whenever useful to include matters such as schedule, cost and building standards.

## **III. SECTION BY SECTION ANALYSIS**

Sec. XX01. Short title.

Sec. XX02. Establishes the Archives Advocacy Group.

#### IV. LEGISLATIVE RECOMMENDATION

1 TITLE I, SUBTITLE COW-B. ARCHIVES ADVOCACY GROUP.

2 Sec. XX01. Short title.

3 This subtitle may be cited as the “Archives Advisory Act of 2020”.

4 Sec. XX02. Archives Advisory Group.

5 (a) There is established an Archives Advocacy Group to advise the Council of the  
6 District of Columbia with regard to Project AB102C in the District’s Capital Improvement  
7 Plan to construct a new archives facility for the District of Columbia.

8 (b) The Archives Advocacy Group shall consist of no fewer than 5 members and no  
9 more than 11 members, all appointed by the Chairman of the Council.

10 (c) The Archives Advisory Group shall consider such matters as schedule, cost, and  
11 building attributes regarding a new archives facility. The group shall make recommendations  
12 to the Council whenever useful to the Council’s deliberative process.

13 (d) The Archives Advocacy Group shall have access to all draft and final documents  
14 relevant to planning and costing a new archives facility, including any feasibility study;  
15 provided, that requests for documents shall be made through the Chairman of the Council.

16 (e) The Archives Advocacy Group shall not be subject to the Open Meetings Act,  
17 effective March 31, 2011 (D.C. Law 18-350; D.C. Official Code § 2-571 *et seq.*); provided,  
18 that all meetings shall be open to the public.

19 (f) Members of the Archives Advisory Group shall not be reimbursed for expenses,  
20 nor compensated. Any other necessary resources shall be coordinated by the Secretary to the  
21 Council.

#### V. FISCAL IMPACT

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

**TITLE COW-B  
AUDIT ENGAGEMENT FUND**

## **I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW**

The purpose of this subtitle is to create a non-lapsing fund to allow the Auditor to conduct audits under a contract that may span fiscal years, and to allow additional flexibility for the Auditor to initiate unplanned audits or complete audits at the request of the Council.

## **II. COMMITTEE REASONING**

The Auditor has increased the use of contract audits which allow for increased subject matter expertise that can supplement the Auditor workforce in that office. Under normal budget procedures, funding for a contract must be paid during the fiscal year in which it was budgeted. However, audit timelines cannot always be expected to be contained to an artificial fiscal year construct. In addition, the Auditor is extremely diligent in working to fulfill requests from the Council for unplanned audits as a situation may warrant that was not considered in formulating a fiscal year budget. Creation of a non-lapsing Audit Engagement Fund will allow the Auditor to deposit unused funds at the end of a fiscal year and spend those funds in a subsequent fiscal year. The funds that would be credited to the non-lapsing fund will include unspent funds at the end of the fiscal year. The funds may be used for non-personal services audits. The structure

## **III. SECTION BY SECTION ANALYSIS**

Sec. 1. Short title.

Sec. 2. Establishes a non-lapsing fund to deposit unspent local funds to be available to conduct contract audits.

## **IV. LEGISLATIVE RECOMMENDATION**

1	TITLE I, SUBTITLE COW-B. AUDIT ENGAGEMENT FUND
2	Sec. 1. Short title.
3	This subtitle may be cited as the “Audit Engagement Fund Act of 2019”.
4	Sec. 2. Audit Engagement Fund.
5	(a) There is established as a special fund the Audit Engagement Fund (“Fund”),
6	which shall be administered by the Office of the District of Columbia Auditor in
7	accordance with subsection (c) of this section.
8	

9 (b) The following shall be deposited into the Fund:  
10 (1) All unspent local fund monies remaining in the operating budget for  
11 the Office of the District of Columbia Auditor at the end of each fiscal year; and  
12 (2) Any other funds received on behalf of the Fund or the Office of the  
13 District of Columbia Auditor for the purpose of performing audits.  
14 (c) Money in the Fund shall be used for operating expenses related to performing  
15 audits.  
16 (d)(1) The money deposited into the Fund but not expended in a fiscal year shall  
17 not revert to the unassigned fund balance of the General Fund of the District of Columbia  
18 at the end of a fiscal year or at any other time.  
19 (2) Subject to authorization in an approved budget and financial plan, any  
20 funds appropriated in the Fund shall be continually available without regard to fiscal year  
21 limitation.

A conforming change would also be made to the Local Budget Act:

1 **GOVERNMENT DIRECTION AND SUPPORT**  
2 (23) Office of the District of Columbia Auditor. - \$5,653,000 from local funds;  
3 provided, that all funds deposited, without regard to fiscal year, into the Audit  
4 Engagement Fund are authorized for expenditure and shall remain available for  
5 expenditure until September 30, 2021;

## V. FISCAL IMPACT

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

**TITLE COW-C  
UNIVERSITY OF THE DISTRICT OF COLUMBIA MATCHING FUNDS**

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to direct non-departmental funds to the University of the District of Columbia (UDC). Specifically, this amendment provides that for every dollar UDC raises from private fundraising, the District will match it dollar-for-dollar, up to a maximum of \$1.5 million. UDC must raise the matching funds by April 1, 2021.

## II. COMMITTEE REASONING

Since fiscal year 2014, the Council has set aside funds for the University as part of a fundraising match. Originally as a means of supporting UDC's accreditation efforts, the Council set aside a million dollars in matching funds in fiscal year 2014 to aid the University with accreditation activities and readiness.<sup>89</sup> For every dollar UDC raised in private donations, up to a maximum of a million dollars, the District matched those donations dollar for dollar. While the University was unsuccessful in raising private funds in fiscal year 2014 for this match, the Council agreed to extend the match opportunity to the University again in fiscal year 2015. UDC rose to the challenge that year and again in 2016.

Starting in fiscal year 2017, the Council put forth more stringent match requirements – for every two dollars the University raised, it would receive a dollar, up to \$1.5 million. The University was just short of fulfilling the match in fiscal year 2017, but in fiscal year 2018, it raised over \$3.4 million. It also met the match in fiscal year 2019 for a total of \$4.5 million.<sup>90</sup> While UDC was working toward meeting the match again in fiscal year 2020, its fundraising efforts were stalled by the COVID-19 global pandemic. At UDC's annual performance hearing in early March 2020, it indicated that it had raised \$1.5 million toward its goal of \$3 million.<sup>91</sup> However, it was unsuccessful in raising additional funds, and at the end of March 2020, the University requested that the match requirements for fiscal year 2020 be amended to a one-to-one match ratio so that it would receive the full \$1.5 million match given that the University had successfully raised \$1.5 million in private funds thus far. Given UDC's financial needs because of the global pandemic and because the pandemic has hindered greatly fundraising by all institutions – including UDC – the Council agreed to amend the match requirements for fiscal year 2020 to a one-to-one match ratio.<sup>92</sup> The maximum amount of the fundraising match remains unchanged at \$1.5 million.<sup>93</sup>

As in past years, the Committee believes the fundraising match should be continued in fiscal year 2021. However, because the COVID-19 pandemic continues and another increase in

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<sup>89</sup> See Title X, Sec. 10002 of D.C. Law 20-61, the Fiscal Year 2014 Budget Support Act of 2013.

<sup>90</sup> \$3 million raised by the University and \$1.5 million, in matching funds, from the District government.

<sup>91</sup> See President Mason's FY19-20 performance oversight hearing oral testimony, Mar. 5, 2020.

<sup>92</sup> See Title 1, Sec.105 of D.C. Act 23-286, the COVID-19 Response Supplemental Emergency Amendment Act of 2020, effective April 10, 2020. This amendment moved the deadline for fundraising from April 1, 2020 to May 1, 2020 to provide the University with additional time to receive all eligible fundraising given COVID-19. See *id.*

<sup>93</sup> See *id.*

reported cases of the virus is expected in fall of 2020 – most likely severely limiting UDC’s ability to fundraise for much of 2020, and possibly into 2021 – the Committee recommends that the match be a dollar-to-dollar ratio, up to a maximum of \$1.5 million, instead of the two dollar to one ratio that has been in place since fiscal year 2017. The Committee stresses that this reversion from a two-to-one ratio back to a one-to-one ratio is only for fiscal year 2021 and only because of the global pandemic. If the Committee recommends continuation of the fundraising match in fiscal year 2022, it is expected that the match ratio will become more stringent once again.

Due to the Council provided match over the past six years, the University’s private fundraising efforts have drastically improved,<sup>94</sup> and their fundraising sources have become more diversified. When the Council first began the fundraising match, the University relied on donations from UDC’s law school alumni. Now UDC is raising funds from a plethora of sources. The funds raised by the University and the match funds have enabled UDC to provide merit-based scholarships to students who have graduated from a District of Columbia public school or public charter school.<sup>95</sup> The Committee is pleased that the match has helped spur the University’s private fundraising efforts and is hopeful that it will continue to push the University to find ways to support itself outside of the subsidy provided to it by the District government.

### III. SECTION BY SECTION ANALYSIS

Sec. --. Short title.

Sec. --. Indicates that for every dollar that UDC raises from private donations by April 1, 2020, one dollar of non-departmental funds shall be transferred to the University.

### IV. LEGISLATIVE RECOMMENDATION

1	SUBTITLE COW-C. UNIVERSITY OF THE DISTRICT OF COLUMBIA
2	FUNDRAISING MATCH
3	Sec. --. Short title.
4	This subtitle may be cited as the “University of the District of Columbia Fundraising
5	Match Act of 2020”.
6	Sec. – (a) In Fiscal Year 2021, of the funds allocated to the Non-Departmental
7	agency, \$1, up to a maximum of \$1.5 million, shall be transferred to the University of the
8	District of Columbia (“UDC”) to match dollar-for-dollar the amount UDC raises from private
	donations by April 1, 2021.

<sup>94</sup> See budget testimony.

<sup>95</sup> See budget testimony.

9 (b) Of the amount transferred to UDC pursuant to subsection (a) of this section, no  
10 less than one-third of the funds shall be deposited into UDC's endowment fund.  
11

## V. FISCAL IMPACT

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

# TITLE COW-D PUBLIC CHARTER SCHOOL FUNDING HOLD HARMLESS

## I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

The purpose of this subtitle is to ensure that DC public charter schools have adequate funding for School Year 2020-2021. Specifically, the subtitle indicates that for School Year 2020-2021 only, each public charter school will be funded based on its projected enrollment included in the Mayor's proposed fiscal year 2021 budget. Additionally, the subtitle notes how a public charter school's four quarterly payments will be allocated throughout fiscal year 2021.

Under current law<sup>96</sup>, public charter schools' funding is based on its actual enrollment during the school year instead of being funded solely based on its projected enrollment for the school year, which is how DCPS is funded. Each public charter school receives an annual amount, broken up into quarterly payments, which are paid by July 15<sup>th</sup>, October 25<sup>th</sup>, January 15<sup>th</sup>, and April 15<sup>th</sup> of each year. The first of the four quarterly payments is based on a school's estimated enrollment for the following school year as of June 30<sup>th</sup> of that particular year.<sup>97</sup> The second and third payments are based on a public charter school's unverified October enrollment, and the last quarterly payment is based on the audited October enrollment for that current school year.<sup>98</sup> If the public charter school actually has a higher October enrollment than its projected enrollment, it receives additional funding to account for those additional students in the last three quarterly payments. But if its October enrollment is lower than its projected enrollment, three of its four quarterly payment are lower than its first.

## II. COMMITTEE REASONING

<sup>96</sup> D.C. Official Code § 38-2906.02(b)

<sup>97</sup> *See id.*

<sup>98</sup> *See id.*

COVID-19 has complicated and altered many of the ways the District government is operating and will continue to operate in the foreseeable future. One such way is the enrollment of students in school for the upcoming 2020-2021 school year. Enrolling online is not the easiest process and becomes even more difficult for low-income families who may lack access to the needed technology and Internet service. Additionally, there is a great amount of uncertainty around what school will look like in the fall, and a second wave of COVID-19 is a large possibility, which could have a substantial impact on how students attend school, or if they even enroll in a DCPS or DCPCS school. Because of this, public charter schools are currently concerned that their October unverified and audited enrollment will not reflect the true number of students that they are serving. Moreover, adult public charter schools are extremely concerned that not all of their students will be enrolled by the October count because their students have children, and will thus wait to enroll in school themselves until they see what will happen with their children.

While District law provides for stabilization for DCPS schools from year to year,<sup>99</sup> this is not the case for public charter LEAs. Given the uncertainty of next school year and the additional funds that school are having to spend on needed technology, supports, supplies, and personnel in response to COVID-19, public charter schools need the same stabilization as DCPS schools. The Committee proposes to provide this stabilization next year by funding public charter schools just like the District does DCPS – based on its projected enrollment for the year. Such an approach will allow schools to focus on ensuring that students are attending school and learning, as opposed to worrying about their finances. It also provides equity amongst the public charter school sector, as this approach ensures that public charter adult and alternative schools are also stabilized and able to continue this school year. Finally, such an approach is cost neutral, since the Mayor’s proposed fiscal year 2021 budget is based on the projected enrollment of each LEA in the District. Given the decline in the District’s projected revenue, it is going to be difficult to fund additional items in the fiscal year 2021 budget, so taking a cost-neutral approach also makes the most sense to the Committee.

### III. SECTION BY SECTION ANALYSIS

Sec. --. Short title.

Sec. --. States that for School Year 2020-2021, each public charter school will be funded based on its projected enrollment included in the Mayor’s proposed fiscal year 2021 budget. Additionally, it notes the break down of the four quarterly payments that each public charter school will receive throughout fiscal year 2021.

### IV. LEGISLATIVE RECOMMENDATION

1	SUBTITLE COW-D. PUBLIC CHARTER SCHOOL FUNDING HOLD
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<sup>99</sup> D.C. Code §38-38-2907.01(a)(2).

2	HARMLESS
3	Sec. --. Short title.
4	This subtitle may be cited as the “Public Charter School Funding Stabilization
5	Amendment Act of 2020”.
6	Sec. – Section 107b of the Uniform Per Student Funding Formula for Public Schools
7	and Public Charter Schools and Tax Conformity Clarification Amendment Act of 1998,
8	effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2906.02) is amended to
9	add a new subsection (c-1) to read as follows:
10	“(c-1)(1) Notwithstanding subsections (b) and (c) of this section, for School Year
11	2020-2021, each public charter school’s annual payment pursuant to the Formula shall equal
12	the total estimated costs for the number of resident students projected to be enrolled in that
13	public charter school during School Year 2020-2021, based on enrollment projections
14	contained in the Mayor’s Fiscal Year 2021 proposed budget, as modified pursuant to section
15	107(e).
16	“(2)(A) The July 15 payment shall be 35% of an existing school’s annual
17	payment and 45% of the annual payment for a newly chartered school in its first year of
18	operation.
19	“(B) A school’s October 25, January 15, and April 15 payments shall each
20	equal 1/3 of the school’s total remaining annual payment after the July 15 payment is made.”.

**V. FISCAL IMPACT**

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

**TITLE COW-E  
EVENTS DC GO-GO GRANT-MAKING AUTHORITY**

**I. PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW**

The purpose of this subtitle is authorize Events DC to make grants to support go go music.

## II. COMMITTEE REASONING

In 2019, the Council adopted the Go-Go Official Music Act of 2019 that designated go-go as the official music of the District of Columbia. That act also directed the Mayor to issue recommendations on how the District may better support go-go music – that report should be completed by December. It is the Committee’s hope that this report will be useful in showing the Council what more the District can do to support, preserve, and archive go-go music and its history. However, until that plan is completed and considered by the Council, the Committee believes that resources should be made available now for such support. The Committee recommends a new subtitle to allow Events DC to provide grants to support go-go music. This language is nearly identical to a grant program established at Events DC as part of the FY 2020 budget that directed Events DC to issue grants to cultural institutions. The funds are only to be paid if available for obligation by Events DC.

## III. SECTION BY SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Provides Events DC grant-making authority for go-go.

## IV. LEGISLATIVE RECOMMENDATION

1	SUBTITLE X. EVENTS DC GO GO GRANT-MAKING AUTHORITY
2	Sec. 1. Short title.
3	This subtitle may be cited as the “Events DC Go-Go Grant-Making Authority
4	Amendment Act of 2019”.
5	Sec. 2. Title II of the Washington Convention Center Authority Act of 1994, effective
6	September 28, 1994 (D.C. Law 10-188; D.C. Official Code § 10-1202.01 <i>et seq.</i> ), is amended
7	as follows:
8	(a) Section 203 (D.C. Official Code § 10-1202.03) is amended as follows:
9	(1) Paragraph (10K) is amended by striking the period and inserting a
10	semicolon in its place.
11	(2) A new paragraph (10L) is added to read as follows:
12	“(10L) To issue grants pursuant to section 208(h) to support go-go music in
13	the District of Columbia.”.
14	

15 (b) Section 208 (D.C. Official Code § 10-1202.08) is amended by adding a new  
16 subsection (h) to read as follows:  
17 “(h) For Fiscal Year 2021, the Authority shall issue not less than \$1 million in grants  
18 from the Convention Center Fund to support go-go related programming, branding, tourism,  
19 and marketing; provided, that funds are available for such purpose and that the Authority first  
20 satisfy its current liabilities and legally required reserves, which shall not include the elective  
purchase or redemption of outstanding indebtedness.”.

## V. FISCAL IMPACT

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

## COMMITTEE ACTION

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