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# COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

KENYAN R. McDUFFIE, CHAIRPERSON  
FISCAL YEAR 2023 COMMITTEE BUDGET REPORT

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

**FROM:** Councilmember Kenyan R. McDuffie  
Chairperson, Committee on Business and Economic Development

**DATE:** April 21, 2022

**SUBJECT:** Report and Recommendations of the Committee on Business and Economic Development on the Fiscal Year 2023 Budget for Agencies Under Its Purview

The Committee on Business and Economic Development (“Committee”), having conducted hearings and received testimony on the Mayor’s proposed operating and capital budgets for Fiscal Year 2023 (“FY 2023”) for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2023 Budget Support Act of 2022, as proposed by the Mayor.

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# I. SUMMARY

## A. EXECUTIVE SUMMARY

This budget focuses on two key priorities to position the District, its residents, workers, and small businesses to come out of the catastrophic COVID-19 pandemic on a stronger foundation than they entered it. First, the budget ensures that the District's COVID-19 recovery response continues to address the immediate needs of our residents and economy. And second, the budget also ensures that we continue to advance a racial equity agenda that dismantles the structural inequities that have long impacted our city's success and the strength of our residents.

Throughout the more than two years since the pandemic first began, the persistent and disparate impacts on health, quality of life, public safety, and economic vitality across racial and socio-economic divisions in our city have intensified. In the District, 78% of those who lost their lives to COVID-19 were Black, despite Black residents representing roughly 46% of the District's population. Furthermore, Black-owned businesses closed at astonishing rates during the pandemic and the disease's impact to small businesses and low-income workers, particularly those in the hospitality industry, has been devastating.

These racial disparities are due to a long history of structural racism, economic exclusion, racially discriminatory housing practices, and wealth deprivation of Black residents that has made the District home to one of the worst racial wealth gaps in the country. Additionally, systemic barriers to capital for small women- and minority-owned businesses and the limited access to commercial property ownership for small business owners and homeownership opportunities for longtime residents remain key concerns.

The Committee's budget recommendations therefore continue to address these structural barriers to economic opportunity so that *all* District residents have access to economic security and opportunities to build wealth. For instance, the FY 23 budget establishes a Black Homeownership Fund to continue District efforts to dismantle the racial wealth gap and continues to grow the Commercial Acquisition Fund to retain equity impact enterprises in the District.

In sum, the Committee's budget centers on four large themes:

1. Addressing the District's stark racial wealth gap and its collateral consequences;
2. Tackling systemic barriers to capital for small businesses;
3. Prioritizing and promoting recovery and small business support, especially Downtown; and
4. Investing in neighborhoods and corridors to support a safe, equitable recovery.

## **Racial Wealth Gap and its Collateral Consequences**

In the District of Columbia, the median white family's household wealth is 81 times the median household wealth of a Black family. The Committee's recommendations for the Fiscal Year 2023 budget introduce transformative investments to address the racial wealth gap:

**1. \$10 million toward the Black Homeownership Fund project.**

This innovative fund will address the District's wealth disparities by increasing access to homeownership for longtime Black DC residents. While not a panacea, homeownership is one solution to promote the retention of longtime Black DC residents and provide them with the opportunity to build wealth. Currently, only 36.5% of owner-occupied homes in the District are owned by Black people while 53.8% are owned by white people.

**2. \$6.5 million for the Clean Hands Certification Equity Amendment Act of 2021.**

The Clean Hands Certification Equity Amendment Act of 2021 would simplify the District's often onerous Clean Hands certification requirements. Under current law, an applicant for almost any license or permit issued by the District, including driver's licenses, must certify that they do not owe certain outstanding debts, including fines and fees. This perpetuates racial inequity as Black drivers are more likely to be stopped and ticketed for traffic violations than white drivers and have less ability to pay those fines given DC's stark racial wealth gap. This requirement also makes it more difficult for these residents to find or obtain work and meet their financial obligations. According to the OCFO, the Bill, as introduced, would cost more than \$78 million across the four-year financial plan. With this budget, the Committee has prepared a subtitle and reserved **\$6,577,942**, including **\$2,000,000 from the Committee on Labor and Workforce Development**, to permanently exclude driver's licenses from the Clean Hands requirement beginning in FY24.

**3. The committee contributed a combined \$1,485,720 transfer from three committees to support the retention and anti-displacement of veterans and current and future Black homeowners.**

The Committee on Government Operations and Facilities transferred \$344,180 to provide a homestead deduction in the amount of \$250,000 for District veterans who are 100% disabled as a result of a service-incurred condition or service-aggravated condition resulting in unemployability. This transfer and revenue reduction is accounted for across the financial plan. The Committee on Housing and Executive Administration transferred \$79,000 over the financial plan to provide an extension of the real property tax exemption and other costs associated with two properties owned by Habitat for Humanity of Washington, DC. This will assist the production of 25 for-sale affordable homes for families earning on average at or below 60 percent of Median Family Income (MFI). And finally, the Committee on Human Services transferred \$30,000 to provide a real property

tax abatement and build Black, local wealth by transforming a vacant home into a community asset and nonprofit headquarters.

4. **A one-time \$198,661 investment** to the Committee on Housing and Executive Administration for a new home repair grant targeting Home Purchase Assistance Program (HPAP) participants.

This new grant program will allow HPAP participants to purchase older homes and remain in the city. Currently, if a home fails inspection during the purchasing process, the HPAP program will not allow the prospective homebuyer to continue in the process. This grant program will ensure that certain home repairs can be covered, allowing the HPAP participant to purchase the home.

### **Access to Capital**

The Committee's budget directly addresses systematic obstacles women- and minority-owned small businesses face. According to the U.S. Chamber of Commerce, Black entrepreneurs are nearly three times more likely than are white entrepreneurs to have their business growth and profitability stymied by the lack of financial capital. Additionally, a [U.S. Federal Reserve](#) study found that Black entrepreneurs were denied loans nearly twice as often as white business owners. Two actions in this budget squarely address this issue:

1. **\$4 million for the Commercial Property Acquisition Fund** for equity impact enterprises.

Last year, the committee established a \$4 million commercial property down payment assistance program to offset the increasing expense of owning and operating a small business in the District. To date, demand for this program has been high. DMPED has finalized two awards to two Black women small business entrepreneurs, and ten conditional awards are in the pipeline. This would amount to a total of 12 grants in the program's inaugural year and more importantly, 12 new opportunities for small business owners to own commercial property and retain their business in the District. The committee recommends an additional \$4 million investment in this program for FY 2023.

2. **\$2 million for the Equity Impact Fund** to support equity impact enterprise-eligible businesses with training and investment in the form of revenue or equity-based financing.

The Committee continues efforts to support the growth of equity impact enterprises in the District. The pandemic has severely impacted many businesses, but small businesses have been hit especially hard. Black- and other minority-owned businesses have been historically underserved by financial institutions and continue to face barriers to accessing services to support business growth.

3. The **DMPED Grants to Support Economic Development Amendment Act of 2022**, a Budget Support Act subtitle.

The Committee recommends a new subtitle that amends and expands DMPED's authority to award grants to qualifying equity impact enterprises. Eligibility for these grants will include sole proprietors.

**Recovery and Small Business Support**

The Committee continues to make crucial investments to ensure that we are addressing the immediate needs of our small businesses and local economy:

1. **\$8 million to support another round of BRIDGE Fund Grants** to support operating expenses for arts and entertainment venues. The committee recommends that this investment will include non-brick and mortar enterprises and sole proprietors, many of whom are Black-owned small businesses.
2. **\$7.5 million to support the Vitality Fund**, an enhanced initiative to attract new high-growth businesses with 25 or more employees to locate in the District with focus on the central business district. The FY23 program parameters are broader to allow more businesses to take advantage of the program as detailed in the Budget Support Act.
3. **\$2.5 million for a Downtown Housing Tax Abatement program**, to provide real property tax abatements for qualifying property conversions that provide affordable housing opportunities. The committee recommends an increase in the percentage of affordable units from 8 to 15 percent.
4. Creates parity between the **New Markets Tax Credit** and **Low-Income Housing Tax Credit** programs by allowing certain non-profit and for-profit entities to receive tax abatements for using their properties for charitable purposes.

**Neighborhoods and Commercial Corridors**

With its FY23 budget recommendations, the Committee is also providing:

1. New investments in the District's commercial corridors by **enhancing four Ward 1 Clean Teams** and **extending the Tenleytown Main Street's** service area boundaries to Rodman Street, NW. The committee contributed a \$350,000 transfer from the Committee on Judiciary to **restore and enhance the Southwest BID** to service a roughly 125-acre public space area. The committee also contributed one-time investments of \$800,000 to continue the **Ward 2 Great Streets expansion**, \$100,000 to **extend the Shaw Clean Team** to 11<sup>th</sup> Street, and \$100,000 to study the establishment of a **Foggy Bottom Main Street**. These investments represent a total of **\$1,397,000** in additional funding for these vital services.

Together, these recommendations provide targeted investments that respond to our immediate need for recovery and simultaneously address structural impediments to the full participation of all District residents in our shared economic growth and development.

## B. FISCAL YEAR 2023 AGENCY OPERATING BUDGET SUMMARY

Agency Operating Budget by Program and Activity			
Activity	Mayor's FY 2023 Proposed	Committee Variance	Committee's FY 2023 Recommendation
<b>Alcoholic Beverage Regulation Administration</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1015 - TRAINING AND EMPLOYEE DEVELOPMENT	\$ 29,000.00	\$ -	\$ 29,000.00
1030 - PROPERTY MANAGEMENT	\$ 350,679.65	\$ -	\$ 350,679.65
1040 - INFORMATION TECHNOLOGY	\$ 442,147.54	\$ -	\$ 442,147.54
1050 - FINANCIAL MANAGEMENT	\$ 130,000.00	\$ -	\$ 130,000.00
1060 - LEGAL	\$ 1,260,026.29	\$ -	\$ 1,260,026.29
1070 - FLEET MANAGEMENT	\$ 34,559.51	\$ -	\$ 34,559.51
1080 - COMMUNICATIONS	\$ 257,440.75	\$ -	\$ 257,440.75
1085 - CUSTOMER SERVICE	\$ 107,290.76	\$ -	\$ 107,290.76
1087 - LANGUAGE ACCESS	\$ 15,000.00	\$ -	\$ 15,000.00
1090 - PERFORMANCE MANAGEMENT	\$ 932,964.60	\$ -	\$ 932,964.60
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 3,559,109.10</b>	<b>\$ -</b>	<b>\$ 3,559,109.10</b>
<b>2000 - LICENSING</b>			
2010 - LICENSING	\$ 1,375,991.19	\$ -	\$ 1,375,991.19
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,375,991.19</b>	<b>\$ -</b>	<b>\$ 1,375,991.19</b>
<b>3000 - INVESTIGATIONS</b>			
3010 - INVESTIGATIONS	\$ 4,484,451.23	\$ -	\$ 4,484,451.23
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,484,451.23</b>	<b>\$ -</b>	<b>\$ 4,484,451.23</b>
<b>5000 - RECORDS MANAGEMENT</b>			
5010 - RECORDS MANAGEMENT	\$ 405,843.42	\$ -	\$ 405,843.42
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 405,843.42</b>	<b>\$ -</b>	<b>\$ 405,843.42</b>
<b>6000 - MEDICAL MARIJUANA</b>			
6010 - MEDICAL MARIJUANA	\$ 1,054,329.37	\$ -	\$ 1,054,329.37
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,054,329.37</b>	<b>\$ -</b>	<b>\$ 1,054,329.37</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 10,879,724.31</b>	<b>\$ -</b>	<b>\$ 10,879,724.31</b>
<b>Business Improvement Districts Transfer</b>			

1000 - BUSINESS IMPROVEMENT DISTRICTS TAX - TRANSFER			
1100 - BUSINESS IMPROVEMENT DISTRICTS TAX - TRANSFER	\$ 55,000,000.00	\$ 350,000.00	\$ 55,350,000.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 55,000,000.00</b>	<b>\$ 350,000.00</b>	<b>\$ 55,350,000.00</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 61,494,191.53</b>	<b>\$ 350,000.00</b>	<b>\$ 61,844,191.53</b>
Captive Insurance Agency			
1000 - AGENCY MGMT PROGRAM			
1010 - PERSONNEL	\$ 229,716.86	\$ -	\$ 229,716.86
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 229,716.86</b>	<b>\$ -</b>	<b>\$ 229,716.86</b>
2000 - CAPTIVE OPERATIONS			
2001 - OVERSIGHT	\$ 9,238,634.02	\$ -	\$ 9,238,634.02
2002 - GROWTH AND INCOME STRATEGY AND MGMT	\$ 1,011,577.10	\$ -	\$ 1,011,577.10
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 10,250,211.12</b>	<b>\$ -</b>	<b>\$ 10,250,211.12</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 10,479,927.98</b>	<b>\$ -</b>	<b>\$ 10,479,927.98</b>
Convention Center Transfer			
1000 - TRANSFER TO CONVENTION CENTER			
1100 - TRANSFER SALES TAX TO CONVENTION CENTER	\$ 114,302,333.00	\$ -	\$ 114,302,333.00
1200 - TRANSFER OTHER REVENUE TO CONVENTION CTR	\$ 4,400,269.00	\$ -	\$ 4,400,269.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 118,702,602.00</b>	<b>\$ -</b>	<b>\$ 118,702,602.00</b>
DCRP - DISTRICT RECOVERY PLAN			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 118,702,602.00</b>	<b>\$ -</b>	<b>\$ 118,702,602.00</b>
Department of For-Hire Vehicles			
1000 - AGENCY MANAGEMENT			
1010 - PERSONNEL	\$ 234,844.67	\$ -	\$ 234,844.67
1015 - TRAINING AND EDUCATION	\$ 15,000.00	\$ -	\$ 15,000.00
1030 - PROPERTY MANAGEMENT	\$ 655,314.75	\$ -	\$ 655,314.75
1040 - INFORMATION TECHNOLOGY	\$ 1,625,971.44	\$ -	\$ 1,625,971.44
1060 - LEGAL	\$ 463,025.16	\$ -	\$ 463,025.16
1070 - FLEET MANAGEMENT	\$ 56,313.41	\$ -	\$ 56,313.41
1080 - COMMUNICATIONS	\$ 5,000.00	\$ -	\$ 5,000.00
1090 - PERFORMANCE MANAGEMENT	\$ 1,852,241.65	\$ -	\$ 1,852,241.65
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,907,711.08</b>	<b>\$ -</b>	<b>\$ 4,907,711.08</b>



100F - AGENCY FINANCIAL OPERATIONS			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
2000 - OPERATIONS			
0000 - (no activity selected)	\$ -	\$ -	\$ -
2010 - COMPLAINTS	\$ 432,235.87	\$ -	\$ 432,235.87
2040 - ACCOUNT MANAGEMENT	\$ 545,669.75	\$ -	\$ 545,669.75
2050 - HEARINGS AND CONFLICT RESOLUTION	\$ 322,425.04	\$ -	\$ 322,425.04
2060 - RESEARCH	\$ 180,870.08	\$ -	\$ 180,870.08
2080 - GRANTS	\$ 4,965,621.89	\$ -	\$ 4,965,621.89
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 6,446,822.63</b>	<b>\$ -</b>	<b>\$ 6,446,822.63</b>
4000 - FIELD COMPLIANCE AND ENFORCEMENT			
4010 - FIELD ENFORCEMENT	\$ 2,151,643.82	\$ -	\$ 2,151,643.82
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,151,643.82</b>	<b>\$ -</b>	<b>\$ 2,151,643.82</b>
7000 - MARKETING AND OUTREACH			
7010 - MARKETING	\$ 167,896.57	\$ -	\$ 167,896.57
7020 - OUTREACH AND PUBLIC INFORMATION	\$ 2,900.00	\$ -	\$ 2,900.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 170,796.57</b>	<b>\$ -</b>	<b>\$ 170,796.57</b>
8000 - CLIENT SERVICES			
8010 - DRIVER SERVICE	\$ 881,907.42	\$ -	\$ 881,907.42
8020 - COMPANY SERVICES	\$ 14,666.00	\$ -	\$ 14,666.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 896,573.42</b>	<b>\$ -</b>	<b>\$ 896,573.42</b>
DCRP - DISTRICT RECOVERY PLAN			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 14,573,547.52</b>	<b>\$ -</b>	<b>\$ 14,573,547.52</b>
Department of Insurance, Securities, and Banking			
1000 - AGENCY MANAGEMENT			
1010 - PERSONNEL	\$ 203,145.67	\$ -	\$ 203,145.67
1040 - OFFICE OF INFO. TECH. AND SUPPORT	\$ 5,347,363.95	\$ -	\$ 5,347,363.95
1060 - OFFICE OF LEGAL SERVICES	\$ 1,696,254.22	\$ -	\$ 1,696,254.22
1080 - PUBLIC AFFAIRS	\$ 1,803,881.90	\$ -	\$ 1,803,881.90
1090 - PERFORMANCE MANAGEMENT	\$ 1,546,093.38	\$ -	\$ 1,546,093.38
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 10,596,739.12</b>	<b>\$ -</b>	<b>\$ 10,596,739.12</b>
100F - AGENCY FINANCIAL OPERATIONS			
110F - BUDGET OPERATION	\$ -	\$ -	\$ -

120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
130F - ACFO	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - INSURANCE</b>			
2010 - INSURANCE PRODUCTS	\$ 1,492,511.39	\$ -	\$ 1,492,511.39
2015 - FINANCIAL SURVEILLANCE	\$ 955,419.70	\$ -	\$ 955,419.70
2050 - HMO	\$ 628,663.55	\$ -	\$ 628,663.55
2080 - DC MARKET OPERATIONS INSURANCE	\$ 1,284,864.18	\$ -	\$ 1,284,864.18
2090 - HEALTH INSURANCE REVIEW	\$ 681,569.00	\$ -	\$ 681,569.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 5,043,027.82</b>	<b>\$ -</b>	<b>\$ 5,043,027.82</b>
<b>3000 - SECURITIES</b>			
3010 - CORPORATE FINANCE	\$ 777,604.22	\$ -	\$ 777,604.22
3030 - SECURITIES LICENSING	\$ 624,689.18	\$ -	\$ 624,689.18
3080 - DC MARKET OPERATIONS SECURITIES	\$ 835,327.13	\$ -	\$ 835,327.13
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,237,620.53</b>	<b>\$ -</b>	<b>\$ 2,237,620.53</b>
<b>4000 - ENFORCEMENT</b>			
4050 - ENFORCEMENT	\$ 123,323.71	\$ -	\$ 123,323.71
4060 - INVESTIGATIONS	\$ 871,980.93	\$ -	\$ 871,980.93
4080 - DC MARKET COMPLIANCE ENFORCEMENT	\$ 86,330.00	\$ -	\$ 86,330.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,081,634.64</b>	<b>\$ -</b>	<b>\$ 1,081,634.64</b>
<b>5000 - BANKING</b>			
5040 - COMMUNITY OUTREACH	\$ 3,262,889.57	\$ -	\$ 3,262,889.57
5060 - LICENSING	\$ 1,067,888.24	\$ -	\$ 1,067,888.24
5070 - MARKET SERVICES	\$ 3,814,321.15	\$ -	\$ 3,814,321.15
5080 - DC MARKET OPERATIONS BANKING	\$ 478,098.00	\$ -	\$ 478,098.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 8,623,196.96</b>	<b>\$ -</b>	<b>\$ 8,623,196.96</b>
<b>6000 - RISK FINANCE</b>			
6010 - COMPLIANCE	\$ 182,385.12	\$ -	\$ 182,385.12
6020 - FINANCIAL ANALYSIS	\$ 354,935.37	\$ -	\$ 354,935.37
6030 - REGULATORY REVIEW AND LICENSING	\$ 120,095.58	\$ -	\$ 120,095.58
6080 - DC MARKET OPERATIONS RISK FINANCE	\$ 175,200.00	\$ -	\$ 175,200.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 832,616.07</b>	<b>\$ -</b>	<b>\$ 832,616.07</b>
<b>7000 - OFFICE OF INNOVATION</b>			
7010 - MARKET ANALYSIS	\$ 123,129.72	\$ -	\$ 123,129.72
7020 - OUTREACH	\$ 496,882.90	\$ -	\$ 496,882.90
7030 - COMPLIANCE	\$ 86,397.97	\$ -	\$ 86,397.97
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 706,410.59</b>	<b>\$ -</b>	<b>\$ 706,410.59</b>
<b>8000 - MARKET EXAMINATIONS</b>			

8010 - INSURANCE EXAMS	\$ 285,461.53	\$ -	\$ 285,461.53
8020 - SECURITIES EXAMS	\$ 465,096.94	\$ -	\$ 465,096.94
8030 - BANKING EXAMS	\$ 1,663,031.87	\$ -	\$ 1,663,031.87
8040 - RISK FINANCE EXAMS	\$ 803,385.77	\$ -	\$ 803,385.77
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 3,216,976.11</b>	<b>\$ -</b>	<b>\$ 3,216,976.11</b>
<b>9000 - COMPLIANCE ANALYSIS</b>			
9010 - CONSUMER SERVICES	\$ 978,220.44	\$ -	\$ 978,220.44
9020 - MARKET RESEARCH ANALYSIS	\$ 788,904.23	\$ -	\$ 788,904.23
9080 - DC MARKET COMPLIANCE ANALYSIS	\$ 219,214.48	\$ -	\$ 219,214.48
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,986,339.15</b>	<b>\$ -</b>	<b>\$ 1,986,339.15</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ 300,000.00	\$ 300,000.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ 300,000.00</b>	<b>\$ 300,000.00</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 34,324,560.99</b>	<b>\$ 300,000.00</b>	<b>\$ 34,624,560.99</b>
<b>Department of Small and Local Business Development</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 133,076.52	\$ -	\$ 133,076.52
1020 - CONTRACTING AND PROCUREMENT	\$ 68,841.97	\$ -	\$ 68,841.97
1040 - INFORMATION TECHNOLOGY	\$ 575,350.60	\$ -	\$ 575,350.60
1050 - FINANCIAL MANAGEMENT	\$ 123,000.00	\$ -	\$ 123,000.00
1060 - LEGAL	\$ 356,419.78	\$ -	\$ 356,419.78
1070 - FLEET MANAGEMENT	\$ 2,182.00	\$ -	\$ 2,182.00
1080 - COMMUNICATIONS	\$ 278,233.78	\$ -	\$ 278,233.78
1085 - CUSTOMER SERVICE	\$ 81,480.33	\$ -	\$ 81,480.33
1090 - PERFORMANCE MANAGEMENT	\$ 1,103,670.19	\$ -	\$ 1,103,670.19
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,722,255.17</b>	<b>\$ -</b>	<b>\$ 2,722,255.17</b>
<b>2000 - CERTIFICATION</b>			
2010 - CERTIFICATION	\$ 820,043.42	\$ -	\$ 820,043.42
2020 - COMPLIANCE	\$ 1,679,563.66	\$ -	\$ 1,679,563.66
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,499,607.08</b>	<b>\$ -</b>	<b>\$ 2,499,607.08</b>
<b>3000 - BUSINESS OPP AND ACCESS TO CAPITAL</b>			
3040 - PROCUREMENT TECH ASSISTANCE PROGRAM	\$ 803,350.85	\$ -	\$ 803,350.85
3050 - ACCESS TO CAPITAL	\$ 169,111.00	\$ -	\$ 169,111.00
3060 - BUSINESS DEVELOPMENT	\$ 937,826.93	\$ -	\$ 937,826.93
3065 - INNOVATION AND EQUITABLE DEVELOPMENT	\$ 2,186,241.64	\$ -	\$ 2,186,241.64
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,096,530.42</b>	<b>\$ -</b>	<b>\$ 4,096,530.42</b>

4000 - COMMERCIAL REVITALIZATION			
4020 - CAPACITY BUILDING	\$ 797,174.47	\$ 330,000.00	\$ 1,127,174.47
4030 - MAIN STREETS	\$ 4,861,600.00	\$ 220,000.00	\$ 5,081,600.00
4040 - COMMERCIAL CLEAN TEAMS	\$ 6,461,446.32	\$ 277,000.00	\$ 6,738,446.32
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 12,120,220.79</b>	<b>\$ 827,000.00</b>	<b>\$ 12,947,220.79</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 21,438,613.46</b>	<b>\$ 827,000.00</b>	<b>\$ 22,265,613.46</b>
Executive Office of the Mayor			
5000 - OFFICE OF COMMUNITY AFFAIRS			
5020 - OFFICE OF NIGHTLIFE AND CULTURE	\$ 321,604.22	\$ -	\$ 321,604.22
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 321,604.22</b>	<b>\$ -</b>	<b>\$ 321,604.22</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 321,604.22</b>	<b>\$ -</b>	<b>\$ 321,604.22</b>
Office of Finance and Resource Management			
1000 - AGENCY MANAGEMENT			
1010 - PERSONNEL	\$ 430,207.21	\$ -	\$ 430,207.21
1020 - CONTRACTING AND PROCUREMENT	\$ 109,685.10	\$ -	\$ 109,685.10
1050 - FINANCIAL MANAGEMENT	\$ 90,000.00	\$ (8,435.00)	\$ 81,565.00
1070 - FLEET MANAGEMENT	\$ 4,400.85	\$ -	\$ 4,400.85
1085 - CUSTOMER SERVICE	\$ 53,556.05	\$ -	\$ 53,556.05
1090 - PERFORMANCE MANAGEMENT	\$ 579,928.85	\$ -	\$ 579,928.85
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,267,778.06</b>	<b>\$ (8,435.00)</b>	<b>\$ 1,259,343.06</b>
2000 - FINANCIAL MANAGEMENT			
2100 - ACCOUNTING	\$ 2,605,895.60	\$ -	\$ 2,605,895.60
2200 - BUDGET FORMULATION AND PLANNING	\$ 1,662,600.04	\$ -	\$ 1,662,600.04
2500 - FIXED COSTS	\$ 26,773,789.99	\$ -	\$ 26,773,789.99
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 31,042,285.63</b>	<b>\$ -</b>	<b>\$ 31,042,285.63</b>
3000 - RESOURCE MANAGEMENT			
3100 - RESOURCE MANAGEMENT	\$ 241,154.30	\$ -	\$ 241,154.30
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 241,154.30</b>	<b>\$ -</b>	<b>\$ 241,154.30</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 32,551,217.99</b>	<b>\$ (8,435.00)</b>	<b>\$ 32,542,782.99</b>
OFFICE of Lottery and Gaming			
1000 - AGENCY MANAGEMENT			
1010 - HUMAN RESOURCES	\$ 892,927.48	\$ -	\$ 892,927.48
1015 - EXECUTIVE DIRECTION AND SUPPORT	\$ 1,884,275.17	\$ -	\$ 1,884,275.17
1030 - PROPERTY AND FLEET MANAGEMENT	\$ 758,697.19	\$ -	\$ 758,697.19
1040 - INFORMATION TECHNOLOGY	\$ 2,424,333.29	\$ -	\$ 2,424,333.29
1050 - FINANCIAL SERVICES	\$ 5,373,251.09	\$ -	\$ 5,373,251.09
1060 - LEGAL SERVICES	\$ 9,000.00	\$ -	\$ 9,000.00

1075 - SECURITY	\$ 1,435,727.35	\$ -	\$ 1,435,727.35
1080 - COMMUNICATIONS	\$ 1,222,413.06	\$ -	\$ 1,222,413.06
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 14,000,624.63</b>	<b>\$ -</b>	<b>\$ 14,000,624.63</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
130F - FISCAL OFFICER	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>6000 - GAMING OPERATIONS PROGRAM</b>			
6200 - MARKETING	\$ 19,803,825.31	\$ -	\$ 19,803,825.31
6300 - TRADE DEVELOPMENT	\$ 2,686,225.91	\$ -	\$ 2,686,225.91
6400 - DRAW DIVISION	\$ 675,257.23	\$ -	\$ 675,257.23
6500 - LICENSING AND CHARITABLE GAMES	\$ 672,647.78	\$ -	\$ 672,647.78
6600 - INFORMATION TECHNOLOGY (GAMES)	\$ 40,427,042.04	\$ -	\$ 40,427,042.04
6700 - CLAIM CENTER	\$ 8,000.00	\$ -	\$ 8,000.00
6900 - SPORTS WAGERING REGULATIONS	\$ 5,121,395.66	\$ -	\$ 5,121,395.66
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 69,394,393.93</b>	<b>\$ -</b>	<b>\$ 69,394,393.93</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 83,395,018.56</b>	<b>\$ -</b>	<b>\$ 83,395,018.56</b>
<b>Office of the Chief Financial Officer</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 2,400,010.94	\$ -	\$ 2,400,010.94
1015 - TRAINING AND EMPLOYEE DEVELOPMENT	\$ 445,262.03	\$ -	\$ 445,262.03
1020 - CONTRACTING AND PROCUREMENT	\$ 2,106,691.24	\$ -	\$ 2,106,691.24
1030 - PROPERTY MANAGEMENT	\$ 1,453,209.99	\$ -	\$ 1,453,209.99
1060 - LEGAL SERVICES	\$ 2,785,565.43	\$ -	\$ 2,785,565.43
1080 - COMMUNICATIONS	\$ 259,737.92	\$ -	\$ 259,737.92
1090 - PERFORMANCE MANAGEMENT	\$ 2,789,999.74	\$ -	\$ 2,789,999.74
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 12,240,477.29</b>	<b>\$ -</b>	<b>\$ 12,240,477.29</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - FINANCIAL OPERATIONS AND SYSTEMS</b>			
2100 - OPERATIONS AND ADMINISTRATION	\$ 1,106,018.87	\$ -	\$ 1,106,018.87
2200 - ACCOUNTING OPERATIONS	\$ 2,363,351.84	\$ -	\$ 2,363,351.84
2300 - FINANCIAL POLICIES AND PROCEDURES	\$ 677,862.80	\$ -	\$ 677,862.80
2500 - FINANCIAL CONTROL AND REPORTING	\$ 3,701,475.93	\$ -	\$ 3,701,475.93
2600 - BENEFITS ADMINISTRATION	\$ 1,243,347.80	\$ -	\$ 1,243,347.80

2700 - PAYROLL DISBURSEMENTS AND WAGE REPORTING	\$ 6,083,865.29	\$ -	\$ 6,083,865.29
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 15,175,922.53</b>	<b>\$ -</b>	<b>\$ 15,175,922.53</b>
<b>4000 - RESEARCH AND ANALYSIS</b>			
4100 - EXECUTIVE DIRECTION AND SUPPORT	\$ 779,342.18	\$ -	\$ 779,342.18
4300 - REVENUE ESTIMATION	\$ 1,605,651.00	\$ -	\$ 1,605,651.00
4700 - LEGISLATIVE AND FISCAL ANALYSIS	\$ 814,684.59	\$ -	\$ 814,684.59
4800 - ECONOMIC AFFAIRS	\$ 1,506,336.92	\$ -	\$ 1,506,336.92
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,706,014.69</b>	<b>\$ -</b>	<b>\$ 4,706,014.69</b>
<b>5000 - TAX ADMINISTRATION</b>			
5100 - EXECUTIVE DIRECTION AND SUPPORT	\$ 4,761,795.16	\$ -	\$ 4,761,795.16
5200 - EXTERNAL CUSTOMER SERVICE INFORMATION	\$ 11,722,163.30	\$ -	\$ 11,722,163.30
5300 - RECORDER OF DEEDS	\$ 3,510,904.51	\$ -	\$ 3,510,904.51
5400 - REAL PROPERTY TAX ADMINISTRATION	\$ 12,965,869.47	\$ 388,470.00	\$ 13,354,339.47
5500 - TAX AUDITS AND INVESTIGATIONS	\$ 11,942,470.98	\$ -	\$ 11,942,470.98
5600 - REVENUE ACCOUNTING	\$ 2,668,766.29	\$ -	\$ 2,668,766.29
5700 - RECEIPTS AND DELINQUENT COLLECTIONS	\$ 32,687,055.98	\$ -	\$ 32,687,055.98
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 80,259,025.69</b>	<b>\$ 388,470.00</b>	<b>\$ 80,647,495.69</b>
<b>6000 - INFORMATION TECHNOLOGY</b>			
6100 - INFORMATION TECHNOLOGY SUPPORT	\$ 58,063,122.69	\$ -	\$ 58,063,122.69
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 58,063,122.69</b>	<b>\$ -</b>	<b>\$ 58,063,122.69</b>
<b>7000 - FINANCE AND TREASURY</b>			
7100 - EXECUTIVE DIRECTION AND SUPPORT	\$ 1,473,032.16	\$ -	\$ 1,473,032.16
7200 - DEBT MANAGEMENT	\$ 1,220,494.66	\$ -	\$ 1,220,494.66
7300 - CASH MANAGEMENT AND INVESTMENTS	\$ 12,479,801.55	\$ -	\$ 12,479,801.55
7400 - DISBURSEMENTS	\$ 2,535,026.22	\$ -	\$ 2,535,026.22
7500 - CASH RECEIPTS AND ACCOUNTING	\$ 3,264,477.88	\$ -	\$ 3,264,477.88
7600 - ASSET MANAGEMENT FOR SPECIAL PROGRAMS	\$ 12,859,104.37	\$ (608,888.00)	\$ 12,250,216.37
7700 - CENTRAL COLLECTION UNIT (CCU)	\$ 14,435,409.64	\$ -	\$ 14,435,409.64
7800 - OFT - ECONOMIC DEVELOPMENT FINANCE	\$ 719,601.99	\$ -	\$ 719,601.99
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 48,986,948.47</b>	<b>\$ (608,888.00)</b>	<b>\$ 48,378,060.47</b>
<b>8000 - INTEGRITY AND OVERSIGHT</b>			
8100 - AUDIT SERVICES	\$ 1,827,793.10	\$ -	\$ 1,827,793.10
8200 - SECURITY INTEGRITY OVERSIGHT	\$ 618,752.39	\$ -	\$ 618,752.39
8300 - INVESTIGATIONS	\$ 1,046,650.76	\$ -	\$ 1,046,650.76
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 3,493,196.25</b>	<b>\$ -</b>	<b>\$ 3,493,196.25</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			

DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 222,924,707.61</b>	<b>\$ (220,418.00)</b>	<b>\$ 222,704,289.61</b>
<b>Office of the Deputy Mayor for Planning and Economic Development</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1001 - AGENCY OVERSIGHT	\$ 1,410,656.24	\$ -	\$ 1,410,656.24
1005 - POLICY	\$ 1,545,503.83	\$ -	\$ 1,545,503.83
1010 - PERSONNEL	\$ 15,000.00	\$ -	\$ 15,000.00
1020 - CONTRACTING AND PROCUREMENT	\$ 791,319.37	\$ -	\$ 791,319.37
1060 - LEGAL	\$ 1,367,914.93	\$ -	\$ 1,367,914.93
1080 - COMMUNICATIONS	\$ 745,831.40	\$ -	\$ 745,831.40
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 5,876,225.77</b>	<b>\$ -</b>	<b>\$ 5,876,225.77</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - DEPUTY MAYOR FOR PLANNING AND ECONOMIC</b>			
2020 - COMMUNITY OUTREACH	\$ 411,000.00	\$ -	\$ 411,000.00
2090 - OFFICE OF PUBLIC-PRIVATE PARTNERSHIPS	\$ 508,255.54	\$ -	\$ 508,255.54
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 919,255.54</b>	<b>\$ -</b>	<b>\$ 919,255.54</b>
<b>3000 - BUSINESS AND WORKFORCE DEVELOPMENT</b>			
0000 - (no activity selected)	\$ -	\$ -	\$ -
3010 - BUSINESS DEVELOPMENT	\$ 1,281,258.97	\$ 1,200,000.00	\$ 2,481,258.97
3020 - CORPORATE ASSISTANCE	\$ 6,472,217.00	\$ (5,000,000.00)	\$ 1,472,217.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 7,753,475.97</b>	<b>\$ (3,800,000.00)</b>	<b>\$ 3,953,475.97</b>
<b>5000 - PROJECT INVESTMENT</b>			
5035 - INDUSTRIAL REVENUE BOND	\$ 873,352.98	\$ -	\$ 873,352.98
5080 - GREAT STREETS INITIATIVE	\$ 7,127,404.65	\$ 800,000.00	\$ 7,927,404.65
5085 - GRANTS	\$ 1,163,830.89	\$ 30,000.00	\$ 1,193,830.89
5095 - WASHINGTON DC ECONOMIC PARTNERSHIP	\$ 2,840,532.00	\$ -	\$ 2,840,532.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 12,005,120.52</b>	<b>\$ 830,000.00</b>	<b>\$ 12,835,120.52</b>
<b>6000 - REAL ESTATE DEVELOPMENT</b>			
6020 - DEVELOPMENT AND DISPOSITION	\$ 3,641,784.72	\$ -	\$ 3,641,784.72
6030 - NEW COMMUNITIES INITIATIVE	\$ 3,353,555.78	\$ -	\$ 3,353,555.78
6040 - ST ELIZABETHS	\$ 1,360,361.97	\$ -	\$ 1,360,361.97
6050 - WALTER REED	\$ 1,174,856.27	\$ -	\$ 1,174,856.27

<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 9,530,558.74</b>	<b>\$ -</b>	<b>\$ 9,530,558.74</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 36,084,636.54</b>	<b>\$ (2,970,000.00)</b>	<b>\$ 33,114,636.54</b>
<b>Office of the People's Counsel</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 602,055.10	\$ -	\$ 602,055.10
1020 - CONTRACTING AND PROCUREMENT	\$ 309,604.76	\$ -	\$ 309,604.76
1030 - PROPERTY MANAGEMENT	\$ 1,960,938.41	\$ -	\$ 1,960,938.41
1040 - INFORMATION TECHNOLOGY	\$ 680,062.95	\$ (20,335.00)	\$ 659,727.95
1050 - FINANCIAL MANAGEMENT	\$ 275,000.00	\$ (54,957.00)	\$ 220,043.00
1070 - FLEET MANAGEMENT	\$ 16,787.40	\$ -	\$ 16,787.40
1085 - CUSTOMER SERVICE	\$ 259,387.56	\$ -	\$ 259,387.56
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,103,836.18</b>	<b>\$ (75,292.00)</b>	<b>\$ 4,028,544.18</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - OFFICE OF PEOPLES COUNSEL</b>			
2010 - CONSUMER ADVOCACY AND REPRESENTATION	\$ 4,252,959.81	\$ -	\$ 4,252,959.81
2020 - PUBLIC INFORMATION DISSEMINATION	\$ 2,513,257.06	\$ -	\$ 2,513,257.06
2030 - DC WATER-CONSUMER ADVOCACY & REPRESENT.	\$ 1,012,875.00	\$ -	\$ 1,012,875.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 7,779,091.87</b>	<b>\$ -</b>	<b>\$ 7,779,091.87</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 11,882,928.05</b>	<b>\$ (75,292.00)</b>	<b>\$ 11,807,636.05</b>
<b>Public Service Commission</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 435,074.73	\$ (164,230.00)	\$ 270,844.73
1015 - TRAINING AND DEVELOPMENT	\$ 530,519.63	\$ -	\$ 530,519.63
1020 - CONTRACTING AND PROCUREMENT	\$ 606,541.24	\$ -	\$ 606,541.24
1030 - PROPERTY MANAGEMENT	\$ 4,542,591.70	\$ (9,640.00)	\$ 4,532,951.70
1040 - INFORMATION TECHNOLOGY	\$ 567,646.20	\$ (183,814.00)	\$ 383,832.20
1050 - FINANCIAL MANAGEMENT	\$ 72,279.48	\$ -	\$ 72,279.48
1060 - LEGAL	\$ 339,250.23	\$ -	\$ 339,250.23
1070 - FLEET MANAGEMENT	\$ 7,670.04	\$ -	\$ 7,670.04
1080 - COMMUNICATIONS	\$ 652,005.15	\$ -	\$ 652,005.15
1085 - CUSTOMER SERVICE	\$ 469,744.90	\$ -	\$ 469,744.90



1090 - PERFORMANCE MANAGEMENT	\$ 58,613.65	\$ -	\$ 58,613.65
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 8,281,936.95</b>	<b>\$ (357,684.00)</b>	<b>\$ 7,924,252.95</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - PIPELINE SAFETY</b>			
2010 - PIPELINE SAFETY	\$ 891,301.57	\$ -	\$ 891,301.57
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 891,301.57</b>	<b>\$ -</b>	<b>\$ 891,301.57</b>
<b>3000 - UTILITY REGULATION</b>			
3700 - UTILITY REGULATION	\$ 9,315,615.25	\$ (368,950.00)	\$ 8,946,665.25
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 9,315,615.25</b>	<b>\$ (368,950.00)</b>	<b>\$ 8,946,665.25</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 18,488,853.77</b>	<b>\$ (726,634.00)</b>	<b>\$ 17,762,219.77</b>
<b>Washington Convention and Sports Authority</b>			
<b>1000 - WASH CONVENTION CENTER</b>			
1100 - WASH CONVENTION CENTER	\$ 172,060,670.00	\$ -	\$ 172,060,670.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 172,060,670.00</b>	<b>\$ -</b>	<b>\$ 172,060,670.00</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 172,060,670.00</b>	<b>\$ -</b>	<b>\$ 172,060,670.00</b>
<b>GRAND TOTAL</b>	<b>\$ 845,273,343.51</b>	<b>\$ (2,523,779.00)</b>	<b>\$ 842,749,564.51</b>

## C. FISCAL YEAR 2023 AGENCY FULL-TIME EQUIVALENTS

## D. FY 2023 - 2028 AGENCY CAPITAL BUDGET SUMMARY

Committee	Committee on Business and Economic Development							
Row Labels	Sum of Available Allotment as of 16 Mar 2022 (includes Pre-Encumbrances)	Sum of FY 2023 Planned Allotment	Sum of FY 2024 Planned Allotment	Sum of FY 2025 Planned Allotment	Sum of FY 2026 Planned Allotment	Sum of FY 2027 Planned Allotment	Sum of FY 2028 Planned Allotment	Sum of FY 2023-FY 2028 Total Planned Allotment
DEPT OF SMALL & LOCAL BUSINESS DEVELOPMT								
SMALL BUSINESS IT SYSTEM								
Mayor's Proposed FY23 Change	0	500,000	0	0	0	0	0	500,000
Existing Balances	385,723	0	0	0	0	0	0	0
<b>SMALL BUSINESS IT SYSTEM Total</b>	<b>385,723</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
<b>DEPT OF SMALL &amp; LOCAL BUSINESS DEVELOPMT Total</b>	<b>385,723</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500,000</b>
DEPUTY MAYOR FOR PLANNING AND ECON DEV								
1234 GOOD HOPE ROAD SE								
Approved FY22 CIP for FY23-27	0	2,500,000	0	0	0	0	0	2,500,000
Mayor's Proposed FY23 Change	0	0	2,500,000	0	0	0	0	2,500,000
Existing Balances	2,500,000	0	0	0	0	0	0	0
Mayor's Proposed FY22 Supplemental	(2,500,000)	0	0	0	0	0	0	0
<b>1234 GOOD HOPE ROAD SE Total</b>	<b>0</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>
1600 U STREET								
Approved FY22 CIP for FY23-27	0	5,000,000	0	0	0	0	0	5,000,000
Mayor's Proposed FY23 Change	0	(5,000,000)	0	0	0	0	0	(5,000,000)
<b>1600 U STREET Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33 K STREET NW								
Mayor's Proposed FY23 Change	0	29,000,000	24,000,000	0	0	0	0	53,000,000
Existing Balances	20,000,000	0	0	0	0	0	0	0
Mayor's Proposed FY22 Supplemental	(20,000,000)	0	0	0	0	0	0	0
<b>33 K STREET NW Total</b>	<b>0</b>	<b>29,000,000</b>	<b>24,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,000,000</b>
4427 HAYES STREET, NE								
Existing Balances	0	0	0	0	0	0	0	0
<b>4427 HAYES STREET, NE Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
BARRY FARM, PARK CHESTER, WADE ROAD								

Approved FY22 CIP for FY23-27	0	11,000,000	0	0	0	0	0	11,000,000
Mayor's Proposed FY23 Change	0	37,000,000	35,000,000	10,000,000	10,000,000	6,000,000	5,000,000	103,000,000
Existing Balances	12,704,150	0	0	0	0	0	0	0
<b>BARRY FARM, PARK CHESTER, WADE ROAD Total</b>	<b>12,704,150</b>	<b>48,000,000</b>	<b>35,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>6,000,000</b>	<b>5,000,000</b>	<b>114,000,000</b>
BRUCE MONROE								
Mayor's Proposed FY23 Change	0	0	0	25,000,000	0	0	0	25,000,000
<b>BRUCE MONROE Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000,000</b>
CHILDREN'S NATIONAL								
Approved FY22 CIP for FY23-27	0	10,000,000	0	0	0	0	0	10,000,000
Existing Balances	10,000,000	0	0	0	0	0	0	0
<b>CHILDREN'S NATIONAL Total</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000,000</b>
DC WATER NEW FACILITY								
Existing Balances	6,216	0	0	0	0	0	0	0
<b>DC WATER NEW FACILITY Total</b>	<b>6,216</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
DUPONT UNDERGROUND								
Existing Balances	800,000	0	0	0	0	0	0	0
<b>DUPONT UNDERGROUND Total</b>	<b>800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
FLETCHER JOHNSON								
Mayor's Proposed FY23 Change	0	1,250,000	1,250,000	0	0	0	0	2,500,000
<b>FLETCHER JOHNSON Total</b>	<b>0</b>	<b>1,250,000</b>	<b>1,250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,500,000</b>
FRANK D. REEVES CENTER								
Approved FY22 CIP for FY23-27	0	19,000,000	0	0	0	0	0	19,000,000
Mayor's Proposed FY23 Change	0	(19,000,000)	0	0	0	0	0	(19,000,000)
Existing Balances	5,000,000	0	0	0	0	0	0	0
Mayor's Proposed FY22 Supplemental	(5,000,000)	0	0	0	0	0	0	0
<b>FRANK D. REEVES CENTER Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
HILL EAST								
Approved FY22 CIP for FY23-27	0	18,400,000	0	0	0	0	0	18,400,000
Mayor's Proposed FY23 Change	0	(7,350,000)	18,400,000	29,920,000	20,350,000	0	0	61,320,000
Existing Balances	20,900,000	0	0	0	0	0	0	0
<b>HILL EAST Total</b>	<b>20,900,000</b>	<b>11,050,000</b>	<b>18,400,000</b>	<b>29,920,000</b>	<b>20,350,000</b>	<b>0</b>	<b>0</b>	<b>79,720,000</b>
MCMILLAN SITE REDEVELOPMENT								
Approved FY22 CIP for FY23-27	0	8,164,092	10,210,950	0	0	0	0	18,375,042
Existing Balances	57,001,494	0	0	0	0	0	0	0
<b>MCMILLAN SITE REDEVELOPMENT Total</b>	<b>57,001,494</b>	<b>8,164,092</b>	<b>10,210,950</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,375,042</b>
MP-NEW COMMUNITIES								
Existing Balances	17,674,917	0	0	0	0	0	0	0

MP-NEW COMMUNITIES Total	17,674,917	0	0	0	0	0	0	0
PARK MORTON REDEVELOPMENT INITIATIVE								
Approved FY22 CIP for FY23-27	0	23,000,000	0	0	0	0	0	23,000,000
Mayor's Proposed FY23 Change	0	(20,000,000)	24,000,000	0	0	0	0	4,000,000
Existing Balances	185	0	0	0	0	0	0	0
Mayor's Proposed FY22 Supplemental	20,000,000	0	0	0	0	0	0	0
PARK MORTON REDEVELOPMENT INITIATIVE Total	20,000,185	3,000,000	24,000,000	0	0	0	0	27,000,000
POPLAR POINT								
Mayor's Proposed FY23 Change	0	1,000,000	1,000,000	0	0	0	0	2,000,000
Existing Balances	87,874	0	0	0	0	0	0	0
POPLAR POINT Total	87,874	1,000,000	1,000,000	0	0	0	0	2,000,000
SAINT ELIZABETHS E CAMPUS INFRASTRUCTURE								
Approved FY22 CIP for FY23-27	0	7,900,000	0	0	0	0	0	7,900,000
Mayor's Proposed FY23 Change	0	0	10,000,000	20,000,000	10,000,000	10,000,000	5,000,000	55,000,000
Existing Balances	8,251,832	0	0	0	0	0	0	0
SAINT ELIZABETHS E CAMPUS INFRASTRUCTURE Total	8,251,832	7,900,000	10,000,000	20,000,000	10,000,000	10,000,000	5,000,000	62,900,000
SHAW-HOWARD UNIVERSITY HOSPITAL INFRASTR								
Approved FY22 CIP for FY23-27	0	0	10,000,000	15,000,000	0	0	0	25,000,000
SHAW-HOWARD UNIVERSITY HOSPITAL INFRASTR Total	0	0	10,000,000	15,000,000	0	0	0	25,000,000
SKYLAND SHOPPING CENTER								
Existing Balances	8,260	0	0	0	0	0	0	0
SKYLAND SHOPPING CENTER Total	8,260	0	0	0	0	0	0	0
TEMPLE COURTS / NW1 REDEVELOPMENT								
Existing Balances	79,832	0	0	0	0	0	0	0
TEMPLE COURTS / NW1 REDEVELOPMENT Total	79,832	0	0	0	0	0	0	0
WALTER REED REDEVELOPMENT								
Existing Balances	735,299	0	0	0	0	0	0	0
WALTER REED REDEVELOPMENT Total	735,299	0	0	0	0	0	0	0
WHARF FISH MARKET PIERS								
Mayor's Proposed FY23 Change	0	5,000,000	0	0	0	0	0	5,000,000
WHARF FISH MARKET PIERS Total	0	5,000,000	0	0	0	0	0	5,000,000
DEPUTY MAYOR FOR PLANNING AND ECON DEV Total	148,250,059	126,864,092	136,360,950	99,920,000	40,350,000	16,000,000	10,000,000	429,495,042
OFFICE OF THE CHIEF FINANCIAL OFFICER								
CAPITAL ASSET REPLACEMENT SCHEDULING SYS								

Mayor's Proposed FY23 Change	0	355,000	310,000	0	0	0	0	665,000
Existing Balances	626,293	0	0	0	0	0	0	0
<b>CAPITAL ASSET REPLACEMENT SCHEDULING SYS Total</b>	<b>626,293</b>	<b>355,000</b>	<b>310,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>665,000</b>
<b>DCSRP - SOAR MODERNIZATION</b>								
Existing Balances	1,316,247	0	0	0	0	0	0	0
<b>DCSRP - SOAR MODERNIZATION Total</b>	<b>1,316,247</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EQUIPMENT ACQUISITION</b>								
Existing Balances	549,032	0	0	0	0	0	0	0
<b>EQUIPMENT ACQUISITION Total</b>	<b>549,032</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FMS REP</b>								
Existing Balances	(1,500,000)	0	0	0	0	0	0	0
<b>FMS REP Total</b>	<b>(1,500,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HIGHWAY TRUST FUND</b>								
Existing Balances	441	0	0	0	0	0	0	0
<b>HIGHWAY TRUST FUND Total</b>	<b>441</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INTEGRATED TAX SYSTEM MODERNIZATION</b>								
Existing Balances	5,472,609	0	0	0	0	0	0	0
<b>INTEGRATED TAX SYSTEM MODERNIZATION Total</b>	<b>5,472,609</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IT SYSTEM UPGRADES</b>								
Mayor's Proposed FY23 Change	0	2,000,000	0	0	0	0	0	2,000,000
Existing Balances	4,835,731	0	0	0	0	0	0	0
<b>IT SYSTEM UPGRADES Total</b>	<b>4,835,731</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>
<b>MODERNIZED BUDGET ANALYTICS</b>								
Existing Balances	3,500,000	0	0	0	0	0	0	0
<b>MODERNIZED BUDGET ANALYTICS Total</b>	<b>3,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MP-DISTRICT INTEGRATED FINANCIAL SYSTEM</b>								
Approved FY22 CIP for FY23-27	0	29,882,621	4,503,969	0	0	0	0	34,386,590
Mayor's Proposed FY23 Change	0	15,250,000	(4,503,969)	0	0	0	0	10,746,031
Existing Balances	31,882,490	0	0	0	0	0	0	0
<b>MP-DISTRICT INTEGRATED FINANCIAL SYSTEM Total</b>	<b>31,882,490</b>	<b>45,132,621</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,132,621</b>
<b>OFFICE OF THE CHIEF FINANCIAL OFFICER Total</b>	<b>46,682,843</b>	<b>47,487,621</b>	<b>310,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,797,621</b>
<b>Grand Total</b>	<b>195,318,625</b>	<b>174,851,713</b>	<b>136,670,950</b>	<b>99,920,000</b>	<b>40,350,000</b>	<b>16,000,000</b>	<b>10,000,000</b>	<b>477,792,663</b>

## E. TRANSFERS IN FROM OTHER COMMITTEES

Sending Committee	Amount	FTEs	Receiving Agency	Program	Purpose	Operating (Recurring/One
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						<b>-Time) or Capital</b>
Human Services	\$30,000	0	Revenue Reduction	N/A	Provides a real property tax abatement and funds the BSA Subtitle, "206 Elm St. N.W. Real Property Tax Abatement Amendment Act of 2022"	One-Time Operating
Human Services	\$180,000	0	DSLBD	4000	Funds the BSA Subtitle, "Department of Small and Local Business Development Grant Act of 2022"	One-Time Operating
Human Services	\$27,000	0	DSLBD	4040 4040 0506	Budget Enhancement for Ward 1 Clean Teams (Adams Morgan, Mid-City, Shaw, and Ward 1)	One-Time Operating
Housing and Executive Administration	\$79,000	0	Revenue Reduction	N/A	Provides a real property tax abatement and funds the BSA Subtitle, "900 55th Street N.E. and 2327-2341 Skyland Terrace S.E. DC Habitat Real Property Tax Exemption Extension Amendment Act of 2022"	One-Time Operating
Judiciary	\$349,153	0	Revenue Reduction	N/A	Provides a real property tax abatement and funds BSA Subtitle, "Community for Creative Non-Violence Real Property Tax Relief Amendment Act of 2022"	One-Time Operating
Judiciary	\$350,000	0	BID Transfer	1000	Enhancement for the Southwest BID to service public space in the roughly 125-acre area beginning at 6th and M Street, SW, east along M Street, SW, to South Capitol Street, SW, south along Capitol Street, SW, to P Street, SW, west along P Street, SW, to Half Street, SW, south along Half Street, SW, to Q Street, SW, west along Q Street, SW to 2nd Street, SW, north along 2nd Street, SW, to P Street, SW, west along P Street, SW, to the water, and north along the water to M Street, SW.	Recurring Operating
Transportation and Environment	\$250,000	0	DSLBD	4000/4020	District Bridges	One-Time Operating
Transportation and Environment	\$20,000	0	DSLBD	4000/4030	Extends the Tenleytown Main Street's service area boundaries to Rodman Street, NW.	One-Time Operating
Transportation and Environment	\$150,000	0	DSLBD	4000/4020	Friendship Heights Alliance	One-Time Operating
Transportation and Environment	\$288,750 (FY23) \$412,500 (FY24-26)	0	Revenue Reduction	N/A	Provides tax relief and funds the BSA Subtitle, "Solar for All Tax Relief Amendment Act of 2022"	Recurring Operating
Government Operations and Facilities	\$344,180	0	Revenue Reduction	N/A	Provides relief for 100% disabled veterans and funds the BSA Subtitle, "Disabled Veterans Homestead Exemption Amendment Act of 2022"	Recurring Operating
Government Operations and Facilities	\$300,000	0	DISB	DCRP	Opportunity Accounts pilot	One-Time Operating
Recreation, Libraries and Youth Affairs	\$100,000	0	DSLBD		To fund Wards 7 and 8 Entrepreneurship Program (Dream Grants)	Recurring Operating
Recreation, Libraries and Youth Affairs	\$79,494	0	OTR		Player's Lounge Tax Abatement	One-Time Operating

Labor and Workforce Development	\$2,000,000	0	Revenue Reduction	N/A	To support a permanent moratorium on the application of Clean Hands for driver's licenses	One-Time Operating
<b>Total</b>		<b>\$8,167,617</b>				

## F. TRANSFERS OUT TO OTHER COMMITTEES

Receiving Committee	Amount	FTEs	Receiving agency	Program	Purpose	Operating (Recurring/ One-Time) or Capital
Committee of the Whole	\$150,000	1	Office of the Secretary	CSG 40	To support the Council Office of Racial Equity with an FTE and office support	Recurring Operating
Committee on Housing and Executive Administration	\$200,000		DHCD		To support a new home renovation grant targeting HPAP participants	One-Time Operating
<b>Total</b>		<b>\$350,000</b>				

## G. REVENUE ADJUSTMENT

Agency	Fund Type	Amount	Use	Legislation
N/A	100 Local	\$30,000	Real property tax revenue loss from Tax Year 2023 exemption	"206 Elm St. N.W. Real Property Tax Abatement Amendment Act of 2022" (BSA Subtitle)
N/A	100 Local	\$79,000	Real property tax revenue loss from multiple tax year exemption	"900 55th Street N.E. and 2327-2341 Skyland Terrace S.E. DC Habitat Real Property Tax Exemption Extension Amendment Act of 2022" (BSA Subtitle)
N/A	100 Local	\$349,153	Real property tax revenue loss from Fiscal Year 1994 exemption	"Community for Creative Non-Violence Real Property Tax Relief Amendment Act of 2022" (BSA Subtitle)
N/A	100 Local	\$1,526,250	Excludes from District gross income grant funds received from the Solar for All program	"Solar for All Tax Relief Amendment Act of 2022" (BSA Subtitle)
N/A	100 Local	\$344,180	Homestead exemption for 100% disabled veterans	"Disabled Veterans Homestead Exemption Amendment Act of 2022" (BSA Subtitle)
N/A	100 Local	\$111,990	Real property tax revenue loss from multiple tax year exemption	Funds B24-0352, "the Player's Lounge Tax Exemption Act of 2021"
N/A	100 Local	\$6,577,942	Clean Hands	Either B24-237, the "Clean Hands Certification Equity Amendment Act of 2021" or a prepared BSA subtitle.

## H. FUNDING OF LEGISLATION

Bill #, Law #, Subtitle #	Status	Agency	Program/ Activity	Amount	FTEs
206 Elm St. N.W. Real Property Tax Abatement Amendment Act of 2022	BSA	N/A		\$30,000	0

Department of Small and Local Business Development Grant Act of 2022	BSA	DSLBD		\$180,000	0
900 55th Street N.E. and 2327-2341 Skyland Terrace S.E. DC Habitat Real Property Tax Exemption Extension Amendment Act of 2022	BSA	N/A		\$79,000	0
Community for Creative Non-Violence Real Property Tax Relief Amendment Act of 2022	BSA	N/A		\$349,153	0
Solar for All Tax Relief Amendment Act of 2022	BSA	N/A		\$1,526,250	0
Disabled Veterans Homestead Exemption Amendment Act of 2022	BSA	N/A		\$344,810	0
Player's Lounge Tax Exemption Act of 2021	Pending in Council	N/A		\$79,494	0
Clean Hands Driver's License Moratorium Amendment Act of 2022	Proposed BSA	N/A		6,577,942	0



## I. SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

Agency Operating Budget by Program and Activity			
Activity	Mayor's FY 2023 Proposed	Committee Variance	Committee's FY 2023 Recommendation
Alcoholic Beverage Regulation Administration			
1000 - AGENCY MANAGEMENT			
1015 - TRAINING AND EMPLOYEE DEVELOPMENT	\$ 29,000.00	\$ -	\$ 29,000.00
1030 - PROPERTY MANAGEMENT	\$ 350,679.65	\$ -	\$ 350,679.65
1040 - INFORMATION TECHNOLOGY	\$ 442,147.54	\$ -	\$ 442,147.54
1050 - FINANCIAL MANAGEMENT	\$ 130,000.00	\$ -	\$ 130,000.00
1060 - LEGAL	\$ 1,260,026.29	\$ -	\$ 1,260,026.29
1070 - FLEET MANAGEMENT	\$ 34,559.51	\$ -	\$ 34,559.51
1080 - COMMUNICATIONS	\$ 257,440.75	\$ -	\$ 257,440.75
1085 - CUSTOMER SERVICE	\$ 107,290.76	\$ -	\$ 107,290.76
1087 - LANGUAGE ACCESS	\$ 15,000.00	\$ -	\$ 15,000.00
1090 - PERFORMANCE MANAGEMENT	\$ 932,964.60	\$ -	\$ 932,964.60
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 3,559,109.10</b>	<b>\$ -</b>	<b>\$ 3,559,109.10</b>
2000 - LICENSING			
2010 - LICENSING	\$ 1,375,991.19	\$ -	\$ 1,375,991.19
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,375,991.19</b>	<b>\$ -</b>	<b>\$ 1,375,991.19</b>
3000 - INVESTIGATIONS			
3010 - INVESTIGATIONS	\$ 4,484,451.23	\$ -	\$ 4,484,451.23
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,484,451.23</b>	<b>\$ -</b>	<b>\$ 4,484,451.23</b>
5000 - RECORDS MANAGEMENT			
5010 - RECORDS MANAGEMENT	\$ 405,843.42	\$ -	\$ 405,843.42

<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 405,843.42</b>	<b>\$ -</b>	<b>\$ 405,843.42</b>
<b>6000 - MEDICAL MARIJUANA</b>			
6010 - MEDICAL MARIJUANA	\$ 1,054,329.37	\$ -	\$ 1,054,329.37
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,054,329.37</b>	<b>\$ -</b>	<b>\$ 1,054,329.37</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 10,879,724.31</b>	<b>\$ -</b>	<b>\$ 10,879,724.31</b>
<b>Business Improvement Districts Transfer</b>			
<b>1000 - BUSINESS IMPROVEMENT DISTRICTS TAX - TRANSFER</b>			
1100 - BUSINESS IMPROVEMENT DISTRICTS TAX - TRANSFER	\$ 55,000,000.00	\$ 350,000.00	\$ 55,350,000.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 55,000,000.00</b>	<b>\$ 350,000.00</b>	<b>\$ 55,350,000.00</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 61,494,191.53</b>	<b>\$ 350,000.00</b>	<b>\$ 61,844,191.53</b>
<b>Captive Insurance Agency</b>			
<b>1000 - AGENCY MGMT PROGRAM</b>			
1010 - PERSONNEL	\$ 229,716.86	\$ -	\$ 229,716.86
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 229,716.86</b>	<b>\$ -</b>	<b>\$ 229,716.86</b>
<b>2000 - CAPTIVE OPERATIONS</b>			
2001 - OVERSIGHT	\$ 9,238,634.02	\$ -	\$ 9,238,634.02
2002 - GROWTH AND INCOME STRATEGY AND MGMT	\$ 1,011,577.10	\$ -	\$ 1,011,577.10
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 10,250,211.12</b>	<b>\$ -</b>	<b>\$ 10,250,211.12</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 10,479,927.98</b>	<b>\$ -</b>	<b>\$ 10,479,927.98</b>
<b>Convention Center Transfer</b>			

1000 - TRANSFER TO CONVENTION CENTER			
1100 - TRANSFER SALES TAX TO CONVENTION CENTER	\$ 114,302,333.00	\$ -	\$ 114,302,333.00
1200 - TRANSFER OTHER REVENUE TO CONVENTION CTR	\$ 4,400,269.00	\$ -	\$ 4,400,269.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 118,702,602.00</b>	<b>\$ -</b>	<b>\$ 118,702,602.00</b>
DCRP - DISTRICT RECOVERY PLAN			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 118,702,602.00</b>	<b>\$ -</b>	<b>\$ 118,702,602.00</b>
Department of For-Hire Vehicles			
1000 - AGENCY MANAGEMENT			
1010 - PERSONNEL	\$ 234,844.67	\$ -	\$ 234,844.67
1015 - TRAINING AND EDUCATION	\$ 15,000.00	\$ -	\$ 15,000.00
1030 - PROPERTY MANAGEMENT	\$ 655,314.75	\$ -	\$ 655,314.75
1040 - INFORMATION TECHNOLOGY	\$ 1,625,971.44	\$ -	\$ 1,625,971.44
1060 - LEGAL	\$ 463,025.16	\$ -	\$ 463,025.16
1070 - FLEET MANAGEMENT	\$ 56,313.41	\$ -	\$ 56,313.41
1080 - COMMUNICATIONS	\$ 5,000.00	\$ -	\$ 5,000.00
1090 - PERFORMANCE MANAGEMENT	\$ 1,852,241.65	\$ -	\$ 1,852,241.65
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,907,711.08</b>	<b>\$ -</b>	<b>\$ 4,907,711.08</b>
100F - AGENCY FINANCIAL OPERATIONS			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
2000 - OPERATIONS			

0000 - (no activity selected)	\$ -	\$ -	\$ -
2010 - COMPLAINTS	\$ 432,235.87	\$ -	\$ 432,235.87
2040 - ACCOUNT MANAGEMENT	\$ 545,669.75	\$ -	\$ 545,669.75
2050 - HEARINGS AND CONFLICT RESOLUTION	\$ 322,425.04	\$ -	\$ 322,425.04
2060 - RESEARCH	\$ 180,870.08	\$ -	\$ 180,870.08
2080 - GRANTS	\$ 4,965,621.89	\$ -	\$ 4,965,621.89
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 6,446,822.63</b>	<b>\$ -</b>	<b>\$ 6,446,822.63</b>
<b>4000 - FIELD COMPLIANCE AND ENFORCEMENT</b>			
4010 - FIELD ENFORCEMENT	\$ 2,151,643.82	\$ -	\$ 2,151,643.82
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,151,643.82</b>	<b>\$ -</b>	<b>\$ 2,151,643.82</b>
<b>7000 - MARKETING AND OUTREACH</b>			
7010 - MARKETING	\$ 167,896.57	\$ -	\$ 167,896.57
7020 - OUTREACH AND PUBLIC INFORMATION	\$ 2,900.00	\$ -	\$ 2,900.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 170,796.57</b>	<b>\$ -</b>	<b>\$ 170,796.57</b>
<b>8000 - CLIENT SERVICES</b>			
8010 - DRIVER SERVICE	\$ 881,907.42	\$ -	\$ 881,907.42
8020 - COMPANY SERVICES	\$ 14,666.00	\$ -	\$ 14,666.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 896,573.42</b>	<b>\$ -</b>	<b>\$ 896,573.42</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 14,573,547.52</b>	<b>\$ -</b>	<b>\$ 14,573,547.52</b>
<b>Department of Insurance, Securities, and Banking</b>			

1000 - AGENCY MANAGEMENT			
1010 - PERSONNEL	\$ 203,145.67	\$ -	\$ 203,145.67
1040 - OFFICE OF INFO. TECH. AND SUPPORT	\$ 5,347,363.95	\$ -	\$ 5,347,363.95
1060 - OFFICE OF LEGAL SERVICES	\$ 1,696,254.22	\$ -	\$ 1,696,254.22
1080 - PUBLIC AFFAIRS	\$ 1,803,881.90	\$ -	\$ 1,803,881.90
1090 - PERFORMANCE MANAGEMENT	\$ 1,546,093.38	\$ -	\$ 1,546,093.38
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 10,596,739.12</b>	<b>\$ -</b>	<b>\$ 10,596,739.12</b>
100F - AGENCY FINANCIAL OPERATIONS			
110F - BUDGET OPERATION	\$ -	\$ -	\$ -
120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
130F - ACFO	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
2000 - INSURANCE			
2010 - INSURANCE PRODUCTS	\$ 1,492,511.39	\$ -	\$ 1,492,511.39
2015 - FINANCIAL SURVEILLANCE	\$ 955,419.70	\$ -	\$ 955,419.70
2050 - HMO	\$ 628,663.55	\$ -	\$ 628,663.55
2080 - DC MARKET OPERATIONS INSURANCE	\$ 1,284,864.18	\$ -	\$ 1,284,864.18
2090 - HEALTH INSURANCE REVIEW	\$ 681,569.00	\$ -	\$ 681,569.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 5,043,027.82</b>	<b>\$ -</b>	<b>\$ 5,043,027.82</b>
3000 - SECURITIES			
3010 - CORPORATE FINANCE	\$ 777,604.22	\$ -	\$ 777,604.22
3030 - SECURITIES LICENSING	\$ 624,689.18	\$ -	\$ 624,689.18
3080 - DC MARKET OPERATIONS SECURITIES	\$ 835,327.13	\$ -	\$ 835,327.13
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,237,620.53</b>	<b>\$ -</b>	<b>\$ 2,237,620.53</b>
4000 - ENFORCEMENT			
4050 - ENFORCEMENT	\$ 123,323.71	\$ -	\$ 123,323.71

4060 - INVESTIGATIONS	\$ 871,980.93	\$ -	\$ 871,980.93
4080 - DC MARKET COMPLIANCE ENFORCEMENT	\$ 86,330.00	\$ -	\$ 86,330.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,081,634.64</b>	<b>\$ -</b>	<b>\$ 1,081,634.64</b>
<b>5000 - BANKING</b>			
5040 - COMMUNITY OUTREACH	\$ 3,262,889.57	\$ -	\$ 3,262,889.57
5060 - LICENSING	\$ 1,067,888.24	\$ -	\$ 1,067,888.24
5070 - MARKET SERVICES	\$ 3,814,321.15	\$ -	\$ 3,814,321.15
5080 - DC MARKET OPERATIONS BANKING	\$ 478,098.00	\$ -	\$ 478,098.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 8,623,196.96</b>	<b>\$ -</b>	<b>\$ 8,623,196.96</b>
<b>6000 - RISK FINANCE</b>			
6010 - COMPLIANCE	\$ 182,385.12	\$ -	\$ 182,385.12
6020 - FINANCIAL ANALYSIS	\$ 354,935.37	\$ -	\$ 354,935.37
6030 - REGULATORY REVIEW AND LICENSING	\$ 120,095.58	\$ -	\$ 120,095.58
6080 - DC MARKET OPERATIONS RISK FINANCE	\$ 175,200.00	\$ -	\$ 175,200.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 832,616.07</b>	<b>\$ -</b>	<b>\$ 832,616.07</b>
<b>7000 - OFFICE OF INNOVATION</b>			
7010 - MARKET ANALYSIS	\$ 123,129.72	\$ -	\$ 123,129.72
7020 - OUTREACH	\$ 496,882.90	\$ -	\$ 496,882.90
7030 - COMPLIANCE	\$ 86,397.97	\$ -	\$ 86,397.97
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 706,410.59</b>	<b>\$ -</b>	<b>\$ 706,410.59</b>
<b>8000 - MARKET EXAMINATIONS</b>			
8010 - INSURANCE EXAMS	\$ 285,461.53	\$ -	\$ 285,461.53
8020 - SECURITIES EXAMS	\$ 465,096.94	\$ -	\$ 465,096.94
8030 - BANKING EXAMS	\$ 1,663,031.87	\$ -	\$ 1,663,031.87
8040 - RISK FINANCE EXAMS	\$ 803,385.77	\$ -	\$ 803,385.77
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 3,216,976.11</b>	<b>\$ -</b>	<b>\$ 3,216,976.11</b>

<b>9000 - COMPLIANCE ANALYSIS</b>			
9010 - CONSUMER SERVICES	\$ 978,220.44	\$ -	\$ 978,220.44
9020 - MARKET RESEARCH ANALYSIS	\$ 788,904.23	\$ -	\$ 788,904.23
9080 - DC MARKET COMPLIANCE ANALYSIS	\$ 219,214.48	\$ -	\$ 219,214.48
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,986,339.15</b>	<b>\$ -</b>	<b>\$ 1,986,339.15</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ 300,000.00	\$ 300,000.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ 300,000.00</b>	<b>\$ 300,000.00</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 34,324,560.99</b>	<b>\$ 300,000.00</b>	<b>\$ 34,624,560.99</b>
<b>Department of Small and Local Business Development</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 133,076.52	\$ -	\$ 133,076.52
1020 - CONTRACTING AND PROCUREMENT	\$ 68,841.97	\$ -	\$ 68,841.97
1040 - INFORMATION TECHNOLOGY	\$ 575,350.60	\$ -	\$ 575,350.60
1050 - FINANCIAL MANAGEMENT	\$ 123,000.00	\$ -	\$ 123,000.00
1060 - LEGAL	\$ 356,419.78	\$ -	\$ 356,419.78
1070 - FLEET MANAGEMENT	\$ 2,182.00	\$ -	\$ 2,182.00
1080 - COMMUNICATIONS	\$ 278,233.78	\$ -	\$ 278,233.78
1085 - CUSTOMER SERVICE	\$ 81,480.33	\$ -	\$ 81,480.33
1090 - PERFORMANCE MANAGEMENT	\$ 1,103,670.19	\$ -	\$ 1,103,670.19
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,722,255.17</b>	<b>\$ -</b>	<b>\$ 2,722,255.17</b>
<b>2000 - CERTIFICATION</b>			
2010 - CERTIFICATION	\$ 820,043.42	\$ -	\$ 820,043.42
2020 - COMPLIANCE	\$ 1,679,563.66	\$ -	\$ 1,679,563.66
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 2,499,607.08</b>	<b>\$ -</b>	<b>\$ 2,499,607.08</b>

<b>3000 - BUSINESS OPP AND ACCESS TO CAPITAL</b>			
3040 - PROCUREMENT TECH ASSISTANCE PROGRAM	\$ 803,350.85	\$ -	\$ 803,350.85
3050 - ACCESS TO CAPITAL	\$ 169,111.00	\$ -	\$ 169,111.00
3060 - BUSINESS DEVELOPMENT	\$ 937,826.93	\$ -	\$ 937,826.93
3065 - INNOVATION AND EQUITABLE DEVELOPMENT	\$ 2,186,241.64	\$ -	\$ 2,186,241.64
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,096,530.42</b>	<b>\$ -</b>	<b>\$ 4,096,530.42</b>
<b>4000 - COMMERCIAL REVITALIZATION</b>			
4020 - CAPACITY BUILDING	\$ 797,174.47	\$ 330,000.00	\$ 1,127,174.47
4030 - MAIN STREETS	\$ 4,861,600.00	\$ 220,000.00	\$ 5,081,600.00
4040 - COMMERCIAL CLEAN TEAMS	\$ 6,461,446.32	\$ 277,000.00	\$ 6,738,446.32
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 12,120,220.79</b>	<b>\$ 827,000.00</b>	<b>\$ 12,947,220.79</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 21,438,613.46</b>	<b>\$ 827,000.00</b>	<b>\$ 22,265,613.46</b>
<b>Executive Office of the Mayor</b>			
<b>5000 - OFFICE OF COMMUNITY AFFAIRS</b>			
5020 - OFFICE OF NIGHTLIFE AND CULTURE	\$ 321,604.22	\$ -	\$ 321,604.22
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 321,604.22</b>	<b>\$ -</b>	<b>\$ 321,604.22</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 321,604.22</b>	<b>\$ -</b>	<b>\$ 321,604.22</b>
<b>Office of Finance and Resource Management</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 430,207.21	\$ -	\$ 430,207.21
1020 - CONTRACTING AND PROCUREMENT	\$ 109,685.10	\$ -	\$ 109,685.10
1050 - FINANCIAL MANAGEMENT	\$ 90,000.00	\$ (8,435.00)	\$ 81,565.00



1070 - FLEET MANAGEMENT	\$ 4,400.85	\$ -	\$ 4,400.85
1085 - CUSTOMER SERVICE	\$ 53,556.05	\$ -	\$ 53,556.05
1090 - PERFORMANCE MANAGEMENT	\$ 579,928.85	\$ -	\$ 579,928.85
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 1,267,778.06</b>	<b>\$ (8,435.00)</b>	<b>\$ 1,259,343.06</b>
<b>2000 - FINANCIAL MANAGEMENT</b>			
2100 - ACCOUNTING	\$ 2,605,895.60	\$ -	\$ 2,605,895.60
2200 - BUDGET FORMULATION AND PLANNING	\$ 1,662,600.04	\$ -	\$ 1,662,600.04
2500 - FIXED COSTS	\$ 26,773,789.99	\$ -	\$ 26,773,789.99
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 31,042,285.63</b>	<b>\$ -</b>	<b>\$ 31,042,285.63</b>
<b>3000 - RESOURCE MANAGEMENT</b>			
3100 - RESOURCE MANAGEMENT	\$ 241,154.30	\$ -	\$ 241,154.30
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 241,154.30</b>	<b>\$ -</b>	<b>\$ 241,154.30</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 32,551,217.99</b>	<b>\$ (8,435.00)</b>	<b>\$ 32,542,782.99</b>
<b>OFFICE of Lottery and Gaming</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - HUMAN RESOURCES	\$ 892,927.48	\$ -	\$ 892,927.48
1015 - EXECUTIVE DIRECTION AND SUPPORT	\$ 1,884,275.17	\$ -	\$ 1,884,275.17
1030 - PROPERTY AND FLEET MANAGEMENT	\$ 758,697.19	\$ -	\$ 758,697.19
1040 - INFORMATION TECHNOLOGY	\$ 2,424,333.29	\$ -	\$ 2,424,333.29
1050 - FINANCIAL SERVICES	\$ 5,373,251.09	\$ -	\$ 5,373,251.09
1060 - LEGAL SERVICES	\$ 9,000.00	\$ -	\$ 9,000.00
1075 - SECURITY	\$ 1,435,727.35	\$ -	\$ 1,435,727.35
1080 - COMMUNICATIONS	\$ 1,222,413.06	\$ -	\$ 1,222,413.06
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 14,000,624.63</b>	<b>\$ -</b>	<b>\$ 14,000,624.63</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			

110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
130F - FISCAL OFFICER	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>6000 - GAMING OPERATIONS PROGRAM</b>			
6200 - MARKETING	\$ 19,803,825.31	\$ -	\$ 19,803,825.31
6300 - TRADE DEVELOPMENT	\$ 2,686,225.91	\$ -	\$ 2,686,225.91
6400 - DRAW DIVISION	\$ 675,257.23	\$ -	\$ 675,257.23
6500 - LICENSING AND CHARITABLE GAMES	\$ 672,647.78	\$ -	\$ 672,647.78
6600 - INFORMATION TECHNOLOGY (GAMES)	\$ 40,427,042.04	\$ -	\$ 40,427,042.04
6700 - CLAIM CENTER	\$ 8,000.00	\$ -	\$ 8,000.00
6900 - SPORTS WAGERING REGULATIONS	\$ 5,121,395.66	\$ -	\$ 5,121,395.66
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 69,394,393.93</b>	<b>\$ -</b>	<b>\$ 69,394,393.93</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 83,395,018.56</b>	<b>\$ -</b>	<b>\$ 83,395,018.56</b>
<b>Office of the Chief Financial Officer</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 2,400,010.94	\$ -	\$ 2,400,010.94
1015 - TRAINING AND EMPLOYEE DEVELOPMENT	\$ 445,262.03	\$ -	\$ 445,262.03
1020 - CONTRACTING AND PROCUREMENT	\$ 2,106,691.24	\$ -	\$ 2,106,691.24
1030 - PROPERTY MANAGEMENT	\$ 1,453,209.99	\$ -	\$ 1,453,209.99
1060 - LEGAL SERVICES	\$ 2,785,565.43	\$ -	\$ 2,785,565.43
1080 - COMMUNICATIONS	\$ 259,737.92	\$ -	\$ 259,737.92
1090 - PERFORMANCE MANAGEMENT	\$ 2,789,999.74	\$ -	\$ 2,789,999.74
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 12,240,477.29</b>	<b>\$ -</b>	<b>\$ 12,240,477.29</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -

120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - FINANCIAL OPERATIONS AND SYSTEMS</b>			
2100 - OPERATIONS AND ADMINISTRATION	\$ 1,106,018.87	\$ -	\$ 1,106,018.87
2200 - ACCOUNTING OPERATIONS	\$ 2,363,351.84	\$ -	\$ 2,363,351.84
2300 - FINANCIAL POLICIES AND PROCEDURES	\$ 677,862.80	\$ -	\$ 677,862.80
2500 - FINANCIAL CONTROL AND REPORTING	\$ 3,701,475.93	\$ -	\$ 3,701,475.93
2600 - BENEFITS ADMINISTRATION	\$ 1,243,347.80	\$ -	\$ 1,243,347.80
2700 - PAYROLL DISBURSEMENTS AND WAGE REPORTING	\$ 6,083,865.29	\$ -	\$ 6,083,865.29
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 15,175,922.53</b>	<b>\$ -</b>	<b>\$ 15,175,922.53</b>
<b>4000 - RESEARCH AND ANALYSIS</b>			
4100 - EXECUTIVE DIRECTION AND SUPPORT	\$ 779,342.18	\$ -	\$ 779,342.18
4300 - REVENUE ESTIMATION	\$ 1,605,651.00	\$ -	\$ 1,605,651.00
4700 - LEGISLATIVE AND FISCAL ANALYSIS	\$ 814,684.59	\$ -	\$ 814,684.59
4800 - ECONOMIC AFFAIRS	\$ 1,506,336.92	\$ -	\$ 1,506,336.92
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,706,014.69</b>	<b>\$ -</b>	<b>\$ 4,706,014.69</b>
<b>5000 - TAX ADMINISTRATION</b>			
5100 - EXECUTIVE DIRECTION AND SUPPORT	\$ 4,761,795.16	\$ -	\$ 4,761,795.16
5200 - EXTERNAL CUSTOMER SERVICE INFORMATION	\$ 11,722,163.30	\$ -	\$ 11,722,163.30
5300 - RECORDER OF DEEDS	\$ 3,510,904.51	\$ -	\$ 3,510,904.51
5400 - REAL PROPERTY TAX ADMINISTRATION	\$ 12,965,869.47	\$ 388,470.00	\$ 13,354,339.47
5500 - TAX AUDITS AND INVESTIGATIONS	\$ 11,942,470.98	\$ -	\$ 11,942,470.98
5600 - REVENUE ACCOUNTING	\$ 2,668,766.29	\$ -	\$ 2,668,766.29
5700 - RECEIPTS AND DELINQUENT COLLECTIONS	\$ 32,687,055.98	\$ -	\$ 32,687,055.98
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 80,259,025.69</b>	<b>\$ 388,470.00</b>	<b>\$ 80,647,495.69</b>

<b>6000 - INFORMATION TECHNOLOGY</b>			
6100 - INFORMATION TECHNOLOGY SUPPORT	\$ 58,063,122.69	\$ -	\$ 58,063,122.69
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 58,063,122.69</b>	<b>\$ -</b>	<b>\$ 58,063,122.69</b>
<b>7000 - FINANCE AND TREASURY</b>			
7100 - EXECUTIVE DIRECTION AND SUPPORT	\$ 1,473,032.16	\$ -	\$ 1,473,032.16
7200 - DEBT MANAGEMENT	\$ 1,220,494.66	\$ -	\$ 1,220,494.66
7300 - CASH MANAGEMENT AND INVESTMENTS	\$ 12,479,801.55	\$ -	\$ 12,479,801.55
7400 - DISBURSEMENTS	\$ 2,535,026.22	\$ -	\$ 2,535,026.22
7500 - CASH RECEIPTS AND ACCOUNTING	\$ 3,264,477.88	\$ -	\$ 3,264,477.88
7600 - ASSET MANAGEMENT FOR SPECIAL PROGRAMS	\$ 12,859,104.37	\$ (608,888.00)	\$ 12,250,216.37
7700 - CENTRAL COLLECTION UNIT (CCU)	\$ 14,435,409.64	\$ -	\$ 14,435,409.64
7800 - OFT - ECONOMIC DEVELOPMENT FINANCE	\$ 719,601.99	\$ -	\$ 719,601.99
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 48,986,948.47</b>	<b>\$ (608,888.00)</b>	<b>\$ 48,378,060.47</b>
<b>8000 - INTEGRITY AND OVERSIGHT</b>			
8100 - AUDIT SERVICES	\$ 1,827,793.10	\$ -	\$ 1,827,793.10
8200 - SECURITY INTEGRITY OVERSIGHT	\$ 618,752.39	\$ -	\$ 618,752.39
8300 - INVESTIGATIONS	\$ 1,046,650.76	\$ -	\$ 1,046,650.76
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 3,493,196.25</b>	<b>\$ -</b>	<b>\$ 3,493,196.25</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 222,924,707.61</b>	<b>\$ (220,418.00)</b>	<b>\$ 222,704,289.61</b>
<b>Office of the Deputy Mayor for Planning and Economic Development</b>			

1000 - AGENCY MANAGEMENT			
1001 - AGENCY OVERSIGHT	\$ 1,410,656.24	\$ -	\$ 1,410,656.24
1005 - POLICY	\$ 1,545,503.83	\$ -	\$ 1,545,503.83
1010 - PERSONNEL	\$ 15,000.00	\$ -	\$ 15,000.00
1020 - CONTRACTING AND PROCUREMENT	\$ 791,319.37	\$ -	\$ 791,319.37
1060 - LEGAL	\$ 1,367,914.93	\$ -	\$ 1,367,914.93
1080 - COMMUNICATIONS	\$ 745,831.40	\$ -	\$ 745,831.40
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 5,876,225.77</b>	<b>\$ -</b>	<b>\$ 5,876,225.77</b>
100F - AGENCY FINANCIAL OPERATIONS			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
2000 - DEPUTY MAYOR FOR PLANNING AND ECONOMIC			
2020 - COMMUNITY OUTREACH	\$ 411,000.00	\$ -	\$ 411,000.00
2090 - OFFICE OF PUBLIC-PRIVATE PARTNERSHIPS	\$ 508,255.54	\$ -	\$ 508,255.54
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 919,255.54</b>	<b>\$ -</b>	<b>\$ 919,255.54</b>
3000 - BUSINESS AND WORKFORCE DEVELOPMENT			
0000 - (no activity selected)	\$ -	\$ -	\$ -
3010 - BUSINESS DEVELOPMENT	\$ 1,281,258.97	\$ 1,200,000.00	\$ 2,481,258.97
3020 - CORPORATE ASSISTANCE	\$ 6,472,217.00	\$ (5,000,000.00)	\$ 1,472,217.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 7,753,475.97</b>	<b>\$ (3,800,000.00)</b>	<b>\$ 3,953,475.97</b>
5000 - PROJECT INVESTMENT			
5035 - INDUSTRIAL REVENUE BOND	\$ 873,352.98	\$ -	\$ 873,352.98
5080 - GREAT STREETS INITIATIVE	\$ 7,127,404.65	\$ 800,000.00	\$ 7,927,404.65
5085 - GRANTS	\$ 1,163,830.89	\$ 30,000.00	\$ 1,193,830.89

5095 - WASHINGTON DC ECONOMIC PARTNERSHIP	\$ 2,840,532.00	\$ -	\$ 2,840,532.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 12,005,120.52</b>	<b>\$ 830,000.00</b>	<b>\$ 12,835,120.52</b>
<b>6000 - REAL ESTATE DEVELOPMENT</b>			
6020 - DEVELOPMENT AND DISPOSITION	\$ 3,641,784.72	\$ -	\$ 3,641,784.72
6030 - NEW COMMUNITIES INITIATIVE	\$ 3,353,555.78	\$ -	\$ 3,353,555.78
6040 - ST ELIZABETHS	\$ 1,360,361.97	\$ -	\$ 1,360,361.97
6050 - WALTER REED	\$ 1,174,856.27	\$ -	\$ 1,174,856.27
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 9,530,558.74</b>	<b>\$ -</b>	<b>\$ 9,530,558.74</b>
<b>DCRP - DISTRICT RECOVERY PLAN</b>			
DRPF - DISTRICT RECOVERY PLAN	\$ -	\$ -	\$ -
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 36,084,636.54</b>	<b>\$ (2,970,000.00)</b>	<b>\$ 33,114,636.54</b>
<b>Office of the People's Counsel</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 602,055.10	\$ -	\$ 602,055.10
1020 - CONTRACTING AND PROCUREMENT	\$ 309,604.76	\$ -	\$ 309,604.76
1030 - PROPERTY MANAGEMENT	\$ 1,960,938.41	\$ -	\$ 1,960,938.41
1040 - INFORMATION TECHNOLOGY	\$ 680,062.95	\$ (20,335.00)	\$ 659,727.95
1050 - FINANCIAL MANAGEMENT	\$ 275,000.00	\$ (54,957.00)	\$ 220,043.00
1070 - FLEET MANAGEMENT	\$ 16,787.40	\$ -	\$ 16,787.40
1085 - CUSTOMER SERVICE	\$ 259,387.56	\$ -	\$ 259,387.56
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 4,103,836.18</b>	<b>\$ (75,292.00)</b>	<b>\$ 4,028,544.18</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -

<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - OFFICE OF PEOPLES COUNSEL</b>			
2010 - CONSUMER ADVOCACY AND REPRESENTATION	\$ 4,252,959.81	\$ -	\$ 4,252,959.81
2020 - PUBLIC INFORMATION DISSEMINATION	\$ 2,513,257.06	\$ -	\$ 2,513,257.06
2030 - DC WATER-CONSUMER ADVOCACY & REPRESENT.	\$ 1,012,875.00	\$ -	\$ 1,012,875.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 7,779,091.87</b>	<b>\$ -</b>	<b>\$ 7,779,091.87</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 11,882,928.05</b>	<b>\$ (75,292.00)</b>	<b>\$ 11,807,636.05</b>
<b>Public Service Commission</b>			
<b>1000 - AGENCY MANAGEMENT</b>			
1010 - PERSONNEL	\$ 435,074.73	\$ (164,230.00)	\$ 270,844.73
1015 - TRAINING AND DEVELOPMENT	\$ 530,519.63	\$ -	\$ 530,519.63
1020 - CONTRACTING AND PROCUREMENT	\$ 606,541.24	\$ -	\$ 606,541.24
1030 - PROPERTY MANAGEMENT	\$ 4,542,591.70	\$ (9,640.00)	\$ 4,532,951.70
1040 - INFORMATION TECHNOLOGY	\$ 567,646.20	\$ (183,814.00)	\$ 383,832.20
1050 - FINANCIAL MANAGEMENT	\$ 72,279.48	\$ -	\$ 72,279.48
1060 - LEGAL	\$ 339,250.23	\$ -	\$ 339,250.23
1070 - FLEET MANAGEMENT	\$ 7,670.04	\$ -	\$ 7,670.04
1080 - COMMUNICATIONS	\$ 652,005.15	\$ -	\$ 652,005.15
1085 - CUSTOMER SERVICE	\$ 469,744.90	\$ -	\$ 469,744.90
1090 - PERFORMANCE MANAGEMENT	\$ 58,613.65	\$ -	\$ 58,613.65
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 8,281,936.95</b>	<b>\$ (357,684.00)</b>	<b>\$ 7,924,252.95</b>
<b>100F - AGENCY FINANCIAL OPERATIONS</b>			
110F - BUDGET OPERATIONS	\$ -	\$ -	\$ -
120F - ACCOUNTING OPERATIONS	\$ -	\$ -	\$ -

<b>TOTAL PROGRAM FUNDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2000 - PIPELINE SAFETY</b>			
2010 - PIPELINE SAFETY	\$ 891,301.57	\$ -	\$ 891,301.57
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 891,301.57</b>	<b>\$ -</b>	<b>\$ 891,301.57</b>
<b>3000 - UTILITY REGULATION</b>			
3700 - UTILITY REGULATION	\$ 9,315,615.25	\$ (368,950.00)	\$ 8,946,665.25
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 9,315,615.25</b>	<b>\$ (368,950.00)</b>	<b>\$ 8,946,665.25</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 18,488,853.77</b>	<b>\$ (726,634.00)</b>	<b>\$ 17,762,219.77</b>
<b>Washington Convention and Sports Authority</b>			
<b>1000 - WASH CONVENTION CENTER</b>			
1100 - WASH CONVENTION CENTER	\$ 172,060,670.00	\$ -	\$ 172,060,670.00
<b>TOTAL PROGRAM FUNDS</b>	<b>\$ 172,060,670.00</b>	<b>\$ -</b>	<b>\$ 172,060,670.00</b>
<b>TOTAL AGENCY FUNDS</b>	<b>\$ 172,060,670.00</b>	<b>\$ -</b>	<b>\$ 172,060,670.00</b>
<b>GRAND TOTAL</b>	<b>\$ 845,273,343.51</b>	<b>\$ (2,523,779.00)</b>	<b>\$ 842,749,564.51</b>



## II. AGENCY FISCAL YEAR 2023 BUDGET RECOMMENDATIONS

### A. INTRODUCTION

The Committee on Business and Economic Development is responsible for matters concerning small and local business development policy; matters related to economic, industrial, and commercial development; the disposition of property for economic development purposes; the regulation of alcoholic beverage establishments; public utilities; the operation and oversight of business improvement districts; the regulation of banks and banking activities, securities, and insurance, including private health insurance but excluding the Health Benefit Exchange; and regulation of for-hire vehicles. Additionally, the Committee has oversight of financial and tax matters, as well as matters related to the marketing of the District to increase tourism.

The District agencies, boards, and commissions that come under the Committee's purview are as follows:

- Alcoholic Beverage Regulation Administration
- Board of Accountancy
- Board of Architecture, Interior Design, and Landscape Architecture
- Board of Barber and Cosmetology
- Board of Funeral Directors
- Board of Professional Engineering
- Captive Insurance Agency
- Combat Sports Commission
- Commission on Nightlife and Culture
- Department of For-Hire Vehicles
- Destination DC
- Events DC
- For-Hire Vehicle Advisory Council
- Innovation and Technology Inclusion Council
- Multistate Tax Commission
- Office of Lottery and Gaming
- Office of Nightlife and Culture
- Office of the Chief Financial Officer (except the Office of Budget and Planning)
- Office of People's Counsel
- Public Service Commission

- Department of Small and Local Business Development
- St. Elizabeth's East Redevelopment Initiative Advisory Board
- Department of Insurance, Securities and Banking
- Walter Reed Army Medical Center Site Reuse Advisory Committee
- Deputy Mayor for Planning and Economic Development
- Washington Convention and Sports Authority

The Committee is chaired by Councilmember Kenyan R. McDuffie, Ward 5. The other members of the Committee are Councilmembers Brooke Pinto, Ward 2; Mary Cheh, Ward 3; Charles Allen, Ward 6; and Vincent Gray, Ward 7.

The Committee held performance and budget oversight hearings on agencies under its purview on the following dates:

<b><i>Performance Oversight Hearings</i></b>	
<b>February 2, 2022</b>	Destination DC Events DC
<b>February 9, 2022</b>	Department of For-Hire Vehicles Department of Insurance, Securities and Banking Department of Small Local Business Development
<b>February 16, 2022</b>	Deputy Mayor for Planning and Economic Development
<b>February 23, 2022</b>	Public Service Commission Office of People's Counsel Alcoholic Beverage Regulation Administration Office of Nightlife and Culture
<b>March 3, 2022</b>	Office of the Chief Financial Officer Office of Lottery and Gaming

<b><i>Budget Oversight Hearings</i></b>	
<b>March 21, 2022</b>	Public Witnesses Only
<b>March 24, 2022</b>	(Government Witnesses Only) Department of Insurance, Securities and Banking Department of Local and Small Business Development
<b>March 28, 2022</b>	(Government Witnesses Only) Public Service Commission Office of People's Counsel
<b>March 30, 2022</b>	(Government Witnesses Only) Alcoholic Beverage Regulation Administration Deputy Mayor for Planning and Economic Development
<b>April 6, 2022</b>	(Government Witnesses Only) Office of the Chief Financial Officer

The Committee received important comments from members of the public during these hearings. Copies of witness testimony are included in this report as *Attachments C and D*. A video recording of the hearings can be obtained through the Office of Cable Television or at *oct.dc.gov*. The Committee continues to welcome public input on the agencies and activities within its purview.

## **B. COMMITTEE BUDGET RECOMMENDATIONS**

### **1. ALCOHOLIC BEVERAGE REGULATION ADMINISTRATION (LQ0)**

#### **1. COMMITTEE ANALYSIS AND COMMENTS**

##### **a. Agency Mission and Overview**

The mission of the Alcoholic Beverage Regulation Administration (“ABRA”) is to support the public’s health, safety, and welfare through the control and regulation of the sale and distribution of alcoholic beverages and medical cannabis.<sup>1</sup> Included in its role as chief regulator of alcoholic beverages, ABRA:

- Issues and renews licenses that permit qualified businesses to sell and serve alcoholic beverages;
- Monitors compliance with District laws and takes appropriate enforcement action against licensees that violate the law;
- Recommends new laws regulating the manufacture, distribution, and sale of alcoholic beverages in the District, when appropriate; and
- Provides educational resources to help licensees avoid the sale of alcohol to underage individuals.<sup>2</sup>

ABRA is dedicated to enriching the health, safety, and welfare of District residents and visitors patronizing more than 2,000 licensed establishments in the District.<sup>3</sup> Accordingly, ABRA also educates licensed establishments on compliance with alcohol laws, policies, and procedures.<sup>4</sup>

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<sup>1</sup> Fiscal Year 2023 Proposed Budget and Financial Plan, *Alcoholic Beverage Regulation Administration*, Agency Budget Chapter – Part III, Pp. F-1, available at <https://app.box.com/s/3rlimcccd0e93ipigk216d423olsilg>, (last visited Mar. 30, 2022).

<sup>2</sup> About ABRA, ABRA, <https://abra.dc.gov/page/about-abra> (last visited Mar. 30, 2022).

<sup>3</sup> *Id.*

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

As of October 1, 2021, the District’s medical cannabis program was transferred from the Department of Health (“DOH”) to ABRA.<sup>5</sup> The medical cannabis program allows all qualifying patients to have the right to obtain and use cannabis for medical purposes when his or her primary care physician has provided a written recommendation that bears his or her signature and license number.<sup>6</sup> Since ABRA began the administration and implementation of the program, Council has created a social equity framework that has adopted a scoring structure to place social equity applicants at an even playing field.<sup>7</sup> The framework has received numerous comments and constructive feedback from the public on what can be done to strengthen the program. The program currently has 8 cultivation licenses and 7 dispensaries, but no testing laboratories registered. As of November 29, 2021, the agency opened up an application window for a new round cultivation, dispensary, and testing laboratory license that closed March 28, 2022.<sup>8</sup> ABRA hopes there will be a successful testing laboratory applicant in this application cycle.

ABRA administers five programs: licensing, investigations, records management, medical cannabis, and agency management.<sup>9</sup>

**Licensing:** The licensing program “issues new and renewal licenses to liquor stores, grocery stores, restaurants, hotels, nightclubs, and other establishments that manufacture, distribute, sell, or serve alcoholic beverages in the District of Columbia, and works with Records Management to keep accurate and accessible paper and data records of all licensing program activities.”<sup>10</sup> The licensing personnel review and propose modifications to licensing processes, regulations, and licensing fees.

For Fiscal Year 2021, ABRA:

- Received 33 one-day and substantial change license applications, that were all processed and issued permits within 15 days or less;
- Processed and issued 1,457 renewal licenses or permits; and
- Exceeded its 90 percent target rate at 96.4 percent to process one-day and substantial change application within 15 days.

Through its licensing program, ABRA was able to generate \$6,199,863 in Fiscal Year 2021, which is \$2,499,863 above its Fiscal Year 2021 target in spite of the pandemic.

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<sup>5</sup> *Bill, 23-0760, the “Fiscal Year 2021 Budget Support Act of 2020”*, Enrollment, Title V: Subtitle B, available at <https://lims.dccouncil.us/Legislation/B23-0760> (last visited Apr. 7, 2022).

<sup>6</sup> *Fiscal Year 2023 Proposed Budget and Financial Plan*, Alcoholic Beverage Regulation Administration, Agency Budget Chapter – Part III, Pp. F-4, available at <https://app.box.com/s/3rlmccdb0e93ipigk216d423olsilg>, (last visited Mar. 30, 2022).

<sup>7</sup> D.C. Official Code § 7-1671.06.

<sup>8</sup> *Alcoholic Beverage Regulation Administrative (“ABRA”) FY 21-22 Performance Oversight Hearing Questions Committee on Business and Economic Development Kenyan McDuffie, Chairperson*, Alcoholic Beverage Regulation Administration, available at <https://dccouncil.us/business-and-economic-development-7>, (last visited Mar. 30, 2022).

<sup>9</sup> *Supra*, at note 6 Pp. F-4.

<sup>10</sup> *Id.*

**Investigations:** The investigation program conducts regulatory and settlement agreement compliance inspections, underage compliance checks, and joint investigations as needed with the Metropolitan Police Department, the Fire and Emergency Medical Services Department, the Office of Tax and Revenue, the Department of Consumer and Regulatory Affairs, and others. The program also conducts various inspections associated with licensing and adjudicatory processes such as final, compliance, placard, special event, and financial audit investigations. All activities within the program serve to strengthen the awareness of, and compliance with, the appropriate laws and regulations of the District of Columbia.

For Fiscal Year 2021, 11,874 inspections were conducted, which exceeded ABRA's target of 11,000 inspections. The agency also conducted 440 inspections to ensure compliance with underage drinking laws which exceeded its target of 400 inspections.

**Records Management:** The records management program provides files, documents, and database information to ABRA staff, the Alcoholic Beverage Control ("ABC") Board, and the general public including licensees, and the Advisory Neighborhood Commissions (ANCs) so that they can receive accurate information and files. The program also provides certification services, responds to and tracks Freedom of Information Act requests, and responds to subpoena requests. The records management program is a component of the Administrative Services Division which includes ABRA's public affairs and community outreach teams. These teams provide training to ANCs, community associations, and ABC licensees.<sup>11</sup> For Fiscal Year 2021, the program provided 584 licensees and members of the public trainings on ABRA laws exceeding its 100-person target rate.<sup>12</sup>

**Medical Cannabis:** As stated earlier, the medical cannabis program allows all qualifying patients to obtain and use cannabis for medical purposes when his or her primary physician has provided a written recommendation that bears his or her signature and license number. The recommendation must assert that the use of cannabis is medically necessary for the patient for the treatment of a qualifying medical condition or to mitigate the side effects of a qualifying medical treatment. However, as of February 2022, the Council moved an emergency measure to exempt patients ages 65 and older from obtaining a referral or recommendation from a healthcare practitioner.<sup>13</sup> The emergency legislation would rather allow patients ages 65 and older to self-certify that they would use cannabis for medical purposes.<sup>14</sup> Since the program was transferred from DOH to ABRA, medical cannabis facilities – cultivation centers and dispensaries – have received at least one quarterly inspection. For the second budget in a row, ABRA has set aside \$300,000 in one-time funds to provide direct financial and technical assistance to social equity applicants.

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<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at F-7.

<sup>13</sup> Bill 24-629, the "Medical Marijuana Patient Access Extension Emergency Amendment Act of 2022", Intro, § 2, available at <https://lims.dccouncil.us/Legislation/B24-0629>, (last visited Apr. 7, 2022).

<sup>14</sup> *Id.*

**Agency Management:** The agency management program provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

**Staffing Vacancies:** The agency's Schedule A notes that there are six vacancies - two Information Technology Specialists, one Legal position, one Public Affairs Specialist, one Contract Representative, and one Supervisory Investigator position. Successful candidates have been identified for two of the six positions. ABRA is working to fill the remaining positions.

**Budget Support Act:** The Mayor does not propose any subtitles for the agency, yet the Committee recommends a subtitle which is found in Section III of this report.

## **2. MAYOR'S PROPOSED FISCAL YEAR 2022 OPERATING BUDGET**

### **a. Proposed Operating Budget Summary**

The Mayor's proposed Fiscal Year 2023 operating budget for ABRA is \$10,879,724, which represents a 3.7% percent increase from its Fiscal Year 2022 approved gross budget of \$10,495,813. This funding supports 65.3 Full-Time Employees, which represents a 0.5% increase from the Fiscal Year 2022 approved budget. ABRA's FY23 budget is comprised of \$9,115,000 in Special Purpose Revenue fund, \$1,379,000 in Dedicated Taxes, and \$385,000 in Local Funds.

**Dedicated Taxes:** The Mayor's Fiscal Year 2023 budget proposal for ABRA's Dedicated Tax fund includes an increase of \$194,727 in the agency's Investigations program. The total proposed budget for the Dedicated Tax fund is \$1,379,388.

**Local Funds:** The Mayor's proposed Fiscal Year 2023 budget for ABRA includes \$385,000 in Local Funds.

**Special Purpose Revenue Funds:** The Mayor's proposed Fiscal Year 2023 budget for ABRA includes a net increase of \$19,473 in the medical cannabis program to align the budget projected personal services and fringe benefit costs.

**Inter-Agency Funds:** The Mayor's proposed Fiscal Year 2023 budget for ABRA includes \$1,663,895.72 in inter-agency funds. This represents a \$237,086.25 increase from its Fiscal Year 2022 budget.

**Private Donations:** The Mayor's proposed Fiscal Year 2023 budget for ABRA does not include any private donations.

## **3. COMMITTEE ANALYSIS AND COMMENTS**

ABRA has played a major part in the District’s public health emergency and reopen efforts. At the start of the pandemic, ABRA issued rulemaking to defer license fee payments until the emergencies expired; implemented the carry-out delivery program for on-premises licensees; created the streatory and pop-up programs for on-premises licensees; and made recommendations for the ReOpen DC Commission. As the District gradually returns to its pre-pandemic posture, ABRA continues to demonstrate its leadership in helping ABC establishments navigate the process.

For instance, ABRA worked with the Committee on Bill 24-0044, the “Reopen Washington DC Alcoholic Beverage Amendment Act of 2022” (“Reopen DC Act”) which received its second Council vote on April 5, 2022. Bill 24-0044 extended some of the innovative programs created during the peak of the pandemic and created new programs that have evolved during the pandemic. Some of the bill’s highlights include:

- Making the streatory and pop-up programs year round through December 31, 2023; the program was previously envisioned to last during the summer months only in 2022 and 2023.
- Creating a Commercial Lifestyle Center license which allows patrons in certain designated areas approved by the ABC Board to freely carry and consume alcoholic beverages while walking in the public;
- Regulating the sale and delivery of alcoholic beverages through third-party delivery platforms; and
- Working to attract more full-service grocery stores in Wards 7 and 8.

The hospitality industry has demonstrated much resilience during the course of the Covid-19 pandemic and, with its FY23 budget, ABRA seeks to continue supporting the industry and businesses fully recover.

With respect to medical cannabis, the industry has shown tremendous growth since FY21 when the program was transferred to ABRA from DOH. As part of the FY21 Budget Support Act, the Committee created a social equity framework for prospective applications on the supply-side of medical cannabis. The Committee created a Medical Cannabis Certified Business Enterprise designation as well as spelled out the eligibility criteria to qualify for the additional scoring points under the designation.<sup>15</sup> In 2021, ABRA began implementing its BSA mandate including releasing an application for two cultivation center licenses, one dispensary license, and two testing laboratory licenses. The application period was open November 21, 2021 through March 28, 2022. The agency is currently reviewing applications and will make awards this year.

Furthermore, the Committee approved a one-time transfer of \$300,000 from ABRA to the Department of Small and Local Business Development (“DSLBD”) to provide financial and technical assistance to social equity applicants. The Committee reasoned that it was necessary to allocate social equity funding upfront because medical cannabis

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<sup>15</sup> D.C. Official Code § 7-1671.06(d)(5).

business ownership is capital intensive and it is a challenge to obtain loans or grants from financial institutions because cannabis is classified as a Schedule I controlled substance under 21 U.S. Code § 812.

This fiscal year, the Committee will approve another \$300,000 transfer from ABRA to DSLBD to provide financial and technical assistance to social equity applicants who qualify under the Medical Cannabis Certified Business Enterprise designation. ABRA's Fiscal Year 2023 goal for the medical cannabis program is to grow it exponentially and realize true social equity.

#### **4. COMMITTEE RECOMMENDATIONS**

##### **a. Fiscal Year Operating Budget Recommendations**

The Committee recommends adoption of the Fiscal Year 2023 operating budget for ABRA, as proposed by the Mayor, with the following exception:

1. Recognize a \$40,000 reduction in one-time Dedicated Taxes (0110) from Program 3000, Activity 3010, CSG 0050.

##### **b. Policy Recommendations**

1. The Committee recognizes ABRA's efforts in releasing the application for five additional medical cannabis licenses. As a result, the Committee has received constructive feedback from existing business owners and prospective applicants about the zoning limitations included in the D.C. Code and other areas of the law on cultivation facilities. Unfortunately, these limitations may have resulted in bidding wars on real estate which has exponentially increased the price of real estate in permissible zoning locations. The Committee is committed to working with ABRA and sister agencies to address these limitations so that persons of color may obtain cultivation licenses.
2. The Committee worked closely with ABRA and stakeholders on the Reopen DC Act which received its second Council vote on April 5, 2022. However, the Committee recognizes some outstanding concerns that were raised by the Council's Office of Racial Equity ("CORE") that were beyond the scope of the legislation. The Committee encourages ABRA to work on the outstanding concerns that were raised in CORE's Racial Equity Impact Assessment especially attracting more sit-down restaurants on the east end of the city. The Committee commends the agency in its effort to attract more full-service grocery stores East of the River and is committed to working with the agency to extend similar efforts for sit-down restaurants.
3. The Committee remains displeased that the sales tax collected from medical cannabis businesses are redirected to bolster the Health DC Fund. The Committee hopes that Council and the Executive can work together to redirect sales taxes to



ABRA so that a portion of the Fund may be used to improve the medical cannabis program especially by assisting disenfranchised groups like returning citizens gain entry into the medical cannabis business.

## **2. CAPTIVE INSURANCE AGENCY (RJ0)**

### **1. AGENCY MISSION AND OVERVIEW**

The mission of the Captive Insurance Agency (“Captive”) is to provide medical malpractice insurance for local non-profit health centers and to procure real property insurance for District government real property assets, personal property insurance for District personal property assets, liability insurance to protect the District against loss arising out of a legal liability to others, and such other insurance policies as the Risk Officer determines necessary to minimize risk of loss to the District.

The Captive was created by statute and administered by the Chief Risk Officer, Office of Risk Management (“ORM”) in 2008. It was incorporated by ORM in Fiscal Year 2008. The liability of the Captive is limited to the funds available to the Captive’s participants. In Fiscal Year 2014, the scope of the agency was expanded to include property insurance.

The Captive operates through one program, Captive Operations. Captive Operations funds the management and insurance policies of the Captive. ORM underwrites and administers medical malpractice insurance policies to non-profit community health centers and offers gap insurance to Federally Qualified Health Centers for claims that are not covered by the Federal Tort Claims Act. It also provides property insurance for risks to District government real property assets for various hazards. The Chief Risk Officer administers the Subrogation Fund.

### **2. COMMITTEE BUDGET RECOMMENDATIONS**

#### **a. Fiscal Year 2023 Operating Budget Recommendations**

The Mayor’s proposed Fiscal Year 2023 gross budget for the Captive Insurance Agency is \$10,479,928, which represents an increase of \$4,594,825, or 78.1% increase, over the Fiscal Year 2022 approved gross budget of \$5,885,103. The budget is comprised of \$9,793,000 from Local Funds and \$687,000 from special purpose revenue funds.<sup>16</sup>

#### **Local Funds**

The Mayor’s proposed Fiscal Year 2023 Local Funds budget for the Captive Insurance Agency is \$9,793,411, which is an increase of \$4,580,824 from Fiscal Year 2022. The proposed increase supports professional services for oversight program

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<sup>16</sup> FY23 Proposed Budget, Volume 2, Pg. A-13

activities and accounts for Captive Operations involving Cyber Liability insurance, Real Property insurance, and operational requirements.<sup>17</sup>

Captive's Local Funds budget also supports four full time equivalents ("FTEs"), which represents a decrease of two FTEs from the Fiscal Year 2022 approved budget.<sup>18</sup> Additionally, the proposed Fiscal Year 2023 Local Funds budget includes a net increase of \$4,000 to support projected salary and Fringe Benefit costs of current personnel.

### **Special Purpose Revenue Funds**

In Special Purpose Revenue funds, the proposed Fiscal Year 2023 budget includes a net increase of \$13,517 across multiple programs to align the personal services and fringe benefits with projected costs. Additionally, the proposed Special Purpose Revenue funds budget is increased in the amount of \$485 to align resources with operational spending goals and projected revenues.<sup>19</sup>

### **Intra-District Funds**

There are no Intra-District Funds identified in the Mayor's Fiscal Year 2023 proposed budget for the Captive.

#### **b. Fiscal Year 2022 Capital Budget Recommendations**

There is no proposed capital budget for Fiscal Year 2023.

### **3. COMMITTEE POLICY RECOMMENDATIONS**

The Committee recommends adoption of the proposed Fiscal Year 2023 operating budget for the Captive Insurance Agency, as proposed by the Mayor, and does not have any policy recommendations at this time.

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<sup>17</sup> FY23 Proposed Budget, Volume 2, pg. A-16

<sup>18</sup> FY23 Proposed Budget, Volume 2, Pg. A-15

<sup>19</sup> FY23 Proposed Budget, Volume 2, pg. A-17

### 3. DEPARTMENT OF FOR-HIRE VEHICLES (TC0)

#### 1. AGENCY MISSION AND OVERVIEW

The mission of the Department of For-Hire Vehicles (“DFHV” or “the Department”) is to protect the public interest by regulating the vehicle-for-hire industry to allow residents and visitors of the District of Columbia to have safe, affordable, and accessible transportation options. DFHV provides licensing, adjudication, enforcement, and client services for drivers, taxicab companies/associations, and limousine companies, as well as residents and visitors who use public and private vehicle-for-hire services in the District.

DFHV operates several programs to achieve its mission. The Operations program provides complaint and conflict resolutions, research, audits, and company account management. This is accomplished through five activities: complaints, account management, hearings and conflict resolution, research, and grants. The second program area through which DFHV operates is Field Compliance and Enforcement, which provides enforcement, compliance, and oversight of public vehicle-for-hire companies and performs field inspections. Field Compliance and Enforcement also conducts training and refresher courses for licensees. Marketing and Outreach is the third program through which DFHV operates. This program provides updated facts pertaining to operations, rulemaking, and media. The next program area, Client Services, provides customer services to passengers, as well as drivers and companies. Finally, the Agency Management and Agency Financial Operations programs provide administrative support and financial management services to DFHV.

#### **A. Mayor’s Proposed Fiscal Year 2022 Operating Budget**

##### **i. Proposed Operating Budget Summary**

The Mayor’s proposed Fiscal Year 2023 budget for DFHV is \$22,683,451, which is a 2.8% decrease from its Fiscal Year 2022 approved budget of \$23,335,218. This budget will support 101 FTEs, which is no change from the Fiscal Year 2022 approved budget. The proposed budget is comprised of \$12,040,674 in Local funds and \$10,642,776 in Special Purpose Revenue funds.

**Local Funds:** The Mayor’s proposed Fiscal Year 2023 budget for DFHV includes \$12,040,674 in Local funds. This is a 12.1% decrease from the approved Fiscal Year 2022 Local Funds budget amount of \$13,701,908. Local funds in the proposed Fiscal Year 2023 budget for DFHV will support 31 FTEs.

**Special Purpose Revenue Funds:** The Mayor’s proposed Fiscal Year 2023 budget for DFHV is comprised of \$10,642,776 in Special Purpose Revenue (“SPR”) funds, which is a 21% increase from the approved Fiscal Year 2022 SPR Funds budget of \$8,797,310.

The Department's SPR funds come from the Public Vehicles for Hire Consumer Service Fund and the Justice Department Fingerprints Fund. The increase in the SPR Funds budget aligns the budget with projected revenues. The SPR Funds budget would support 70 FTEs.

**Federal Grant Funds:** The Mayor's proposed Fiscal Year 2023 budget for DFHV does not include any federal grant funds. This is a 100% decrease from the approved Fiscal Year 2022 Federal Grant Funds budget. This decrease is attributed to a reduction of \$150,000 to account for the removal of ARPA funding appropriated in Fiscal Year 2022 to support the District's gun violence prevention initiative.

**Private Donations:** The Mayor's proposed Fiscal Year 2023 budget for DFHV does not include any private donation funds.

## **ii. Committee Analysis and Comments**

The Mayor's proposed Fiscal Year 2023 gross funds budget for DFHV reflects a net decrease of 2.8% from the approved Fiscal Year 2022 gross funds budget. The proposal includes reductions to the Department's recurring budget. The Fiscal Year 2023 recurring budget for DFHV includes a reduction of \$3,931,622 to account for the removal of one-time funding appropriated in Fiscal Year 2022. This includes funding that supported the District's Forgiveness of Taxi Fees initiative, included in the Fiscal Year 2022 budget to support recovery of the for-hire industry. The Fiscal Year 2023 proposed budget for DFHV also includes a reduction of \$150,000 to account for the removal of ARPA State funding appropriated in Fiscal Year 2022 to support the District's gun violence initiative.

In Local Funds, the proposed Fiscal Year 2023 budget for DFHV includes an increase of \$7,940,277 from APRA Local Revenue Replacement funds. These funds will support DC School Connect, DC Neighborhood Connect Microtransit Restoration, and DFHV's Promise Rides project.

The SPR Funds budget proposal for DFHV includes an increase of \$1,637,085 across multiple programs to support professional service fees for development support, licenses, computer equipment purchases, and other operational requirements. The SPR Funds proposal also includes an increase of \$208,382 across multiple programs to align personal services and fringe benefits with projected costs.

## **2. COMMITTEE RECOMMENDATIONS**

### **i. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends approval of the Fiscal Year 2023 operating budget for the Department of For-Hire Vehicles, as proposed by the Mayor.

### **ii. Fiscal Year 2023 Policy Recommendations**

The Committee has no policy recommendation for the Department of For-Hire Vehicles at this time.

## **4. DEPARTMENT OF INSURANCE, SECURITIES, & BANKING (SR0)**

### **1. AGENCY MISSION AND OVERVIEW**

The mission of the Department of Insurance, Securities, and Banking (“DISB”) is to cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District, to empower and educate residents on financial matters, and to support the development and expansion of small businesses by providing financing and other services. DISB regulates financial services entities operating in the District’s financial market. These financial services entities include:

1. Insurance companies and producers, health maintenance organizations, captive insurance companies, and risk retention groups;
2. Investment advisors and investment advisor representatives, broker-dealers and broker dealer agents, securities offerings, issuers, and agents of issuers; and
3. District and state-chartered banks, mortgage lenders and brokers, mortgage loan originators, check cashers, money transmitters, consumer sales finance companies, money lenders, appraisal management companies, student loan servicers, and consumer credit service organizations.<sup>20</sup>

DISB’s Fiscal Year 2023 objectives are as follows:

1. Provide high quality and efficient consumer protection services to District residents and businesses;
2. Establish the District as a premier destination for financial services firms in order to increase the number of financial industry jobs available for District residents and generate additional revenue for the District;
3. Provide high quality services to financially empower residents and create pathways to the middle class;
4. Provide valuable assistance and support to District based small businesses and entrepreneurs that will create or retain jobs; and

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<sup>20</sup> FY 2023 Proposed Budget and Financial Plan, Vol. 4, Department of Insurance, Securities, and Banking, at F-35.

5. Create and maintain a highly efficient, transparent, and responsive District government.

## 2. MAYOR'S PROPOSED FISCAL YEAR 2023 OPERATING BUDGET

### a. Proposed Operating Budget Summary

The Mayor's proposed Fiscal Year 2023 budget for DISB is \$37,097,902, which represents a 8.6% increase from the approved Fiscal Year 2022 budget.<sup>21</sup> The budget is comprised of \$35,225,106 in Special Purpose Revenue (SPR) Funds and \$1,704,931 in Local Funds.<sup>22</sup> DISB's proposed Fiscal Year 2023 budget includes 157 FTEs, which is an increase of 18 FTEs over the approved Fiscal Year 2022 budget.<sup>23</sup>

**Local Funds:** The Mayor's proposed Fiscal Year 2023 budget includes \$1,704,931 in Local Funds. This is a 0.6% increase from the approved Fiscal Year 2022 Local Funds budget of \$1,694,774.<sup>24</sup>

**Special Purpose Revenue Funds:** The Mayor's proposed Fiscal Year 2023 budget for DISB includes \$35,225,106 in SPR Funds, which represents a 9.0% increase from the Agency's Fiscal Year 2022 approved SPR budget of \$32,330,385.<sup>25</sup> This budget supports 157 FTEs, which is an increase of 18 FTEs from the Fiscal Year 2022 approved level.<sup>26</sup>

**Federal Grant Funds:** The Mayor's proposed Fiscal Year 2023 budget for DISB is \$167,864, which represents a 100% change from the agency's Fiscal Year 2022 approved Federal Grant budget which was \$0.<sup>27</sup>

**Intra-District Funds:** The Mayor's proposed Fiscal Year 2023 budget for DISB includes \$0 in Intra-District funds, which is \$133,000 decrease from the Fiscal Year 2022 approved Intra-District budget.<sup>28</sup>

### b. Committee Analysis and Comment

DISB's proposed Local Funds budget includes COVID recovery funds that will be used for the District Recovery Plan. The District's overall recovery plan includes economic recovery for residents and businesses, gun violence prevention, learning acceleration, and

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<sup>21</sup> FY 2023 Proposed Budget and Financial Planning, Volume 4, pg. F-43

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at F-36

<sup>24</sup> *Id.* at F-43

<sup>25</sup> *Id.* at F-43

<sup>26</sup> *Id.* at F-36

<sup>27</sup> *Id.* at F-43

<sup>28</sup> *Id.*

affordable housing.<sup>29</sup> With respect to DISB, its recovery efforts are focused on District residents and businesses.

DISB's SPR budget includes an increase of \$608,684 from projected revenue. The funds will be used to align the budget with operational goals primarily for contractual obligations and professional services. The budget proposal also includes a net increase of \$151,208 in the Agency Management division, which will align the budget with fixed cost estimates, primarily rent.<sup>30</sup>

In Federal Grant funds, DISB's proposed budget reflects an increase of \$167,864 in its Insurance Division that will align the budget with projected grant awards. The budget proposal an increase in projected grant awards.<sup>31</sup>

### **3. COMMITTEE RECOMMENDATIONS**

#### **a. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends adoption of the Fiscal Year 2023 operating budget for DISB, as proposed by the Mayor, with the following exceptions:

1. Accept a \$300,000 one-time enhancement in FY23 in Local funds (1000) as part of the District Recovery Plan, CSG 0050.

#### **b. Fiscal Year 2023 Policy Recommendations**

The Committee has no policy recommendations for DISB at this time.

## **5. DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT (EN0)**

### **1. COMMITTEE ANALYSIS AND COMMENTS**

#### **a. Agency Mission and Overview**

The mission of the Department of Small and Local Business Development ("DSLBD") is to support the development, economic growth, and retention of District-based businesses, and promote economic development throughout the District's commercial corridors. DSLBD was established by the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005.<sup>32</sup> Statutorily, DSLBD administers and oversees the Certified Business Enterprise ("CBE") program. DSLBD is

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<sup>29</sup> *Id.* at F-42

<sup>30</sup> *Id.* at F-44

<sup>31</sup> *Id.* at F-43

<sup>32</sup> "Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005", effective October 20, 2005 (D.C. Law 16-33; D.C. Official 2-218.01 § *et. seq.*).

also responsible for business development programs, and technical assistance offerings.<sup>33</sup> These programs maximize the opportunities for certified business enterprises to participate in the following:

1. The District's contracting and procurement process;
2. The District's economic development activities; and
3. Federal and private sector business opportunities.<sup>34</sup>

Furthermore, DSLBD fosters business development by offering training and financing assistance to small businesses. To effectuate DSLBD's mission, DSLBD is authorized to issue grants to local businesses, community and neighborhood groups, or nonprofit organizations.<sup>35</sup> DSLBD resources and programs include District Capitalized, Made in DC, the Aspire to Entrepreneurship Program, and the DC Procurement Technical Assistance Center. Each program or resource is available to provide District-based businesses with the knowledge and capacity-building tools necessary to form, develop, and grow.

The Department has four divisions: Commercial Revitalization, Certification (which includes Compliance), Business Opportunities and Access to Capital, and Agency Management. The Commercial Revitalization division provides technical and funding assistance that supports DC Main Streets, Commercial Clean Teams, and the Healthy Foods Programs. The Certification division is responsible for processing and overseeing CBE applications. The Compliance division ensures that District agencies and public-private projects comply with District laws concerning CBE utilization and participation. The Business Opportunities and Access to Capital division provides access to capital and administers the Procurement Technical Assistance Program. Furthermore, this division offers classes and trainings, and facilitates technical assistance for capital acquisition, innovation and equitable development. The Agency Management division provides administrative support to the entire Department.

**b. Mayor's Proposed Fiscal Year 2022 Operating Budget**

The Mayor's proposed Fiscal Year 2023 operating budget for DSLBD is \$21,438,613, which is a 1.3% decrease from Fiscal Year 2022 approved budget of \$21,720,998. The budget is comprised of \$20,885,553 in Local funds and \$553,060 is Federal Grants funds. This funding supports 59.3 FTEs, which is a 5.5% increase from Fiscal Year 2022 approved budget of 56 FTEs.

**Local Funds:** The Mayor's proposed Fiscal Year 2023 Local funds allocation is approximately \$20,885,552, which represents a decrease of \$264,682 or 1.3% from the Fiscal Year 2022 Local funds budget.

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<sup>33</sup> D.C. Official Code § 2-218.13(2).

<sup>34</sup> *Id.*

<sup>35</sup> D.C. Official Code § 2-218.13.



**Federal Grants:** The Mayor’s proposed Fiscal Year 2023 Federal resources is \$553,060, which represents a decrease of \$17,940 or 3.1% from Fiscal Year 2022 budget.

**Intra-District Funds:** The Mayor’s proposed Fiscal Year 2023 operating budget does not include any Intra-District funds.

**c. Fiscal Year 2022-2027 Capital Budget**

The Mayor’s proposed capital budget for DSLBD for Fiscal Years 2023 through 2028 is \$500,000. The entire capital budget would be used to support further development of the District Enterprise System.

**d. Committee Analysis and Comments**

The Committee recommends adoption of the Fiscal Year 2023 operating budget, with some changes, for the Department of Small and Local Business Development.

**Certified Business Enterprises:** DSLBD administers and oversees the CBE program, which provides preferences to District-based firms pursuing District government issued procurement opportunities. Thirty-five percent of the total amount of District agency contracts, construction contracts, public-private partnerships, and government assisted projects must be contracted or subcontracted to a small business enterprise or certified business enterprise.<sup>36</sup> However, due to the COVID-19 pandemic and the devastating impact of the pandemic on small and local businesses, through emergency legislation, the Committee moved for Council to increase the subcontracting dollar amount from thirty-five percent to fifty percent for the period of the public health emergency.<sup>37</sup>

Director Kristi C. Whitfield testified at DSLBD’s performance oversight hearing that DSLBD is responsible for monitoring eighty-eight District agencies’ operating and capital spending with CBEs. The Compliance team specifically provides oversight of District government agencies and government-assisted projects to ensure compliance with District law concerning CBE utilization and participation. The success of the CBE program heavily relies on DSLBD’s ability to efficiently and effectively monitor District agencies and public-private partnerships.

The CBE program is an important advantage to small and local businesses, and it promotes diverse economic development in the District of Columbia. By law, agencies are required to spend fifty percent of their expendable budget with SBEs.<sup>38</sup> The Committee is disappointed that twenty-four District government agencies failed to meet their SBE goals in Fiscal Year 2019.<sup>39</sup> Even more discouraging is that some agencies have repeatedly spent well below twenty percent with small and local businesses for Fiscal Years 2018 and 2019. The neglect in prioritizing small and local businesses in government contracts is also

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<sup>36</sup> The “Small and Certified Business Enterprise Development and Assistance Act of 2005,” effective Oct. 20, 2005, (D.C. Law 16-33, D.C. Official Code § 2-218.01 *et seq.*).

<sup>37</sup> *Id.* (D.C. Official Code § 2-218.91); *see also* Bill 23-757, the “Coronavirus Support Emergency Amendment Act of 2020,” D.C. Act 24-30, § 203, 68 DCR 003101. Mar. 17, 2021.

<sup>38</sup> *Id.* (D.C. Official Code § 2-218.41)

<sup>39</sup> RC24-0009, the “Department of Small and Local Business Development’s FY20 Report,” Jan. 28, 2021, available at <https://lims.dccouncil.us/downloads/LIMS/46384/Introduction/RC24-0009-Introduction.pdf>.

reflected in the Minority and Women-Owned Program Assessment Program Report (“Report”) published on April 23, 2021.<sup>40</sup>

According to the Report, fifty-nine percent of government contract dollars were awarded to non-CBEs in Fiscal Year 2019 while only forty-one percent of government contract dollars were awarded to CBEs. For Fiscal Year 2020, this number increased favoring non-CBEs. Non-CBEs received sixty percent in government contract dollars while CBEs received forty percent.<sup>41</sup> Non-CBEs are experiencing a growth in obtaining government contracts awards despite the Committee’s effort in strengthening DSLBD’s enforcement powers and requiring accountability from the Executive. The Committee is hoping that more District agencies would appreciate the value of investing local dollars in small and local businesses and would make a more concerted effort to solicit the services of CBEs.

***Small Business Capital Access Fund:*** The agency must also actively deter bad actors from abusing the CBE program. D.C. Official Code § 2-218.63 allows the agency to assess ten percent of the dollar volume of the contract for failure to comply with mandatory subcontracting requirements. In Fiscal Year 2020, the agency has collected approximately \$1.8 million in fines. In accordance with the law, these fines have been deposited into the Small Business Capital Access Fund and are used for business development activities including grants and loans. The Committee commends the agency’s effort in directing part of this fund to support the Robust Retail Grant program. As part of the relief efforts to help small businesses recover from the ravaging effects of COVID-19, the agency redirected some of the funds towards the Robust Retail Grant program and awarded 106 businesses \$7,500 each. A total of approximately \$800,000 was awarded to small businesses.

***ASPIRE to Entrepreneurship:*** In partnership with the Department of Employment Services, Court Services and Offender Supervision Agency for the District of Columbia, Capital Area Asset Builders, and the Office of Returning Citizens Affairs, DSLBD co-sponsored and conducted the Aspire to Entrepreneurship program.<sup>42</sup> The program trains returning citizens through a specialized curriculum created to teach participants about financial literacy, entrepreneurship start up basics, marketing basics and business management and development. The program also provides mentoring and aims to help returning citizens start their own businesses and become CBEs.

***Main Streets and Clean Teams:*** DC Main Streets is a comprehensive program that promotes the revitalization of traditional business districts. This program also supports traditional retail corridors in the District of Columbia through providing services and offering grants. Many public witnesses at DSLBD performance and budget oversight hearings were present to testify about the DC Main Streets program. Executive Directors

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<sup>40</sup> RC24-0042, the “Minority and Women-Owned Business Assessment Program Report,” Apr. 23, 2021, available at <https://lms.dccouncil.us/downloads/LIMS/47019/Introduction/RC24-0042-Introduction.pdf>.

<sup>41</sup> *Id.* at 15.

<sup>42</sup> Office of the Deputy Mayor for Greater Economic Opportunity, Aspire to Entrepreneurship Pilot Program, available at [https://dmgeo.dc.gov/sites/default/files/dc/sites/dmgeo/page\\_content/attachments/Aspire%20to%20Entrepreneurship.pdf](https://dmgeo.dc.gov/sites/default/files/dc/sites/dmgeo/page_content/attachments/Aspire%20to%20Entrepreneurship.pdf).

from various DC Main Streets testified about the successful and needed partnership between them and DSLBD by highlighting how the grants have helped their programs, corridors, and businesses especially during this public health emergency.

However, many Executive Directors also testified that due to the ravaging effects of COVID-19 on small businesses, each Main Street program would need an increase of at least \$30,000 in Fiscal Year 2023 to return vibrancy to their corridors and neighborhoods. The District has twenty-eight Main Street programs, an increase of two programs from Fiscal Year 2022. The Fiscal Year 2023 budget allocation for the entire Main Streets program increased to \$4,386,000, up \$286,000 from the Fiscal Year 2022 budget of \$4,100,000. Each established Main Street would be receiving approximately \$150,080 in Fiscal Year 2023. Additionally, the two new Main Street programs, Main Street Petworth and Main Street Palisades, will receive \$200,000 each. The additional funding for each program will be used to cover start-up costs.

DSLBD's Commercial Clean Team program provides grants to Clean Teams to remove litter and snow, recycle items collected from sidewalks and gutters, landscaping and maintenance of streets in their designated area. The Committee received a great deal of testimony during DSLBD's performance and budget oversight hearings from public witnesses testifying to the importance of the Clean Team program. Clean Teams provide necessary services to neighborhoods to ensure they are aesthetically pleasing, which in turn makes neighborhoods more inviting, and ultimately, helps businesses thrive. Clean Teams also enhance opportunities for those who work on the Clean Teams by providing stable job opportunities that contribute to the economic development of all District residents. Like the Main Streets, the Clean Teams would also not be receiving an increase in funding.

There are approximately thirty-six Clean Teams in the District and the total proposed budget for Fiscal Year 2023 is \$6.4 million, a \$255,000 decrease from the Fiscal Year 2022 budget. With the new insurance responsibilities imposed on Clean Teams by Office of Risk Management and the expectation that Clean Teams should pay their employees a living wage, the Committee is disappointed that there is no increase for Clean Teams programs in the Fiscal Year 2023 proposed budget.

***Staffing Vacancies:*** During the budget hearing, Director Whitfield stated there was one vacancy, and the job duties for the vacant position were being performed by other Department members.

***Budget Support Act:*** The Mayor does not propose any subtitles for the Department, yet the Committee recommends a subtitle which is found in Section III of this report.

## **2. COMMITTEE'S RECOMMENDATIONS**

The Committee recommends adoption of the Fiscal Year 2023 operating budget for DSLBD, as proposed by the Mayor, with the following exceptions:

1. Accept a \$180,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4020, CSG 50 to issue a grant to an organization noted in BSA Subtitle, “Department of Small and Local Business Development Grant Act of 2022”.

2. Accept a \$150,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4020, CSG 50 to issue a grant to an organization noted in BSA Subtitle, “Department of Small and Local Business Development Grant Act of 2022”.

3. Accept a \$20,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4030, CSG 50 to extend the Tenleytown Main Street service area boundary to Rodman Street, NW.

4. Accept a \$27,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4040, CSG 50 to support the Ward 1 Clean Teams (Adams Morgan, Mid-City, Shaw, and Ward 1)

5. Accept a \$250,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4040, CSG 50 to support an organization noted in BSA Subtitle, “Department of Small and Local Business Development Grant Act of 2022”.

6. Accept a \$100,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4030, CSG 50 to conduct a study to optimize collaboration and technical assistance amongst the Main Streets to include Foggy Bottom.

7. Accept a \$100,000 one-time enhancement in FY23 in Local funds (1000) in Program 4000, Activity 4030, CSG 50 to expand the Shaw Clean Team boundaries to 11<sup>th</sup> Street, NW.

8. Accept a \$100,000 recurring enhancement in FY23-26 in Local funds (1000) in Program 3000, Activity 3060, CSG 50 to fund the Wards 7 and 8 Entrepreneurship Program (DREAM) grants.

**b. Policy Recommendations**

1. The Committee received considerable feedback from residents and local businesses related to the Department’s operation of the Main Streets program. In addition to claims that the Department has allowed improper and allegedly unlawful acts on part of specific Main Street organizations, stakeholders have also requested that the program receive additional funding as the Main Street program budget has remained flat over the past six years. The Committee addresses each of these concerns in turn below:

a. Alleged Improprieties

- i. Earlier this year, the Committee asked the Office of the Inspector General (OIG) to review the claims made by external stakeholders pertaining to alleged abuses of the Main Streets program as well as the Department's management and oversight of the program. The Committee awaits the results of the OIG's investigation and asks the Department to continue improving its processes as it manages the Main Street program.

b. Additional Program Funding

- i. At its February 2022 performance oversight hearing for the Department, several Main Street organizations and businesses discussed a three-tiered funding scheme whereby organizations would receive a specific annual budget based on Main Street corridor density. For instance, organizations along corridors with more than 200 businesses would receive larger budgets than would organizations along corridors with between 100 and 200 businesses or fewer than 100 businesses.

The Committee understands the potential need to increase the Main Street program budget and appreciates both the three-tiered approach presented and the conversation the suggestion sparked. However, the Committee asks the Department to further study the issue with the input of Main Street program participants and share the results of its formal study along with recommendations for a way forward by November 1, 2022.

The analysis should include, but not be limited to:

- Program cost savings and economies of scale
- Approaches employed at the national level or by other similarly sized Main Street programs
- Department staffing needs or considerations
- Identification of other metrics/variables upon which a tiered approach may work

2. The Committee recommends using the full authority provided under the law to penalize and work with agencies that failed to meet less than 80% of their SBE goals. During this year's performance oversight hearings, several agencies within the Committee's purview noted that they either failed to meet their SBE goals and/or were awaiting feedback from the Department related to their challenge of the Department's calculations. This back and forth and/or inability to meet stated CBE goals must not continue.

3. The Committee recommends that the Department's Director confer with the District's Chief Procurement Officer and, by November 1, 2022, provide the Committee with a definition of "contracting effort" with respect to construction related contracts along with proposed legislative language to codify this definition in the law.

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## 6. OFFICE OF THE CHIEF FINANCIAL OFFICER (AT0)

### 1. AGENCY MISSION AND OVERVIEW

The stated mission of the Office of the Chief Financial Officer (“OCFO”) is to provide financial management services to the government and the people of the District of Columbia and to sustain long-term fiscal and economic viability. The OCFO works to provide fiscal and financial stability, accountability, and integrity for the District government.

The OCFO operates through various several programs:

**Financial Operations and Systems:** This program carries out the District’s accounting operations, including critical functions such as District-wide General Ledger accounting, financial reporting, and pay and retirement services. This program also works closely with the Office of the Inspector General to produce the Annual Comprehensive Financial Report, which shows the District’s financial position at the end of each fiscal year. The program also develops accounting policies and procedures and policies that support the System of Accounting and Reporting (SOAR), which is the District’s formal book of record, and policies and procedures for other areas through the OCFO.

**Budget Development and Execution:** This program prepares, monitors, analyzes, and executes the District government’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 policymakers 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.

**Research and Analysis:** This division provides revenue estimates, revenue policy analysis, and analysis supporting economic development. The Office of Revenue Analysis (“ORA”) services includes preparation of analysis of revenue sources and development of quarterly revenue estimates that set the hard budget constraint for the District budget. ORA also prepares fiscal impact statements, periodic reports on economic and revenue trends, and the chapter on revenue in each annual Budget and Financial Plan. Additionally, ORA prepares special studies, including on metropolitan and nationwide household tax burden comparisons, a bi-annual Tax Expenditure Study detail on statutory provisions of District taxes, a running historical update of major changes in District revenue laws, an Annual Revenue Data Book, and the monthly Cash Report of District tax collections.

**Tax Administration:** This program provides administration of the District’s business, income, excise, and real property tax laws. This includes the Recorder of Deeds, Real Property Tax Administration, Tax Audits and Investigations, and Receipts and Delinquent Collections.

**Information Technology:** This program provides for the development and maintenance financial information systems to support the District’s payroll, pension, accounting, tax, budget, treasury, and web-based financial reporting systems. The principal objectives of the program are to maintain compliance with federal, state, and local regulations.

**Finance and Treasury:** This program manages the financial assets and liabilities of the District government. This includes investing, collecting, safekeeping, disbursing, recording, and acquiring District financial resources. The program includes the Office of Economic Development Finance.

**Integrity and Oversight:** This program maintains the accountability, integrity, and efficiency of the District’s financial management and tax administration systems. Through its audit and investigative activities, this program provides the Chief Financial Officer with independent reviews and appraisals of OCFO operations and maintains integrity and security of OCFO employees.

## **2. Mayor’s Proposed Fiscal Year 2022 Operating Budget**

### **i. Proposed Operating Budget Summary**

The Mayor’s proposed Fiscal Year 2023 budget for OCFO is \$231,305,017, which is an increase of 13.9% above its Fiscal Year 2022 approved budget of \$203,057,803. This budget will support 1,066 FTEs, a 1.9% increase from the Fiscal Year 2022 approved budget. The proposed budget is comprised of \$178,904,417 in Local funds, \$51,725,600 Special Purpose Revenue funds, and \$675,000 Federal Grant funds.

**Local Funds:** The Mayor’s proposed Fiscal Year 2023 budget for OCFO includes \$178,904,417 in Local funds. This is a 21% increase from the approved Fiscal Year 2022 Local Funds budget amount of \$147,887,788. The proposed Fiscal Year 2023 budget for OCFO includes 965 FTEs, which is 40 more FTEs than the approved Fiscal Year 2022 Local Funds budget.

**Special Purpose Revenue Funds:** The Mayor’s proposed Fiscal Year 2023 budget for OCFO is comprised of \$51,725,600 in Special Purpose Revenue (“SPR”) funds, which is a 21% increase from the approved Fiscal Year 2022 SPR Funds budget of \$8,797,310. The proposed Fiscal Year 2023 SPR Funds budget includes 101 FTEs, which is a 42.3% increase from the approved Fiscal Year 2022 budget.

**Federal Grant Funds:** The Mayor’s proposed Fiscal Year 2023 budget for OCFO includes \$675,000 Federal Grant funds, which is a 50% increase from the approved Fiscal Year 2022 Federal Grant Funds budget.

### **ii. Committee Analysis and Comments**



The Mayor's proposed Fiscal Year 2023 operating budget for OCFO includes significant investment in Information Technology. In Local funds, the OCFO's proposed budget includes an increase of \$16,787,550 and 19 FTEs in the Information Technology program to support the District's Integrated Financial System. There is also an increase of \$3,110,183 in the Information Technology program for maintenance costs related to the Modernized Integrated Tax System.

In addition to Information Technology program increases, the proposed Local Funds budget for OCFO includes increased funds to support implementation of new legislation. This includes an increase of \$3,402,000 to support the Child Wealth Building Act and \$746,925 and 7 FTEs in the Tax Administration program to provide continued support for the Basic Income Amendment Act. The OCFO's proposed Local Funds budget also includes an increase of APRA Local Revenue Replacement funds in the amount of \$393,204 and 5 FTEs to provide oversight of the District's use of Federal stimulus funds. An additional increase of \$1,426,788 and 14 FTEs across multiple programs is proposed. This would include Customer Service Specialist positions, Accounting Technicians, Revenue Officers, and a Budget Manager position.

The proposed Fiscal Year 2023 SPR Funds budget for OCFO includes an increase of \$3,994,786 and 30 FTEs across multiple programs. The proposed SRP Funds budget includes an additional increase of \$2,209,438 in the Financial Operations and Systems program.

### **3. Mayor's Proposed Fiscal Year 2023 Capital Budget**

#### **i. Proposed Capital Budget**

The Mayor's proposed Fiscal Year 2023 Capital Budget for the OCFO is \$47,487,621, which is a 52.2% increase from the approved Fiscal Year 2022 budget of \$31,194,397.

**Capital Asset Replacement Scheduling System (CARSS):** The project provides better information on current capital projects as well as future capital and infrastructure needs. The project will identify budget needs to maintain current infrastructure; the capacity of different funding options; and the impact of policies on the District's debt cap and pay-as-you-go levels. The project will also help identify the need for alternative financial options, such as public/private partnerships and infrastructure trusts, in support of managing the District's asset needs. Additionally, the project will model all District assets, by type and by agency, against their current condition and future capital repair needs to ensure maximization of their useful life and ultimately the replacement. It will also provide a mechanism for assessing the value and the risks to the District of both current assets and proposed investments in new assets and matching the priority of needs with the available budget limitations. The CARSS tool will be updated and upgraded over the next 18 months to provide for easier reporting, better analysis, and greater transparency to users.

The proposed funding for Fiscal Year 2023 for this project is \$355,000. The budget authority request through Fiscal Year 2028 for this project is \$2,476,000, which is an increase of \$665,000 from the 6-year budget authority through Fiscal Year 2027. The original 6-year budget authority for this project was \$661,000.

**IT System Upgrades:** This ongoing project will support the systems required to support the OCFO's Information Technology (IT) needs for both hardware and software. IT systems infrastructure refers to the composite hardware, software, network resources, and services required for the existence, operation, and management of an enterprise IT environment. Additional resources, which are internal to the District and deployed within OCFO facilities, will allow for the delivery of critical IT solutions.

The proposed funding for this project for Fiscal Year 2023 is \$2,000,000. The budget authority request through Fiscal Year 2028 for this project is \$6,942,000. This is an increase \$2,000,000 from the 6-year budget authority through Fiscal year 2027. The original 6-year budget authority for this project was \$3,500,000.

**District Integrated Financial System ("DIFS"):** DIFS project will provide Oracle cloud-based systems for Financial Management and Planning and Budgeting (replacing existing systems), and for a new Treasury Management System to improve functions in the Office of Finance and Treasury. The project includes all necessary integrations to other District systems, which must link to the new financial system, including PeopleSoft and PASS. This will ensure better transparency for users. The project also includes needed reporting functions required by a variety of stakeholders that need analytics and data. Further, the OCFO plans to consider the feasibility of creating a new Grants Management System to be used by a central grants organization to improvement grants management in the District.

The proposed Fiscal Year 2023 funding for this project is \$45,133,000. The budget authority request through Fiscal Year 2028 for this project is \$173,746,000, which is an increase of \$10,746,000 from the 6-year budget authority through Fiscal Year 2027. The original 6-year budget authority for this project was \$229,899,000.

#### **4. COMMITTEE RECOMMENDATIONS**

##### **i. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends approval of the Fiscal Year 2023 operating budget for the Office of the Chief Financial Officer, as proposed by the Mayor, with the following modifications:

1. Recognize a recurring reduction in SPR Funds (0613) from Program 7000, Activity 7600, CSG 11 of 1 FTE and \$69,008 in Fiscal Year 2023, indexed for inflation across the financial plan.

2. Recognize a recurring reduction in SPR Funds (0613) from Program 7000, Activity 7600, CSG 14 of \$14,492 in Fiscal Year 2023, indexed for inflation across the financial plan.
3. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 11 of 1 FTE and \$116,272 in Fiscal Year 2023, indexed for inflation across the financial plan.
4. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 11 of 1 FTE and \$116,272 in Fiscal Year 2023, indexed for inflation across the financial plan.
5. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 11 of 1 FTE and \$85,389 in Fiscal Year 2023, indexed for inflation across the financial plan.
6. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 11 of 1 FTE and \$116,272 in Fiscal Year 2023, indexed for inflation across the financial plan.
7. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 14 of \$24,417 in Fiscal Year 2023, indexed for inflation across the financial plan.
8. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 14 of \$24,417 in Fiscal Year 2023, indexed for inflation across the financial plan.
9. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 14 of \$17,932 in Fiscal Year 2023, indexed for inflation across the financial plan.
10. Recognize a recurring reduction in SPR Funds (0623) from Program 7000, Activity 7600, CSG 14 of \$24,417 in Fiscal Year 2023, indexed for inflation across the financial plan.
11. Accept a one-time enhancement of \$39,317 in Local Funds (100) for Program 5000, Activity 5400, CSG 50 to fund Bill 24-0352, “The Players’ Lounge Tax Exemption Act of 2021”.
12. Accept a one-time enhancement of \$349,153 in Local Funds (100) for Program 5000, Activity 5400, CSG 50 to fund the “Community for Creative Non-Violence Real Property Tax Relief Amendment Act of 2022”.

## **ii. Fiscal Year 2023 Capital Budget Recommendations**

The Committee recommends adoption of the Fiscal Year 2023 capital budget for the Office of the Chief Financial Officer, as proposed by the Mayor.

### **iii. Fiscal Year 2023 Policy Recommendations**

1. The Committee encourages OCFO to increase transparency around how the Office calculates Fiscal Impact Statements for proposed legislation, including descriptions of methodology.
2. The Committee recommends the OCFO consider how improve transparency, public engagement, and accountability across agency operations, including calculation of District revenue projections and determination of the Office's Fiscal Year proposed budget requests.
3. The Committee recommends the OCFO work to fill vacant positions. Further, because OCFO consistently has a significant number of vacant positions, the Committee recommends that OCFO undergo an internal review to understand how the Office can better attract and retain personnel.
4. The Committee encourages the Office to increase the number of the District residents it hires.

## **7. OFFICE OF LOTTERY AND GAMING (DC0)**

### **1. COMMITTEE ANALYSIS AND COMMENTS**

#### **a. Agency Mission and Overview**

The mission of the Office of Lottery and Gaming ("OLG" or "the Office") is to responsibly generate revenue for the District of Columbia through the sale of lottery and sports wagering products. OLG also provides gaming regulation and oversight.

#### **b. Mayor's Proposed Fiscal Year 2022 Operating Budget**

##### **i. Proposed Operating Budget Summary**

The Mayor's proposed Fiscal Year 2023 budget for OLG is \$359,999,999, which is a 33.8% decrease from its Fiscal Year 2022 approved budget of \$544,200,000. This budget includes 93 FTEs, a 5.1% increase from the Fiscal Year 2022 approved budget. The proposed operating budget includes a decrease of \$187,747,833 to align the budget with projected revenues.

##### **ii. Committee Analysis and Comments**

The Office of Lottery and Gaming is a propriety fund of the District. Proprietary funds charge customers for services provided. This means that OLG funds the cost of its operations by generating revenue through the sale of its products and from licensing fees. OLG transfers its profit to the General Fund. The Office transferred \$48,150,000 to the General Fund for Fiscal Year 2021, which is an increase of 26.5% from the Fiscal Year

2020 transfer. The increase is largely due to increased ticket sales activity following introduction of i-Lottery. Lottery transfers are expected to decline in Fiscal Year 2022, with projected transferred being revised downward due to Sports Wagering activity.

**Sports Wagering:** Sports wagering in the District was authorized in 2019 pursuant to the Sports Wagering Lottery Amendment Act of 2018. Initially, the District expected to implement sports wagering ahead of other jurisdictions in the region and thereby reap benefits from that early adoption. The District's lead in this field has since been substantially decreased due to delays. As of January 2022, sports wagering is permitted in 32 states and the District of Columbia. Each state's model is unique and there are no models like the District's lottery-operated retail and mobile sports book.

The Sports Wagering Lottery Amendment Act of 2018 legalized sports wagering in the District and authorized OLG to both regulate and operate sports wagering. Sports wagers can now be placed online, through a mobile app, or at licensed retail locations throughout the District. OLG regulates privately operated sportsbooks through its licensing activity and monitors those operations for compliance. OLG receives 10% of sports wagering revenue for licensed operators. Revenue from private sports wagering improved in Fiscal Year 2021 from the previous fiscal year and is expected to grow as new operators enter the marketplace.

In addition to regulating private sportsbooks, OLG operates its own public sportsbook, GambetDC. Following Council approval, OLG negotiated a sole-source contract with Intralot Inc. to develop the GambetDC app. Per contract terms, the District covers certain operating costs and receives a percentage of revenues generated. Unlike the private sportsbooks, GambetDC revenue outlooks is not promising. Revenue estimates for OLG operated sports wagering have been revised downward significantly across the financial place. For example, the February 2021 Revenue Estimate projected \$20,450,000 in sports wagering revenue for Fiscal Year 2022, but the February 2022 Revenue Estimate revised the number down to \$1,459,000. OLG operated sports wagering generated no revenue in Fiscal Year 2021.

## **2. COMMITTEE RECOMMENDATIONS**

### **i. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends approval of the Fiscal Year 2023 operating budget for the Office of Lottery and Gaming, as proposed by the Mayor.

### **ii. Fiscal Year 2023 Policy Recommendations**

1. The Committee encourages OLG to consider options for increasing OLG-operated sports wagering revenue and competition.

2. The Committee recommends that OLG continue to improve the GambetDC mobile app and engage in robust efforts to improve user experience and consumer trust in the platform.

## **8. OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT (EB0)**

### **1. COMMITTEE ANALYSIS AND COMMENTS**

#### **a. Agency Mission and Overview**

The Office of the Deputy Mayor for Planning and Economic Development (“DMPED”) assists the Mayor in the coordination, planning, supervision, and execution of programs, policies, proposals, and functions related to economic development in the District of Columbia. DMPED sets development priorities and policies, coordinates how the District markets itself to job creators, and leads District development, attraction, and retention efforts. DMPED also works to achieve its mission by focusing on outreach to the business community and neighborhood stakeholders and by forging partnerships between government, business, institutions, and communities to foster economic growth for residents of the District of Columbia.

DMPED’s cluster agencies include: the Department of Housing and Community Development; the Office of Planning; the Office of Cable Television, Film, Music and Entertainment; the Commission on the Arts and Humanities; the Department of Small and Local Business Development; the Office of Public-Private Partnerships; the Office of Zoning; the Real Property Tax Appeals Commission; the DC Housing Authority; the DC Housing Finance Agency; and the Office of Tenant Advocate.

#### **b. Mayor’s Proposed Fiscal Year 2023 Operating Budget**

The Mayor’s proposed Fiscal Year 2023 operating budget for DMPED is \$108,764,020 which represents a \$32,806,949, or 23.2% decrease over its Fiscal Year 2022 approved operating budget of \$141,570,969. Although this decrease is primarily caused by less availability of federal ARPA money, DMPED’s FY23 proposed operating budget represents a 63% increase over its FY20 (pre-COVID) budget of \$67,974,522.

The proposed FY23 budget is comprised of approximately \$52 million in Local Funds, \$900,000 in Dedicated Taxes, \$50.5 million in Federal Payments, and \$5.3 million in Special Purpose Revenue. The proposed Fiscal Year 2023 budget also includes 91 FTEs, which is an increase of 2% over the 89 FTEs in DMPED’s approved Fiscal Year 2022 budget. DMPED is also requesting 8 additional FTEs are part of its proposed budget.

**Local Funds:** The Mayor’s Fiscal Year 2023 proposed Local Funds budget for DMPED is \$51,946,613, representing an decrease of \$68,211,547 or 56.8% from the Fiscal Year 2022 approved budget of \$120,158,160.

The proposed FY23 local funds budget would support 74 FTEs, which is the same number of FTEs supported with DMPED's Fiscal Year 2022 approved local funds budget.

***Dedicated Taxes:*** The Mayor's Fiscal Year 2023 proposed Dedicated Taxes budget for DMPED is \$900,000 which remains unchanged from its Fiscal Year 2022 approved budget. This source of funds does not support any FTEs.

***Special Purpose Revenue Funds:*** The Mayor's Fiscal Year 2023 proposed Special Purpose Revenue Funds budget for DMPED is \$5,337,407, which represents an increase of \$724,598, or a 15.7% increase over its Fiscal Year 2022 approved Special Purpose Revenue Funds budget of \$4,612,809. This budget supports 17 FTEs, which represents no change from Fiscal Year 2022.

***Federal Payments:*** The Mayor's Fiscal Year 2023 proposed Federal Payments budget for DMPED is \$50,580,000, which represents an increase of \$34,680,000, or a 218.1% increase over its Fiscal Year 2022 approved budget of \$15,900,000. This source of funds does not support any FTEs.

***Intra-District Funds:*** The Mayor does not include Intra-District Funds as part of DMPED's Fiscal Year 2023 proposed budget, which is similar to Fiscal Years 2022 and 2021.

c. **Mayor's Proposed Fiscal Year 2023-2028 Capital Budget**

The Mayor's Capital Improvement Plan includes \$263,929,000 for DMPED over the 6-year plan. The plan authorizes \$126,864,092 for Fiscal Year 2023, \$136,361,000 for Fiscal Year 2024, \$99,920,000 for Fiscal Year 2025, \$40,350,000 for Fiscal Year 2026, \$16,000,000 for Fiscal Year 2027, and \$10,000,000 for Fiscal Year 2028. The funding is meant to aid the following thirteen projects:

- 33 K Street, NW (Temple Courts) - \$29M in FY23 and \$24M in FY24
- 1234 Good Hope Road, SE (new) - \$5M in both FYs 23 and 24
- Barry Farm - \$48M in FY23, \$35M in FY24, \$10M in FY25, \$10M in FY26, \$6M in FY27, and \$5M in FY28
- Bruce Monroe (new) - \$25M in FY25
- Children's National Hospital - \$10M in FY23
- Fletcher Johnson (new) - \$1.25M in both FYs 23 and 24
- Hill East - \$11.05M in FY23, \$18.4M in FY24, \$29.92M in FY25, and \$20.35M in FY26
- McMillan - \$8.164M in FY23, and \$10.211M in FY24
- Park Morton - \$3M in FY23 and \$24M in FY24
- Poplar Point (new) - \$1M in both FYs 23 and 24
- St. Elizabeth's East Campus Infrastructure - \$7.9M in FY23, \$10M in FY24, \$20M in FY25, \$10M in FY26, \$10M in FY27, and \$5M in FY28

- Shaw-Howard University Hospital - \$10M in FY24 and \$15M in FY25
- Wharf Fish Market Piers (new) - \$5M in FY23

## **Analysis and Comments**

### ***i. ARPA Federal funding reduction***

The Mayor's Fiscal Year 2023 proposed budget for DMPED reflects a \$8,973,758 one-time reduction from the Office's Fiscal Year 2022 approved budget. This amount accounts for the following reductions:

- \$6,773,758 for grant making to local CDFI/MDIs for small business assistance
- \$1M for a LGBTQ community center for groups formerly located at the Reeves Center
- \$800,000 for DC BID tourism recovery efforts
- \$400,000 for equity impact enterprise funding

The Mayor's Fiscal Year 2023 Local Funds budget DMPED also reflects a \$87,425,259 reduction due to the removal of ARPA local funds replacement monies. This amount funded:

- \$40,000,000 for a small business rent relief program
- \$27,245,259 for the Food Access Fund
- \$7,980,000 for DC BID tourism recovery efforts
- \$7,500,000 for the Vitality Fund
- \$4,000,000 for the commercial property acquisition fund
- \$556,121 for business retention, expansion, and attraction efforts
- \$100,000 for Shop in the District
- \$43,879 for additional business retention, expansion, and attraction efforts

The Mayor's Fiscal Year 2023 Federal Payments budget for DMPED reflects a \$15,900,000 reduction due to the removal of ARPA Federal funding that supported the business and workforce development program's Medium Business Coaching, Technical Assistance Hub, Small and Medium Business Growth, Inclusive Innovation Equity Impact Fund, and arts venue grants initiatives.

### ***ii. ARPA Federal funding enhancements***

The proposed Fiscal Year 2023 Local Funds budget for DMPED includes \$21,650,000 (and an FTE) in ARPA local revenue replacement monies to fund the following initiatives:

- \$10,000,000 for a Black Homeownership Fund
- \$7,500,000 for the Vitality Fund



- \$3,400,000 for the Small and Medium Business Growth Program
- \$500,000 for Nourish DC
- \$150,000 for the Black Homeownership Strike Force
- \$100,000 for Shop in the District

The proposed Fiscal Year 2023 Federal Payments budget for DMPED includes \$48,580,000 in ARPA State funding to support the following initiatives:

- \$23,778,000 for the Food Access Fund (an increase of \$3,467,259 from FY22)
- \$8,000,000 for hospitality sector relief program (Bridge Fund 3.0)
- \$5,000,000 for family friendly activations in and around downtown
- \$4,000,000 for the Commercial Property Acquisition Fund (same as in FY22)
- \$2,069,000 for the Reimagine DC project
- \$1,500,000 for a special events relief fund
- \$1,400,000 for six business attraction, expansion, and retention FTEs
- \$1,250,000 for the support of local festivals and large events
- \$750,000 for downtown tourist attraction efforts
- \$500,000 for the DC Anchor Partnership (an increase of \$250,000 from FY22)
- \$233,000 for an FTE and support for a Housing Downtown Conversion project
- \$100,000 for a Cherry Blossom Bus Tour project

Additionally, DMPED's proposed FY23 budget includes \$2,000,000 in ARPA Municipal monies for the Equity Impact Fund. This proposed investment in this Fund mirrors the FY22 investment.

Despite the infusion of federal monies, the FY23 Local Funds budget for DMPED also accounts for a \$1,864,303 reduction across programs such as subsidies and contracts to properly align the Office's budget.

## **2. COMMITTEE RECOMMENDATIONS**

### **a. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends adoption of the Fiscal Year 2023 operating budget for the Office of the Deputy Mayor for Planning and Economic Development, as proposed by the Mayor, with the following modifications:

1. Recognize a \$150,000 reduction in one-time ARPA Local Revenue Replacement (1135) from Program 3000, Activity 301, CSG 0041.
2. Recognize a \$5,000,000 reduction in one-time Local (1000) funds from Program 3000, Activity 3020, CSG 50.

3. Accept a recurring \$400,000 FY23-FY26 enhancement in Local (1000) funds in Program 3000, Activity 3010, CSG 50, to fund an organization noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022”.
4. Accept a recurring \$200,000 FY23-FY26 enhancement in Local (1000) funds in Program 3000, Activity 3010, CSG 50, to fund an organization noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022”.
5. Accept a recurring \$250,000 FY23-FY26 enhancement in Local (1000) funds in Program 3000, Activity 3010, CSG 50, to fund an organization noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022”.
6. Accept a recurring \$250,000 FY24-FY26 enhancement in Local (1000) funds in Program 5000, Activity 5085, CSG 50, to fund the DC Anchor Partnership.
7. Accept a one-time FY23 enhancement of \$500,000 in Local (1000) funds in Program 3000, Activity 3010, CSG 50, to fund the development of an app to assist equity enterprises as noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022”.
8. Accept a one-time FY23 enhancement of \$30,000 in Local (1000) funds in Program 5000, Activity 5085, CSG 50 to fund an organization noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022”.
9. Accept a one-time FY23 enhancement of \$800,000 in Local (1000) funds in Program 5000, Activity 5080, CSG 50 to support, via a competitive grants process, small business located on commercial corridors within Ward 2 who would otherwise qualify for the Great Streets program as outlined in Bill 24-0179, as introduced and as noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022”.
10. Implement the proposal noted in BSA Subtitle, “DMPED Grants to Support Economic Development Amendment Act of 2022” which includes non-brick and mortar establishments and sole proprietor-led enterprises as classes of eligible applicants to receive the Bridge 3.0 grants awarded in FY23.
11. Attract businesses to the District and downtown with Vitality Fund monies in compliance with the revised, yet flexible sector list noted in BSA Subtitle, “implement the changes to the Equity Impact Fund, which was originally introduced in last year’s BSA, but amended in FY22 BSA Subtitle, “Vitality Fund Amendment Act of 2022”.
12. Implement the 15% affordable housing requirement and enforce the First Source and CBE requirements noted in revised BSA Subtitle, “Tax Abatements for Housing in Downtown Act of 2022” and promulgate program rules.

13. Ensure that communities of color benefit from the large festival and special event fee relief funds the Office awards for events held across the city. To date, the funds have been spent in communities that do not represent the full diversity of the city.

**b. Fiscal Year 2023 Capital Budget Recommendations**

The Committee recommends that DMPED adhere to the spending plans and timelines for each of its 13 projects as reflected in its FY2023 capital budget chapter.

**c. Policy Recommendations**

1. Overall, the Committee favorably views the Office's efforts to implement a racial equity agenda with its work. The Committee, therefore, recommends that the Office continue to frame its work, initiatives, and grant opportunities through an equitable racial equity lens.
2. The Committee recommends that the Office move expeditiously to spend its Food Access funds designated for the Capitol View community once the Office (and Mayor) obtain the necessary commitments.
3. The Committee understands that the Great Streets program was created to assist small businesses along emerging commercial corridors that were often overlooked by traditional investments and retail interest. Yet, the Committee also understands that many of the current Great Street corridors are no longer "emerging" and may no longer need the direct government assistance the Great Streets program provides. Accordingly, the Committee recommends – **for the second straight fiscal year** – that the Office evaluate the continued eligibility of current Great Streets corridors, as weighed against the program's intent, and determine in FY23 whether and which existing corridors – or portions of current corridors – may no longer be eligible for the program.

Alternatively, there may be corridors that now qualify as 'emerging' and should undergo rigorous analysis to determine applicability as a Great Street. Resultantly, the Committee also recommends – **for the second straight fiscal year** – that the Office identify in FY23 additional candidate corridors for Great Streets investment.

4. The Committee also recommends that the Office continue its steady course in meeting the city's goal of developing 12,000 additional affordable housing units by 2025, i.e. within the next four years. The Committee also recommends that the Office focus on the equitable distribution of that housing across all eight wards (particularly West of Rock Creek Park), and maximize opportunities to invest in affordable housing in high-value communities with significant financial barriers to entry.
6. The Committee recommends – **for the second straight fiscal year** – that the Office begin collecting statistics on the type of jobs (as well as their salary ranges) created via its development projects. It is imperative that the District measure the rate of return of

its capital investments in development projects have on the income and wealth trajectory of its residents.

## **9. OFFICE OF PEOPLE’S COUNSEL (DJ0)**

### **1. COMMITTEE ANALYSIS AND COMMENTS**

#### **a. Agency Mission and Overview**

The mission of the Office of the People's Counsel ("OPC" or “the Office”) is to advocate for the provision of safe and reliable quality utility services and equitable treatment at rates that are just, reasonable, and non-discriminatory. The Office assists individual consumers in disputes with utility providers; provides technical assistance, education and outreach to consumers, ratepayers, community groups, associations, and the Consumer Utility Board; and provides legislative analysis and information to the Council of the District of Columbia on matters relating to utilities. Additionally, OPC’s mission includes consideration of the city’s economy and promotion of the environmental sustainability of the District.

The Office is a party to all utility-related proceedings before the DC Public Service Commission (“PSC”) and represents the interests of District ratepayers before local and federal regulatory agencies and courts. OPC also assists individual consumers in disputes with utility companies about billing or services and provides consumer education and outreach to community groups and associations on emerging issues impacting the quality, reliability and affordability of their utility services and associated environmental issues. The Office provides technical assistance to consumers, the Consumer Utility Board, as well as other District community groups. Finally, OPC provides legislative analysis for, assistance to, and testimony before, the District Council on utility matters.

#### **b. Mayor’s Proposed Fiscal Year 2023 Operating Budget**

##### **i. Proposed Operating Budget Summary**

The Mayor’s proposed Fiscal Year 2023 budget for OPC is \$12,280,003, which is an increase of 11.5 % over its Fiscal Year 2022 approved budget of \$11,009,852. This funding will support 56,4 FTEs, an increase of 5 FTEs from the Fiscal Year 2022 approved budget. The proposed budget is comprised of \$1,012,875 in Local funds and \$11,267,128 in Special Purpose Revenue funds.

**Local Funds:** The Mayor’s proposed Fiscal Year 2023 budget for OPC includes \$1,012,875 in Local funds. This is a 50.2% increase from the approved Fiscal Year 2022 budget Local fund amount of \$674,561. The bulk of this increase will support the Office’s Water Services Division, including the addition of 3 FTEs. Overall, Local funds in the proposed Fiscal Year 2023 budget for OPC will support 8 FTEs.

**Special Purpose Revenue Funds:** The Mayor’s proposed Fiscal Year 2023 budget for OPC is comprised of \$11,267,128 in Special Purpose Revenue (“SPR”) funds, which is a 9% increase from the approved Fiscal Year 2022 budget. Of the total 56.4 FTEs supported by the proposed Fiscal Year 2023 budget, SPR funds will support 48.4 FTEs. This is an increase of 2 FTEs supported by SPR funds from the approved Fiscal Year 2022 budget. Consistent with previous years, SPR funds account for approximately 92% of the Office’s overall budget proposal.

Pursuant to DC Code § 34-912, OPC’s SPR funds come from assessments on the regulated utilities and alternative energy and telecommunications providers. Those entities may then recover the cost of assessments directly from consumers through rate increase cases.

**Federal Grant Funds:** The Mayor’s proposed Fiscal Year 2023 budget for OPC does not include any federal grant funds.

**Private Donations:** The Mayor’s proposed Fiscal Year 2023 budget for OPC does not include any private donation funds.

## **ii. Committee Analysis and Comments**

During Fiscal Years 2021 and 2022, to date, OPC has continued to help the District’s utility consumers navigate available COVID-19 relief programs and to advocate for the equitable provision of safe and reliable utility services at rates that are just, reasonable, and non-discriminatory. To support this work, OPC has commissioned and published various studies on affordability and electrification. OPC has also worked to expand its consumer outreach and education efforts by using social media and technology. Additionally, the Office has enhanced its advocacy on issues related to climate change, environmental injustice, and racial equity.

**COVID-19 Response:** Since the outset of the pandemic, OPC has worked with the Mayor, the Council, and utility providers to support District consumers and mitigate the financial impact of the pandemic on ratepayers. In March 2020, the Mayor declared a public health emergency to control the spread of COVID-19, mandating social distancing in the District. This resulted in the reduced operations of establishments in the District, which subsequently increased unemployment claims. To address instances where customers are unable to pay their utility bills due to the public health emergency, OPC worked with the Council to passed emergency legislation to prohibit the disconnection of utilities and require utility providers to provide payment plans to customers.

OPC produced videos in seven languages to inform deaf, non-English, and limited English-speaking residents of available resources and created an in-house task force to target methods of informing consumers of simple self-help measures. OPC also expanded its media outreach to include a new website dedicated to providing relevant COVID-19 updates, conducted television, newspaper, and virtual interviews, and utilized social media

outlets to provide updates to utility consumers. When the impacts of the pandemic began to lessen and the prohibition on utility shut offs was set to expire, OPC worked with the Council to extend protections for low-income consumers. The Committee commends OPC's efforts to support utility customers during the public health emergency.

**Consumer Outreach & Education:** Over the past year, OPC has continued its robust consumer outreach and education efforts. The Office was represented at hundreds of virtual ANC and community meetings, conducted quarterly virtual services forums, and resumed its podcast series. The bolsters its outreach activities, OPC updated its consumer information data base and website.

In Fiscal Year 2021 and 2022, to date, OPC's Consumer Services and Water Services Divisions attended more than 900 virtual ANC and community meetings. The Office also sent targeted mailers to District households explaining the availability of financial assistance programs to help pay for utility costs, and alerting residents ahead of the expiration of the utility shut-off moratorium. According to testimony provided by OPC during the Committee's Performance Oversight hearing held on February 23, 2022, the public response to the targeted mailers was positive and led to an influx of calls from consumers seeking relief. As of February 2, 2022, the Office's Consumer Services and Water Services Divisions received a combined total of 2,979 consumer calls.

OPC has also worked to heighten the Office's public profile by enhancing communication protocols, expanding the use of social media, and increasing multilingual outreach by translating press releases, consumer advisories, and other materials in multiple languages. OPC also published its monthly newsletter, "OPC Connections", and restarted its podcast series on utility related topics, "OPC Radio Connect".

**Racial Equity and Environmental Justice:** The Office has commissioned and published various reports to support its consumer education and advocacy work. For example, OPC commissioned an Affordability Study to inform and advise on matters affecting energy affordability for the District's low- to moderate-income households. More recently, the Office commissioned a report entitled, "Equity Assessment of Electrification Incentives in the District of Columbia". This report examines potential methods to reduce climate change pollution in the District and includes an assessment of equity implication (i.e., cost burdens, impacts on health, and access to electrification/modernization incentive programs). According to testimony provided by OPC during the Committee's Performance Oversight hearing held on February 23, 2022, OPC's studies and reports help fill an information void caused by lack of consumer-centric data presently before the PSC.

OPC has also advocated to include distribution and equity assessments to the PSC's Climate Change analytical framework and filed comments before the US Department of Energy to recommend the inclusion of equity impact analyses in electric vehicle planning to address the needs of disadvantaged communities. The Committee recognizes and supports OPC's advocacy for policymaking and climate planning through an equity framework.

OPC is dedicated to supporting the District’s clean energy goals in a cost-effective and equitable manner. To that end, the Office recently created a Climate Change section that is involved in all District and federal proceedings impacting the District’s environment and climate. During Fiscal Year 2021, the Office’s climate advocacy at the PSC has included chairing a subcommittee on developing an analytical framework to evaluate climate impacts of utility proposals. Additionally, the Office provided a detailed analysis of utility climate change plans and submitted a cost/benefit analysis of Pepco’s proposed energy efficiency and demand response programs.

## **2. COMMITTEE RECOMMENDATIONS**

### **i. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends approval of the FY 2023 operating budget for the Office of People’s Counsel, as proposed by the Mayor, with the following modifications:

1. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1040, CSG 70 of \$20,335 in Fiscal Year 2023, indexed for inflation across the financial plan.
2. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1050, CSG 40 of \$54,957 in Fiscal Year 2023, indexed for inflation across the financial plan.

### **ii. Fiscal Year 2023 Policy Recommendations**

1. The Committee recommends that OPC continue to provide support and guidance to residents regarding the lifting of the utility shut-off moratorium.
2. The Committee recommends that OPC continue to engage in outreach to inform and educate District residents about Third Party Energy Suppliers, to help consumers make well-informed decisions and understand how their utility costs may be impacted.

## **10. PUBLIC SERVICE COMMISSION (DH0)**

### **1. COMMITTEE ANALYSIS AND COMMENTS**

#### **a. Agency Mission and Overview**

The mission of the Public Service Commission (“PSC” or “the Commission”) is to serve the public interest by ensuring that electric, natural gas, and telecommunications companies provide safe, reliable, and quality services, at reasonable rates, for District of Columbia customers, while promoting grid modernization, conservation of natural

resources, preservation of the environment, and advancement of the District’s climate policy goals.

The Commission regulates public utilities operating in the District by issuing orders in formal proceedings, which may include written comments or testimony, hearings, studies, and investigations; ensuring fair and appropriate utility prices; fostering competition by licensing utility service providers and supervising the competitive bidding process; ensuring that utility providers meet various environmental regulations and standards by operating in ways that conserve natural resources and preserve environmental quality; and resolving disputes among consumers and utility service providers.

**b. Mayor’s Proposed Fiscal Year 2023 Operating Budget**

**i. Proposed Operating Budget Summary**

The Mayor’s proposed Fiscal Year 2023 operating fund budget for the PSC is \$18,842,775, which is a 4.4 percent increase over its approved Fiscal Year 2022 budget of \$18,045,270. This funding will support 90.6 FTEs, an increase of 1 FTE from the Fiscal Year 2022 approved level.

**Local Funds:** The Mayor’s proposed Fiscal Year 2023 budget for PSC does not include any Local funds.

**Special Purpose Revenue Funds:** The Mayor’s proposed Fiscal Year 2023 budget for PSC is comprised of \$18,247,774 in Special Purpose Revenue (“SPR”) funds, an increase of 4.6 percent from the Fiscal Year 2022 approved SPR fund amount of \$17,450,270. The proposed level of SPR funds will support 87.6 FTEs, which is an increase of 1.2 FTEs from the Fiscal Year 2022 approved amount. Consistent with previous years, these SPR funds make up approximately 97% of the Commission’s proposed Fiscal Year 2023 budget.

Pursuant to DC Code § 34-912, PSC’s SPR funds come from assessments on the regulated utilities and alternative energy and telecommunications providers. Those entities may then recover the cost of assessments directly from consumers through rate increase cases. The PSC may close a Fiscal Year with a fund balance (i.e., unspent funds). Fiscal Year 2021 closed with a fund balance of \$527,834.54. According to testimony provided by the PSC during the Committee’s March 28, 2022, Budget Oversight hearing, the Commission plans to return those funds to the regulated entities through the assessment process by deducting the amount to be returned from the entity’s overall assessment for the following year.

**Federal Grant Funds:** The Mayor’s proposed federal grant funds budget for PSC is \$580,999, which is no change from the Fiscal Year 2022 approved amount. The proposed Federal Grant funds will support 3 FTEs, a decrease of 0.2 FTEs from the approved Fiscal Year 2022 level. According to testimony provided by the PSC during the Committee’s



March 28, 2022, Budget Oversight hearing, the Federal Grant funds in PSC's budget are for pipeline safety and damage inspections.

**Private Donations:** The Mayor's proposed Fiscal Year 2023 budget for PSC includes \$14,000 from Private Funds, which reflects no change from the Fiscal Year 2022 approved budget. There are no full-time equivalents supported by this funding.

## **ii. Committee Analysis and Comments**

As part of its mission, PSC is tasked with advancing the District's climate policy goals. During Fiscal Years 2021 and 2022, to date, the Commission has been focused on two main principles to further these goals: lowering fossil fuel emissions and modernizing the electricity and gas distribution grid.

**Renewable Portfolio Standards:** One path toward lowering greenhouse gas emissions is to transition to cleaner energy sources. The Commission's Renewable Portfolio Standards ("RPS") programs support this effort. There are over 10,000 solar RPS projects in the District. In 2021, the Commission certified 2,077 new RPS facilities, including 82 new Community Renewable Energy Facilities. PSC worked to enhance the online RPS application portal in order to improve RPS processing. Improvements to the online portal have helped accelerate RPS facility certification, with the Commission processing about 65% more certifications in 2021 than in 2019.

**Clean Energy Act Implementation Working Group:** In 2019, the Commission initiated a Clean Energy docket (Case No. GD-2019-04), to seek public comments on the best analytical approach to evaluate the effect utility proposals have on climate change, including what metrics or measurements to use, what reporting requirements would best track compliance, and the type of Benefit/Cost Analysis that would be most effective. PSC convened a Clean Energy Act Implementation Working Group to recommend metrics, reporting requirements, and BCA framework. The Working Group report, filed in November 2021, demonstrated majority agreement on the most effective metrics, and PSC stated its intent to act on those recommendations.

**Grid Modernization:** Lowering harmful emissions and expanding the use of renewable energy sources requires updates to the distribution grid, to ensure the grid is equipped to adapt to multiple distributed energy resources ("DER's"). In June 2020, the Commission issued a decision on Formal Case 1130, Power Path DC, formerly known as MEDSIS, approving the next set of grid modernization recommendations for the District. This order approved a new Distribution Planning Process, which allows for improved customer engagement, and will help the District meet its clean energy goals. Through Power Path DC, the PSC has established a Pilot Projects Governance Board tasked with distributing \$21.5 million from the Pepco Exelon merger for projects that modernize the grid. The Commission intends to use the Fund to support DER pilot projects related to energy delivery system modernization. According to testimony provided by the PSC to the Committee on February 23, 2022, the Pilot Projects Governance Board is reviewing a

Request for Proposal for a Community Health Pump Pilot Project which the PSC plans to act upon this year.

## **2. COMMITTEE RECOMMENDATIONS**

### **a. Fiscal Year 2023 Operating Budget Recommendations**

The Committee recommends approval of the FY 2023 operating budget for the Office of People's Counsel, as proposed by the Mayor, with the following modifications:

1. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1030, CSG 70 of \$9,640 in Fiscal Year 2023, indexed for inflation across the financial plan.
2. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1040, CSG 70 of \$5,940 in Fiscal Year 2023, indexed for inflation across the financial plan.
3. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1040, CSG 11 of 1 FTE and \$147,003 in Fiscal Year 2023, indexed for inflation across the financial plan.
4. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1040, CSG 14 of \$30,871 in Fiscal Year 2023, indexed for inflation across the financial plan.
5. Recognize a recurring reduction in SPR Funds (0631) from Program 3000, Activity 3700, CSG 11 of 1 FTE and \$69,098 in Fiscal Year 2023, indexed for inflation across the financial plan.
6. Recognize a recurring reduction in SPR Funds (0631) from Program 3000, Activity 3700, CSG 11 of 1 FTE and \$142,530 in Fiscal Year 2023, indexed for inflation across the financial plan.
7. Recognize a recurring reduction in SPR Funds (0631) from Program 3000, Activity 3700, CSG 11 of 1 FTE and \$93,289 in Fiscal Year 2023, indexed for inflation across the financial plan.
8. Recognize a recurring reduction in SPR Funds (0631) from Program 3000, Activity 3700, CSG 14 of \$14,511 in Fiscal Year 2023, indexed for inflation across the financial plan.

9. Recognize a recurring reduction in SPR Funds (0631) from Program 3000, Activity 3700, CSG 14 of \$29,931 in Fiscal Year 2023, indexed for inflation across the financial plan.
10. Recognize a recurring reduction in SPR Funds (0631) from Program 3000, Activity 3700, CSG 14 of \$19,591 in Fiscal Year 2023, indexed for inflation across the financial plan.
11. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1010, CSG 11 of 1 FTE and \$135,727 in Fiscal Year 2023, indexed for inflation across the financial plan.
12. Recognize a recurring reduction in SPR Funds (0631) from Program 1000, Activity 1010, CSG 14 of \$28,503 in Fiscal Year 2023, indexed for inflation across the financial plan.

**b. Fiscal Year 2023 Policy Recommendations**

1. The Committee recommends that PSC work to fill vacant positions. Because the Commission consistently has several vacant positions, the Committee further recommends that PSC undergo an internal review to understand how the Commission can better attract and retain personnel.
2. The Committee recommends that PSC work to establish relationships with clean energy and environmentalist experts and groups who can provide independent expertise necessary to support the Commission's expanded mission to advance the District's climate policy commitments.
3. The Committee recommends that PSC work collaboratively with the Office of People's Counsel to ensure that grid modernization efforts and infrastructure investments are equitable distributed across the District.

### **III. BUDGET SUPPORT ACT RECOMMENDATIONS**

On Wednesday, March 16, 2022, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2023 Budget Support Act of 2022” (“Bill 24-0714”). The bill contains 8 subtitles for which the Committee has provided comments. The Committee also recommends the addition of 9 new subtitles.

#### **A. RECOMMENDATIONS ON MAYOR’S PROPOSED SUBTITLES**

The Committee provides comments on the following subtitles of the “Fiscal Year 2023 Budget Support Act of 2022”:

1. TITLE II, SUBTITLE B. TAX INCREMENT FINANCING
2. TITLE II, SUBTITLE C. REUNION SQUARE TIF
3. TITLE II, SUBTITLE D. DOWNTOWN DESTINATIONS
4. TITLE II, SUBTITLE E. DOWNTOWN HOUSING TAX ABATEMENTS
5. TITLE II, SUBTITLE F. VITALITY FUND
6. TITLE II, SUBTITLE H. PENN BRANCH REDEVELOPMENT PROJECT
7. TITLE VII, SUBTITLE E. GROSS INCOME EXCLUSION
8. TITLE VII, SUBTITLE F. REAL PROPERTY TAX INCREASE LIMIT FOR SENIORS AND INDIVIDUALS WITH DISABILITIES

The legislative language is included in Attachment B.

## 1. TITLE II, SUBTITLE B. TAX INCREMENT FINANCING

### a. Purpose, Effect, and Impact on Existing Law

The District of Columbia's Tax Increment Financing (TIF) program allows the District to issue bonds in support of an economic development project as defined in D.C. Law 12-143. The bond proceeds are used by the private developer to support construction and infrastructure costs. To repay the bonds, the District determines and then pledges the growth in real property and sales taxes over a baseline amount within the defined TIF area to support the bond issuance. Currently, the baseline tax amounts are established in the authorizing legislation of each individual TIF area.

The subtitle codifies the Chief Financial Officer's (CFO) process for establishing the baseline real property and sales tax amounts. For both real property and sales taxes, the subtitle establishes the baseline tax as the amount of tax that the CFO projects to receive from properties and businesses within the TIF area for each fiscal year of the financial plan period. The baseline tax is then set as the final fiscal year of the financial plan period for years outside of the financial plan period.

### b. Committee Reasoning

The Committee agrees that the CFO's process for establishing the baseline real property and sales tax amounts for TIF projects ought to be codified and that the baseline is captured during each fiscal year of the financial plan period. Accordingly, the Committee recommends accepting the proposed subtitle.

### c. Section-by-Section Analysis

Sec. XXX1 States the short title

Sec. XXX Amends Chapter 12 of Title 2 of the District of Columbia Code to: (1) Revise the table of contents and (2) Detail the baseline calculation process.

### d. Fiscal Impact

The subtitle has no impact on the budget and financial plan.

## 2. TITLE II, SUBTITLE C. REUNION SQUARE TIF

### a. Purpose, Effect, and Impact on Existing Law

In 2020, the Council approved the establishment of the Reunion Square Tax Increment Financing (TIF) area to support a mixed-use development of commercial office space, retail, housing, and a hotel. By law, the District can issue up to \$45.8 million in Class A and Class B debt, combined, to support the development project. Currently, the District's authority to issue up to \$16.9 million in Class A debt expires on September 30, 2025. Furthermore, the District's authority to issue Class B debt in any amount, such that the total Class A and Class B debt issuance does not exceed \$45.8 million, expires on September 30, 2030.

The subtitle clarifies that the Chief Financial Officer should not consider the principal amount of any debt issued to refund or refinance Class A debt when adhering to the cap of \$16.9 million in Class A debt. The subtitle also clarifies that the expiration dates for the Class A and Class B debt issuances are 11:59 p.m. on September 30, 2025 and September 30 2030, respectively. The subtitle ensures that the expiration dates have no impact on debt issued prior to those dates or on the District's ability to issue refunding or refinancing of Class A debt. The subtitle also allows for Class A debt issued as draw down bonds to continue to be drawn upon even if the draws extend beyond the Class A expiration date.

### b. Committee Reasoning

Because the subtitle's changes are necessary and technical in nature, the Committee recommends its adoption.

### c. Section-by-Section Analysis

Sec. XXX1 States the short title

Sec. XXX2 Amends D.C. Law 23-202 to: (1) Revise the table of contents; (2) Add new refund and refinance language; and (3) Clarify the issuance expiration dates.

### d. Fiscal Impact

The subtitle does not have a fiscal impact.

### 3. TITLE II, SUBTITLE D. DOWNTOWN DESTINATIONS

#### a. Purpose, Effect, and Impact on Existing Law

The subtitle expands the Deputy Mayor for Planning and Economic Development's (DMPED) grant-making authority, found in D.C. Code Section 1-328.04, allowing the Office to help attract more families, both residents and visitors, to the District's central business district and surrounding areas. Specifically, the subtitle gives DMPED authority to issue grants to third parties for the creation of new attractions or improvement of existing attractions in and around the central business district that appeal to families. Applicants are required to detail how they will spend the funds to enhance or create attractions during the application process. The subtitle also allows DMPED to set-aside \$1 million in grants to enhance downtown's Franklin Park.

#### b. Committee Reasoning

The Committee agrees with the intent behind this proposed measure – to attract more residents and families downtown in effort to support the area's full recovery. Accordingly, the Committee recommends accepting the subtitle.

#### c. Section-by-Section Analysis

Sec. XXX1 States the short title

Sec. XXX2 Amends D.C. Code Section 1-328.04 to: (1) Allow the Mayor to competitively award grants to third parties to create and enhance family-friendly attractions in the District's central business district and surrounding areas, (2) Detail the competitive application process and funding requirements, and (3) Define attraction.

#### d. Fiscal Impact

The Fiscal Year 2023 budget includes \$5 million in District Recovery Plan funds to support this subtitle.

### 4. TITLE II, SUBTITLE E. TAX ABATEMENTS FOR HOUSING IN DOWNTOWN

#### a. Purpose, Effect, and Impact on Existing Law

This revised subtitle authorizes the Mayor to approve tax abatements for certain converted office buildings to provide at least ten housing units. To be eligible, the property owner must set aside at least 15 percent of the housing units, for at least 20 years, at rents affordable to households earning 60 percent or less of median family income (MFI). The real property must be in the area defined by the subtitle, which is roughly bounded by

Dupont Circle, Washington Circle, the intersection of 9th Street NW and Massachusetts Avenue, and the intersection of I Street NW and Pennsylvania Avenue NW, or any other portion of the central business district designated by the Mayor. Additionally, the property owner must contract with certified business enterprises for at least 35 percent of the contract dollar volume of construction and operation and enter into a First Source Agreement for construction and operation of the project.

For each property approved by the Mayor as meeting the program requirements, the real property tax shall be abated in an annual amount of \$2.50 per residential square foot of real property and for a maximum of 20 years. The total value of abatements the Mayor may annually approve across all projects is limited to \$2.5 million in fiscal years 2024 through 2026. The cap is escalated by 4 percent annually thereafter.

**b. Committee Reasoning**

The Committee received a tremendous amount of feedback – both negative and positive – on this measure from advocates, residents, and business improvement district (BID) leaders as well as from Councilmembers. The biggest concern raised was the limited affordability (8%) the Mayor’s subtitle sought to provide. While this measure is merely one incentive tool in the FY 2023 budget to revive downtown and encourage District residents to remain in the city, the proposed measure did not go far enough to ensure lower-income residents can share in downtown’s resurgence as neighbors. As a result, the Committee analyzed five different schemes at various percentages of total unit affordability (8%, 10%, 15%, and 20%) and settled on 15% as this is the highest amount of affordable housing units (approximately 102) at 60% MFI that will “pencil” while ensuring that the city’s First Source and CBE requirements are also met. (The latter requirements, by the way, add \$10.5 million in costs to either construction project/scheme.)

For instance, while a few stakeholders with whom the Committee has engaged requested the affordability percentage be increased to 20%, after running and reviewing two different schemes (one at 60% MFI and the other at 80% MFI), the cost is either prohibitive resulting in the conversion program failing before it even begins, or the project would likely discourage the inclusion of lower-income households – those who most need housing in the city. To be clear, at 20% affordability the price per square foot to develop the converted buildings would exceed what is viable for the project to deliver. One “out” would be if a developer/landowner has two properties downtown against one s/he could leverage the conversion project. Yet, reducing this program to target that limited a pool of applicants while also presupposing that they would be interested in this program is unwise.

Accordingly, the Committee recommends the adoption of this much-improved subtitle which almost doubles the percentage (and number) of affordable units available to lower-income households downtown without increasing the measure’s fiscal impact.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title



Sec. XXX2 Amends Chapter 8 of Title 47 of the District of Columbia Code to: (1) Provide a table of contents, (2) Add a definitions section, (3) Detail program eligibility, (4) Outline the program process and requirements, (5) Clarify the abatement term and funding availability, and (6) Identify the formal rule making period.

**d. Fiscal Impact**

According to the FIS provided by the OCFO for the Mayor's proposed FY23 BSA, the subtitle reduces real property tax revenue by \$7.727 million over the four-year financial plan. Also, approximately \$180,000 is set aside to cover the salary and fringe benefits of an employee to review tax abatement applications.

**5. TITLE II. SUBTITLE F. VITALITY FUND**

**a. Purpose, Effect, and Impact on Existing Law**

Current law gives the Deputy Mayor for Planning and Economic Development (DMPED) grant-making authority to attract large businesses to the District that have the potential to attract additional businesses. These businesses must meet certain employment, office space size, sector, and local business contracting requirements to be eligible for grants.

As introduced, the subtitle amends the requirements for eligible applicants of grants under this authority, including the opportunity for existing District-based businesses to apply for the grants. The subtitle reduces the office space size from 20,000 square feet to 7,000 square feet and the lease or ownership term from ten years to five years. Currently, eligible businesses for these grants must enter into a workforce development program with the District and commit to spending at least 5 percent of their contracting spend with local business enterprises. The subtitle no longer requires an eligible recipient to meet both requirements, but it does require that they meet at least one of their choosing.

**b. Committee Reasoning**

Scores of District-based businesses have been forced to close because of lost foot traffic and revenue during the pandemic. While no community has been exempt from this occurrence, downtown has been hard hit. According to current data, 24 million square feet of commercial space across the District remains vacant of which 17 million square feet are located downtown. Understanding the need to better target and attract companies to the District, the Committee recommends the subtitle with one small change. The current definition of eligible sectors is updated to include four new categories (finance and insurance, the impact economy, manufacturing, and technology and innovation) to aptly capture businesses in this ever-evolving landscape. Accordingly, the Committee recommends adoption of the slightly revised subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title

Sec. XXX2 Amends D.C. Code 1-328.04 to: (1) permit the Mayor to award grants to attract or retain businesses in the District with a preference for the central business district, and (2) Specifies the type of businesses and program requirements.

**d. Fiscal Impact**

According to the FIS provided by the OCFO for the Mayor's proposed FY23 BSA, this subtitle is supported by \$7.5 million in District Recovery Plan funds.

**6. TITLE II. SUBTITLE H. PENN BRANCH REDEVELOPMENT PROJECT**

**a. Purpose, Effect, and Impact on Existing Law**

This subtitle provides a real property tax abatement for a residential development at 3200 Pennsylvania Ave, SE for up to 40 years provided certain conditions are met. The abatement is capped at \$362,000 in its first year (which cannot be any earlier than fiscal year 2026) and grows by three percent each subsequent year. The abatement is contingent upon an approved certificate of occupancy for 170,000 square feet of multi-family residential housing and accessory parking, with approximately 180 to 200 rental housing units. All of the units must be set aside for households earning 80 percent or less median family income (MFI), and at least ten percent of the units must be affordable to households earning 60 percent or less than MFI. Additionally, the project must contract with at least 35 percent certified business enterprises.

**b. Committee Reasoning**

The need for the creation of additional affordable housing in the District, generally, and units affordable to working class residents, specifically, is well documented. For these reasons, the Committee recommends adoption of this subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title

Sec. XXX2 Amends Chapter 46 of Title 47 of the D.C. Code to: (1) Revise the table of contents, (2) Detail the project criteria, (3) State the terms and duration of the abatement, (4) and Provide for the promulgation of rules.

**d. Fiscal Impact**

According to the OCFO, the abatement will reduce real property tax revenue by \$362,000 in Fiscal Year 2026 and allow revenue loss to grow by three percent each subsequent year for up to 40 years, if conditions for the abatement are met.

**7. TITLE VII, SUBTITLE E. GROSS INCOME EXCLUSION**

**a. Purpose, Effect, and Impact on Existing Law**

The proposed subtitle exempts from District income taxes the Downtown Destination grants authorized under subtitle II-D. The authority of the subtitle is limited to exempting grants from District income taxes. Recipients may still be required to include them in their federal taxable income.

**b. Committee Reasoning**

The Committee recommends adoption of the subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1. States the short title.

Sec. XXX2. Amends Chapter 18 of Title 47 of the D.C. Code to include this new exemption.

**d. Fiscal Impact**

There is no fiscal impact associated with this subtitle because the grants were not anticipated to be included in taxable income in the District's revenue estimates.

**8. TITLE VII. SUBTITLE F. REAL PROPERTY TAX INCREASE LIMIT FOR SENIORS AND INDIVIDUALS WITH DISABILITIES**

**a. Purpose, Effect, and Impact on Existing Law**

Under current law, residential property receiving the homestead deduction and Senior or Disabled Owner Real Property Tax Relief are provided a senior assessment cap credit on their property tax bills so that the real property is not taxed more than a 5 percent increase in the property's taxable assessed value, annually. The subtitle lowers the allowable increase to 2 percent.

**b. Committee Reasoning**

This subtitle would provide relief from rising real property tax rates for seniors and individuals with disabilities. The District's local economy is on a steady track toward recovery from the impacts of COVID-19, with revenue projections reaching pre-pandemic levels. Based on available data, however, it is clear that the economic recovery is benefiting high-income earners the most, while those who were struggling prior to the pandemic continue to do so. In addition to the uneven economic recovery in the District, national trends, like inflation and rising gas prices, are putting an even greater strain on household budgets. These challenges can be particularly difficult for individuals living on fixed incomes. This subtitle provides necessary protections for some of the District's most vulnerable residents by limiting the amount by which their real property tax liability can increase annually. This adjustment will help eligible residents, such as seniors living on fixed incomes.

For these reasons, the Committee recommends adoption of the proposed subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Amends D.C. Official Code § 47-864

**d. Fiscal Impact**

The proposed budget and financial plan incorporates a reduction in real property tax revenue from this subtitle as follows:

<b>Subtitle (VII)(F) – Senior and Individuals with Disabilities Real Property Tax Increase Limit Amendment Act of 2022 (\$ in thousands)</b>					
	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>Total</b>
Reduced Real Property Tax Revenue	(\$879)	(\$1,803)	(\$2,779)	(\$3,814)	(\$9,276)

## B. RECOMMENDATIONS FOR NEW SUBTITLES

The Committee on Business and Economic Development recommends the following nine new subtitles be added to Bill 24-0714, the “Fiscal Year 2023 Budget Support Act of 2022”:

1. Title –. Subtitle –. New Markets Tax Credit Real Property Exemption Amendment Act of 2022
2. Title –. Subtitle –. Medical Cannabis Social Equity Fund Amendment Act of 2022
3. Title –. Subtitle –. DMPED Grants to Support Economic Development Amendment Act of 2022
4. Title –. Subtitle –. 206 Elm Street, NW Real Property Tax Abatement Amendment Act of 2022
5. Title –. Subtitle –. Department of Small Local Business Development Grant Amendment Act of 2022
6. Title –. Subtitle –. 900 55<sup>th</sup> Street, NE and 2327 – 2341 Skyland Terrace, SE DC Habitat Real Property Tax Exemption Extension Amendment Act of 2022
7. Title –. Subtitle –. Community for Creative Non-Violence Real Property Tax Relief Amendment Act of 2022
8. Title –. Subtitle –. Solar for All Tax Relief Amendment Act of 2022
9. Title –. Subtitle –. Disabled Veterans Homestead Exemption Amendment Act of 2022

The legislative language is included in Attachment B.

### 1. TITLE –. SUBTITLE –. NEW MARKETS TAX CREDIT REAL PROPERTY TAX EXEMPTION

#### a. Purpose, Effect, and Impact on Existing Law

This subtitle clarifies that an entity controlled by a nonprofit organization may qualify for a real property tax exemption – just as the nonprofit would if it were to apply directly – on a property eligible for such exemption due to its use as a residential building or for charitable exempt purposes, i.e. childcare, out-of-school time program, health center, etc. This clarification will align the application process for the New Market Tax Credit program (NMTC) with the application process of the Low Income Housing Tax Credit program (LIHTC).

#### b. Committee Reasoning

Currently, when a nonprofit organization desires to utilize a portion of a residential building or a building used for charitable or exempt purposes (childcare, out-of-school time program, health center) that it owns, the organization is required to apply to the DC Office

of Tax and Revenue (OTR) – the agency charged with reviewing and either approving or denying the application. Issues with OTR’s review, approval, and timing of real property tax exempt applications, particularly as it relates to the New Market Tax Credit program, have been captured on the record at various Committee hearings – as well as in emails and letters to the Committee – and are identified below. In contrast to this current process, entities applying for exempt status for LIHTC residential properties can obtain an immediate certification from DHCD which exempts the property from both recordation and property taxes from the onset of the project. Some of the issues identified below existed with LIHTC properties until Council passed legislation exempting those properties through the receipt of a DHCD certification.

As alluded to above, there have been numerous and serious problems with how OTR handles real property tax exemption applications submitted by nonprofit corporations. While some of the examples have received publicity, such as the rejection of two property tax exemptions in So Other Might Eat’s (SOME) Conway Center five (5) years after submission, other examples have received relatively little or no public notice. However, there are certain consistent problems that seriously undercut nonprofit organizations’ ability to execute their programs with no offsetting financial savings to the District government.

The following enumerates and describes the challenges nonprofit organizations face. First and foremost is the extensive time that it takes OTR to process a real property tax exemption application. Based on testimony the Committee received at its February 22, 2022 public hearing on two tax abatement and two property disposition measures – and emails/letters to this affect – it is rare that an application is processed in under a year and it typically takes OTR two or more years. For instance, SOME waited five (5) years to receive word from OTR about its application for its Conway Center project, located at 4414-4430 Benning Road, NE in Ward 7. The site opened in 2018 and offers permanent housing for families that previously experienced homelessness; employment training; physical health services; and behavioral health services.

In 2015, SOME sought to develop the 320,000 square foot facility to comprehensively serve community needs. Through Affordable Housing Opportunities (AHO), a nonprofit housing developer wholly controlled by SOME, SOME applied for and received tax exemptions from OTR for the entire center. Subsequently in 2015, SOME formed “Healthcare” and “Programs” (for-profit subsidiaries that manage these social service programs at the Conway Center) to receive NMTC proceeds administered by the U.S. Department of the Treasury and a leverage loan from SOME. SOME and AHO then used this capital to partially fund the components of the Conway Center. SOME later re-applied to OTR for tax exemptions for Healthcare and Programs.

From 2016 to 2018, SOME and AHO co-developed the Conway Center which subsequently opened in 2018. In November 2020, OTR denied SOME’s 2015 real property tax exemption applications because they did not meet the requirements for an administrative exemption given that Healthcare and Programs are for-profit entities. In its denial letter, OTR also requested that SOME pay current and back taxes, penalties, and

interest dating back to 2015. The Committee’s proposed budget recommendations includes the \$2.7 million needed to make SOME whole in addition to funding for a Habitat for Humanity real property tax abatement – also a NMTC project. In sum, the mere fact that Council has to legislatively resolve and fund as part of the FY23 budget outstanding real property tax abatement issues stemming from the need for parity in how entities that apply for this relief are treated across programs based on their organizational structure is upsetting yet founded, and presents a true budget nexus.

In instances like those noted above, the nonprofit organization must choose between paying the recordation and property taxes during this long processing period and then applying for a refund once the application is approved or taking a conditional exemption and being subject to a 10% penalty and 1.5% interest per month if the real property tax exemption application is ultimately denied. This causes serious budgeting and planning problems for nonprofit organizations that assume that its appropriate use of the property meets the requirements for a property tax exemption.

Although Council thought that it had addressed this problem when it adopted DC Code 47-1002(31), OTR has a more narrow interpretation of that exemption. Accordingly, the Code needs to be amended to clarify that an entity controlled by a nonprofit organization can qualify for any exemption that the nonprofit owner could qualify for, specifically including New Market Tax Credit Program participation. The definition is modeled after DC Code 47-1005.02(a)(1).

Of note, OTR – on the record at the Committee’s February 22, 2022 hearing – agreed to this solution and helped the Committee draft this subtitle. What better place to address an outstanding legislative fix than in the same budget that pays for two abatements, the need for which stem from the exact issue?

For these reasons, the Committee recommends adoption of this subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Amends Chapter 10 of Title 47 of the D.C. Code to provide that buildings owned by an entity controlled by a nonprofit organization can qualify for any exemption that the nonprofit owner itself could qualify for, specifically as it pertains to the New Market Tax Credit Program.

**d. Fiscal Impact**

This subtitle does not have a fiscal impact.

## **2. TITLE –. SUBTITLE –. MEDICAL CANNABIS SOCIAL EQUITY FUND AMENDMENT ACT OF 2022**

### **a. Purpose, Effect, and Impact on Existing Law**

This subtitle redirects the medical cannabis sales tax that is deposited into the Healthy D.C. and Healthcare Expansion Fund (“Fund”) to the Alcoholic Beverage Regulation Administration (“ABRA”) in order to support the Medical Cannabis Certified Business Enterprise program established in accordance to D.C. Official Code § 7-1671.06(d)(5). The Healthy D.C. and Healthcare Expansion Fund is administered by the Department of Health Care Finance (“DHCF”)<sup>43</sup> and the 6 percent sales tax collected from medical cannabis licensed dispensaries is deposited into the Fund.<sup>44</sup> The Fund at a minimum is used to provide health and medical benefits that are equal to those provided to individuals enrolled in the D.C. Health Care Alliance.<sup>45</sup> The Fund also receives support from the General Sales Taxes and Insurance Premiums paid by Medicaid and Alliance providers.<sup>46</sup>

### **b. Committee Reasoning**

In Fiscal Years 2020 and 2021, the General Sales Taxes and Insurance Premiums deposited \$48,946,000 and \$59,887,000 respectively into the Healthy D.C. and Healthcare Expansion Fund.<sup>47</sup> For Fiscal Year 2022, the Office of the Chief Financial Officer (“OCFO”) has projected that \$58,138,000 would be transferred into the Fund and for the next five years, an average of \$64,451,000 would be transferred into the Fund.<sup>48</sup> In addition, for the medical cannabis sales tax, the Fund received \$1,512,772 in Fiscal Year 2020, \$1,798,652 in Fiscal Year 2022 and for the next four years, the OCFO has projected that the Fund would receive an average of \$2.5 million.<sup>49</sup>

Since the transfer of the medical cannabis program from the Department of Health (“DOH”) to ABRA,<sup>50</sup> the Committee has observed the need for the agency to establish a well-funded social equity program that would provide an opportunity for disenfranchised minority groups to fairly compete in the medical cannabis industry. The Committee spearheaded the drafting and passing of D.C. Official Code 7-1671.06(d)(5) which created a social equity framework commonly referred to as the medical cannabis certified business enterprise program to serve this purpose. One constant feedback the Committee has received from stakeholders is the need for there to be funding upfront for the program to truly actualize its purpose. In other words, there is the need for funding to be available even

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<sup>43</sup> D.C. Official Code § 4-632.

<sup>44</sup> D.C. Official Code § 47-2002(7B).

<sup>45</sup> D.C. Official Code § 4-632.

<sup>46</sup> Fiscal Year 2023 Proposed Budget and Financial Plan, *Executive Summary*, Volume I, Pp. 2-12, available at <https://app.box.com/s/fqjbsheieqj4im029sjbhv16h4yqgiue>, (last visited Mar. 30, 2022).

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 3-36.

<sup>50</sup> *Bill, 23-0760, the “Fiscal Year 2021 Budget Support Act of 2020”*, Enrollment, Title V: Subtitle B, available at <https://lims.dccouncil.us/Legislation/B23-0760>, (last visited Apr. 7, 2022).



before the yearly sales tax is collected for. As a start, the Committee is asking that the average of \$2.5 million in medical cannabis sales tax that would be deposited into the Healthy D.C. and Healthcare Expansion Fund in the out-years be redirected to ABRA. Compared to the approximately \$65 million that would be transferred from the General Sales Taxes and Insurance Premiums, the \$2.5 million from medical cannabis sales tax is rather a miniscule amount that DHCF should be able to absorb. The Committee reasons that medical cannabis sales tax should be used to service medical cannabis programs and as a result, the 6 percent medical cannabis sales tax directed into the Fund should be redirected to ABRA to support cannabis-related programs such as the social equity program.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Creates a Medical Cannabis Social Equity Fund and directs revenue in excess of the amount budgeted in the Fiscal Year 2023 budget for Fiscal Years 2023, 2024, 2025, and 2026 collected pursuant to D.C. Official Code § 47-2002(a)(7). It directs as well as revenue that would be collected from October 1, 2026 pursuant to D.C. Official Code § 47-2002(a)(7) to be deposited into the Medical Cannabis Social Equity Fund.

Sec. XXX3 Makes conforming changes to D.C. Official Code § 47-2002(a)(7)(B).

**d. Fiscal Impact**

This subtitle has no fiscal impact during the four-year financial plan.

**3. TITLE –. SUBTITLE –. DMPED GRANTS TO SUPPORT ECONOMIC DEVELOPMENT AMENDMENT ACT OF 2022**

**a. Purpose, Effect, and Impact on Existing Law**

This subtitle would amend the eligibility criteria for the Office of the Deputy Mayor for Planning and Economic Development’s (DMPED) FY23 Bridge Fund 3.0 grant and direct the Office to provide four specific grants.

**b. Committee Reasoning**

Bridge Fund. At the height of the COVID-19 pandemic, the Chair of this Committee encouraged DMPED to create a \$100M grant to assist several types of businesses with their operating expenses as they struggled to cover. The Bridge Fund was subsequently launched. While the Fund has proven successful, as measured by the number of successful applicants and the satisfaction of their rent arrears and other outstanding operating debt, the Committee continues to hear from groups and/or individuals that remain

ineligible for the Bridge Fund grants, particularly those targeting brick and mortar establishments.

Specifically, arts and entertainment enterprises who were fortunate to receive the Federal government's one-time Shuttered Venue Operators Grant (SVOG) early in the pandemic and sole proprietors/enterprises who are not based in a physical brick and mortar space, have consistently engaged the Committee and asked that the program criteria be revised to be more inclusive. Because several arts and entertainment enterprises such as event planners, musicians, music promoters, sound engineers and others lack a physical office presence and remain saddled with COVID-induced operating debt, the Committee was persuaded to amend the authorizing legislation to allow such groups to receive Bridge Fund 3.0 funding. Similarly, because several arts and entertainment venues received the one-time SVOG grants and remain behind on their COVID-induced operating expenses, this subtitle strikes that prohibiting exclusion that prevented them from being eligible for these funds.

Moreover, the Committee engaged DMPED about these two matters during and following performance oversight and the Office indicated its support for these revisions.

Four Grants. The first grant would support an organization that uses the music of jazz as a strategic economic development tool. The Committee was persuaded by the need to provide such funding to organizations that engage youth (out-of-school time activities) and exposes them to a new (to them) genre of music but also educates them on the importance of economic development as a wealth building strategy.

The second grant would support a local organization that provides job training, mentorship, and job placement assistance to youth and young adults at no cost to prepare them for "21st century" careers. Such careers include those in web development and cloud-based systems. The third grant would support an organization that promotes and supports the growth of equity impact enterprises, i.e. entrepreneurs and businesses of color with operating monies and seed the development of a mobile application and website platform that will facilitate the delivery of local goods and services. At least half of the products will be sold by equity impact enterprises.

The fourth grant would support a local organization that promotes economic development among Latino and other minority-owned businesses by aiding their ability to advise and provide resources to their member businesses. Each of these grants helps various subsections of the District's most vulnerable populations enter the workforce, grow their businesses, and/or build wealth.

For these reasons, the Committee recommends adoption of this subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Amends DMPED’s grant making authority related to the Bridge Fund and directs the Office to provide four specific grants for a cross section of the District’s most vulnerable populations.

**d. Fiscal Impact**

This subtitle does not have a fiscal impact as each of the grants are accounted for in the FY23 budget.

**4. TITLE –. SUBTITLE –. 206 ELM STREET, NW REAL PROPERTY TAX ABATEMENT AMENDMENT ACT OF 2022**

**a. Purpose, Effect, and Impact on Existing Law**

This subtitle abates the real property tax levied on Lot 805, Square 3087, located at 206 Elm Street, NW, during Tax Year 2023, provided that the total tax abatement shall not exceed \$30,000.

**b. Committee Reasoning**

Dr. Aprille Ericsson is a Ward 1 resident and NASA rocket scientist who leads the local chapter of the National Society of Black Engineers, Jr. (“NSBEJR”). She is also the owner of a historic property at 206 Elm Street, NW that, several years ago, was damaged by a fire caused by tenants. Dr. Ericsson hoped to use the home in part as a headquarters for NSBEJR and eventually to leave the home as an inheritance for her daughter and so, rather than selling it, has persisted in attempting to repair the home for over three years. Construction delays caused by no fault of her own, however, have pushed work on the property just beyond the three years of exemptions from the vacant property tax permitted by District law. Even as Dr. Ericsson approaches the completion of the project later this year, then, her tax burden has pushed her deeply into debt. What’s more, because the property is historic, her insurer will only reimburse her for construction work in installments, requiring her to pay two mortgages and to front construction costs.

Dr. Ericsson serves as a mentor and role model not only for very young future scientists of color, but also for many Howard students who have already taken the first steps down that path. This subtitle grants tax relief that, even if late in coming, will allow Dr. Ericsson to keep this property in her family and turn a vacant property into a community asset and nonprofit headquarters located right across the street from the college students Dr. Ericsson mentors. The structure of the tax abatement will allow Dr. Ericsson to pay off the debt accumulated during construction and functionally reimburse her for having had to pay a “vacant” tax rate while work was actually ongoing at the property.

The Office of the Chief Financial Officer (OCFO) issued a Tax Abatement Financial Analysis, or “TAFA,” in which it found that “th[is] abatement is not necessary to meet [Dr. Ericsson’s fiscal needs, given the Applicant’s ability to finance the additional tax burden” by way of additional mortgages on the property.

The OCFO arrived at this conclusion despite noting that Dr. Ericsson’s “monthly net salary does not cover the mortgage, escrow and other fees for the property in its current state and the mortgage on her personal residence,” even “before other life expenses.” Moreover, the OCFO’s reached this conclusion despite its finding that Dr. Ericsson, “based on statements and materials provided, does not have sufficient savings to cover this additional tax burden imposed in FY22 and possibly in FY23.” Additionally, the OCFO made its recommendation in the absence of any finding that Dr. Ericsson could actually qualify for or obtain additional mortgages in light of the current state of her finances.

The recommendation of the OCFO, then, appears arbitrary, capricious, and unsupported by its factual findings. All tax abatement applicants with one mortgage on a property subject to potential abatement can pursue a second, all applicants with two mortgages can pursue a third, and so on. In basing its rejection of this abatement on hypothetical, rather than actual, ability to pay, the OCFO makes no recommendation at all based on Dr. Ericsson’s current ability to access additional financing.

In fact, the OCFO’s findings point the other way. What, in its analysis, supports a picture of Dr. Ericsson’s finances that is sufficiently rosy for her to obtain a second, or third, mortgage? It is not her lack of personal savings. It is not her monthly payments consuming her entire monthly salary. It is not the fact that she has put rebuilding a historic home on credit cards. It is nothing at all.

In short, the Committee rejects the TAFA’s analysis and recommendation. In practice, this house is going to be rented out. In practice, the community will either have a house that is sold to a large corporation outside of the District and rented out to Howard students at outsize prices or a house that is a community asset, serving as a nonprofit headquarters while building Black, local wealth. The Committee chooses the latter path.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Abates the real property tax levied on Lot 805, Square 3087, located at 206 Elm Street, NW, during Tax Year 2023, provided that the total tax exemption shall not exceed \$30,000.

**d. Fiscal Impact**

This subtitle has a fiscal impact of \$30,000. These funds are presently accounted for in the FY23 budget.

**5. TITLE –. SUBTITLE –. DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT GRANTS ACT OF 2022**

**a. Purpose, Effect, and Impact on Existing Law**

This subtitle would direct the Department of Small and Local Business Development to award three grants. The first grant would direct engagement, relationship development, and resource brokering to address the systemic challenges faced by some residents who spend time near the Columbia Heights Civic Plaza, at Amigos Park in Mt. Pleasant, and in other public spaces in Columbia Heights, Mt. Pleasant, and Adams Morgan. The grant would create two FTEs managed by an institution that operates a Main Street in Ward 1, with the goal of the grant being to create engagement with a community currently lacking dedicated resources to improve their situation, ultimately making public spaces more desirable to all.

The second grant would be to an organization in Friendship Heights for place making, place management, branding, and economic development of the Friendship Heights neighborhood. The third grant would be to District Bridges to assist businesses and coordinate community-driven revitalization efforts in portions of Ward 3 that are outside of existing Main Streets Programs.

**b. Committee Reasoning**

Grant One. The Columbia Heights Civic Plaza is a unique space in the center of Ward 1, meant to be a central hub for community engagement. While the property itself has multiple stakeholders who are responsible for various aspects of its maintenance, the lack of a dedicated coordinating entity has led to unintentional neglect of the space and a decrease in activity.

Additionally, over the past few years, a group of individuals experiencing mental health and substance abuse issues have come to be present near the Plaza, at Amigos Park just down the street in Mt. Pleasant, and near Unity Park in Adams Morgan, most of the day. The Committee knows that these individuals need dedicated mental health and addiction support that is consistent, culturally sensitive, and language appropriate. While outreach workers occasionally speak to them, the Department of Behavioral Health has been unsuccessful in meeting the needs of these individuals. And while these engagements have been positive, they have not ameliorated the conditions of those individuals experiencing mental health and substance abuse issues in Columbia Heights, Mt. Pleasant, and Adams Morgan.

The Committee believes that a Main Street has the skills and networks to make a tangible impact on the issues impacting these neighborhoods, and to improve this vibrant commercial corridor for all. This subtitle would fund two FTEs, who would dedicate their time to providing full-time engagement to those who frequently spend time in public spaces in Columbia Heights, Mt. Pleasant, and Adams Morgan. This type of engagement will have far reaching impacts for the safety and development of the area. Accordingly, this grant is

designed for a nonprofit organization that operates a Main Street program in Ward 1. This way, engagement will be attached to an organization that already works on improving the ecosystem within this corridor and which is acutely aware of the needs of those in this community.

Grant Two. In FY 2022, DSLBD awarded a grant to support an organization in the Friendship Heights neighborhood that would conduct place making, place management, branding, and economic development. These efforts were the precursor to the creation of Business Improvement Districts on both the District and Maryland sides of the neighborhood with a single organization coordinating the efforts of those BIDs. Montgomery County is providing funding for these efforts on the Maryland side of the neighborhood. To continue this important work and to meet a similar commitment as demonstrated by Montgomery County, the Committee recommends an additional grant in FY 2023 of \$150,000.

Grant Three. Although Main Street Programs have proven incredibly successful in Ward 3, there are many businesses that would benefit from similar services that are located outside of existing and funded Main Street Programs. These businesses often fall in areas without the sufficient commercial concentration to warrant a full Main Street Program. District Bridges has demonstrated that it can effectively and adroitly provide those services within Main Street Programs and is thus an ideal candidate to provide those services outside those programs. Therefore, the Committee will provide a direct grant to the organization as a pilot to assist businesses and coordinate community-driven revitalization efforts in portions of Ward 3 that are outside of existing Main Streets Programs.

Although District Bridges received a specified funding allocation in the Fiscal Year 2022 Budget Support Act of 2021, that allocation was for work related to individuals who face systemic challenges and mental health or substance abuse issues in Ward 1. The Council's prohibition on consecutive allocations, reflected in Council Rule 731, is to ensure that specified funding allocations are not used to bypass normal budgeting processes for ongoing programs. Given that this funding is for an entirely different function, the Committee recommends that the grant be incorporated into the Fiscal Year 2023 Budget Support Act, notwithstanding Rule 731.

For the reasons stated above, the Committee recommends adoption of the full subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Directs the Department of Small and Local Business Development (Department) to award, by November 15, 2022, a grant in the amount of \$180,000 to an organization responsible for maintaining a Main Street corridor in Ward 1 to hire two full-time positions to provide direct support, relationship development, and resource brokering to individuals who

frequently idle or loiter in public spaces in Columbia Heights, Mt. Pleasant, and Adams Morgan and who face challenges related to mental illness or substance abuse.

Sec. XXX3 Directs the Department to award a grant to an organization in Friendship Heights for place making, place management, branding, and economic development, and a grant to District Bridges to assist businesses and coordinate community-driven revitalization efforts in portions of Ward 3 that are outside of existing and funded Main Streets Programs.

**d. Fiscal Impact**

This subtitle has a fiscal impact of \$580,000 which are presently accounted for in the FY23 budget.

**6. TITLE –. SUBTITLE –. 900 55TH STREET, NE AND 2327 – 2341 SKYLAND TERRACE, SE DC HABITAT REAL PROPERTY TAX EXEMPTION EXTENSION AMENDMENT ACT OF 2022**

**a. Purpose, Effect, and Impact on Existing Law**

This proposed subtitle would provide an extension of the real property tax exemption, exemption of interest, penalties, and fees for two properties owned by Habitat for Humanity of Washington, DC (DC Habitat). The properties are located at 900 55<sup>th</sup> Street, NE in Deanwood (Deanwood Property) and 2327-2341 Skyland Terrace, SE (Skyland Properties).

**b. Committee Reasoning**

DC Habitat is a nonprofit organization that aims to reduce poverty housing and homelessness in DC by building decent, affordable, energy-efficient homes for people in need. Since its founding in 1988, DC Habitat has built, rehabilitated, and repaired homes throughout DC, serving more than 200 families. The organization also provides low-cost home repairs, financial and homeowner education training, and helps advocate for more effective housing policies, among other programming and services.

In 1995, DC Habitat completed a 34-townhome project at the Skyland Properties in Ward 8 and now intends to build eight new townhomes at the site. Per a Property Disposition Agreement with the District of Columbia, all eight of the for-sale, single family units must be set aside for families earning on average at or below 60 percent of Median Family Income (MFI). Additionally, this measure requires DC Habitat to build 17 new townhomes at the Deanwood Property in Ward 7 at the same affordability threshold as the Skyland Properties.

DC Habitat previously received a property tax exemption to reduce costs for the Skyland Properties between FY 2018 and FY 2021. However, due to homebuyer

difficulties because of the COVID-19 pandemic and the evolving nature of New Market Tax Credits (NMTC) financing, construction has been delayed and DC Habitat still retains ownership of the property. Also, due to NMTC financing, construction at the Deanwood site is contingent on the sale of the eight units at Skyland Terrace. At the public hearing for this measure, DC Habitat requested that the bill forgive taxes incurred at the Deanwood property prior to 2021 and that the exemption period for both properties be extended to June 31, 2025.

The Office of the Chief Financial Officer's (OCFO) Tax Abatement Financial Analysis (TAFA) determined that the proposed exemption of real property taxes for DC Habitat is financially necessary for the projects to proceed as planned with the townhomes meeting their below-market sale price target. The TAFA further revealed that due to DC Habitat's financial condition, they would face financial hardship to build the homes without a retroactive or prospective exemption or without increasing the sales price of the homes.

Furthermore, without the tax exemption extension DC Habitat shared that the costs of each home would increase by an average of \$4,000 to \$5,000. This increased cost would negatively impact the eligibility of families able to purchase the homes.

As proposed, the estimated value of the proposed tax exemption is \$79,000 over the four-year financial plan. Receipt of the proposed exemption is conditioned upon the properties being owned by DC Habitat and the production of 25 affordable for-sale homes. For these reasons, the Committee recommends adoption of the subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 Contains the short title of the legislation.

Sec. XXX2 Amends Chapter 46 of Title 47 of the District of Columbia Code to provide an extension of the real property tax exemption, in addition to exemption of interest, penalties, and fees for two properties owned by Habitat for Humanity of Washington DC (DC Habitat).

Sec. XXX3 States the period for which the exemption applies.

Sec. XXX4 Establishes applicability.

**d. Fiscal Impact**

This subtitle has a fiscal impact of \$79,000 which are presently accounted for in the FY23 budget.



**6. TITLE –. SUBTITLE –. COMMUNITY FOR CREATIVE NON-VIOLENCE REAL PROPERTY TAX RELIEF AMENDMENT ACT OF 2022**

**a. Purpose, Effect, and Impact on Existing Law**

This proposed subtitle would forgive real estate tax debt and related interest and fees from Fiscal Year 1994, accrued by the Community for Creative Non-Violence (CCNV) for its property at 425 2<sup>nd</sup> Street, NW. The taxes were assessed before CCNV completed paperwork to receive a property tax exemption, and the debt remains outstanding. CCNV does not have the funding to pay the debt.

CCNV's mission is to ensure that the rights of the homeless and the poor are not infringed upon and that every person has access to life's basic essentials, including by advocating on behalf of the underserved, and preparing homeless men and women to re-enter mainstream society as skilled and productive citizens. For the last 32 years CCNV has been doing this with an all-volunteer staff and donations from the public, as well as providing contracted services through the DC government as a nonprofit.

**b. Committee Reasoning**

The proposed tax abatement would ensure that CCNV can continue to operate a homeless shelter and any other services. The OCFO's Tax Abatement Financial Analysis (TAFA) concludes that CCNV does not have the resources to pay this debt. This abatement is necessary because the properties could be lost from CCNV's ownership in a tax lien sale. The District cannot afford to lose the services that CCNV provides to the most vulnerable residents. This one-time debt was due to clerical issues, and CCNV's property has remained exempt from property taxes for nearly 30 years.

CCNV Executive Director Rico Harris testified during a Committee of the Whole Fiscal Year 2023 Budget Oversight Hearing that CCNV provides essential services to hundreds of DC residents daily and is the single largest low-barrier shelter in the District. He asked that the District clear the past tax debt. For these reasons, the Committee supports the subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 Provides the short title.

Sec. XXX2 Orders that all real property taxes, interest, penalties, fees, and other related charges assessed against CCNV's property at 425 2<sup>nd</sup> Street, NW for the tax year beginning October 1, 1993 and ending September 30, 1994, are forgiven.

**d. Fiscal Impact**

The proposed subtitle would reduce District revenue by \$349,153 which is accounted for in the financial plan.

**8. TITLE –. SUBTITLE –. SOLAR FOR ALL GRANT TAX RELIEF**

**a. Purpose, Effect, and Impact on Existing Law**

This subtitle would amend Section 47-1803.02 of the District of Columbia Official Code to add the amounts received for a grant from the Solar for All program as amounts eligible for exclusion from computation of District gross income.

**b. Committee Reasoning**

The District’s Solar for All Program was established under the Renewable Portfolio Standard Expansion Amendment Act of 2016. That program, which is implemented by the DC Sustainable Energy Utility and the Department of Energy and Environment and has a goal of providing the benefits of solar energy to 100,000 low- to middle-income District households by 2032, cutting their energy burden in half. The program also benefits the District by training residents for the solar jobs that the Solar for All program creates. Through this program, the District is able to capture the tremendous benefits of renewable energy—utility bill savings, increased resilience, better air quality, and job creation—and target them toward communities that need them the most.

Since its launch, the Solar for All program has seen tremendous success. To date, the program has served more than 5,000 households, providing meaningful energy savings to these residents and increasing the amount of energy use in the District procured from green energy sources. However, due to lower-than-anticipated REDF revenues due in part to the pandemic, funding for the Solar for All program is estimated to be funded at just \$7,000,000, which is \$3,000,000 less than typical years.

This brings to light the issue with funding of the Solar for All program—and, truly, any program—with revenues flowing from fees that may vary from year to year. Given the important role this program plays both in bringing affordable energy to low- to moderate-income residents, and in the District’s efforts to combat climate change, it is critical that the Council ensure these program dollars, where available, can be maximally utilized to support this work.

Currently, awards issued under the Solar for All program are taxed at a rate of 8.25% in the year of their award. Thus, a company receiving a grant of \$1 million will provide only \$917,500 worth of solar capacity for residents. As DOEE provides the DC SEU with a limited pot of funds each year for this program, making these awards tax-free means more awards can be offered—and projects undertaken.

For example, in FY 2023, the Solar for All program is funded at \$7,000,000. Suppose the DC SEU planned to offer out those funds via seven \$1 million awards for solar installations. Because of the 8.25% tax rate, those awards would each only purchase \$917,500 worth of solar capacity—across all seven projects, that’s just \$6,422,500 worth of solar benefits, with \$577,500 being paid back to the District as taxes.

However, where these awards were tax-free, DC SEU could award each of the seven companies with an award of just \$917,500, and that award would purchase the same amount of solar as the \$1 million taxed award. Now, however, DC SEU award the remaining project funding—totaling \$577,500—to support an eighth Solar for All project. In effect, this subtitle redirects the current tax revenue back to the Solar for All Program, to support additional solar installations. For these dollars to support additional projects as proposed, of course, will require DOEE and DC SEU to work together to reduce the size of current awards to account for them being tax-free; the Committee has full confidence that the agencies can and will do so.

For these reasons, the Committee recommends adoption of the subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title

Sec. XXX2 Amends the Section 47-1803.02 of the District of Columbia Official Code to add the amounts received by a taxpayer for a grant from the Solar for All program as amounts eligible for exclusion from computation of District gross income.

**d. Fiscal Impact**

This subtitle reduces District revenue by \$1,526,250 across the full four-year financial plan. However, the revenue shortfall is accounted for in the financial plan.

**9. TITLE -. SUBTITLE -. DISABLED VETERANS HOMESTEAD EXEMPTION AMENDMENT ACT OF 2022**

**a. Purpose, Effect, and Impact on Existing Law**

This subtitle amends Title 47 of the DC Official Code to establish a \$250,000 homestead deduction for veterans who are 100% disabled due to a service-incurred condition or service-aggregated condition resulting in unemployability. The deduction applies without regard to a limitation on age or income.

To qualify for the deduction, the veteran or their representative is required to complete and file an application with the Office of Veterans Affairs including certification that the veteran complies with the requirements of the act. Further, the Office is required

to certify with the Office of Tax and Revenue that the veterans meet the disability requirements for the deduction.

**b. Committee Reasoning**

The purpose of this subtitle is utilize the District's tax policy to recognize the service and sacrifice of District veterans found to be 100% disabled due to a condition incurred or aggregated by their service with a tax deduction on their homestead.

When this legislation was originally passed by the Council in 2018, it was done with a fiscal impact totaling \$7.6 million a year. However, that fiscal impact statement relied on an over-estimation of the number of impacted residents. As a result of this fiscal impact statement, the legislation was repealed pursuant to Council Rule 736 when the fiscal impact of the legislation was not addressed in two fiscal years.

This year, the Advisory Board on Veterans Affairs testified before the Committee on Government Operations and Facilities that the figures used to estimate the cost of the legislation were incorrect and that the legislation would be a beneficial and appropriate way to recognize District residents. As a result of a re-evaluation of the fiscal impact statement and a reduction in the scale of the relevant deduction, the cost of implementing this legislation was substantially reduced. As a result, it is now possible to effectuate the intent of the Council in originally passing the legislation.

For these reasons, the Committee recommends adoption of this subtitle.

**c. Section-by-Section Analysis**

Sec. XXX1 States the short title.

Sec. XXX2 Amends Section 47-850 of the D.C. Official Code to establish a \$250,000 homestead deduction for real property owned by a 100% disabled veteran.

**d. Fiscal Impact**

This subtitle would reduce District revenue by \$344,180 annually. The revenue reduction is accounted for in the financial plan.

## **C. COUNCILWIDE RECOMMENDATIONS**

The Committee makes the following recommendations for the Committee of the Whole (COW):

### **A. COUNCILWIDE FUNDING PRIORITY: CLEAN HANDS DRIVER'S LICENSE EXCLUSION**

Under current law, an applicant for almost any license or permit issued by the District must certify that they do not owe certain outstanding debts, including fines and fees. This requirement applies to applicants for drivers' licenses as well as professional and business licenses. The Clean Hands requirement is burdensome for many applicants, in particular low-income individuals who may not be able to pay those fines and fees.

On May 3, 2021, Chairperson McDuffie introduced Bill 24-0237, the "Clean Hands Certification Equity Amendment Act of 2021" ("the Bill"). Among other changes to the District's Clean Hands law, this legislation would exempt driver's license issuance and renewal from Clean Hands requirements. This would allow the District to issue or renew driver's licenses for residents who owe fines or fees. A similar measure, B24-0230, the "DC Driving the Opportunity Amendment Act of 2021", was introduced on April 30, 2021, by Councilmembers Silverman, Lewis-George, Cheh, Bonds, R. White, Pinto, Henderson, and Nadeau.

The Committee has worked to refine the Bill and its fiscal impact and held a public hearing on April 18, 2022. At that hearing, the Committee heard testimony on behalf of a coalition of 34 racial justice, anti-poverty, faith-based, legal services, and civic groups and from various advocacy groups. The Committee also heard personal and moving testimony from District residents suffering the consequences of the Clean Hands law.

The public witnesses who spoke at the Committee's hearing stressed that they did not pay their tickets because they simply could not – they did not have the money. They also explained how not having a driver's license was an impediment to finding or getting to work, making it even more difficult to meet their financial obligations.

One life-long Washingtonian and Ward 5 resident testified about his inability to renew his driver's license for 10 years due to fines and fees that he could not pay. This witness explained that medical expenses prevented him from paying outstanding tickets and how, as a result, he was unable to drive to chemotherapy appointments or simply to visit friends and family. Another public witness, also a Ward 5 resident, discussed how being unable to renew her driver's license because of unpaid parking tickets made it difficult to take care of her family. She described the hardship of having to walk long distances to buy groceries, paying for expensive rideshares to take her children to doctor's appointments, and having to take three different buses just to bring her children to daycare.

In addition to public witness testimony, the Committee also heard from various advocacy organizations that have been researching the impacts of the District’s Clean Hands law. The District is one of only three state level jurisdictions that withhold driver’s license on the basis of unpaid debt. Moreover, the impact of the requirement perpetuates racial inequity in the District by denying driver’s licenses for unpaid traffic tickets.

The District does not collect demographic data about individuals who owe fines and fees related deb. However, data shows that Black drivers are more likely to be stopped and ticketed for traffic violations than white drivers. Additionally, the average wealth of a Black household in the District is significantly below that of a white household. This mean that Black drivers are more likely to owe fines and fees that they are unable to pay, and therefore more likely to be denied a driver’s license because of the Clean Hands requirement.

According to the OCFO, the Bill, as introduced, would cost more than \$78 million across the four-year financial plan. However, after working with OCFO, relevant government agencies, and interested stakeholders, Committee staff was able to significantly reduce the cost for the driver’s license exclusion provision of the Bill. Accordingly, the Committee has prepared a subtitle that would exclude driver’s licenses from the Clean Hands requirement, beginning in Fiscal Year 2024. The OCFO has scored this subtitle and said that it will cost \$7,567,000. **With this budget, the Committee has reserved \$6,577,942 for this effort, which includes \$2,000,000 from the Committee on Labor and Workforce Development. The Committee asks the Committee of the Whole to include and fund the balance of this subtitle as a Council-wide priority.**

	FY23	FY24	FY25	FY26	Total
revenue loss		2,419,000	2,419,000	2,419,000	7,257,000
DMV IT costs	310,000				310,000
	310,000	2,419,000	2,419,000	2,419,000	7,567,000

## B. SO OTHERS MIGHT EAT (SOME) TAX ABATEMENT

SOME is a 51-year-old nonprofit organization that provides social services to District residents experiencing poverty and homelessness. In 2015, SOME sought to develop a 320,000 square foot facility to comprehensively serve community needs, otherwise known as The Conway Center. Through AHO, a nonprofit housing developer wholly controlled by SOME, SOME applied for and received tax exemptions from the District’s Office of Tax and Revenue (OTR) for the entire center. Subsequently in 2015, SOME formed “Healthcare” and “Programs” (two for-profit subsidiaries) to receive the proceeds from New Market Tax Credits (NMTC) administered by the U.S. Department of the Treasury and a leverage loan from SOME. SOME and AHO then used this capital to

partially fund the components of the center owned by Healthcare and Programs. SOME later re-applied to OTR for tax exemptions for Healthcare and Programs.

From 2016 to 2018, SOME and AHO co-developed The Conway Center at 4414-4430 Benning Road, NE in the Benning Heights neighborhood of Ward 7. The center opened in 2018 and offers permanent housing for families that previously experienced homelessness; employment training; physical health services; and behavioral health services. Specifically, Healthcare leases Lot 2003 in Square 5139 to Unity Healthcare to operate the on-site healthcare services while Programs leases Lot 2004 in Square 5139 to the Center for Employment Training, a component program of SOME, to provide employment training programs. Lot 2005 in Square 5139 is owned by AHO and houses SOME behavioral health services and administrative offices.

In November 2020, OTR denied SOME's 2015 applications for exemption from real property tax for Lots 2003, 2004, and 2005 because they did not meet the requirements for an administrative exemption given that Healthcare and Programs are for-profit entities. OTR also requested that SOME pay current and back taxes, penalties, and interest dating back to 2015 in its denial letter.

The Committee marked up the SOME measure but doesn't have the money to fund the much-needed abatement. The OCFO's Tax Abatement Financial Analysis (TAFA) determined that the tax relief proposed in the bill is financially necessary, as Healthcare and Programs cannot reasonably meet their fiscal needs and sustain vital programming without the prospective and retroactive exemption. The bill's proposed tax relief is valued at \$2.4 million through the financial plan period. At the Committee's hearing in February 2022, SOME requested that proposed exemption include Lot 2005. The OTR attorney who testified at the hearing said it made sense to include the Lot. **Because SOME provides crucial serves to vulnerable populations on the East End of the city and has waited several years – at no fault of its own – for the abatement valued at \$2.7M (with the inclusion of Lot 2005), the Committee asks the Committee of the Whole to fund this critical investment and include the prepared subtitle in its final budget recommendations.**

### C. FOOD AND FRIENDS TRANSFER

Food and Friends is District of Columbia based community organization that provides home-delivered medically tailored meals and nutrition therapy to residents across the region who live with cancer, HIV/AIDS, and other serious illnesses. The Committee has set aside \$200,000 in recurring funds across Fiscal Years 2023 – 2026 to support Food and Friends. Yet, due to the timing of the Committee on Health's budget mark-up, the Committee was unable to transfer its funds to the Committee on Health so that Committee could direct those funds to the appropriate division within the DC Department of Health that directly funds Food and Friends. **Because the Committee wants the recurring money it has allocated for Food and Friends to reach the organization, it is asking the Committee of the Whole to accept its \$800,000 investment and include this transfer to DC Health in its final budget recommendations.**

## IV. COMMITTEE ACTION AND VOTE

On Thursday, April 21, 2022, at 11:30 a.m., the Committee met virtually to consider and vote on the Mayor's proposed Fiscal Year 2023 budget for the agencies within its purview, the provisions of the Fiscal Year 2023 Budget Support Act of 2022 referred to the Committee for comment, new proposed subtitles from the Committee, and the Committee's Budget Report. Chairperson Kenyan R. McDuffie called the Additional Meeting to order and determined the presence of a quorum with Councilmembers Brooke Pinto, Mary Cheh, Charles Allen, and Vincent Gray. Chairperson McDuffie, without objection, moved the Committee Print and Report for B24-0714 with leave for staff to make technical and conforming changes.

Chairperson McDuffie offered remarks on the major provisions of the Committee Report and the context in which the Committee acted, as referenced in the introductory comments of this report.

The Committee voted 5-0 to approve the Committee Report and Print with the members voting as follows:

YES: Chairperson McDuffie, Councilmembers Pinto, Cheh, Allen, Gray

NO: N/A

PRESENT: N/A

ABSENT: N/A

## V. ATTACHMENTS

- A. Committee Adjustments
- B. Bill 24-0714, Fiscal Year 2023 Budget Support Act of 2022 Recommended Subtitles
- C. Fiscal Year 2023 Performance Oversight Hearing Public Witness Testimony
- D. Fiscal Year 2023 Budget Oversight Hearing Public Witness Testimony