COUNCIL OF THE DISTRICT OF COLUMBIA

COMMITTEE ON

TRANSPORTATION & THE ENVIRONMENT

MARY M. CHEH, CHAIR

FISCAL YEAR 2023 COMMITTEE BUDGET REPORT

TO: Members of the Council of the District of Columbia

FROM: Councilmember Mary M. Cheh
Chairperson, Committee on Transportation & the Environment

DATE: April 21, 2022

SUBJECT: DRAFT Report and recommendations of the Committee on Transportation & the Environment on the Fiscal Year 2023 budget for agencies under its purview

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The Committee on Transportation & the Environment ("Committee"), having conducted hearings and received testimony on the Mayor's proposed operating and capital budgets for Fiscal Year ("FY") 2023 for the agencies under its jurisdiction, 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, and proposes several of its own subtitles.

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COUNCIL BUDGET DIRECTOR CERTIFICATION: ______________________ DATE: __________

SUMMARY

A. EXECUTIVE SUMMARY

This Report of the Committee on Transportation and the Environment on the Fiscal Year 2023 Proposed Budget for the agencies within its jurisdiction was developed after several months of hearings, testimony, meetings, and other forms of public engagement. The Report reflects the Committee's commitment to ensuring that the District reaches its goals of providing safe, reliable, and equitable transportation options; creating and maintaining high quality infrastructure; investing in sustainability, protecting the environment, and addressing climate change; protecting the health and well-being of residents through access to healthy food; investing in public health and education; creating economic mobility; supporting economic development and small businesses; and protecting consumers. These investments are briefly described below.

Ensures Environmental Sustainability

- Provides **$4,431,790 for the Department of Public Works to undertake a curbside composting pilot at 10,000 District properties,** greatly increasing access to composting for residents and provide a model for the launch of universal curbside composting in the near future.
- Provides **$800,000 over four years to administer a grant program to assist businesses and nonprofit organizations with the acquisition of an on-site organic processing system**, which will help prevent food from going to a landfill or incinerator.
- Provides **$105,000 for the Mayor to create a plan to provide more recycling infrastructure in the public space**, making recycling more readily accessible to all residents.
- Makes **Solar for All grant awards tax-exempt**, allowing these award dollars to provide even more of the economic benefits of solar energy to low- to medium-income residents.

Supports Meaningful Improvements to Traffic Safety Infrastructure

- Provides **$1,238,832 over four years to support a new transportation planner in the Safe Routes to School program and a new roadway safety engineer** to facilitate and implement improved traffic infrastructure around schools.
- Provides **$18,000,000 over four years to increase the number of Safe Routes to School Action Plans and to fund the construction of safety infrastructure around schools as recommended in those plans** to better protect the District's most vulnerable residents.
- Provides **$988,150 over four years to increase DPW's boot crew staff by 4.0 FTEs,** to ensure this program has the staffing necessary to enforce the District's traffic safety laws.
- Increases **the penalty for boot removal, damage, or destruction to at least $750**, to ensure that the fine covers the full cost to the District of procuring a replacement boot, disincentivizing illegal removal and promoting greater road safety.

- Provides **$734,400 over the six-year Capital Improvement Plan to support the creation of an annual tactical safety upgrade master plan,** to facilitate the upgrade of temporary safety projects to permanent, safer, more attractive streetscape features.
- Provides **$250,000 for the Crosstown Bike Lanes** to fill key gaps in the protected bike lane network, offering additional safe and environmentally friendly transportation options.
- Provides **$8,911,050 to study, design, and construct a pedestrian and bicycle crossing of the Anacostia Freeway and the CSX railway line on East Capitol Street.**

Promotes Energy Efficiency and Climate Resiliency

- Creates a program to **award grants covering part of the cost of commercial and residential energy storage systems** to support resilience and the transition to renewable energy.
- Provides **$350,000 to complete a study of the existing capacity of the District's electric grid to support distributed energy resources such as solar arrays.**
- Moves forward the District's efforts to combat climate change by **making the District's transition to all-electric vehicles and space- and water-heating systems, pursuant to pending Bill 24-267, the Climate Commitment Act of 2022, and the District's transition to net-zero energy buildings, as required in the pending Bill 24-420, the Clean Energy DC Building Code Amendment Act of 2022, an eligible use of funding from the Sustainable Energy Trust Fund.**

Invests in the Health of District Residents

- Invests, through a transfer to the Committee on Housing and Executive Administration, **$500,000 to plan and design a senior wellness center in Wards 2 and 3**, which would provide essential programming and services for older adults in the only Wards currently without senior wellness centers.
- Provides, through a transfer to the Committee on Health, **$200,000 in recurring funds to Food & Friends** for home-delivered meals for District residents living with cancer, HIV/AIDS, diabetes, and other serious illnesses.
- Funds, through a transfer to the Committee on Health, **$129,066 in recurring funds for Produce Plus**, a farmers' market nutrition program.
- Provides, through a transfer to the Committee on Health, **$100,000 in recurring funds for Healthy Corners**, which supports DC Central Kitchen's SNAP Match incentives to help enable SNAP customers to purchase fruits and vegetables at corner stores
- Funds, through a transfer to the Committee on Health, **$100,000 in recurring funds for a diaper bank grant program** to assist families who qualify for income-contingent government assistance programs
- Funds, through a transfer to the Committee on Health, **$75,000 in recurring funds for mental health services** at a nonprofit that provides support and mentorship to local students to encourage higher rates of attendance of college or workforce development programs.
- Provides **$1,399,650 over four years to hire three additional Environmental Protection Specialists to undertake mold inspections and remediation** to better protect the health of District residents, especially those of low- and moderate-income.

Promotes Economic Development

- Provides, through a transfer to the Committee on Business and Economic Development, **$150,000 to support economic development efforts and neighborhood revitalization in Friendship Heights** through a grant to the Friendship Heights Alliance.
- Provides, through a transfer to the Committee on Business and Economic Development, **$250,000 to promote economic development and support small businesses in Ward 3 not served by a Main Street Program** through a grant to District Bridges.
- Provides, through a transfer to the Committee on Business and Economic Development, **$20,000 to allow Tenleytown Main Street to extend its service area boundaries**, expanding its ability to retain and recruit businesses, improve commercial properties and streetscapes, and attract consumers.

Enhances Public Spaces

- Provides **$15,000,000 in new funding and accelerates existing funding for the 11th Street Bridge Park**, investing in a transformative public space and vital connection across the Anacostia River.
- Provides over $4,000,000 in investments for Buzzard Point, **by allocating $2,959,000 for filling a gap in the Anacostia Riverwalk and Trail and $1,100,000 for the design of a new waterfront park.**
- Provides **$736,000 for the Dupont Tree Plaza to address stormwater runoff and the heat island effect on Massachusetts Avenue NW.**
- Provides **$1,650,000 to address flooding, ponding, and erosion damage at Mount Zion Cemetery and the Female Union Band Society Cemetery** by investing in stormwater management infrastructure improvements on Q Street, 27th Street, and Mill Road NW and make repairs to the Lyons Mill Road pedestrian path.

Invests in Community Infrastructure

- **Extends the eligibility of the Visitor Parking Program for calendar year 2020** and provides **$50,000 to support providing new hard copy parking passes** for residents who currently do not possess a calendar year 2020 pass.
- Invests, through a transfer to the Committee on Recreation & Youth Affairs, **$250,000 for a renovation of the Hearst Cottage** at Hearst Park, to ensure that it can fully accommodate future uses with the upcoming opening of the Hearst Park Pool.
- Funds, through a transfer to the Committee on Recreation & Youth Affairs, **$625,000 in additional funds for continued design and construction of the Palisades Dog Park** at the Palisades Community Center.
- Provides **$120,000 to perform a study and create a dataset of parking** in the District, to support planning and designing streetscape projects, reviewing development plans, and other planning and policy applications.

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B. OPERATING BUDGET SUMMARY TABLE

Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Department of Public Works					
Local Funds	161,359,247	172,662,707	4,243,012	176,905,719	9.63%
Special Purpose Revenue Funds	14,598,789	11,713,137	0	11,713,137	-19.77%
GROSS FUNDS	**175,958,036**	**184,375,844**	**4,243,012**	**188,618,856**	**7.20%**
District Department of Transportation					
Local Funds	132,852,610	152,011,579	(2,321,847)	149,689,732	12.67%
Federal Grant Funds	18,423,809	21,786,604	0	21,786,604	18.25%
Special Purpose Revenue Funds	18,818,400	20,729,000	0	20,729,000	10.15%
GROSS FUNDS	**170,094,819**	**194,527,183**	**(2,321,847)**	**192,205,336**	**13.00%**
Department of Motor Vehicles					
Local Funds	38,964,915	45,549,425	0	45,549,425	16.90%
Federal Grant Funds	329,500	129,500	0	129,500	N/A
Special Purpose Revenue Funds	8,986,450	9,329,950		9,329,950	3.82%
GROSS FUNDS	**48,280,865**	**55,008,875**	**0**	**55,008,875**	**13.94%**
District Department of the Environment					
Local Funds	22,228,548	62,214,080	109,546	62,323,626	180.38%
Federal Payments	81,704,286	23,000,000	0	23,000,000	-71.85%
Federal Grant Funds	35,135,467	36,954,341	0	36,954,341	5.18%
Private Grant Funds	2,556,263	2,457,679	0	2,457,679	-3.86%
Special Purpose Revenue Funds	98,116,128	94,881,393	1,064,808	95,946,201	-2.21%
GROSS FUNDS	**239,740,692**	**219,507,492**	**1,174,354**	**220,681,846**	**-7.95%**
Deputy Mayor for Operations and Infrastructure					
Local Funds	1,244,138	1,282,808	0	1,282,808	3.11%
GROSS FUNDS	1,244,138	1,282,808	0	1,282,808	**3.11%**
Green Finance Authority					
Enterprise and Other Funds	30,500,000	44,794,000	0	44,794,000	46.87%
GROSS FUNDS	30,500,000	44,794,000	0	44,794,000	**46.87%**
Highway Transportation Fund					
Dedicated Taxes	26,705,648	24,712,022	0	24,712,022	-7.47%
Special Purpose Revenue Funds	0	2,824,997	0	2,824,997	N/A
GROSS FUNDS	**26,705,648**	**27,537,019**	**0**	**27,537,019**	**3.11%**
DC Water					
Enterprise and Other Funds	658,423,000	686,403,000	0	686,403,000	4.25%
GROSS FUNDS	**658,423,000**	**686,403,000**	**0**	**686,403,000**	**4.25%**
Washington Aqueduct					
Enterprise and Other Funds	70,521,159	138,227,183	0	138,227,183	96.01%
GROSS FUNDS	**70,521,159**	**138,227,183**	**0**	**138,227,183**	**96.01%**

Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Net Committee Action					
Local Funds	356,649,459	433,720,599	2,030,711	435,751,310	22.18%
Dedicated Taxes	26,705,648	24,712,022	0	24,712,022	-7.47%
Federal Payments	81,704,286	23,000,000	0	23,000,000	-71.85%
Federal Grant Funds	53,888,777	58,870,445	0	58,870,445	9.24%
Private Grant Funds	2,556,263	2,457,679	0	2,457,679	-3.86%
Special Purpose Revenue Funds	140,519,766	139,478,477	1,064,808	140,543,285	0.02%
Enterprise and Other Funds	759,444,159	869,424,183	0	869,424,183	14.48%
GROSS FUNDS	**1,421,468,358**	**1,551,663,405**	**3,095,519**	**1,554,758,923**	**9.38%**

-Operating Budget Summary Table-

C. FULL-TIME EQUIVALENT SUMMARY TABLE

Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Department of Public Works					
Local Funds	1,384.5	1,525.5	5.0	1,530.5	10.55%
Special Purpose Revenue Funds	37.0	37.0	0.0	37.0	0.00%
GROSS FUNDS	**1,421.5**	**1,562.5**	**5.0**	**1,567.5**	**10.27%**
District Department of Transportation					
Local Funds	652.4	798.2	(25.0)	773.2	18.52%
Federal Grant Funds	21.0	26.0	0.0	26.0	23.81%
Special Purpose Revenue Funds	12.0	12.0	0.0	12.0	0.00%
GROSS FUNDS	**685.4**	**836.2**	**(25.0)**	**811.2**	**18.35%**
Department of Motor Vehicles					
Local Funds	231.0	253.0	0.0	253.0	9.52%
Special Purpose Revenue Funds	39.0	39.0	0.0	39.0	0.00%
GROSS FUNDS	**270.0**	**292.0**	**0.0**	**292.0**	**8.15%**
District Department of the Environment					
Local Funds	143.3	141.8	1.0	142.8	-0.29%
Federal Payments	11.0	11.0	0.0	11.0	0.00%
Federal Grant Funds	102.5	101.3	0.0	101.3	-1.16%
Private Grant Funds	4.8	1.8	0.0	1.8	-63.16%
Special Purpose Revenue Funds	217.1	247.1	(1.0)	246.1	13.38%
GROSS FUNDS	478.5	503.0	0.0	503.0	5.11%
Deputy Mayor for Operations and Infrastructure					
Local Funds	8.0	8.0	0.0	8.0	0.00%
GROSS FUNDS	8.0	8.0	0.0	8.0	0.00%
Net Committee Action					
Local Funds	2,419.2	2,726.5	(19.0)	2,707.5	11.92%
Federal Payments	11.0	11.0	0.0	11.0	0.00%
Federal Grant Funds	123.5	127.3	0.0	127.3	3.09%
Private Grant Funds	4.8	1.8	0.0	1.8	-63.16%
Special Purpose Revenue Funds	305.1	335.1	(1.0)	334.1	9.52%
GROSS FUNDS	**2,863.4**	**3,201.7**	**(20.0)**	**3,181.7**	**11.11%**

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D. Capital Budget Summary Table

DEPARTMENT OF TRANSPORTATION (KA0)									
Project No	Project Title	Available Allotments	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	6 Year Total
ED0D5C	11TH STREET BRIDGE PARK	0.00	5,050,000.00	15,118,763.00	17,156,463.00	(23,289,836.00)	964,610.00	0.00	15,000,000.00
LMEQUC	EQUIPMENT	(1,097,618.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LMEQUC NEW	CURBSIDE MANAGEMENT STUDY	0.00	120,000.00	0.00	0.00	0.00	0.00	0.00	120,000.00
LMGGRC	POWERLINE UNDERGROUNDING	0.00	0.00	(13,835,333.00)	(13,835,333.00)	27,670,666.00	0.00	0.00	0.00
LMWWM C	STORMWATER & FLOOD MITIGATION	(300.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SR310C	STORMWATER MANAGEMENT	(1,750,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CE308C	CONCRETE, ASPHALT & BRICK MAINTENANCE	(562,723.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CE304C	STREET SIGN IMPROVMENTS	(678,034.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LMS05C	I-66/ROCK CREEK PARKWAY BYPASS STUDY	(539,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LMS07C	CROSSTOWN BICYCLE LANES	0.00	250,000.00	0.00	0.00	0.00	0.00	0.00	250,000.00
LMVAEC	VEHICLE FLEET	(5,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LMWWM C NEW	MOUNT ZION & FEMALE UNION BAND SOCIETY CEMETERIES	0.00	1,650,000.00	0.00	0.00	0.00	0.00	0.00	1,650,000.00
LMBSS NEW	DUPONT TREE PLAZA	0.00	736,000.00	0.00	0.00	0.00	0.00	0.00	736,000.00
LMBSS NEW	BUZZARD POINT PARK	0.00	0.00	0.00	1,100,000.00	0.00	0.00	0.00	1,100,000.00
LMBSS NEW	ANNACOSTIA RIVER PED/BIKE CONNECTIVITY - E CAP ST	0.00	1,100,000.00	0.00	0.00	0.00	0.00	0.00	1,100,000.00
TRL00 NEW	BUZZARD POINT TRAIL	0.00	0.00	2,959,000.00	0.00	0.00	0.00	0.00	2,959,000.00
LMSAFC NEW	SCHOOL ACTION PLANS	0.00	600,000.00	600,000.00	600,000.00	600,000.00	600,000.00	600,000.00	3,600,000.00
LMSAFC NEW	SCHOOL ACTION PLAN IMPLEMENTATION	0.00	0.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	15,000,000.00
LMSAFC NEW	VISION ZERO IMPROVEMENT HARDENING	0.00	0.00	122,400.00	122,400.00	122,400.00	122,400.00	122,400.00	612,000.00
KA0 Total		(9,627,675.00)	9,506,000.00	7,964,830.00	8,143,530.00	8,103,230.00	4,687,010.00	3,722,400.00	42,127,000.00

DEPARTMENT OF ENERGY & ENVIRONMENT (KG0)									
Project No	Project Title	Available Allotments	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	6 Year Total
K2015C	ENFORCEMENT & COMPLIANCE DATABASE	(17,923.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUS04C	SUSTAINABLE DC FUND-2	(56.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KG0 Total		(17,979.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

DEPARTMENT OF MOTOR VEHICLES (KV0)									
Project No	Project Title	Available Allotments	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	6 Year Total
MVS16C	DESTINY REPLACEMENT PROJECT	0.00	(300,000.00)	300,000.00	0.00	0.00	0.00	0.00	0.00
MVSNE W	DESTINY REGISTRATION FEE IMPLEMENTATION	0.00	300,000.00	0.00	0.00	0.00	0.00	0.00	300,000.00
KG0 Total		0.00	0.00	300,000.00	0.00	0.00	0.00	0.00	300,000.00

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E. Committee Transfers

Transfers Out						
Receiving Committee	Amount	FTEs	Receiving Agency	Program/Activity/Comp Obj	Purpose	Funding Type
Business & Economic Development	$150,000	0.0	DSLBD	4000/4020	Friendship Heights Alliance	One-time
	$250,000	0.0	DSLBD	4000/4030	District Bridges	One-time
	$20,000	0.0	DSLBD	4000/4030	Tenleytown Main Street Expansion	One-time
Government Operations & Facilities	$40,300	0.0	DGS	7000/7004	Electricity Cost Increase from SETF Phase Out	Recurring
Health	$200,000	0.0	DOH	8500/8513	Food & Friends Home-Delivered Meals	Recurring
	$129,066	0.0	DOH	8500/8513	Produce Plus	Recurring
	$100,000	0.0	DOH	8500/8513	Healthy Corners	Recurring
	$100,000	0.0	DOH	8500/8506	Diaper Bank Grant	Recurring
	$75,000	0.0	DOH	8500/8510	Mental Health Services	Recurring
Housing & Executive Administration	$200,000	0.0	DACL	9400/9440	Non-English Speaking Seniors Service Grant	One-time
	$250,000	0.0	DACL	9400/9430	Money Management Programming for Alzheimer's Patients	One-time
	$288,000	0.0	DACL	9400/9430	Senior Housing Provider Progamming Expansion	One-time
	$130,000	0.0	DACL	9400/9475	Cognitive Impairment Treatment	Recurring
	$250,000	0.0	DACL	9400/9475	Telemedicine Services	Recurring
	$250,000	0.0	DACL	9400/9475	Public Health Social Innovation Accelerator	Recurring
Commitee of the Whole	$207,398	2.0	OP	1000/1090	Food Policy Council FTEs	Recurring
	$6,000	0.0	OP	1000/1040	Food Policy Council FTE NPS	One-time
	$35,000	0.0	MWCOG	N/A	COG FARM Dues	One-time
	$80,000	0.0	OP	1000/1090	Food Policy Council Central Kitchen Study	One-time
TOTAL	$2,760,764	2.0				

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F. Revenue Adjustment & Funding of Legislation

Revenue Adjustment

Revenue Adjustments			
Fund Type	FY 2023 Amount	Use	BSA Subtitle
100	$2,310,000	Revenue raised pursuant to subtitle	Motor Vehicle Registration Fees
6700	$1,096,404	Revenue raised pursuant to subtitle	Sustainable Energy Trust Fund Fees
100	$598,500	Revenue from 4.0 new booter FTEs	N/A

Funding of Legislation

Budget Support Act Subtitle Funding				
Subtitle	Agency	Program	FY 2023 Amount	FTEs
Central Food Processing Facility Siting and Feasability Study	OP	1090	$200,000	0.0
Solar for All Tax Reief	DOEE	6700	$288,750	0.0
Renewable Energy Storage Grants	DOEE	6700	$800,000	0.0
Visitor Parking Pass Access	DDOT	PGCM	$0	0.0

Funding of Bills Previously Passed Subject to Appropriation					
Law #	Section	Agency	Activity/Comp Obj	FY 2023 Amount	FTEs
L23-211	Section 2(d)(2)	DPW		$2,534,998	6.0
L23-211	Section 2(k) [112c]	DPW		$800,000	0.0
L23-211	Section 2(b)(3)	DPW		$105,000	0.0
L23-158	Section 14	DDOT		$0	0.0

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Agency Fiscal Year 2023 Budget Recommendations

A. Introduction

The Committee on Transportation & the Environment is responsible for matters relating to environmental protection regulations and policies; highways, bridges, traffic, vehicles, and other transportation issues; maintenance of public spaces; recycling and waste management; and water supply and wastewater treatment. The following agencies are within the jurisdiction of the Committee:

Department of Public Works
District Department of Transportation
Department of Motor Vehicles
Department of Energy and Environment
Green Finance Authority
Deputy Mayor for Operations & Infrastructure
District of Columbia Water and Sewer Authority

The Committee also oversees the Highway Transportation Fund – Transfers account, the Washington Aqueduct, the District of Columbia Bicycle Advisory Council, the District of Columbia Pedestrian Advisory Council, the District of Columbia Multimodal Accessibility Advisory Council, and the Commission on Climate Change and Resiliency.

The Committee is chaired by Councilmember Mary M. Cheh. The other members of the Committee are Councilmembers Charles Allen, Kenyan McDuffie, Janeese Lewis George, and Christina Henderson.

The Committee held budget oversight hearings on the proposed budgets for the agencies under its purview on the following dates:

March 22, 2022	Department of Motor Vehicles and Deputy Mayor for Operations & Infrastructure
March 25, 2022	Department of Public Works
March 29, 2022	Department of Energy and Environment and Green Finance Authority
April 4, 2022	District Department of Transportation

The Committee typically does not hold budget hearings on the District of Columbia Water and Sewer Authority (DC Water) or the Washington Aqueduct because the Council does not control those agencies' budgets. The District Department of Transportation controls funds for the District of Columbia Bicycle Advisory Council, the District of Columbia Pedestrian Advisory Council, the District of Columbia Multimodal Accessibility Advisory Council, and the Highway Trust Fund – Transfers account, and those agencies' budgets were considered during the Committee's hearing on the District Department of Transportation.

The Committee has attached a copy of the legislative language for all recommended Budget Support Act subtitles as Attachment I.

One-Time Funding for Recurring Expenses

In its discussion of various agency initiatives in the Mayor's FY 2023 budget proposal, the Committee notes numerous instances where the Executive has proposed one-time spending for programs and services that are known to have recurring costs. Funding programs and services that are known to have recurring costs for only the upcoming fiscal year creates uncertainty across the financial plan and means dollars must be identified in future budgets to cover those costs. The Committee does not believe this is prudent financial planning, and risks funding gaps in future years. Frustratingly, this is not a new practice and has occurred in most, if not all, budgets submitted to the Council in recent years. The Committee urges the Executive to reconsider this budgeting approach across agencies, divisions, and activities.

The Committee has similar concerns about the Executive's use of American Rescue Plan Act ("ARPA") funds to support regular agency expenses, given that those funds will expire in 2025. It is unclear how the Executive intends to fund those programs and services in 2026 and beyond. The District must be mindful of relying on these limited-term funding sources to support programming that is intended to last beyond 2026 or risk these programs going unfunded when ARPA funds expire.

District Recovery Plan & Intradistrict Spending

Each spring, the Mayor submits her proposed budget and financial plan for the upcoming fiscal year to the Council. Within that submission are breakdowns of individual agency budget chapters, which provide a snapshot of historic spending, approved budget levels, and proposed spending for the upcoming fiscal year across divisions and activities. The Council scrutinizes this data to develop a full picture of the Mayor's proposed changes to agency programs and services, as well as make decisions on where and how agencies' budget proposals might be amended to better serve the needs of District residents. Understanding the delta between historic budgets and actual spending and proposed levels for the upcoming fiscal year are critical to this analysis.

For a number of agencies, including several under the purview of this Committee, the Mayor's FY 2022 budget proposal and the budget as enacted included significant increases in spending supported by federal funding provided to the District under ARPA. The inclusion of those federal funds in the budget was reflected as increases to existing divisions and activities, which allowed the Committee and the public to see and track how those investments affected spending on programs and services. For example, this budget model allowed the Committee to clearly see whether ARPA investments were supplanting or supplementing local dollars.

The Mayor's FY 2023 budget proposal, however, tracks these federal funds in a different and far less transparent manner. Now, agencies receiving federal ARPA funds have reported those dollars and the FTEs the funds support in a new division, coded as "(DCRP) District Recovery Plan." Funds in this new Division are reported as a lump sum expenditure in the budget chapters, and spending is not broken down by program, activity, service, or any other metric. Due to how changes in funding between the current fiscal year and the next are reported in the budget, moving ARPA funds from their FY 2022 activity to DCRP in FY 2023 appears like a funding reduction, when no reduction actually occurred.

While the Committee recognizes that this may assist the Executive in more easily tracking how federal dollars are spent—and that they are spent in an authorized manner—the Committee has significant concerns about this change. Presenting federal ARPA spending as a lump sum amount—an amount that, for some agencies, includes tens of millions of dollars in funding and dozens of FTEs—provides the Council and the public with little to no information on how the Executive plans to spend these dollars. Furthermore, shifting these funds in this manner has made the Council and public's work to understand the larger budget proposal significantly more difficult, as the shifting of funds between divisions and activities obscures other substantive changes to those agency programs and services. The Committee was only able to reconcile the effect of these changes after each affected agency provided the Committee with a crosswalk of funds and FTEs into the new DCRP Division.

For the reasons above, the Committee has significant concerns about this new approach to tracking ARPA funds in agency budgets. If the Committee had sufficient time and resources to do so, it would seek to reverse transfer of these funds and FTEs into the new DCRP Division, reallocating funding and FTEs to the Activity in which they were budgeted for FY 2022.

Separately, as part of the FY 2023 budget, the OCFO announced a new shift in how intradistrict transfers would be reported in the Mayor's budget proposal. Intradistrict transfers reflect instances in which District agencies procure services from one another (for example, agencies purchasing vehicle leasing services from the Department of Public Works). Prior to this budget proposal, those expenditures have been reported twice in the budget: once, in the "buyer" agency's budget chapter, showing that agency's expenditure for that service, and again, in the "seller" agency's budget, reflecting that agency's total spend on services, inclusive of all "buyer" agency spending. Given concerns that this approach resulted in double-counting of spending, the OCFO decided these expenditures would only be listed in the "buyer" agency's budget. While the Committee supports efforts to increase clarity in the budgeting process, it does have concerns that this new approach makes it more difficult for the Council and public to visualize spending across agencies on particular services. In addition, like with the shift of ARPA funds to the new DCRP Division, this shift results in what appear to be (but are not) funding reductions to Divisions and Activities within seller agency budgets. The Committee sought specific information from each agency to understand the extent to which changes listed in the Mayor's FY 2023 budget proposal reflected actual reductions or enhancements, and which changes simply reflected this new budget model.

To provide an accurate account of actual funding levels proposed for each agency in the FY 2023 budget, the Committee has collected information on the effect of the DCRP Division and intradistrict fund changes on spending for each agency, by division and activity. The Committee has included tables at Appendix L that provide a breakdown of those shifted funds, and the Committee's understanding of the Committee's actual proposed budget, minus those changes.

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B. DEPARTMENT OF PUBLIC WORKS (KT)

Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	161,359,247	172,662,707	4,243,012	176,905,719	9.6%
Special Purpose Revenue Funds	14,598,789	11,713,137	0	11,713,137	-19.8%
GROSS FUNDS	175,958,036	184,375,844	4,243,012	188,618,856	7.2%

FY 2023 Full-Time Equivalents, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	1,384.5	1,525.5	5.0	1,530.5	10.5%
Special Purpose Revenue Funds	37.0	37.0	0.0	37.0	0.0%
GROSS FTES	1,421.5	1,562.5	5.0	1,567.5	10.3%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	86,758,721	88,375,582	(461,721)	87,913,861	1.3%
12 - Regular Pay - Other	8,890,764	5,347,630	0	5,347,630	-39.9%
13 - Additional Gross Pay	3,174,779	3,174,779	0	3,174,779	0.0%
14 - Fringe Benefits - Curr Personnel	27,251,650	27,116,416	(32,057)	27,084,359	-0.6%
15 - Overtime Pay	5,905,778	5,757,282	0	5,757,282	-2.5%
Personal Services (PS)	131,981,692	129,771,689	(493,778)	129,277,911	-2.0%
20 - Supplies and Materials	7,505,108	4,365,202	0	4,365,202	-41.8%
31 - Telecommunications	260,966	180,000	0	180,000	-31.0%
40 - Other Services and Charges	29,445,227	11,048,004	181,750	11,229,754	-61.9%
41 - Contractual Services - Other	33,025,980	32,198,188	3,771,040	35,969,228	8.9%
50 - Subsidies and Transfers	0	3,700,398	200,000	3,900,398	N/A
70 - Equipment & Equipment Rental	4,563,374	3,112,361	584,000	3,696,361	-19.0%
Nonpersonal Services (NPS)	74,800,655	54,604,153	4,736,790	59,340,943	-20.7%
GROSS FUNDS	206,782,347	184,375,842	4,243,012	188,618,854	-8.8%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Agency Management	32,238,601	18,009,469	4,585,478	22,594,947	-29.9%
100F	Agency Financial Operations	5,079,661	2,427,220	0	2,427,220	-52.2%
2000	Snow Removal Program	8,200,000	8,200,000	0	8,200,000	0.0%
4000	Fleet Management	35,268,263	20,532,538	0	20,532,538	-41.8%
5000	Parking Enforcement Management	35,410,635	30,945,647	657,534	31,603,181	-10.8%
6000	Solid Waste Management	90,585,188	96,029,827	(1,000,000)	95,029,827	4.9%
DCRP	District Recovery Plan	0	8,231,143	0	8,231,143	N/A
GROSS FUNDS		206,782,348	184,375,844	4,243,012	188,618,856	-8.8%

AGENCY OVERVIEW

The mission of the Department of Public Works ("DPW") is to provide the highest quality sanitation, parking enforcement, and fleet-management services that are both ecologically sound and cost-effective. DPW executes its mission through the work of the following six divisions: the Snow Removal Program, which ensures the District is safe to navigate after the end of a snow storm and to resume normal government services and commerce in an efficient, environmentally sustainable, and safe manner; Fleet Management, which supports all city services by procuring and maintaining more than 3,000 vehicles, excluding those used by the Metropolitan Police Department, the Fire and Emergency Medical Services Department, the Department of Corrections, and DC Public Schools, and by fueling all 6,000 District government vehicles, including school buses, fire and trash trucks, and street sweepers; Parking Enforcement Management, which provides on-street parking enforcement services, including ticketing, towing, booting, removal of abandoned and dangerous vehicles, and auction of impounded vehicles; Solid Waste Management, which performs a number of daily operations, including trash, recycling, bulk collections, sanitation education and enforcement, graffiti removal, public litter-can service, fall leaf collection, snow and ice removal, and street and alley cleaning; Agency Management, which provides administrative support and the required tools for the Agency to achieve operational and programmatic results; and Agency Financial Operations, which provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained.

OPERATING BUDGET ANALYSIS & RECOMMENDATIONS

The Mayor's proposed FY 2023 operating budget for DPW is $184,375,845, which represents a 10.8% decrease in operating funds, compared with the approved FY 2022 budget. However, this dramatic decrease is largely due to the new system of reporting of intradistrict fund spending only in the budget of agencies "buying" the services, and not in the "seller" agency budget. This funding supports 1,562.5 Full-Time Equivalents (FTEs), a 1.2% decrease from the FY 2022 approved level.

Office of Waste Diversion

Curbside Composting Pilot

For years, the Committee has urged DPW to begin work to allow for District-wide collection and recycling of organic waste (also known as compostable materials). Making composting accessible to residents across the District is the single most meaningful step the District can take toward meeting its Zero Waste goals. Organic waste, which includes food and yard waste, makes up roughly a third of the District's waste stream. Indeed, the District generates approximately 167,000 to 235,000 tons of organic material each year. Unfortunately, almost all of this waste currently ends up in a landfill or is incinerated. The District's 80% waste diversion goal will perpetually be out of reach unless we make drastic changes to our handling of organic waste—of which universal curbside composting is a critical part.

In early 2022, DPW shared with the Committee that it had identified capacity within the region that could accept the anticipated volume of the District's organic waste, should curbside composting be implemented. This has long been a significant hurdle to moving this program forward: several years ago, DPW told the Committee it had sought, but could not find, sufficient capacity within the District to build a composting facility, and would need to look outside the District for capacity at a private facility. The Committee is pleased to see some progress here, as there had been little to no movement forward at the Agency on composting in recent years.

That said, the Agency has told the Committee that capacity is the *last* step required for DPW to move forward with curbside collection of organic waste; they will not move forward with contracting for this space until the following steps have been completed:

- Completion of a curbside composting pilot;
- Review of cost and participation rates in the pilot to identify efficiencies and inform total cost estimates;
- Full funding in an upcoming budget for staffing, equipment, securing of capacity, and any other identified costs; and
- Solicitation and awarding of contract with a vendor to support curbside composting and a processing site.

DPW has informed the Committee that the necessary size of the composting pilot would be 10,000 households. The agency estimates that the pilot's cost would total $4,431,790 for those 10,000 households, with an opt-in model for one year. That cost estimate is inclusive of pricing for:

- Opt-in mailers for all DPW-serviced households ($36,750)
- Compost caddies for 10,000 households ($200,000)
- Compostable bags (50 per household) ($24,000)
- Curbside containers (5-gallon buckets) ($360,000)
- Disposal costs ($93,600)
- Collection costs ($3,640,000)
- Hauling costs ($37,440)
- Ongoing education and outreach for opt-in households ($40,000)

The Committee is eager to move the curbside composting pilot forward as soon as possible, to enable the District to move closer to universal curbside composting in the near future. **Therefore, the Committee increases (2010) Office of Waste Diversion by $4,431,790 in FY 2023 to support the launch of a pilot of curbside composting at 10,000 properties in the District.**

Zero Waste Omnibus Amendment Act

On December 1, 2020, the Council passed B23-506, the Zero Waste Omnibus Amendment Act, comprehensive legislation aimed at increasing the District's waste diversion rate. The Committee recommends funding several remaining unfunded provisions of this legislation that will be implemented by the Office of Waste Diversion at DPW.

First, the legislation requires that the Mayor review and verify implementation of source separation plans that certain large private property owners are required to submit to the Mayor, including through on-site evaluation. **To ensure DPW has sufficient funding and staffing for source separation plan review, the Committee increases (2010) Office of Waste Diversion by $601,000 and 6 FTEs in FY 2023, and $2,535,000 over the four-year financial plan period.**

In addition, the legislation requires the Mayor to prepare and submit to the Council a plan for how to provide recycling infrastructure in the public space. The plan must make recycling available, as appropriate, with public litter containers, and require businesses providing public litter containers to provide recycling containers. **Therefore, the Committee increases (2010) Office of Waste Diversion by $105,000 in FY 2023.**

Finally, the legislation requires DPW to administer an on-site organic processing system acquisition grant program to financially assist a business or nonprofit organization in the lease or purchase of an on-site organic processing system, such as an in-vessel composter or aerobic digester. **Therefore, the Committee increases (2010) Office of Waste Diversion by $200,000 in recurring funds in FY 2023.**

Parking Enforcement

The Mayor's proposed budget for the Parking Enforcement Management Administration ("PEMA") includes a reduction in (5010) Parking Regulations Enforcement of 31.0 FTEs and $4,295,000. According to DPW, this reduction is a result of the following:

- Reducing the number of Parking Enforcement Officers by 20 FTEs to meet departmental budget ($1,286,060.45);
- Shifting ten Parking Enforcement Officers from Parking Regulations Enforcement to the District Recovery Plan budget within DPW ($552,162.70);
- Increased vacancy savings ($2,386,367.77); and
- Realigning a position within Parking Regulations Enforcement ($70,409.08).

Although DPW has said that the reduction in officers will not affect service levels, the Committee is concerned about this change and will be tracking performance within this program in FY 2023 to ensure this is the case.

Boot Crew

In the fall of 2021, the Committee learned from a DPW report that almost 550,000 District, Maryland, and Virginia vehicles are eligible to be booted by DPW crews if found on

District streets because they have two or more unpaid parking or ATE camera tickets that are at least 60 days old. A significant number of those tickets were for dangerous driving behaviors. For example, approximately 75,000 boot-eligible vehicles have tickets for driving more than twenty miles per hour over the speed limit, 150,000 for running a red light, and 50,000 for running a stop sign.

On December 6, 2021, the Committee held a roundtable on DPW's enforcement against vehicles with substantial unpaid traffic fines.[1] At the roundtable, the Committee learned that DPW has only two vehicles and six staff assigned to the "boot crew." This crew only boots between 36 and 50 vehicles a day, meaning that only a fraction of vehicles with long-standing unpaid tickets are actually booted. At this pace, it would take over 25 years for all eligible vehicles to be booted.

Studies have shown that it is not necessarily the size of a fine but the certainty of enforcement that results in the greatest increase in compliance with traffic safety laws.[2] Thus, the Committee raised significant concerns that DPW's lack of enforcement was a driving force in increases in traffic fatalities in the District; since the Mayor announced the launch of the Vision Zero initiative in 2015, traffic fatalities have increased every year but one. It is the Committee's belief that, as a result of this low level of enforcement, some drivers continue to drive dangerously under the belief that they will never be caught. Thus, DPW's limited enforcement likely has a direct effect on the safety of our roadways and our efforts to achieve Vision Zero.

At the roundtable, the Committee learned that one of the factors limiting DPW's ability to boot more vehicles was the capacity of the current impound lot; the current lot is at over 80% capacity most days, meaning that there is no location to which DPW can tow booted vehicles. Thus, the Committee was pleased to learn this spring that DPW had identified a location for a second impound lot, which will add at least 259 additional spaces. The Committee was also pleased to see funding for this new lot in the Mayor's budget proposal (which is in the DGS capital budget, as that agency is responsible for negotiating and managing the lease of the new lot site) and hopes that this new lot will fully address current capacity issues.

In addition, the Committee was pleased to see in the Mayor's FY 2023 budget proposal funding to support the hiring of 9.0 additional boot crew FTEs. According to DPW, these new FTEs will allow the Agency to bring online six to eight active crews each day (compared to the current two), with each crew booting eighteen to twenty-five vehicles daily. The Committee believes this investment in boot crew personnel is a significant step toward right-sizing boot crew operations and could have a meaningful effect on traffic safety.

The Committee, however, learned during the budget process that funds for these FTEs were mistakenly loaded into (1040) Information Technology. To ensure the funding for these

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[1] Committee on Transportation & the Environment, Public Roundtable on the Department of Public Works' Enforcement Against Vehicles with Substantial Unpaid Traffic Fines (Dec. 6, 2021), recording available at http://dc.granicus.com/MediaPlayer.php?view_id=29&clip_id=6927.

[2] *See, e.g.*, Davey, Jeremy & James Freeman, *Improving Road Safety through Deterrence-Based Initiatives*, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3074684/.

new FTEs is allocated to the appropriate program and activity, and these positions can be hired as soon as possible, **the Committee reduces (1040) Information Technology by 9.0 FTEs, and $752,312 in FY 2023, and $3,009,248 across the financial plan, and increasing (5020) Towing by those same amounts and FTEs.**

That said, at the agency's budget oversight hearing, the Committee learned that DPW had requested 13.0 FTEs, to support the boot crew, four more positions than were included in the Mayor's budget proposal. DPW explained that this higher level of FTEs would allow PEMA to cover all eight wards of the District each day with one or two teams, and to have sufficient boot release personnel. **Therefore, the Committee increases (5020) Towing by $247,037 in FY 2023 and $988,150 and 4.0 FTEs across the financial plan.**

As discussed above, increasing the number of boot crew staff will increase compliance with the District's traffic laws. Specifically, as the number of vehicles booted each day increases, so should payment of fines by drivers seeking to recover their vehicles from the District impound lot. It is also likely, due to the higher number of impounded vehicles, that the number of vehicles sold at auction will increase. The Committee, however, has learned that the Mayor's budget does not budget for this anticipated increase in revenue. **Therefore, the Committee recognizes revenue from the 9.0/13.0 new boot crew FTEs in the amount of $598,500 in FY 2023 and $2,992,500 across the financial plan.**

Finally, at the hearing, the Committee was made aware that the cost to replace a vehicle boot ($750) is far greater than the fine DPW currently assesses a resident for destruction of a boot ($300). The Committee is aware that some individuals may seek to avoid payment of tickets for parking and traffic infractions by illegally removing a boot from their vehicle, a process that typically destroys or otherwise renders the boot non-functional. In fact, for a number of years, at least one individual in the District has offered the service of removing vehicle boots illegally. Regardless, when boots are illegally removed, they are seldom, if ever, recovered. District taxpayers should not be footing the bill every time a person willfully and illegally destroys a vehicle boot. **Thus, the Committee recommends the inclusion of a subtitle in the Budget Support Act that increases the penalty for boot removal, damage, or destruction to at least $750, to ensure the fine covers the full cost of the District procuring a replacement boot.**

<u>Solid Waste Management</u>

The budget for the Solid Waste Management Administration ("SWMA") has a proposed increase of $5,445,000 over approved FY 2022 levels, as well as a significant reduction in FTEs in (6020) Public Space Cleaning. These and other changes are discussed below.

Public Space Cleaning

(6020) Public Space Cleaning includes a reduction of 76.5 FTEs, and an increase in the Activity budget of $3,216,000. The 76.5 reduction in FTEs is the net effect of shifting 87.5 FTEs from Public Space Cleaning to the District Recovery Plan and adding 11.0 FTEs for the

Bike Lane Cleaning Teams.[3] The funding increase is the net result of shifting funding to the District Recovery Plan Activity and certain amounts that were loaded incorrectly during the formulation process. DPW provided an accounting of those changes as follows:

- Shifting ARPA funding to the District Recovery Plan: ($5,344,000)
- Amounts loaded correctly: $3,058,000
- Amounts loaded incorrectly: $5,447,000

Given the timing of when these errors were flagged for the Committee, the Committee did not shift these funds within its budget recommendations. However, the Committee intends to work with the Committee of the Whole to identify where funds and FTEs should be moved between Divisions and Activities to address these errors.

*Sani*tation Collections and Removals

Sanitation Collections and Removals (6030) was increased by $843,000. This additional funding will support Personnel Services for the Bike Lane Cleaning Team and the shifting of 1 FTE within Administration, with salary and step increases.

*Sanitation Di*sposal

Sanitation Disposal (6040) was increased by $1,258,000, which reflects Salary and Step increases, an enhancement for Hauling, Disposal, and Recycling, as well as an increased budget for super cans and increased recycling budget.

<u>Snow Removal</u>

The proposed budget for snow removal is $8,200,000. This matches the FY 2022 approved budget.[4]

The Committee notes, however, that the budget chapter suggests a shift of snow removal funding from recurring dollars to one-time funds, representing a $5,346,000 reduction. The Committee raised concerns to the Agency about this shift because, as presented, it would mean that snow removal dollars would only be budgeted for the upcoming fiscal year, with no dollars identified for FY 2024 and beyond. DPW clarified that this was in fact the case, stating, "funding will have to be requested in subsequent out years (FY 2024 and beyond) as opposed to the funding being automatically loaded in the DPW budget."

The Committee continues to have significant concerns about this proposal. While snow removal costs may fluctuate from year to year, these costs are incurred by the Agency each year. Failing to include even basic, baseline funding for these services in the outyears means the District will need to identify funds for this work in each budget process. This practice does not represent prudent budgeting practices or planning.

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[3] The increase for the 11 additional FTEs is $757,217, plus an additional $138,000 for salary and step increases.
[4] A $351,000 shift from Equipment Rental (2040) to Road Treatment (2050) is the result of DPW needing to rent fewer pieces of equipment and using that additional funding to offset recent salt cost increases.

The Committee is loath, however, to replace these funds in this budget, as the Committee anticipates the Mayor will simply sweep any amounts the Committee identifies for other purposes in the FY 2024 budget review process. Nevertheless, the Committee strongly urges the Agency to identify base funding levels for snow removal services moving forward.

Fuel Contract

The Fleet Management budget includes a $4,850,000 decrease in Fleet Consumables. This reduction is due, in part, to $2,350,000 being loaded mistakenly in Solid Waste Management (LEAF 6020). The Committee aims to fix this; however, we were unable to secure the appropriate attributes to rectify the issue in this report. We intend to work with the Committee of the Whole to rectify this error later in the budgeting process. The remaining $2,500,000 reduction is not in fact a cut but reflects the new Inter-Agency budgeting process.

Agency Financial Operations

The Agency Financial Operations (100F) budget includes a decrease of $2,652,000 and 19.0 FTEs. However, this large decrease is a result of the new intradistrict shift. DPW used to be a much larger agency that covered a number of services now provided by a range of other agencies, including the District Department of Transportation[5] and Department of Energy and Environment. When certain services moved to those agencies, DPW continued to cover much of the costs for the relevant budget-focused FTEs in the agency's budget and received payment from these other cluster agencies for those services. Because of the intradistrict reporting shift, those costs are now reflected only in the purchasing agencies' budgets.

District Recovery Plan & Intradistrict Reporting Shifts

As discussed in full in the Executive Summary to this report, this year saw two significant changes to how funding levels were reported in the Mayor's FY 2023 budget proposal. These include shifting reporting of federal ARPA fund dollars from specific programs and activities to a new (DCRP) District Recovery Plan Division and reporting of intradistrict fund spending only in the budget of agencies "buying" the services, and not in the "seller" agency budget. These changes resulted in what appeared to be reductions to agency budgets, where in fact no reduction occurred.

The Committee has included tables at Appendix L that provide a breakdown of those shifted funds, and the Committee's understanding of the Committee's actual proposed budget, minus those changes.

FY 2022 Agency Underspending

Each year, for agencies under its purview, the Committee reviews spending in Comptroller Source Objects ("CSO") to identify historic underspending on discretionary expenditures, such as (201) Office Supplies, (308) Telecommunications, (401) Travel – Local, (402) Travel – Out of City, and (411) Printing, Duplicating, Etc. Upon receiving the Mayor's FY

[5] *See* D.C. Law 14-137, the District Department of Transportation Establishment Act of 2002.

2023 budget proposal, the Committee reviewed agency spending on these and other CSOs for October 2021 through late March 2022, a period covering the first half of the fiscal year; in a number of CSOs, the Committee identified significant underspending, including several CSOs with zero spend not just in FY 2022, but in FY 2020 to date. Where unspent, these funds will revert to the General Fund at the end of the fiscal year.

The Committee believes that the remaining balance in CSOs with meaningful underspending could be put to better use serving District residents. Thus, the Committee recommends sweeping funds from CSOs with significant underspending.

The Committee makes the following reductions to DPW's FY 2022 budget: $308,000 reduction in FY 2022 to program across the agency budget for spending on CSG 40 – Other Services and Charges.

Vacancies

In an effort to increase efficiency and reduce waste, each year, the Committee systematically reviews vacancies at all agencies under its purview. Across the board, the Committee recommends eliminating positions that have been vacant since the beginning of FY 2020 and that are not currently under solicitation. Based on these criteria, the Committee identified a number of vacant positions that would be appropriate for elimination. Long-standing vacancies divert resources from other purposes and inefficiently allocate resources. **Therefore, the Committee eliminates positions 17336, 19361, 33382, 63366, and 63374 and recognizes $289,851 in FY 2023 and $1,519,404 in recurring funds from these positions.**

Each year, the Committee also reviews the vacancy savings rate applied to agencies' budget proposal to ensure they are right-sized to historic vacancy rates. Vacancy savings reduce the total staffing budget for an agency by the value of positions that are typical unfilled in a given year due to lag between positions becoming vacant and subsequent hire; for example, where any agency anticipates 5% of positions being vacant throughout a fiscal year, the agency may take vacancy savings for that amount, and only allocate funds in the budget for 95% of staffing costs.

During its review of the DPW budget, the Committee identified recurring discrepancies between the vacancy savings rate taken by DPW and actual vacancy rates. Underestimates of agency vacancy savings rates mean that funds sit unused in agency personal services budgets; where vacancy savings rates are right-sized to comport with actual staffing churn, those funds could be put to an immediate, best-use on behalf of residents. In FY 2023, DPW proposed a 6.9% vacancy savings rate, while, as of March 2022, 17.1% of agency positions were vacant; thus, the Committee is concerned that the agency's proposed 6.9% vacancy savings rate is too low. Thus, the Committee recommends increasing the agency's vacancy savings rate for FY 2023 to approximately 7.7% **Therefore, the Committee recommends recognizing $1,000,000 in one-time funds and $4,000,000 in recurring funds from this increase to the Agency's vacancy savings rate.**

CAPITAL BUDGET ANALYSIS & RECOMMENDATIONS

The Mayor's proposed FY 2023 – FY 2028 capital budget request for DPW is $140,716,000. This represents an increase of $13,792,000 from the FY 2022 – FY 2027 Capital Plan. The FY 2023 – FY 2028 Capital Plan maintains the full funding of the Benning Road Transfer Station modernization. This project and others are discussed in further detail below.

Benning Road Transfer Station Modernization

The Mayor's proposed FY 2023 – FY 2028 capital budget continues to make needed investments in the District's waste transfer facilities by maintaining $68,000,000 to complete the full modernization of the Benning Road Transfer Station. This funding will go toward remediating environmental and safety issues at the site, replacing the current facility, and creating new citywide capabilities to divert waste from landfills or incineration. The Committee strongly supports this project as an opportunity to make safety investments, increase the facility's tipping floor capacity, address stormwater management issues, and further the District's waste diversion goals through infrastructure improvements.

The Benning Road facility has long been in serious disrepair and has represented a missed opportunity for the District. The transfer station is on the site of a former incinerator and much of the site is unusable in its current condition. The proposed modernization would remediate the site so that it is in excellent working condition, expand the transfer station to more fully utilize the space available at the site, and likely allow the facility to offer additional services. Once renovations are complete, the tipping floor will increase in square footage to allow more room to process waste and recyclable materials, which will help reduce the amount of recycling that is lost due to contamination with trash. In addition to the increased capacity and space, the renovated facility will likely offer additional services that further the District's waste diversion goals. The Agency intends to work with the construction management firm to develop a comprehensive zero waste campus that includes a modernized waste center featuring solid waste transfer and processing area, household hazardous waste and recycling/processing, source separating, and leaf and yard waste storage. According to DPW, the zero waste campus will include residential drop-off services, renewable power generation, stormwater pollution prevention, climate resilient infrastructure, flexible and resilient operations, as well as odor, noise, and air quality controls. Other design considerations include a Center for Hard-to-Recycle-Materials.

In the FY 2021 Committee Report, the Committee urged the Agency to move up the funding for the modernization so that the project could begin as soon as possible, noting ongoing maintenance and repair costs associated with running the existing facility. The FY 2022 FY - 2027 Capital Plan included $32,240,000 in FY 2022 and $68,357,000 in FY 2023, for a total of $100,597,000. The FY 2023 – FY 2028 Capital Plan maintains that full funding.

While the Committee continues to strongly support this project, it is critical that the District not squander this opportunity to improve its waste management infrastructure and increase waste diversion. The Committee once again requests that the Agency provide quarterly reports to the Committee on progress on the project and make a draft plan available to both the Council and public stakeholders.

The Committee also urges DPW to undertake a full assessment of how the Benning Road Transfer Station lot could be put to best use, as the transfer station itself will take up only a fraction of the current lot. The Committee has heard suggested that the lot could include space for an anaerobic digester, composting or solar capacity, or even a microgrid. It is critical that these infrastructure investments be considered as the modernization moves forward—such that, even where these investments are not included in current plans, the modernization footprint or envelope does not foreclose these investments being made in the future.

Electric Vehicle Charging Stations

The FY 2023 – FY 2028 Capital Plan includes $500,000 in FY 2023 for electric vehicle ("EV") charging stations. This funding will cover the costs to install fifty new EV charging stations per year at District-owned properties, at a cost of $10,000 per station, to service electric vehicles in the District's fleet. The transportation sector is the leading source of carbon pollution within the United States, and electrification of the District's fleet of vehicles is a small but meaningful step toward meeting our greenhouse gas emission goals.

The project was previously funded at $3,000,000 in the FY 2020 – FY 2025 Capital Plan, with $500,000 in FY 2023, FY 2024, and FY 2025. That total funding was then reduced to $1,500,000 (with funding eliminated from FY 2023-FY 2025) due to budget restrictions resulting from the public health emergency. At that time, the DPW Director testified that the project would be re-funded in the outyears in subsequent budget formulations. The Committee is therefore pleased to see that another $500,000 has been allocated to this project for FY 2023, but disappointed to see that funding for this project does not extend past FY 2023—yet again, the agency is proposing to fund these investments one year in advance, with no long-term commitment or spending. This approach will make it difficult for the District to expand EV capacity on an ongoing basis. The Committee urges the Agency to include ongoing funding in subsequent budget formulations.

Fleet Vehicle Replacements

The Agency's Fleet Management Administration ("FMA") supports critical public safety and sanitation services in the District by procuring and maintaining more than 3,000 vehicles. These vehicles must be kept in good working order and be operational at all times. The condition of the fleet vehicles deteriorates with continued use and mileage, which drives up the costs of maintaining the vehicles and keeping them in service. FMA must regularly replace vehicles to ensure it can meet the service expectations of the District. The Agency uses the Capital Asset Replacement Scheduling System ("CARSS") to model all vehicle needs for the District's fleet. Replacement needs are based on the vehicle's age, condition, mileage, and other factors.

The Mayor's proposed FY 2023 – FY 2028 capital budget includes $83,828,000 to fund fleet vehicle replacement needs. These funds are divided across three projects: (FLW06) Heavy Duty/Off Road, (FLW07) Medium Duty, and (FLW08) Light Duty.

The Committee was pleased to see that the funding levels for FY 2023 for all three capital projects are consistent with the CARSS recommendations. Fully funding fleet replacement at the recommended levels avoids unnecessary maintenance costs down the road. The Committee notes, however, that, once again, funding for these projects does not meet the CARSS projections in the outyears. For example, (FLW06) Heavy Duty/Off Road is significantly underfunded in FY 2024 – FY 2028 compared to the CARSS projections; the FY 2023 – FY 2028 Capital Plan includes only $48,969,000 in funding for this project—far short of the $91,086,701 recommended by CARSS. The Committee expects that subsequent budget formulations will match the CARSS recommendations across the financial plan to ensure that the District's fleet replacement needs are met.

POLICY RECOMMENDATIONS

The Committee recommends that the Agency adopt the following policy change:

1. *Coordinate with MPD to Identify and Stop Providers of Illegal Boot Removal Services*

As noted above, the Committee has learned that there are individuals who have made a business of illegally removing boots for other drivers. While the Committee does not know what these individuals charge for that service, it is almost certainly less than the cost of fines assessed. Removing a boot illegally necessarily causes significant damage to the device. Most are never recovered, but the damage is so substantial that those that are recovered must be replaced nonetheless. This practice not only means that the District has to pay to replace the boot—at a cost of $750 per boot—but also forfeits the ticket revenue, as the owner of the booted vehicle no longer has any reason to pay their fines. It is worth noting that vehicles are only booted once the vehicle has two unpaid tickets that are 60 days old.

More importantly, this practice increases the risk of traffic violence for residents throughout the District. As discussed elsewhere in this report, studies have shown that driver behaviors are driven less by the size of a fine; rather, the certainty of enforcement compels drivers to engage in safe driving behaviors. Where drivers know they can pay a small fee for the removal of a boot, rather than pay fines accrued, they will often do so; this illegal practice means that, for participating drivers, there is near certainty that there will, in effect, *not* be enforcement, as the boot—DPW's sole method of enforcement—can be removed without consequences. Of course, without consequences, there is nothing to discourage these drivers from engaging in illegal—and often dangerous—driving behavior. In short, this practice has a direct relation to traffic violence in the District.

Thus, it is critical that the District do all that it can to put a stop to these illegal boot removal businesses. DPW has noted that there is very little they can do themselves to prevent illegal boot removals. The Committee, therefore, urges DPW to coordinate with MPD to devise a method to identify these individuals and put a stop to this practice. The Committee stands ready to support those efforts, as needed.

C. District Department of Transportation (KA)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	132,852,610	152,011,579	-2,321,847	149,689,732	12.7%
Federal Grant Funds	18,423,809	21,786,604	0	21,786,604	18.3%
Special Purpose Revenue Funds	18,818,400	20,729,000	0	20,729,000	10.2%
GROSS FUNDS	170,094,819	194,527,183	(2,321,847)	192,205,336	13.0%

FY 2023 Full-Time Equivalents, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	652.4	798.2	(25.0)	773.2	18.5%
Federal Grant Funds	21.0	26.0	0.0	26.0	23.8%
Special Purpose Revenue Funds	12.0	12.0	0.0	12.0	0.0%
GROSS FTES	685.4	836.2	(25.0)	811.2	18.4%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	40,830,539	54,307,638	-1,762,864	52,544,775	28.7%
12 - Regular Pay - Other	4,642,375	5,516,094	0	5,516,094	18.8%
13 - Additional Gross Pay	365,000	365,000	0	365,000	0.0%
14 - Fringe Benefits - Curr Personnel	12,661,813	16,509,978	-458,984	16,050,994	26.8%
15 - Overtime Pay	755,000	755,000	0	755,000	0.0%
Personal Services (PS)	59,254,727	77,453,710	-2,221,848	75,231,863	27.0%
20 - Supplies and Materials	1,133,851	1,148,063	0	1,148,063	1.3%
30 - Energy, Comm. and Bldg Rentals	6,306,034	6,291,034	0	6,291,034	-0.2%
31 - Telecommunications	150,000	150,000	-100,000	50,000	-66.7%
40 - Other Services and Charges	6,660,461	6,968,306	0	6,968,306	4.6%
41 - Contractual Services - Other	89,170,884	95,759,982	0	95,759,982	7.4%
50 - Subsidies and Transfers	7,133,125	6,470,351	0	6,470,351	-9.3%
70 - Equipment & Equipment Rental	285,737	285,737	0	285,737	0.0%
Nonpersonal Services (NPS)	110,840,092	117,073,473	(100,000)	116,973,473	5.5%
GROSS FUNDS	170,094,819	194,527,183	(2,321,848)	192,205,336	13.0%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
AA00	Administrative Administration	4,894,539	4,903,415	0	4,903,415	0.2%
DCRP	District Recovery Plan	0	1,591,195	0	1,591,195	N/A
EA00	External Affairs Administration	11,678,526	2,764,433	(596,000)	2,168,433	-81.4%
OA00	Operations Administration	71,784,209	99,014,423	(2,531,555)	96,482,868	34.4%
OD00	Office of the Director	8,575,088	10,563,008	0	10,563,008	23.2%
PA00	Performance Administration	5,448,939	2,910,996	(100,000)	2,810,996	-48.4%
PD00	Project Delivery Administration	67,713,518	72,779,713	905,708	73,685,420	8.8%
	GROSS FUNDS	170,094,819	194,527,183	(2,321,847)	192,205,335	13.0%

AGENCY OVERVIEW

The mission of the District Department of Transportation ("DDOT") is to equitably deliver a safe, sustainable, and reliable multimodal transportation network for all residents and visitors of the District of Columbia. In turn, the Agency maintains critical transportation infrastructure, such as streets, sidewalks, traffic signals, bridges, and streetlights. DDOT also plans, designs, and implements improvements to this infrastructure to allow people to access services more easily and more safely. In addition, DDOT:

- Manages on-street parking;
- Plants and cares for street trees;
- Manages transportation systems such as DC Circulator, DC Streetcar, and Capital Bikeshare; and
- Manages public space for vendors, sidewalk cafes, and other uses.

DDOT's responsibilities affect the quality of our public space, how we choose to get around, the strength of our local and regional economy, and the safety of our residents and visitors.

DDOT executes its mission through the work of the following five divisions: Project Delivery Administration, which is responsible for multimodal infrastructure project planning, design and construction, transit delivery, and traffic engineering and safety; Operations Administration, which maintains the District's transportation infrastructure assets, such as streets, alleys, sidewalks, and trees, manages traffic operations and provides vehicle and pedestrian safety control, manages public space and parking regulations, and conducts snow removal operations; Administrative Administration, which manages the operating and capital budgets, works with the Office of the Chief Financial Officer and the Chief Procurement Officer, manages human resources and workforce development, and provides agency-wide support through State and Regional planning; Performance Administration, which tracks and reports performance metrics, manages facilities, fleet, and information technology resources, and provides customer service; and External Affairs Administration, which provides enhanced community engagement and outreach to District residents, and coordinates communication and messaging to the public, media, and other stakeholders. In addition, the Office of the Director is responsible for the oversight and management of the department.

OPERATING BUDGET ANALYSIS & RECOMMENDATIONS

The Mayor's proposed FY 2023 Operating Budget for DDOT is $194,527,183, which represents a 14.4% increase from the FY 2022 approved budget of $170,094,819. This funding supports 836.2 Full-Time Equivalents ("FTEs"), a 22.0% increase from the FY 2022 approved level of 685.4 FTEs. These numbers represent a significant increase from the previous year due to new and expanded Executive initiatives. The largest sources of this increase are the expansion of the Traffic Control Officer ("TCO") program (90.8 new FTEs) and the automated traffic enforcement ("ATE") camera program which has been allocated 43.0 new FTE to support an increase of 266 additional cameras. These, and other programs are detailed below.

Vision Zero Program Transfer

Beginning in the Summer 2021—and therefore prior to the Mayor's submission of the FY 2023 budget but reflected for the first time in DDOT's FY 2023 budget chapter—the Mayor shifted funding and FTEs in DDOT's Vision Zero Division from the External Affairs Administration to the Project Delivery Administration. This change will consolidate all the agency's capital safety programs into one place and will help ensure that Vision Zero is incorporated holistically into the entire DDOT capital program. As a result, DDOT will be able to increase the rate and speed of critical safety project delivery moving forward. The Vision Zero Division works in close coordination with other divisions within the Project Delivery Administration, namely the Traffic Engineering and Safety Division and the Infrastructure Project Management Division to inform and deliver safety installations and analysis throughout the District. DDOT is requesting 1.0 new FTE related to safety communications and data analysis.

The Mayor's budget erroneously left $596,000 in VZDV, the old Vision Zero Activity housed in the External Affairs Division. To ensure these funds can be put to best use by DDOT without necessitating a reprogramming, **the Committee reduces (VZDV) Vision Zero Division by $596,000 and increases (VIDV) Vision Zero Division by $596,000, with $100,000 from local funds and $496,000 from (6910) Vision Zero Pedestrian and Bicycle Safety.**

Vision Zero Enhancement Omnibus Implementation Fund and Automated Traffic Enforcement (ATE) Cameras

The Mayor's proposed FY 2023 budget leaves the Vision Zero Enhancement Omnibus Amendment Act of 2019 unfunded, as it did in FY 2022 as well. In FY 2022, the Committee established through a Budget Support Act subtitle a Special Purpose Revenue ("SPR") Fund, the Vision Zero Enhancement Omnibus Implementation Fund, where revenue generated from automatic traffic enforcement ("ATE") cameras above the FY 2022 projected baseline of $98,757,000 is deposited. While the approved FY 2022 budget included the addition of 118 proposed new cameras, DDOT is still in the process of leasing, siting, and installing those cameras; therefore, no revenue has been collected and total revenue from ATEs has not surpassed the baseline. As such, no funds have yet been deposited in the SPR Fund. The Committee will be monitoring the installation of these new ATEs to ensure that the budgeted FY 2022 cameras are installed as intended.

The Mayor's budget proposal for FY 2023 includes a further investment in ATE cameras. Like in FY 2022, the camera numbers and types proposed by DDOT do not precisely map onto the Vision Zero legislation. Below is a chart of the camera breakdowns for both the Mayor's investments and those included in the law; the final column shows the delta between the Mayor's proposed investment and the cameras prescribed in the law:

Camera Type	Pre-FY 2022	Mayor's FY 2022 Budget Proposal	Mayor's FY 2023 Budget Proposal	Mayor's Proposals (Cumulative Total)	Vision Zero Omnibus FY 2022 Mandate	Vision Zero Omnibus FY 2024 Mandate (Cumulative Total)	Vision Zero Cameras Not Included in Mayor's Proposals
Speed	80	17	170	267	0	0	0
Red Light	40	10	17	67	75	125	58
Stop Sign	6	6	17	29	0	30	1
Bus Priorty Lane	0	40	20	60	10	10	0
School Bus	0	0	25	25	0	0	0
Bus Mounted	0	56	0	56	0	0	0
Truck Overweight	2	0	17	19	0	0	0
Total	128	129	266	523	85	165	

As shown in the chart, while not a perfect match, DDOT's ATE camera investments do largely match those in the bill; the major shortfall is in red-light automated enforcement cameras. Also reflected in the chart is the total number of cameras, which, under the Mayor's proposal, will rise to 523, more than 400% growth over the number of cameras funded in the FY 2021 budget. This significant increase in ATE cameras should in turn lead to an increase in ATE revenue and therefore funding for the Vision Zero Enhancement Omnibus Act.

The Committee is not inclined to prescribe the addition of even more cameras at this time. And, following conversations with DDOT about their approach to selecting these camera types—in particular, their choice to invest in 170 more speed cameras over other types, including red light cameras—the Committee agrees that the camera types chosen by DDOT will meaningful advance traffic safety in the District. **The Committee includes an amendment to the Vision Zero Enhancement Omnibus Act to reconcile these differences.** Further discussion of that subtitle is at page 145 of this report.

Legal Instrument Examiners for ATE Program

The addition of 266 new ATE cameras is also driving a significant increase in FTEs for DDOT. The Mayor proposes adding 43.0 FTE (5.0 supervisory and 38.0 non-supervisory) legal instrument examiners at a cost of $4,118,678.93 to review photos captured by ATE cameras and help issue citations.

The Committee has concerns, however, regarding DDOT's ability to onboard the 43.0 new FTEs as planned. DDOT currently employs 13.0 legal instrument examiners to review images captured by the current slate of cameras, bringing the total number of non-supervisory staffers to 51.0 FTEs with DDOT's proposed investment in the FY 2023 budget. DDOT has noted for the Committee that the agency needs approximately 1.0 legal instrument examiner FTE per 10 cameras. With DDOT anticipating a total of 523 cameras, these staffing levels are appropriately matched to the number of cameras.

To date, however, DDOT has not installed the 129 new cameras proposed in the FY 2023 budget. It is likely to be late FY 2022 or early FY 2023 before those cameras are operational. The Committee anticipates a similar delay in the procurement and installation of the 266 new cameras proposed in the FY 2023 budget, and therefore does not believe the agency will need to bring on the full slate of new FTEs proposed to review those camera images until the start of FY 2024. Given DDOT's staff-to-camera ratio of 1:10, the agency will need only 26.0 FTEs in FY 2023 to review the cameras in operation during that fiscal year (128 current cameras plus 129 cameras proposed in the FY 2023 budget, for a total of 257 cameras). With 13.0 of those FTEs already at DDOT, the agency will need funding for just 13.0 of the newly proposed 40.0 legal instrument examiner FTEs in FY 2023; the remaining FTEs will only need to be funded in FY 2024 and thereafter. **Thus, the Committee recommends reducing funding in (TFDV) Traffic Operations Division by $1,987,092 in CSG 11 and $544,464 in CSG 14 in FY 2023 representing salary lapse for the 27.0 legal instrument examiner FTEs DDOT will not need to hire until the 266 new cameras come online in FY 2024.**

Traffic Control Officers and School Safety

The single largest increase in FTEs for DDOT in the Mayor's proposed budget is a 90.8 FTE increase for Traffic Control Officers ("TCOs"). That represents 25.0 supervisory TCOs, 61.0 non-supervisory TCOs, and 4.8 converted from existing safety tech positions. DDOT intends these new FTEs to provide additional coverage for the School Crossing Guard program. Traffic safety near schools is a top priority of the Committee, especially given the spate of traffic violence including students over the past year. The Committee supports this increased investment in FTEs.

Traffic control and the resulting school crossing guard coverage, however, is only one aspect of school traffic safety. Another significant determinant of traffic safety near schools is the state of infrastructure, such as signage, design speed of roads, crossings, visibility for drivers and pedestrians, and the design of pickup and drop-off zones. DDOT's Safe Routes to School ("SRTS") Program conducts assessments of schools which result in Action Plans and spot safety checks that recommend infrastructure changes near schools. The SRTS program annually produces 18 such Action Plans. Many of the infrastructure recommendations from these plans have yet to be implemented. At the Committee's hearing on Bill 24-565, the Safe Routes to School Expansion Regulation Amendment Act of 2021, Director Lott indicated a desire to increase the number of SRTS Action Plans and Spot Safety Checks and the need for dedicated and increased capital funding for implementation.[6] The SRTS program, however, is not allocated any additional funding in the Mayor's budget and would continue to have only 2.0 FTEs to support program administration. Without increasing funding—and, specifically, staffing levels—for this program, the Committee questions how DDOT can increase its capacity. The Committee believes that additional staffing would help expedite and expand this work, including Safe Routes to School assessments, Action Plans, and spot safety checks. To support increased capacity in the Safe Routes to School program, **the Committee increases (PSDV) Planning and Sustainability Division by 1.0 FTE, $147,651 in FY 2023 and, $590,751 across the financial plan and increases (TEDV) Traffic Engineering and Safety Division by 1.0 FTE, $162,057 in FY 2023 and $648,228 across the financial plan**. The Committee also believes enhancing capital funding to accelerate the SRTS program is critical to this work; that investment is discussed in the Committee's review of DDOT's capital budget below.

Public Space Inspectors

The Mayor's budget proposes an increase of 7.0 FTEs and $947,524 for public space inspections and review in the (PRDV) Public Space Regulations Division. DDOT states that

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[6] Committee on Transportation & the Environment, Public Hearing on B24-565, the Safe Routes to School Expansion Regulation Amendment Act of 2021 (Mar. 14, 2022), recording available at http://dc.granicus.com/ViewPublisher.php?view_id=29.

increased construction and utility work, along with new responsibilities, such as permitting and inspection of streateries and the curbside electric vehicle charging pilot program, necessitate an increase in capacity for this activity. Given that the electric vehicle curbside charging pilot has failed to issue any permits, and that the streatery program is entering a more permanent phase, the Committee supports increased capacity for public space inspections and reviews.

Digital Visitor Parking Pass Program

Most District residents living on blocks with Residential Parking Permits ("RPP") are provided with access to Visitor Parking Permits ("VPPs") by DDOT. Residents may provide VPPs to visitors to allow them to legally park in RPP zones near their homes. Since the VPP program was first launched, these passes have taken the form of a physical, hard-copy pass provided to eligible residents each year and could be provided to visitors without registration or reporting to DDOT; the visitor would simply display the provided pass on their dashboard.

In late 2020, however, DDOT announced a new digital VPP system, intended to reduce fraud and modernize how these passes are used. At that time, DDOT also informed residents that the physical, hard-copy VPPs issued to residents for 2020 would be valid through September 30, 2021, to allow for a smoother transition between the two programs.

The new system launched in July 2021, and residents immediately raised concerns to the Council regarding the new system, including confusion about how to use it and concerns about equity of access to the system and the new passes (which, because they were initially only able to be issued on a per-visit or per-visitor basis, essentially required access to a computer and printer). In September 2021, DDOT agreed to extend the validity of the VPPs issued to residents for 2020 until January 15, 2022, to provide the agency more time to streamline the new system and provide additional public education to residents. The Council later extended the eligibility of the 2020 passes twice: first, through April 15th, and later, through November 25th.

Since the start of 2022, DDOT has made several updates to the new system, including allowing residents to make recurring reservations for certain visitors. DDOT also upgraded their systems to allow for visitor vehicles to be tracked via license plate number, a change that would negate the need for paper printouts of passes. The Committee has since learned, however, that DPW lacks the necessary license plate readers ("LPR") to implement this upgrade, meaning visitors would still need to print out a paper pass or risk receiving a ticket.

As noted, the Committee supports this investment in LPRs, but recognizes that it will take time for these LPRs to be purchased and installed and for DPW staff to be trained on their use; and these funds will only become available October 1, 2022. The Committee believes that hard copy passes must still be made available to residents up and until DPW enforcement staff can fully administer enforcement of the program. **Thus, the Committee includes a Budget Support Act subtitle that would extend the eligibility of the VPPs for calendar year 2020 through December 31, 2022**. It is the Committee's hope that DDOT will also use that time to do further public education on the new system, including at ANC meetings. Recognizing that some residents may have never received a 2020 VPP (for example, new residents), and others may have lost their 200 VPP or thrown it away, thinking it was no longer valid, **the subtitle also requires that DDOT provide access to a new, hard copy VPP for these residents. To support printing of hard copy VPPs, the Committee increases (PGDV) Parking and Ground Transportation Division by $50,000 in FY 2022.** The Committee intends to work with DDOT in the coming months on the form and method by which residents can access those new passes. Further discussion of this subtitle is at page 147.

New Chief Information Officer Division

The Mayor's budget proposes consolidating much of DDOT's information technology ("IT") work into a single Chief Information Officer Division (CRDV) that is staffed with 26.0 FTEs reorganized from a variety of divisions across the agency. The budget includes significant IT investments including funding to move DDOT's Traffic Management Center and to upgrade the Transportation Online Permitting System ("TOPS"). The Committee supports these investments to modernize and upgrade key IT initiatives at DDOT.

Repeal of DDOT Authorization to Issue MWAA Community Working Group Grant

For several years, representatives of the District have served on a community working group, organized by the Metropolitan Washington Airport Authority ("MWAA"), to work toward solutions to minimize the noise affecting residents living along Ronald Reagan Washington National Airport's flight path on the Potomac River. Last year, the Committee identified $200,000 for the District to join Arlington, VA and Montgomery County, MD in a study to identify improvements to flight paths, referred to as the NOWGEN-DCA project.

Unfortunately, by the time these funds were made available, the study was too far along for the scope to be expanded to include the District. During FY 2022, the Committee explored several other options for using these funds to otherwise move forward efforts to address airplane noise, including redirecting this grant to MWCOG for that entity to undertake cross-jurisdictional planning on this issue. Unfortunately, none of these efforts proved viable, and the Committee—while dedicated to finding solutions for this issue—cannot identify a related use for these grant funds at this time. **Thus, the Committee recommends sweeping $200,000 in FY 2022 funds from (ODDV) Office of the Director**. To effectuate this sweep, the Committee must repeal the language authorizing DDOT to issue a grant for this purpose. **Therefore, the Committee recommends the inclusion of a subtitle in the Budget Support Act repealing the language authorizing that grant in the FY 2022 Budget Support Act.** That subtitle is discussed further at page 165 of this report.

Special Purpose Revenue Funds

Each year, the Committee reviews Special Purpose Revenue ("SPR") funds administered by agencies under the Committee's purview to identify recurring underspending, both year over and year and when compared to fund revenues. SPR fund dollars typically come from fees and fines assessed against residents and visitors to the District. Where amounts continually sit unspent in these funds, agencies should make efforts to reduce revenues (either through rulemaking or, where necessary, by petitioning the Council to update legislation), or revisit spend plans to ensure every fund dollar is put to best use.

Across agencies, the Committee has identified several Special Purpose Revenue funds with significant, recurring fund balances. As detailed below, the Committee recommends sweeping these fund balances in the FY 2022 supplemental budget to ensure these funds are put to best use on behalf of residents; however, the Committee intends to work with the Agency in the coming months to further dive into the cause for these recurring fund balances and identify changes to ensure revenues and spending are right-sized within these Funds moving forward:

- Fund 6031 – DC Circulator Bus System – NPS Mall Route: Sweep $1,200,000 allotment balance
- Fund 6901 – DDOT Enterprise Fund: Sweep $426,990 allotment balance

District Recovery Plan & Intradistrict Reporting Shifts

As discussed in full in the Executive Summary to this report, this year saw two significant changes to how funding levels were reported in the Mayor's FY 2023 budget proposal. These include shifting reporting of federal ARPA fund dollars from specific programs and activities to a new "(DCRP) District Recovery Plan Division," and reporting of intradistrict fund spending only in the budget of agencies "buying" the services, and not in the "seller" agency budget. These changes resulted in what appeared to be reductions to agency budgets, where in fact no reduction occurred.

The Committee has included tables at Appendix L that provide a breakdown of those shifted funds, and the Committee's understanding of the Committee's actual proposed budget, minus those changes.

Capital Budget Analysis & Recommendations

The Mayor's proposed FY 2023 – FY 2028 capital budget request for DDOT is $1,985,767,000 in local funds. This represents an increase of $143,161,000 from the FY 2022 – FY 2027 approved level. The Mayor's proposed local capital budget request includes an allocation of $458,498,000 in FY 2023, an increase of $50,307,000 over the previously approved level.

Alleys, Sidewalks, and Local Street Paving

In FY 2023, the proposed capital budget includes $19,863,208 for alley rehabilitation, reconstruction, and maintenance for the District's 350 linear miles of alley assets. This represents an increase of $248,857 from the approved FY 2022 budget. DDOT spent $19,371,523 resurfacing and improving 113 alley locations in FY 2021. According to DDOT, the condition of the District's alleys has not been assessed since the 2017 Alley Survey.

In FY 2023, the proposed budget includes $25,918,679 for sidewalk rehabilitation, reconstruction, and maintenance for the District's 1,494 miles of sidewalk assets. This is an increase of $4,025,484 from the approved FY 2022 budget. DDOT spent $17,208,089 resurfacing and improving 33 miles of sidewalk in FY 2021. According to DDOT, the condition of the District's sidewalks has not been assessed since the 2015 Sidewalk Survey. DDOT plans to conduct a new sidewalk survey in 2022.

The FY 2023 proposed budget includes $4,421,865 per ward for local street preservation, maintenance, and repair for the District's 580.9 local roadway miles maintained by DDOT. These levels are unchanged from the FY 2022 approved budget. DDOT spent $61,597,279 resurfacing and improving 69 miles of local streets in FY 2021, down from 127 miles in FY 2020. The condition of the District's local streets breaks down as follows: Excellent 55% (up from 41% in FY 2021); Good 14.8% (down from 16%); Fair 15.8% (up from 14%); and Poor 14.3% (down from 29%).[7] In FY 2021, DDOT made significant progress in improving the state of repair of local roads by increasing the share of roads in excellent condition and reducing those in poor condition. The Committee is pleased with this progress while spending less, although the Agency did repave fewer miles of road in total than in 2020.

The Committee supports increased repair, maintenance, rehabilitation, and filling of sidewalk gaps. In FY 2021, DDOT only filled 1.3 miles of sidewalk gaps despite having documented in 2016 60 miles of sidewalk gaps. The proposed budget allocates $2,000,000 for "Safe Routes to School - Sidewalk Gap Construction." The committee supports this investment and targeted approach to focus on sidewalk gap construction near schools. However, the Mayor proposes to increase sidewalk spending writ large by $4,025,484 in FY 2023 over approved FY 2022 levels, despite only spending $17,208,089, in FY 2021. The Committee questions whether DDOT is equipped to dramatically increase spending on sidewalk repairs and rehabilitation by such a large margin and will be monitoring progress on this project.

The Committee notes that alley and sidewalk assessments have not been conducted in several years, while it appears that local road conditions are evaluated annually. Given the significant annual investments for each of these projects, the Committee urges more regular surveys or other methods of continually updating the Agency's data in the state of alleys and sidewalks. In addition to more regular condition assessments, the Committee also envisions sidewalk or alley master plans which would guide the long-term work of these projects, to prioritize the most urgent work and more systematically upgrade these assets.

<u>Streetscapes and Beautification</u>

The Agency's proposed capital budget allocates $44,178,000 in FY 2023, and $199,758,000 over the Capital Plan for projects with a primary focus on streetscape improvements to enhance safety and beautification. These improvements include vehicular, pedestrian, and bicycle safety improvements and beautification efforts such as green space, lighting, and signage. The subprojects included in this master project represent long term capital corridor reconstruction projects. The Committee notes four primary categories of projects: (1) existing projects that are unchanged in the FY 2023 budget, (2) existing projects with increased or accelerated funding, (3) existing projects with reduced or delayed funding, and (4) new projects.

[7] Although DDOT's paving plan follows the calendar year, and miles of roadway paved are aligned with the calendar year, expenditures listed here follow the fiscal year.

The following existing projects maintain funding levels and timelines in the Mayor's FY 2023 budget that are largely unchanged from FY 2022 approved budget:

- Cleveland Park Drainage and Watershed Improvements: $16,546,459 in FY 2024.

The following existing projects have increased or expedited funding in the Mayor's FY 2023 budget (or the Mayor's FY 2022 supplemental budget) compared to the FY 2022 approved budget:

- S St from 4th St to 7th St NW Streetscape: $9,100,000 accelerated from FY 2023 to FY 2022 in the FY 2022 Supplemental Budget.
- Pennsylvania Avenue West Streetscape: Increased from $32,984,000 to $35,913,500 and accelerated from FY 2027 to FY 2024.
- Alabama Avenue SE from Martin Luther King Jr Avenue SE to Bowen Road SE Safety Improvement Study: Expanded the scope of Alabama Ave safety project and increased total Capital Plan funding from $10,242,000 to $22,801,275.
- Canal Rd, NW Rock Slope Stabilization, Phase I: increased by $18,786,775 in FY 2023. Previously funded at $6,000,000 in FY 2024.
- Broad Branch Rd, NW Rehabilitation: Increased by $6,908,000 in FY 2027 for a total Capital Plan cost of $10,355,000.
- Macomb Street from Ross Place to Connecticut Avenue: Increased $3,748,750 primarily in FY 2026 for a total project budget of $7,974,750.
- Connecticut Avenue Reversible Lanes: Increased by $7,799,000, from $0, in FY 2023.
- North Capitol Street Streetscape/Deckover: Increased by $3,080,042, from $0, in FY 2023.

The following project has decreased or delayed funding in the Mayor's FY 2023 budget compared to the FY 2022 approved budget:

- New York Avenue NE Streetscape and Trail: Delayed from FY 2023 to FY 2027, and funding level of $18,120,000 was reduced to $17,142,000.

The lone project to be delayed in the budget, the New York Ave Streetscape and Trail, reflects on-the-ground challenges with the adjacent railroad right-of-way, and therefore does not represent a de-prioritization of this project.

The following projects are new in the Mayor's FY 2023 budget:

- Wheeler Road Multimodal Safety and Access Project: $21,500,000 in new spending, primarily in FY 2025 for construction.
- Martin Luther King, Jr. Avenue SE/Good Hope Road SE: $16,220,750 in new spending, the majority in FY 2026 for construction.
- Reconstruction of U Street NW from 14th Street to 18th Street: $11,718,000 in new spending, primarily in FY 2027 for construction.
- East Capitol Street Corridor Mobility and Safety Plan: $2,278,500 in FY 2023 for planning.

- Bladensburg Road, NE Multimodal Safety and Access Project: $ 1,391,458 in FY 2023 for planning.
- Constitution Avenue Safety and Mobility Improvements: $1,000,000 in FY 2023 for planning.
- Wisconsin Avenue Safety and Mobility Improvements: $1,000,000 in FY 2023 for planning.
- M Street SE/SW Safety and Mobility Improvements: $1,000,000 in FY 2023 for planning.
- Georgia Avenue Safety and Mobility Improvements: $1,000,000 in FY 2023.
- Wisconsin Avenue NW and M Street NW Intersection Improvement: $750,000 in FY 2023 for planning.
- Montana Avenue NE and New York Avenue NE Intersection Improvement: $750,000 in FY 2023 for planning
- H Street NE and North Capitol Street NE Intersection Improvement: $750,000 in FY 2023 for planning.

The Committee supports the increased funding for streetscape and beautification projects. Improving safety along the most dangerous corridors in the District should be a top priority of DDOT and these projects reflect such a commitment. The addition of several new projects in this master project also reflects a new methodology for DDOT selecting corridor upgrades, a welcome development. The agency has stated that these projects now address the most dangerous corridors in the District. When taken together with the agency's safety and mobility capital projects, the most dangerous intersections as identified in moveDC are all either fully or partially funded for safety improvements in this budget.[8]

The Committee supports the increased funding for Streetscapes and Beautification and acknowledges the many additional locations around the District which would benefit from infrastructure improvements. For example, there is no possible bike or pedestrian crossing of the Anacostia Freeway, and the CSX railroad tracks at East Capitol Street NE. DDOT has allocated $1,100,000 of federal funds in FY 2026 for a study of this location in the Travel Demand Management (ZU000A) project. The Committee, however, urges more rapid action to find a solution for this critical location. **Thus, the Committee allocates $1,100,000 in FY 2023 to (LMBSS) Streetscapes and Beautification for a new subproject to conduct a feasibility study of an East Capitol Street Bike and Pedestrian Crossing of the Anacostia Freeway and CSX Railway, and $7,811,050 for construction in FY 2027 and FY 2028.** See page 56 for a discussion of this increase.

<u>Capital Bikeshare</u>

The proposed budget allocates $5,216,000 in FY 2023 and $14,686,000 over the Capital Plan to support the maintenance, operations, and expansion of the Capital Bikeshare Program. These levels represent moderate increases of $408,595 and $2,072,190 respectively. The District currently operates 335 Capital Bikeshare stations and over 3,500 bicycles (2,500 conventional bikes and 1,000 e-bikes). This project will support the continued growth and equity of the system to meet goals outlined in the moveDC and Sustainable DC

[8] District Department of Transportation, *MoveDC: The District of Columbia's Multimodal Long-Range Transportation Plan* (Dec. 2021), https://movedc-dcgis.hub.arcgis.com/.

plans, and it will maintain the system in a state of good repair by replacing bikes and stations as they reach the end of their useful life. The Capital Plan will fund the expansion through FY 2024 to 419 stations and 6,925 bikes (3,425 conventional bikes and 3,500 e-bikes). The Committee believes Capital Bikeshare is an essential sustainable mode of transportation for the more than 16,000 District residents who use it regularly. Prior to the pandemic, over 20,000 residents used it regularly, and DDOT expects this number to bounce back as more residents begin working in-person and more e-bikes are introduced to the system. The Committee is supportive of the Capital Bikeshare expansion project and the efforts to replace outdated units in the fleet.

Separately, according to DDOT, the Agency will launch adaptive bikeshare technology in FY 2023. Adaptive bikeshare will provide access to bikeshare technology for individuals with disabilities, and will include hand tricycles, recumbent tricycles, cargo-bikes, and tandem bicycles. The agency had previously planned to launch this in 2022, and the Committee is hopeful that this project does not experience any further delays.

While the Committee supports the modernization and expansion of Capital Bikeshare that these increased investments would support, the Committee is concerned that DDOT will not be able to spend the significant allotment balance in the project, which was $9,602,922 at the time of finalization of this report. The scope of DDOT's planned work and size of the proposed investment is significantly larger than historical spending on this project. The Committee urges DDOT to ensure that these investments are implemented in a timely manner and will be tracking this work throughout FY 2023 to ensure these investments are moving forward as planned.

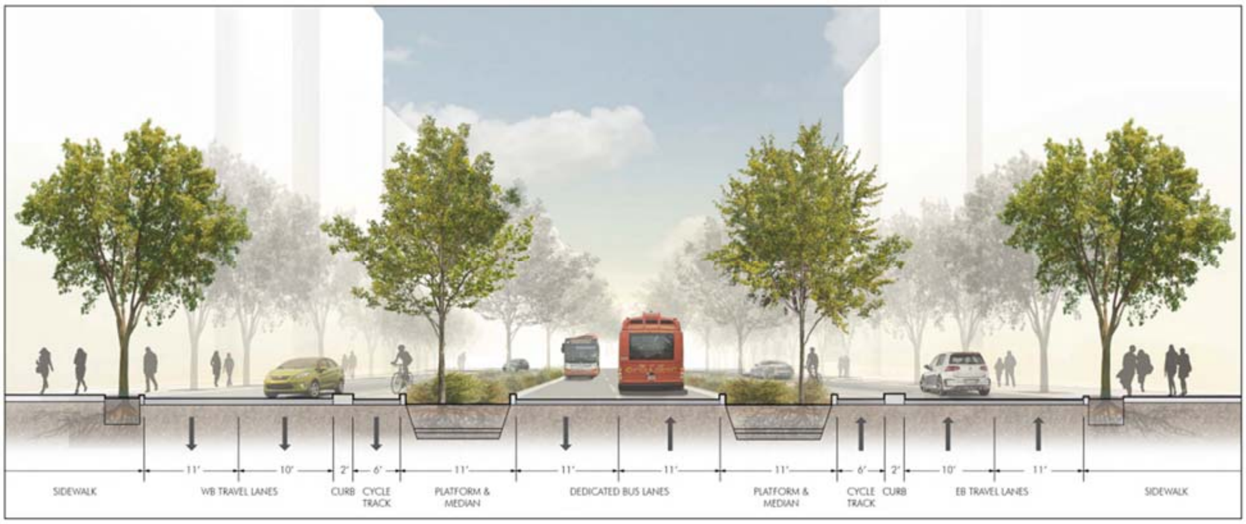
Circulator

The proposed capital budget allocates $54,034,553 in FY 2023 and $63,137,703 over the Capital Plan to build two new bus garages, replace aging Circulator buses with electric vehicles, improve District bus stops, and build the infrastructure necessary for a new Circulator route in Ward 7. This funding represents a substantial increase of $51,116,803 in FY 2023 from approved FY 2022 levels. This new FY 2023 allocation includes $34,607,253 to construct the new South Capitol Street garage, which combined with the new Claybrick Road garage in Prince George's MD, will eventually allow the entire Circulator fleet to convert to electric buses. Furthermore, the Mayor's budget proposes to spend $15,960,725 to purchase seventeen new electric buses, which combined with FY 2022 purchases will add thirty-one new electric buses to the fleet over a two-year period. The Committee is pleased with this progress on new electric bus-compatible garage capacity and the conversion to an all-electric fleet and supports this increased investment. These changes will not only significantly mitigate the fleet's reliance on fossil fuels, reducing the carbon footprint of our Circulator buses, but also significantly reduce emissions-related pollution in the areas around the Circulator garages.

The Committee supports the investment in the Ward 7 Circulator route, which is fully funded and which DDOT has indicated will be in service in FY 2023. Since 2018, when DDOT eliminated the Potomac Avenue-Skyland Route, Ward 7 has not had Circulator service. Increasing bus service east of the Anacostia and providing new connections to Union Station and other key destinations will help increase access for communities that have historically been isolated and excluded from transportation investments.

K Street Transitway

The proposed capital budget allocates $57,008,000 in FY 2023, which combined with the existing allotment balance of $59,259,000, fully funds the K Street Transitway Project, and will enable construction in FY 2023 and 2024. These funding levels and timelines are largely intact from the approved FY 2022 budget.



K Street Transitway April 2020 Preliminary Design. Source DDOT.

The K Street Transitway will be a dedicated transitway for buses on a reconfigured K Street, NW between 12th Street and 21st Street, NW to have two center-running dedicated transit lanes, two lanes in each direction for general traffic, and one lane in each direction built as a protected bike lane. The configuration of the transitway will be built so as to not exclude potential future expansion of Streetcar to Georgetown via K Street. The east-west corridor between Union Station and Georgetown includes some of the most highly developed, heavily traveled areas in the District. However, existing transit operations have longstanding issues, including congestion, low speeds, and insufficient capacity. Transit improvements are needed to support existing and future land uses and enhance connectivity of major destinations. The project will improve bus speeds, reliability, and efficiency in the District's downtown area. DDOT reached 65% design for the project in early 2022 and anticipates the project will reach final design by the end of FY 2022. Projections estimate buses will travel through the area 30%-60% faster than under the current configuration.

The Committee views the project as essential to speed up transit travel times, make bus service more desirable for residents and commuters in and around the downtown area, and increase safety for pedestrians and bike riders. This project presents a unique opportunity to invest in both functional transit infrastructure as well as unique placemaking to help make downtown more attractive as we enter a new phase of activity affected by the pandemic. The Committee strongly supports the K Street Transitway project and the current timeline as proposed by the Mayor.

The Committee urges DDOT to invest in unique designs for bus shelter, public art, and other streetscape features to maximize aesthetic appeal and make K Street an attractive destination and public space. Additionally, the Committee urges DDOT to begin planning a second phase of this project to fully connect the protected bike lanes along the Transitway to Mt. Vernon Square and beyond, to the east along K Street. Even when the K Street Transitway is fully constructed, the segment of K Street from 12th Street., NW to 7th Street, NW is a significant gap in east/west bike network and fails to connect to the previously installed protected bike lane on K Street (7th Street, NW to 1st Street, NE).

Streetcar

The proposed capital budget allocates $9,012,000 in FY 2023, $79,538,000 in FY 2024, $40,985,000 in FY 2025, $13,128,000 in FY 2026, and approximately $2,500,000 in both FY 2026 and 2027 ($148,032,000 total over the Capital Plan) to fund the streetcar and its 1.9-mile Benning Road extension. This project will also utilize $9,700,000 in existing allotments. As part of the Benning Road extension, the project's proposed budget will fund design, civil engineering oversight, and project management. In addition to the streetcar extension itself, the project includes reconstruction of Benning Road, adding critical safety features such as expanded sidewalks and a multi-use trail to bring new bike and pedestrian access to the corridor. This project was the recipient of a $15,000,000 federal grant in December 2021, through the U.S. Department of Transportation's Rebuilding American Infrastructure with Sustainability and Equity ("RAISE") program.

Unfortunately, the Mayor's proposed budget delays the start of construction for this project. DDOT has stated that this delay is due to challenges with utility work along the corridor associated with the project. While the Committee recognizes these challenges can and do occur with projects of this scope, it is disappointed that this delay will mean yet another year before construction and therefore expanded streetcar service can begin.

As in previous years, the proposed budget does not allocate any funding to the expansion of the Streetcar line beyond the current system and the plans for the Benning Road extension. Although no funds are proposed for a Georgetown streetcar extension, as noted above, the K Street Transitway is being designed so as to not foreclose the potential for a future expansion of the Streetcar to Georgetown.

The Benning Road extension is an important and welcome addition to the Streetcar. Due to high ridership among buses and traffic congestion along the corridor, average bus speeds during peak hours are as low as 3.5 miles per hour. This additional surface transit capacity will improve access for underserved transit markets and has the potential to significantly decrease the amount of time required to travel through the corridor by removing cars and reducing the number of bus riders to a more manageable amount. The existing streetcar is a heavily used transit option for District residents and visitors and the extension will only increase the number of users of the service. Prior to the pandemic, streetcar ridership regularly topped 1 million trips, but, like all transit service in the region, dipped in 2020 and 2021. One strategy for restoring ridership that the Committee supports is to improve service, such as by extending the coverage of the network and connecting it to more destinations, as this expansion will accomplish.

New NoMa Metro Station Entrance at 3rd Street NE

The Committee urges DDOT to construct a new pedestrian tunnel and entrance to the NoMa Metro Station at 3rd Street, NE. Inadequate transportation infrastructure in the area and dangerous conditions for pedestrians and cyclists on Florida Avenue limit the station from delivering on its full potential. Its two entrances are both located on the west side of the rail tracks. To walk from the N Street entrance to the east, such as Union Market or Gallaudet University, one must walk north on 2nd Street to Florida Avenue, then backtrack along Florida Avenue under a wide railroad overpass on a narrow sidewalk close to six lanes of high-speed automobile traffic. This adds travel time, discourages transit use, and threatens public safety. Adding a new entrance at 3rd St would increase the walkshed of the station to provide easier and safer transit access to neighborhoods and destinations. This would support District goals to reduce car travel, increase transit ridership and reduce traffic fatalities and injuries. This project was previously funded. Yet, to the dismay of the Committee, was reduced by the Mayor in previous years' budgets. The Committee urges DDOT and the Mayor to prioritize funding this additional entrance to enhance the NoMa Metro station, improve walkability, and promote transit ridership.

Gondola

The Committee is disappointed that the Mayor's budget has foreclosed on the possibility of pursuing the Georgetown Gondola. The Committee viewed this project as a potential way to reduce automobile trips, as it connected two key destinations, Rosslyn in Arlington, VA, and Georgetown, with a safe and environmentally friendly mode of transport. While a full feasibility study was never funded, by cutting all funding for this project, the Mayor has signaled a complete de-prioritization of this concept.

Safety and Mobility

The proposed capital budget allocates $33,186,00 in FY 2023 and $157,031,000 over the six-year Capital Plan for Safety & Mobility projects. These levels represent a significant increase of $11,636,435 in FY 2023 and $83,365,182 in total. The subprojects for this master project include a number of ongoing location-specific projects such as the Eastern Downtown Protected Bike Lane, Georgia Ave Livability Improvements, the Anacostia Metro Pedestrian and Bicycle Bridge, as well as citywide livability projects, bike and pedestrian projects, and Vision Zero safety improvements. In FY 2023 several new subprojects are added in the Mayor's budget, including safety and mobility studies for the H St., NE and North Capital St., NE, the Montana Ave., NE and New York Ave., NE, and Wisconsin Ave., NW and M St., NW intersections.

The Committee supports increased investments in these capital projects, which will enhance the safety of the District's most vulnerable road users, and is pleased to see the Mayor increase her investment by more than $80,000,000 over the six-year Capital Plan. Accompanying this increase, the Mayor has announced her commitment to build 10 miles of protected bike lanes each year and has allocated $36,000,000 over the Capital Plan for this purpose. This funding supplements other capital projects that may include protected bike lanes, but which appear in the Streetscapes and Beautification project, such as the Connecticut Ave Reversible Lanes project.

For the first time, funding for construction of the Eastern Downtown Protected Bike Lane was included in the Mayor's budget proposal: $2,441,000 in FY 2023. After years of delay since the completion of the study and preliminary designs, this progress is welcome news. The project will remove one of two northbound travel lanes from 9th Street, NW, between Massachusetts Avenue, NW to Florida Avenue/U Street. A traffic analysis found that a single travel lane will accommodate the motor vehicle traffic volume and result in minimal impact to traffic congestion, while providing a critical north/south protected bike lane route.

In the proposed capital budget, the Mayor created a new Vision Zero Improvement Hardening subproject and allocated $5,000,000 each year across the Capital Plan for DDOT to upgrade tactical safety projects, such as curb extensions built with plastic flex posts, to more permanent streetscape features. This subproject maps onto changes proposed in the recently introduced Bill 24-674, the Upgrading Tactical Safety Projects Amendment Act of 2022, which would require DDOT to promulgate a plan to systematically upgrade such projects.[9] The Committee strongly support this new capital project and also recommends that DDOT develop an annual plan for this work as envisioned in Bill 24-674. **Thus, to effectuate this plan, the Committee includes a subtitle in the Budget Support Act, delineating the scope, timing, and other details of the plan.** This subtitle is discussed in full at page 149 of this report.

Bus Priority and Efficiency Initiative

The proposed budget allocates $13,722,000 in FY 2023 and $101,533,000 over the six-year Capital Plan to fund the Bus Priority and Efficiency Initiative. After tripling the size of the investment in this project from FY 2021 to FY 2022, the Mayor proposes to reduce spending by $3,818,895 in FY 2023 and $6,574,200 in FY 2024 from approved FY 2022 levels. Over the course of the Capital Plan, however, the Mayor proposes increasing the total investment by $51,599,904. This project supports implementation of DDOT's Bus Priority Plan, released in December 2021, which identifies fifty-one bus priority corridors and includes capital infrastructure improvements to help prioritize bus travel and improve accessibility to bus stops, including for both Circulator and Metrobus.[10] The project's scope includes making bus lane pilots permanent and undertaking more granular improvements for bus transit. These could include adding painted bus lanes through congested segments of a bus corridor, automated bus lane enforcement cameras, intersection improvements, and adjusted signal timing, among other things.

The Committee supports this project and is glad to see the Agency significantly increasing investments in this work over the life of the Capital Plan. The Committee is concerned with the reduction of funding of more than $10,000,000 in the first two years of the FY 2023 - FY 2027 Capital Plan. DDOT assures the Committee that this reduction, coupled with increases in the out years, represents aligning project the budget with project construction.

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[9] B24-674, Upgrading Tactical Safety Projects Amendment Act of 2022, https://lims.dccouncil.us/Legislation/B24-0674

[10] District Dep't of Transportation, *Bus Priority Plan* (Dec. 2021), https://ddot.dc.gov/node/1527011.

Trails

The proposed budget allocates $10,416,000 in FY 2023 and $125,128,000 over the CIP to the Trails master project. These levels represent a reduction of $10,461,900 in FY 2023 but an increase of $31,886,500 over the six-year Capital Plan. DDOT has assured the FY 2023 reduction and subsequent increase in the out-years shift funds to align with construction timelines more accurately.

The following are existing projects that are funded as part of the Trails master project, with changes and funding notes included:

- Anacostia Riverwalk Trail - Kenilworth Park Southern Section: Delay of $7,413,200 in FY 2023 to FY 2024, with a total increase of $9,548,000 in FY 2024 to align funding with actual construction timeline.
- The Arboretum Bridge and Trail Connection to Maryland Avenue: Increases $6,510,000 across the Capital Plan, the majority in FY 2026 for construction.
- The Metropolitan Branch Trail to Piney Branch: Increases $2,386,500 for construction in FY 2023
- Anacostia Riverwalk Trail (Neighborhood Access): Increase of $ 4,329,400 in FY 2024 and FY 2026.
- Suitland Parkway: Delays $5,534,000 in FY 2023 to FY 2027, with an increase of $17,929,000 over the Capital Plan, primarily in FY 2027, for construction.
- Arizona Avenue connection to the Capital Crescent Trail: Increase of $971,125 in FY 2024.
- Trails Management: The Mayor proposes recurring funding levels of $412,300 annually each year of the Capital Plan, representing an increase of $180,300.

The Trails master project funds several new subprojects:

- Fort Davis Drive and Texas Avenue SE Trail: $2,170,00 in FY 2028
- Metropolitan Branch Trail - First Place to Oglethorpe Street, NE: $3,526,250 from FY 2024 to FY 2026.
- Oxon Run Trail Phase II: $3,716,125, with the majority of funding in FY 2026
- Rehabilitation of Pedestrian Bridge and Connecting Trail over Arizona Avenue, NW: $2,170,000 in FY 2027
- Shepherd Branch Trail: $35,256,250 from FY 2024 to FY 2026

The Committee supports the overall increase in funding for trails. The regional trail network is a vital asset for active transportation and recreation. The increased investments in the project will help build out and connect to the regional vision of a complete trail network. The committee especially supports the expansion of, and new connections to trails in communities underserved by active transportation options like protected bike lanes and where communities of color have been negatively affected by auto-oriented infrastructure. Additionally, the Committee urges DDOT to prioritize completing trail connections to help build out the region's multimodal network. For example, the Mayor did not fund a short, yet planned connection along the Anacostia Riverwalk Trail in Buzzard Point, which the Committee provided funds for. See policy recommendation on page 60 for further discussion its policy recommendation on filling gaps in the bike and pedestrian networks.

Urban Forestry

The proposed budget allocates $12,336,000 in FY 2023 and $7,152,000 in each subsequent year of the Capital Plan to the Urban Forestry Capital Project. This capital project funds activities associated with the on-going maintenance and care of street trees, trees within District right-of-way spaces, and trees within areas in DGS's portfolio. This includes activities associated with tree planting and tree well-being, maintenance of trails, design and construction of low impact design sites and bio-retention areas, preservation of green infrastructure in the right-of-way, and the majority of the Urban Forestry Administration's labor charges. This fund is critical to the rehabilitation and expansion of the District's urban tree canopy. In this year's proposed budget, as in prior years, the Mayor has restored complete funding in the upcoming fiscal year to this project, while leaving the remainder of the Capital Plan at a reduced level. The Committee is frustrated to see this reduction in funding has not been restored when it is clear that this project needs approximately $12 million per year. Failure to plan ahead and allocate required funds in future years leads to instability in the budget and an inability for stakeholders to depend on the Mayor's budget.

These funds are critical if the District is to reach its tree canopy goal of 40% by 2032. The tree canopy serves as the most important tool the District uses to reduce the urban heat island effect, a well-documented phenomenon in which areas high in heat-absorbent materials such as pavement and concrete and lacking in heat sinks and reflectors (like trees and other vegetation) experience significantly higher temperatures during extreme heat events (days with a high temperature at or above 95°F) than areas with fewer paved surfaces and more canopy coverage. The District experiences roughly 15-20 extreme heat days annually and will expect to experience 2-3 times more extreme heat days per year by 2075. Extreme heat days pose a significant health risk to elderly residents and residents with existing health conditions such as respiratory illness. Increasing the canopy coverage of the District in areas where coverage is currently lacking will save lives and better equip communities to manage the effects of climate change. In increasing that canopy, the Agency should also aim to remedy the inequitable distribution of the canopy across the District, which compounds the heat island effect in communities east of the Anacostia River. The Agency has, in prior years, stated that this fund will need to be revisited in subsequent Capital Plan formulations. The Committee agrees and urges the Agency to restore these cuts in future budgets, especially since UFD will likely soon be tasked with implementing the Urban Forest Preservation Authority Amendment Act of 2022, currently pending before the Council. Although UFD was able to absorb the costs of the bill, the bill does increase the work of UFD, further demonstrating the need for restored funding.

The Committee recommends adoption of the Mayor's proposed FY 2022 – FY 2027 capital budget, with the following changes:

1. *Enhance (ED0D5C) 11th Street Bridge Park by $5,050,000 in FY 2023 and by $15,000,000 across the capital budget*

The FY 2022 proposed capital budget allocates $30,343,000 in FY 2026 to (ED0D5C) 11th Street Bridge Park. The budget also allocates $38,867,000 in budget authority in FY 2022. The $38,867,000 in FY 2022, however, is misleading, as those are primarily funds raised by the project's nonprofit, Ward 8-based Building Bridges Across the River ("Building Bridges"), from private donations and do not represent a monetary investment from the District. The Mayor did maintain the $30,343,000 in funding for the project that the Committee had included in last year's Capital Plan. During past budget hearing processes, DDOT has stated that it is in full support of the project and hopes the Executive will be able to provide additional funding in future Capital Plan formulations. Allocated funds for the project, however, will not be awarded or disbursed to any entity for construction until at least 50% of the total projected project construction costs have been raised by private donors. To date, 11th Street Bridge Park fundraisers have secured $31,490,000, with an additional $6,011,550 pending, closing in on the $40,687,500 that it is required to raise.

The 11th Street Bridge Park will be the District's first elevated public park. Located on the piers of the old 11th Street Bridge spanning the Anacostia River and linking Anacostia with Navy Yard, the Bridge Park will be a new venue for healthy recreation, environmental education, and the arts. The Bridge Park draws on an extensive community outreach and consultative process, anchored by more than 1,000 meetings. Pre-construction began in 2016. Plans include bike and pedestrian trails, outdoor performance spaces, play areas, gardens, and a dock to launch boats and kayaks.

In addition to the physical design and infrastructure features, the 11th Street Bridge Park's community-driven equitable development plan has received national recognition for its anti-displacement efforts. To date, the Bridge Park has invested over $86,000,000 in housing, workforce, small business, and cultural strategies—nearly the same amount of funds that it will cost to build the park. Outcomes include 102 Ward 8 renters becoming homeowners through the Ward 8 Home Buyers Club; standing up the Douglass Community Land Trust that has secured 250 units of permanently affordable housing in the District; over $1,000,000 invested in black-owned businesses; eighty-three graduates of construction training placed in jobs; and launched the largest privately funded unconditional cash transfer program ever attempted in the U.S. with over $3,000,000 distributed to Ward 8 residents.

The project is currently in the final design phase, which is expected to be complete by Fall 2022. With an additional $15,000,000 investment in FY 2023, Building Bridges has stated that it could begin the solicitation for a general contractor to begin construction.

The Committee supports the Bridge Park and is thankful that the Executive did not propose to reduce the Committee's funding in the project for FY 2026. However, given the success of private fundraising, the Committee would support expediting or increasing funding to meet the $15,000,000 threshold in FY 2023 to advance construction. **Thus, the Committee allocates $6,050,000 in FY 2023, and a total increase of $15,000,000 to this project across the six-year Capital Plan.**

In the FY 2016 Budget Support Act, the Council required that the 11th Street Bridge Park complete fundraising for 50% of the total project cost, before the District allocate any funds to the project. Given the significant level of private fundraising to date, and the incredible investment in Ward 8 and the District represented by this project, the Committee recommends making District funds available immediately, in FY 2023, to support this work; that recommendation is discussed below. **To ensure those funds can be spent as intended, the Committee includes this subtitle in the Budget Support Act, which would lower the trigger from 50% to 25% for disbursement of District funds for this project**; that subtitle is discussed in full at page 151 of this report.

2. *Delay (LMGGRC) Powerline Undergrounding by $13,835,333 in both FY 2024 and FY 2025 to $27,670,666 in FY 2026*

The Powerline Undergrounding ("PLUG") master project currently carries an allotment balance of $104,620,089; that project, however, has faced significant, ongoing delays in getting these funds out the door. Rather than borrow additional funds in the out years, incurring increased debt, the Committee reallocates some of this future allotment to other uses by spending down the large balance. Overall funding levels will not be affected by this delay.

3. *Sweep (LMEQUC) Equipment allotment by $1,097,618*

The Equipment Master Project has $3,479,820 in allotment balance, which the agency spend plan states will go toward a new asset management contract for parking meters. That said, the Parking Meters subproject has $2,817,798 in available balance. Between the two projects, then, the Agency has $6,297,618 to spend on parking meters in FY 2022 alone. The Mayor's proposed budget adds an additional $4,636,395 and $4,213,807 in FY 2023 and FY 2024, respectively. Based on conversations with the Agency, those amounts should be more than enough to cover a new management contract currently out for solicitation. As such, the FY 2022 balances should only be necessary for work done in the current fiscal year. The Agency indicated in its general spend plan that money in the Parking Meters subproject would be used for a short-term contract extension, but the primary costs for that contract are in the operating budget rather than the capital budget. Indeed, only $939,266 are necessary for the capital portion. The Agency also indicated that it would use $1,878,532 in the current year on new meter purchase and installation. This means that the agency has $3,479,820 in extra allotment balance. That said, the agency also indicated that it expected to use between $2,000,000 and $2,500,000 in FY 2023 to replace the balance of older meters. It isn't clear to the Committee whether those costs are in addition to the new contract. In an abundance of caution, then, the Committee is prepared to leave that approximate amount in fund balance to cover those costs. The resulting extra allotment balance is thus $1,097,618, which will be swept. The Committee also notes that the historical spending in the Parking Meters subproject is well below either the current spend plan; but, it is prepared to credit the agency with its plans for a new contract.

4. *Sweep $1,750,000 from (SR310C) Stormwater Management Master Project allotment balance and allocate $1,650,000 to new subproject Mount Zion and Female Union Band Society Cemeteries Stormwater in FY 2023*

This project has an allotment balance of $6,585,964. DDOT's spend plan notes just $4,835,964 in planned spending from the balance, indicating an excess balance of $1,750,000. The Committee seeks to fund an additional subproject, to address stormwater issues at the Mount Zion Cemetery and the Female Union Band Society Cemetery, which DDOT has stated will cost $1,650,000. These cemeteries, located in Georgetown, are adjacent historically Black cemeteries dating back to 1808 and were a stop along the Underground Railroad. The cemeteries have suffered perpetual, systemic neglect. This project will invest in stormwater management infrastructure improvements on Q Street, 27th Street, and Mill Road NW to address flooding, ponding, and erosion damage to the historic burial plots. It will also make repairs to the Lyons Mill Road pedestrian path, which is unsafe for visitors entering Rock Creek Park due to erosion damage.

5. *Sweep $678,034 from (CE304C) Street Sign Improvements allotment balance*

In (CE304C) Street Sign Improvements, agency spending on this project has never exceeded $2,700,000. The spend plan, however, suggests for spending $4,419,280 in FY 2022 on this project. The Committee has concerns that the agency will actually spend this higher amount, given historical spending; however, the Committee is prepared to credit the agency with its current spend plan. That said, with a current allotment balance of $5,097,314 here, there is an excess of $678,034 in this project's allotment; thus, the Committee sweeps those funds.

6. *Sweep $5,000,000 from (LMVAEC) Vehicle Fleet allotment balance*

The agency spend plan for Master Project (LMVAEC) Vehicle Fleet states that the project's $10,967,424 allotment balance will be allocated to (6EQ01C) Equipment Acquisition subproject, which has a $5,734,680 allotment balance of its own, for a total of $16,702,104 available. The spend plan for that subproject, however, indicates spending of only $1,573,845 from the subproject's allotment balance, but purports to conform to spending as prescribed by CARSS to maintain the fleet—meaning the remainder of spend would come from the Master Project Allotment.

Data provided by the OCFO indicates that CARSS calls for $8,967,424 in FY 2022; thus, funding available for this subproject is nearly double what CARSS says is necessary. CARSS, of course, only factors in replacement needs, not totally new purchases. Assuming DDOT's spend plan for this project's new acquisitions is accurate, the total spending for new acquisitions (which will include narrow bike lane sweepers, vacuums, and snow plows) is $2,045,000. Therefore, combining the total for new acquisitions with the FY 2022 CARSS estimate for maintenance, the agency needs a total of $11,012,424 to complete this work. That leaves an excess balance of $5,689,680 in the allotment for the master and subproject. Recognizing that pricing may slightly vary for estimates, requiring that DDOT have some spend flexibility, the Committee reduces the (LMVAEC) Vehicle Fleet allotment balance by just $5,000,000.

7. *Sweep $562,723 from (CE308C) Concrete Brick and Asphalt allotment balance*

The Agency spend plan calls for FY 2022 spending of only $633,758 and funding is sufficient in the Mayor's proposed FY 2023 Capital Plan formulation to cover FY 2023 and outyear spend plan.

8. *Sweep $539,000 from (LMS05C) I-66/Rock Creek Parkway Bypass Study Allotment Balance*

This project is no longer proceeding as originally envisioned yet maintains an allotment balance. Rather than leave the money idle, the Committee sweeps that balance.

9. *Increase the new subproject Curbside Management Study in (LMEQUC) Equipment by $120,000 in FY 2023 for a study of p*arking in the District

The supply, demand, and availability of vehicle parking has several policy and planning implications. Road space in the District is a contested asset that can be used to support vehicle travel, active transportation, public transit, and other public space uses. Committee staff analysis found that roughly 25% of all road space is allocated for the use for private vehicle parking, yet the District does not have a comprehensive inventory of on-street nor off-street parking supply. Without this baseline information, DDOT, nor other agencies can weigh the costs and benefits of reducing, increasing, or modifying parking spaces. A parking inventory would aid in the planning of infrastructure projects like bike lanes, review of plans for new development projects, and would enable more robust planning for other initiatives. For example, the District's goals for electric vehicle (EV) adoption are intertwined with the supply of parking spaces equipped with EV charging capabilities. Further understanding of the

District's parking assets and key characteristics such as charging capabilities would therefore aid in policy development in a number of areas.

The Committee increases (LMEQUC) Equipment by $120,000 to undertake a comprehensive assessment of motor vehicle parking. The assessment should result in a publicly accessible and, to the extent feasible, complete GIS dataset of all parking spaces by type, including on-street parking. The dataset shall include attributes such as access to electric vehicle charging and type as well as disability, metered or rush hour restricted parking. The assessment should analyze the supply of parking compared to population and vehicle registrations in each census tract, or other scale determined by DDOT. The resulting public dataset should be constructed to support DDOT activities for planning and designing streetscape projects, reviewing development traffic and parking plans, and other planning applications. The Committee's preference is for this inventory and study to include all types of parking spots, including private garages and off-street residential parking. However, the Committee acknowledges the challenges of this data collection. As such, the parking inventory shall focus on curbside parking. However, to advance the more comprehensive inventory, DDOT shall also compile a list and map of private parking garages, and shall develop a methodology for a future study to develop an inventory and dataset of off-street parking, including at private parking garages and residences. DDOT has stated that its budgeted Safe Curbside Access for All Study (funded in the (LMEQUC) Equipment Master Project) can incorporate aspects of this parking study, and therefore additional resources needed for the on-street portion of the study are minimal. The increase in funds is primarily to enable the commercial garage inventory and scoping activities for the future study of off-street parking.

10. *Increase new subproject Vision Zero Hardening in (LMSAFC) Safety and Mobility by $122,400 in FY 2024, 2025, 2026, 2027, and 2028 to support the creation of a tactical safety upgrade master plan*

In recent years, the District has made considerable progress in quickly and cost-effectively building out safety infrastructure along our trails and roadways. It is common to see curb extensions, bike lanes, modular bus islands, and closed slip lanes in the District that have been constructed with inexpensive, temporary materials. While using temporary materials to install these tactical projects has provided us with a number of benefits—primarily the ability to test new safety measures on a temporary basis, cost-effectiveness, and the ability to stand up these projects quickly—they often fall short of the higher quality, safer, more durable, and aesthetic standards that are typical of permanent installations and that residents deserve for their streetscapes.

The Mayor's FY 2023 Capital Plan proposes $5,000,000 annually, and $30,000,000 from FY 23-27 hardening tactical curb extensions. DDOT states this level of funding would allow for the design and construction of roughly 20 permanent intersection improvements per year. DDOT's stated intention for this project is to begin a program of upgrading certain temporary safety improvements through the installation of permanent concrete infrastructure, namely, curb extensions. The Committee seeks to support the effective use of these funds and bring transparency and accountability to tactical safety project conversions, while still affording DDOT flexibility to establish its own criteria for selecting the types and number of projects to be converted each year.

The Committee recommends allocating $122,400 each year of the capital plan, starting in FY 2024 through FY 2028 for DDOT to promulgate an annual plan for the conversion of tactical safety projects constructed with plastic to permanent streetscape projects constructed with more durable materials. This activity supports the Mayor's proposed $5,000,000 annual investment in such upgrades, providing additional funding for the tracking, planning, and reporting of such projects. **To effectuate this plan, the Committee recommends inclusion of a subtitle in the Budget Support Act delineating the contents and timing of this plan.** A full discussion of that subtitle can be found at page 149 of this report.

11. *Allocate to new subprojects in (LMSAFC) Safety & Mobility $600,000 in each year from FY 2023 – FY 2028 for increased Safe Routes to School Assessments and Action Plans and $3,000,000 in each year from FY 2024 - FY 2028 for School Actin Plan Implementation construction*

As discussed above, the Committee is prioritizing traffic safety near schools and seeks to enhance and expand the Safe Routes to School ("SRTS") program. The Committee believes that investing in increased capacity for SRTS Assessments, Action Plans, and construction should be included in the Capital Plan to more rapidly upgrade safety infrastructure around schools. This increased investment will enable the more rapid installation of signage, modifications to reduce design speed of roads, upgraded and improved crossings, visibility for drivers and pedestrians, and the design of pickup and drop-off zones. The SRTS assessments of schools which result in Action Plans and spot safety checks that recommend infrastructure changes near schools. The SRTS program annually produces eighteen such Action Plans. Many of the infrastructure recommendations from these plans have yet to be implemented. At the Committee's hearing on Bill 24-565, the Safe Routes to School Expansion Regulation Amendment Act of 2021, Director Lott indicated a desire to increase the number of SRTS Action Plans and Spot Safety Checks and the need for dedicated and increased capital funding for implementation.[11] The Committee understands that in order for DDOT to increase the number of Action Plans from eighteen to thirty, an additional $600,000 is needed for the existing assessment contract annually. In order to actually construct this expanded set of recommendations, another $3,000,000 is needed on an annual basis. This increase would represent a significant expansion of the SRTS program and would result in tangible upgrades to the infrastructure around schools to better protect children, caregivers, teachers, and others.

12. *Allocate $1,100,000 in FY 2023 to a new subproject East Capitol Street - Anacostia River Ped/Bike Connectivity in (LMBSSC) Streetscapes and Beautification for planning and design and allocate $3,416,220 in FY 2027 and $4,380,830 in FY 2028 for construction*

As discussed in the Streetscapes and Beautification section above, there are several locations that would benefit from multimodal access and/or safety studies. Currently, there is no bike or pedestrian access across the Anacostia Freeway and the CSX railway line on East Capitol Street. Residents are limited to only two locations to cross these impediments: Benning Road NE (0.5 miles north of East Capitol St.) and Pennsylvania Avenue SE (1.3 miles

[11] B24-565, the Safe Routes to School Expansion Regulation Amendment Act of 2021. Public Hearing, March 14, 2022. Available at: https://lims.dccouncil.us/Legislation/B24-0565.

south of East Capitol St.). The lack of pedestrian access on East Capitol constitutes a significant barrier for a historically disadvantaged community to be able to access amenities across the river, such as the Fields at RFK Campus, new commercial development at the former DC General Health Campus, and anticipated future development at the RFK stadium site. DDOT has allocated $1,100,000 of Federal funds in FY 2026 as part of the Travel Demand Management (ZU000A) project to study and begin planning a crossing at this location, meaning that an actual solution is still several years away. Given the multi-year timeline for planning, designing, and constructing major infrastructure such as this, the Committee seeks to expedite this process. Thus, the Committee allocates $1,100,000 in local funding in FY 2023 for this project and creates a new subproject, East Capitol Street – Anacostia River Ped/Bike Connectivity Feasibility Study, within the Streetscapes and Beautification master project. Additionally, the Committee allocates $3,416,220 in FY 2027 and $4,380,830 in FY 2028 for construction of this project.

13. *Allocate $250,000 in FY 2023 to (LMS07C) Crosstown Bicycle Lanes*

The crosstown cycle track, which currently connects northeast and northwest across Irving and Kenyon Streets, currently stops at Warder Street; it will be extended to 11th Street in FY 2022. While moveDC and the Crosstown Multimodal Transportation Study recommended a full build-out of a protected crosstown route, there is currently no funding or design to continue the route beyond 11th Street.[12] As the route passes through 14th Street and central Columbia Heights, more intensive work will be necessary, as there is less curb-to-curb width, and a tactical project becomes more difficult. Allocating funds for design of the next phase will move us expeditiously towards closing a significant gap in the protected bike lane network and will give DDOT a better sense of the capital funds that would be necessary for construction.

14. *Allocate $736,000 in FY 2023 for a new subproject in (LMBSSC) Streetscapes and Beautification, Dupont Tree Plaza*

The Dupont Tree Plaza proposal is a result of an initiative led by Dupont Circle residents to address the stormwater runoff challenges at the intersection of Massachusetts Avenue and Dupont Circle. The proposal would convert a concrete plaza into pervious pavement and aims to address the urban heat island effect by planting new trees and planted pathways.

15. *Allocate $2,959,000 in FY 2024 for a new subproject in (LMBSSC) Streetscapes and Beautification, Buzzard Point Trail Connection*

The Anacostia Riverwalk and Trail ("ART") is a vital piece of the Capital Trail Network and the District's active transportation and recreation assets. Currently, there is a one-third of a mile gap on the ART in Buzzard Point. Filling this gap will provide connectivity to this fast-growing neighborhood to the larger twenty-five-mile ART system. It will enhance recreational opportunities for Buzzard Point residents and visitors to the area. Together with the Buzzard Point Park below, the new trail will help activate this portion of the waterfront. The Committee

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[12] DDOT, *Crosstown Multimodal Transportation Study* (2019), https://dccrosstownstudy-dcgis.hub.arcgis.com/.

has prioritized filling gaps in the bike and pedestrian networks and thus allocates funding to fill this trail gap.

16. *Allocate $1,100,000 in FY 2025 for new subproject in (TRL00) Trails, Buzzard Point Park for design*

The Buzzard Point Park will help further create a system of interconnected and continuous waterfront parks, joined together by the Anacostia Riverwalk and Trail. The current conditions on the site of the future Buzzard Point Park are an unmaintained and uninviting portion of waterfront. The National Park Service has completed a new park design through the concept stage and has received approval through various processes including Environmental Impact Studies. The Committee supports the advancement of this park and thus allocates funding to support its design.

Policy Recommendations

The Committee recommends that the Agency adopt the following policy changes:

1. *Planning and Data for the "New Normal"*

The COVID-19 pandemic has had a profound impact on how people travel in the District and globally. The shift to remote work in some sectors has upended commute patterns after decades of building infrastructure and designing transportation to serve peak hour home to work commute trips. Regionally and in the District, however, even pre-pandemic, only about 20% of total trips were for commuting purposes.[13] Changes to travel behavior during the pandemic have shone a spotlight on the shortcomings of this paradigm. For example, annual Metro Rail ridership dropped by nearly 80% 2019 to 2021,[14] on the other hand Metro Bus ridership has only dropped by 60% over the same period and has rebounded faster.[15] Since the Metro Rail system is generally designed to serve more peak hour commuting behavior, and Metro Bus tends to serve more diffuse travel patterns, these changes show the disproportionate impacts of the pandemic on peak hour commute trips.

While the commute trip paradigm has surely shifted over the last two years, even the short-term predictability of these patterns remains in question, not to mention the long-term uncertainty of how District residents and workers will travel in the future. This "new normal" calls for more responsive data collection, flexible planning and generally a new approach to managing transportation systems.

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[13] Kenneth Joh, *2017-2018 Regional Travel Survey Briefing: Initial Findings of Observed Daily Trips*, Presentation to National Capital Region Transportation Planning Board, Washington D.C., (Oct 21, 2020), https://www.mwcog.org/file.aspx?&A=eBGHLFExBRyYoB99u%2BU5YU%2BoPpnUDvgR4z5CheKs8cw%3D.

[14] Washington Metropolitan Area Transit Authority [WMATA], *Rail Ridership Data Viewer*, https://www.wmata.com/initiatives/ridership-portal/Rail-Data-Portal.cfm.

[15] WMATA, *Bus Ridership Data Viewer*, https://www.wmata.com/initiatives/ridership-portal/Bus-Data-Portal.cfm.

Meanwhile, in the District, as is the case in many jurisdictions, data collection and planning have had an outsized focus on commute travel. Partially due to ease of data collection and analysis (commute trips are recorded by the U.S. Census Bureau in the American Community Survey), the District's travel mode share goals have only acknowledged commute trips. In moveDC[16] and Sustainable DC 2.0,[17] the District has committed to reducing commute trips made by automobile to 25% by 2032, while increasing bike and walking commute trips to 25% and transit commute trips to 50%. These goals, while admirable, do not capture most of the total trips made by District residents, and fail to acknowledge travel patterns of anyone under sixteen years old nor those made by adults who are not in the workforce or who are unemployed.

Recent studies have been stymied by out-of-date and incomplete data, impacted by pandemic-era travel pattern changes. For example, the congestion pricing study funded by the Committee in the FY 2021 approved budget has not been released due to its reliance on pre-pandemic data. More nimble and responsive data would allow DDOT and other entities to adapt to changing conditions and continue to explore key policy concepts such as this one.

Given the reality of the dynamic travel patterns and the need to adjust assumptions to more accurately characterize travel patterns for the purposes of policy development and project and service planning, the Committee urges DDOT to modernize the data sources and analyses it employs. For example, DDOT should explore whether using real-time big data sources such as those which aggregate anonymized cell phone geolocation data would serve this function. Updating data sources would also enable more varied planning foci, such a shift away from commute-oriented planning.

More precisely understanding the economic impact of what trips are being taken, how, and where is critical to the recovery of the District, particularly downtown. The aforementioned shift in remote work seems to have strengthened neighborhoods' economic profiles, while downtown—which has few residential properties—seems to be lagging. But the only data available to the District with regard to this dynamic has been qualitative assumptions. Travel-pattern data can provide a clear proxy for economic activity, and modernized data sources would not only help DDOT's planning processes but the District's economic development as a whole.

2. *Study feasibility of decking over or burying portions of Route 295 and Interstate 295 along the Anacostia Freeway*

On June 23, 2021, a boom truck struck a pedestrian bridge spanning Interstate 295, causing the bridge's collapse and injuring five individuals. The bridge served as a critical connection point for the communities of Eastland Gardens and Deanwood in Ward 7, providing residents to access the Deanwood metro, as well as providing pedestrian and cyclist access to the Kenilworth Gardens.

[16] District Dep't of Transportation, *MoveDC: The District of Columbia's Multimodal Long-Range Transportation Plan* (Dec. 2021), https://movedc-dcgis.hub.arcgis.com/.
[17] District Dep't of Energy & Environment, *Sustainable DC 2.0 Plan*, https://sustainable.dc.gov/sdc2.

In the months that followed, the Council worked to clarify DDOT's plans for replacing the bridge, including a July 9, 2021, roundtable held by the Committee. One broader issued raised at the roundtable and in conversations between the Council and Executive was the significant barrier that the Anacostia Freeway created between communities along its stretch. While there are a number of pedestrian bridges spanning the freeway, they are often few and far between, creating meaningful barriers to connection for communities living just across the barrier from one another.

In 2020, the District completed the Capital Crossing deckover project, which spanned I-395 and allowed for the construction of a new mixed-use building. The Committee believes such an approach could help connect communities along the Anacostia Freeway, which includes Route 295 and the portion of I-295 running through the District, including at the site of the bridge collapse. Decking over or burying stretches of the Anacostia Freeway could have a number of other benefits, including reducing exposure motor vehicle exhaust and other pollutants for adjacent communities and, should the decked over portions be developed, new sites for development of affordable housing and community amenities. The Committee notes, this idea is not new: In 2008, then Mayor Fenty explored a deck over of a portion of I-295 near Poplar Point, a proposal that never came to fruition.[18]

The Committee sought to fund this study in the FY 2023 budget, but agency estimates of costs—which rose to $4,000,000 for a review of five sites—were prohibitive. Nevertheless, the Committee intends to work with DDOT over the coming year to better narrow in on how to cost-effectively assess locations along the Anacostia Freeway where this proposal could be advanced. That study would focus on answering critical questions regarding the logistics of a deckover or burial, including cost estimates, project timeline, relevant stakeholders, and any issues or barriers to the project, such as street alignment, right of way, and other feasibility issues.

3. Fill Gaps in the Bike and Pedestrian Networks

The District has made progress in building out a network of protected bike lanes and filling sidewalk gaps. There remain, however, significant gaps in both networks. The Committee urges DDOT to increase investment and attention in future years on filling these gaps to address critical safety and access issues. The Committee supports investments by DDOT in this and past budgets for specific projects, yet also urges DDOT to develop a more proactive and aggressive policy around filling gaps in these networks.

Bike Network: In recent years, the pace of protected bike lane construction has accelerated and DDOT and the Mayor have committed to building ten miles a year over the course of the Capital Plan. In moveDC, DDOT has developed a bicycle priority map to provide a vision for the full network.[19] While providing significant new mileage to the network, many new projects do not provide full connectivity and critical gaps remain. For example, the K Street Transitway will deliver protected bike lanes along K Street from 12th Street to 21st

[18] David Alpert, *Poplar Point May Get a Deck Over I-295*, Greater Greater Washington (Feb. 15, 2008), https://ggwash.org/view/186/poplar-point-may-get-a-deck-over-i-295.
[19] District Dep't of Transportation, *MoveDC: Mobility Priority Networks*, https://movedc-dcgis.hub.arcgis.com/pages/mobility-priority-networks#bike.

Street, NW. In 2020, DDOT constructed protected bike lanes on K Street from 7th Street, NW to 1st Street, NE. The completion of the K Street Transitway will fail to connect to this portion of K Street with a critical gap from 12th Street, NW, to 7th Street, NW, leaving bike riders with no safe route for navigating Mount Vernon Square. Similarly, the Metropolitan Branch Trail (MBT) connection along 8th Street, NE, has lagged and leaves bike riders with an unprotected portion of their ride along an otherwise world class trail network. The Committee urges DDOT to prioritize filling bike network gaps such as these.

Pedestrian Network: Within the District, there are significant barriers for pedestrians, such as those presented by the Anacostia Freeway, railway tracks, the Anacostia River and other infrastructure. As noted above there is no pedestrian or bike crossing of the Anacostia Freeway and the CSX tracks at East Capitol Street. Where there are crossings of some infrastructure pedestrian access is unsafe and uninviting. For example, where Florida Avenue, NE, crosses under the rail tracks at 3rd Street, NE, the sidewalks are narrow and directly adjacent to high volumes of traffic. While DDOT has undertaken several projects to address pedestrian access across dividing infrastructure, such as new pedestrian bridges across the Anacostia Freeway, the Committee believes more could be done to proactively connect communities that are cut off by physical barriers. Additionally, as discussed above in the Capital Plan section, the Committee believes a more comprehensive strategy around filling sidewalk gaps would facilitate more progress on this front. A master sidewalk plan would enable DDOT to identify, prioritize, and fill sidewalk gaps and make improvements to increase pedestrian access.

Improving bike and pedestrian connectivity will make these modes more attractive, supporting the District's goal of shifting trips away from cars. It will make our streets safer by giving bike and pedestrians more direct and protected routes. And it will bring new access to communities who have been harmed by past infrastructure projects and natural barriers.

4. *Update Design and Engineering Standards*

DDOT periodically updates its Design and Engineering Manual ("DEM"). Agency staff have indicated that roughly every five years, DDOT reviews and makes updates, yet has not done so since 2017. At recent hearings, such as for Bill 24-566, the Walk Without Worry Amendment Act of 2021, the Committee has learned of gaps and needed improvements in the DEM for raised crosswalks, continuous sidewalks, and raised intersections.[20] While these examples are important, the Committee urges a more systematic and comprehensive review and update of the DEM and other design and engineering standards. In consideration of this budget and other legislation, the Committee has identified several other design and engineering gaps at DDOT. For example, DDOT primarily utilizes plastic flex posts and modular curbs for its protected bike lanes. The Committee views flex posts as temporary or tactical safety measures that, while a significant improvement over paint, do not provide the level of protection that bike riders in the District deserve and need. In the best biking cities in the world, bike lanes are often protected by steel bollards, robust landscaping, and concrete planters, or other more durable and protective materials. This is one example of where DDOT's design standards lag. The Committee urges DDOT to also develop standard designs for bike

[20] B24-566, the Walk Without Worry Amendment Act of 2021, https://lims.dccouncil.us/Legislation/B24-0566.

boulevards, school streets, play streets and other forms of slow streets, and curb extensions and vertical deflection devices with channels for bike passage. These examples are not a comprehensive list yet represent areas where DDOT's design standards should be advanced to more modern, creative, safe, and aesthetic standards.

5. *Address Circulator Bus Operator* Concerns with Contract-Holder and Consider Bringing Circulator Contract In-House

On April 8, 2022, bus operators for the DC Circulator, represented by ATU Local 689 authorized a strike based on ongoing disputes over driver pay hours with RATP Dev, the District contractor for whom these drivers work. At the hearing on DDOT's proposed budget for FY 2023, the Committee received testimony from workers regarding these disputes. Of note, during the Council's consideration of the FY 2022 budget, the Committee received similar testimony from Circulator bus operators regarding the failure of the RATP Dev to request an amendment to their contract to fund employer contributions to worker retirement plans.

The Committee is greatly concerned by these long-standing, serious issues with this contract. That these workers are repeatedly seeking redress from the Council suggests that there are significant deficiencies in the administration of this contract. The Committee urges DDOT to meet with the union and RATP Dev to resolve these issues. The Committee urges resolution of these issues through one of the following outcomes:

- A new contract with the Circulator contractor, RATP Dev and the union that resolves the ongoing complaints of Circulator operators and the union;
- Bringing Circulator in-house to DDOT, to avoid private sector contracts for its operation, to make bus operators District employees and for the District to have better control over administration of the contract, including resolution of worker disputes; or
- Moving Circulator service to WMATA to better integrate Circulator operators into the regional transit workforce and eliminating pay parity issues.

The Committee understands there are challenges with each of these options yet urges DDOT to work to find a solution to this ongoing issue.

D. Department of Motor Vehicles (KV)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	38,964,915	45,549,425	0	45,549,425	16.9%
Federal Grant Funds	329,500	129,500	0	129,500	-60.7%
Special Purpose Revenue Funds	8,986,450	9,329,950	0	9,329,950	3.8%
GROSS FUNDS	48,280,865	55,008,875	0	55,008,875	13.9%

FY 2023 Full-Time Equivalents, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	231.0	253.0	0.0	253.0	9.5%
Special Purpose Revenue Funds	39.0	39.0	0.0	39.0	0.0%
GROSS FTES	270.0	292.0	0.0	292.0	8.1%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	18,951,842	22,633,855	0	22,633,855	19.4%
12 - Regular Pay - Other	102,011	611,083	0	611,083	499.0%
13 - Additional Gross Pay	106,205	113,055	0	113,055	6.4%
14 - Fringe Benefits - Curr Personnel	5,011,361	5,833,901	0	5,833,901	16.4%
15 - Overtime Pay	145,000	75,000	0	75,000	-48.3%
Personal Services (PS)	24,316,419	29,266,894	0	29,266,894	20.4%
20 - Supplies and Materials	275,564	318,266	0	318,266	15.5%
30 - Energy, Comm. and Bldg Rentals	302,736	411,340	0	411,340	35.9%
31 - Telecommunications	391,899	445,660	0	445,660	13.7%
34 - Security Services	1,636,823	2,067,804	0	2,067,804	26.3%
35 - Occupancy Fixed Costs	1,277,095	1,281,136	0	1,281,136	0.3%
40 - Other Services and Charges	6,281,679	6,761,882	0	6,761,882	7.6%
41 - Contractual Services - Other	13,956,075	13,781,344	0	13,781,344	-1.3%
70 - Equipment & Equipment Rental	450,870	674,548	0	674,548	49.6%
Nonpersonal Services (NPS)	24,572,741	25,741,980	0	25,741,980	4.8%
GROSS FUNDS	48,889,160	55,008,874	0	55,008,874	12.5%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Agency Management	7,905,416	9,072,809	0	9,072,809	14.8%
100F	Agency Financial Operations	748,736	773,599	0	773,599	3.3%
2000	Adjudication Services Program	15,713,600	15,937,731	0	15,937,731	1.4%
3000	Vehicle Services Program	9,750,888	11,003,963	0	11,003,963	12.9%
4000	Driver Services Program	9,824,615	11,470,204	0	11,470,204	16.7%
8000	Technology Services Program	4,945,905	6,750,568	0	6,750,568	36.5%
GROSS FUNDS		48,889,160	55,008,874	0	55,008,874	12.5%

Agency Overview

The mission of the Department of Motor Vehicles ("DMV") is to promote the safe operation of motor vehicles and public safety while providing outstanding customer service. The DMV executes its duties through the work of six divisions: Adjudication Services, which provides ticket processing, notices, and hearing and hearing support services to residents and non-residents, in order to render legally sound decisions on parking, photo, and moving violations, and to ensure proper processing of violation and penalty payments for those infractions; Vehicle Services, which provides certification and inspection services to residents, businesses, and government entities so that they may legally park, drive, and sell their vehicles in the District of Columbia; Driver Services, which provides driver certification and identification services to residents to ensure they have the proper credentials to reflect their identity, residence, and driving qualifications so that they may legally operate their vehicles; Technology Services, which provides integrated and reliable information systems for all DMV services and complies with District-wide technology standards and requirements; Agency Management, which provides for administrative support and the required tools to achieve operational and programmatic results; and Agency Financial Operations, which provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained.

Operating Budget Analysis & Recommendations

The Mayor's proposed FY 2023 Operating Budget for the DMV is $55,008,875, which represents an 12.5% increase from the FY 2022 approved budget of $48,889,160. This funding supports 292.0 Full-Time Equivalents (FTEs), an increase of 22.0 FTEs from the FY 2022 approved level of 270.0 FTEs. The changes included in the DMV's proposed FY 2023 operating budget represent a healthy increase to strengthen existing programs within the DMV and to support a few new initiatives detailed below, including critical staffing needs, implementation of the National Motor Vehicle Title Information System, and a pay parity program for Legal Instrument Examiners. The Committee supports the Mayor's proposed budget with a few small adjustments, detailed below.

Increased Funding for Critical Staffing Needs

The largest change to the DMV's proposed budget is a $4,950,000 (20.4%) increase to personal services. Of that increase, $2,107,000 goes toward funding 15.0 new FTEs that are intended to strengthen the DMV's operations across the board: 7.0 FTEs will support the licensing services provided by the DMV; 5.0 FTEs will work in performance management supporting agency operations, including a human resource specialist, a management analyst, a records management officer, and two other related positions; 2.0 FTEs will support registrations; and 1.0 FTE will work in information technology supporting the technological systems underpinning the adjudication services division. The Committee notes that, due to the Mayor's new approach to Intra-District transfers, the DMV's budget reflects an increase of 22.0 FTEs, not 15.0; only the aforementioned 15.0 FTEs are actually new positions. The other seven are existing positions that are now housed in the Information Technology activity of the DMV's budget. In other words, in prior budgets, the Office of the Chief Technology Officer's budget would have reflected the same seven FTEs who supported the DMV's license and motor vehicle information systems. Those FTEs have been moved into the DMV's budget for FY 2023.

The National Motor Vehicle Title Information System (NMVTIS)

Beyond a general need for increased staffing across the DMV, some of these 15.0 new FTEs are needed to support implementation of the National Motor Vehicle Title Information System (NMVTIS). NMVTIS is a system that allows DMV (along with the titling agencies in other states) to instantly and reliably cross-check the information on a paper title with the electronic data from the state that issued the title. This will allow the District to deter and prevent title fraud, provide consumers with important vehicle history information, protect consumers from unsafe vehicles, and prevent the resale of stolen vehicles. FTEs working in information technology, performance management, and registrations will support the implementation of this system. The DMV has also allocated a small amount ($5,000) to support an NMVTIS Help Desk.

Pay Parity Initiative for Legal Instrument Examiners

Although the level of basic knowledge, capability, and training (in procedures, regulations, software, and equipment) required to perform the job of a Legal Instrument Examiner (LIE) has increased substantially in past years, the salaries of the 91 LIEs employed by the DMV have not changed. To remedy this problem, $745,147 of the increased funding across the Agency in personal services will support the implementation of a pay parity initiative for the DMV's 91 LIEs. These employees are the frontline workers of the DMV, handling customer transactions in all areas of the DMV's Service Center operations, including vehicle registration, licensing, parking permits, ticket processing, and more. Over 90% of these positions are held by women of color, who often face pay disparities across sectors. This $745,147 will help ensure fair and equitable salaries for these DMV employees and further racial pay equity throughout the District government.

ATE Ticket Processing

The Mayor's proposed budget includes funding (in DDOT's budget) for more than 200 new ATE cameras. Although the DMV will be processing tickets from those cameras, the Agency expects only a gradual increase in ticket processing costs. Director Robinson's testimony noted that any increase in contractual costs was intended to be covered via an MOU with DDOT, through a portion of revenue from the ATE program. The Committee raised concerns at that time that any new camera revenue generated by ATE cameras in the FY 2022 and FY 2023 budgets is dedicated to an SPR used to fund the Vision Zero Omnibus Act, and therefore not eligible for use to fund these cameras (as their number and time does not conform with those proposed in the law). However, to ensure these Vision Zero-related expenses can be covered using ATE revenues, and given the significant overlap between the Mayor's and Council's ATE camera investments, the Committee has proposed a subtitle aligning the Mayor's proposed camera types with those prescribed in the Vision Zero law.

State-2-State Verification System

The proposed budget includes a one-time increase of $600,000 for implementation of the State-to-State Verification System ("S2S"). S2S will allow the District to electronically verify with other participating states whether a license or identification card applicant holds a license or identification card in another state. Implementation of S2S is a federal requirement for states issuing REAL ID credentials. This will increase the accuracy and integrity of DMV's data, which will have positive ripple effects for all agencies that make use of such data, like the Metropolitan Police Department.

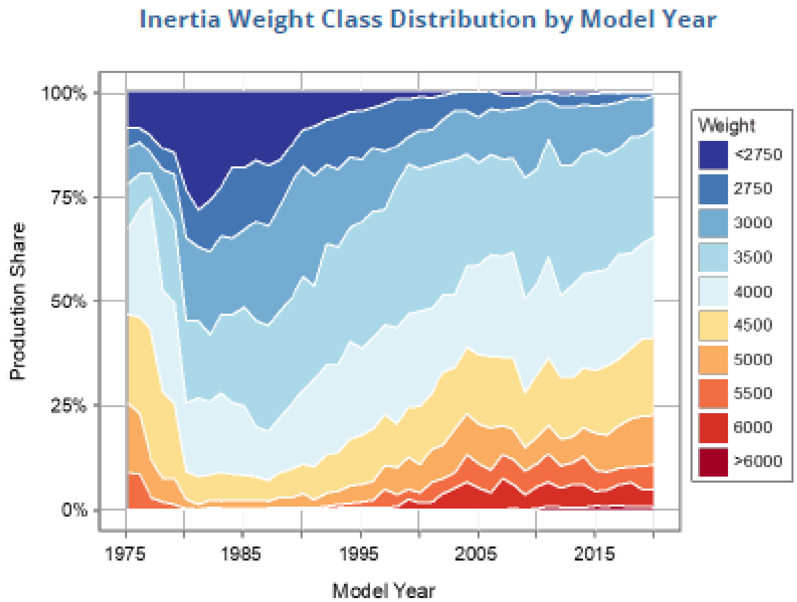
Motor Vehicle Registration Fees

Since the late 1970s, sales of light weight trucks, which includes SUVs, vans, and pic-up trucks, have skyrocketed. In January 1980, Manufacturers reported sales of 2.7 million units and by March 2022, that figure had risen to more than 10.6 million units.[21] The percentage of total motor vehicles sales consisting of light weight trucks is also growing, with SUVs alone representing 47.4% of American motor vehicle sales in 2019, compared to 22.1% for sedans; all light-trucks constitute a staggering 72% of car sales.

Despite their name, these vehicles are far from "light weight"—the most popular SUVs, especially the mid- and full-size models, and pickup trucks weigh significantly more than sedans and compact cars. For example, the top selling sedan, the Toyota Camry, weighs from 3,310 to 3,595 pounds. Compare that to the top selling mid-size crossover SUV, the Toyota Highlander, which weighs from 4,145 to 4,450 pounds, almost a full thousand pounds more. And one of the top selling full-size SUVs, the Chevrolet Tahoe, weighs a full thousand pounds more than that, from 5,473 to 5,845 pounds.[22]

What's more, vehicles of all types are getting heavier. Over the past two decades, the number of vehicles weighing over 4,000 pounds has grown from about 25% of the market in 1990 to around 60% by 2020. The chart below, prepared by the U.S. Environmental Protection Agency, provides a visual of how vehicle weight class distribution has changed over the past half century.[23]

[21] Fed. Reserve Bank of St. Louis, *Motor Vehicle Retail Sales: Light Weight Trucks* (Apr. 8, 2022), https://fred.stlouisfed.org/series/LTRUCKSA.
[22] Example vehicle weights are curb weights of 2022 models as reported by the manufacturers. Variability for each model results from different options for each model.
[23] United States Environ'l Protection Agency, *The 2020 EPA Automotive Trends Report: Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975*, United States Environment Protection Agency (Jan. 2021), https://www.epa.gov/emission-standards-reference-guide/vehicle-weight-classifications-emission-standards-reference.



Unfortunately, the marked increase in larger, heavier vehicles has significant consequences on the environment, traffic safety, and District's roadways and other transportation infrastructure.

The heavier a vehicle is, the greater its contribution to greenhouse gas emissions and climate change. While many sources of greenhouse gas emissions have become cleaner in recent years, vehicles continue to be primarily powered by fossil fuels. Currently, less than 1% of passenger vehicles—including sedans, SUVs, and light-duty trucks—are electric vehicles, and in 2021, electric vehicles made up only 3% of light vehicle sales, with hybrids at just 5%.[24] All the while, fossil-fuel vehicles are consuming more fuel, on average. One explanation for this is the increasing prevalence of larger vehicles on the roads: SUVs, on average, consume about a quarter more fuel than medium-sized cars.[25] From 2010 to 2018, SUVs were responsible for all the increased fuel demand for passenger vehicles, accounting for 3.3 million additional barrels of oil a day, while fuel consumption from other cars declined over the same period. With increased fuel consumptions comes increased greenhouse-gas emissions. Concerns over the environmental impact of larger cars is especially relevant in the District, where transportation accounts for roughly 24% of greenhouse gas emissions, the second highest source behind buildings and energy.[26]

[24] Feilding Cage, *The Long Road to Electric Cars,* REUTERS (Feb. 7, 2022), https://graphics.reuters.com/AUTOS-ELECTRIC/USA/mopanyqxwva/.
[25] Laura Cozzi & Apostolos Petropoulous, *Growing Preference for SUVs Challenges Emissions Reductions in Passenger Car Market*, INT'L ENERGY ASS'N (Oct. 15, 2019), https://www.iea.org/commentaries/growing-preference-for-suvs-challenges-emissions-reductions-in-passenger-car-market.
[26] District of Columbia Department of Energy & Environment, *Greenhouse Gas Inventories* (2019), https://doee.dc.gov/service/greenhouse-gas-inventories.

In addition, the heavier a vehicle, the more damage that vehicle does to the District's roads and bridges. It has long been known that large, 18-wheeler trucks cause exponentially more damage than small, passenger cars.[27] Based on sample data reported by the American Association of State Highway and Transportation Officials, this principle holds true for larger passenger vehicles, as well. They found that larger vehicles, like vans and pickup trucks, cause road damage equivalent to seven passenger cars; large pickups and delivery vans equivalent to fifteen passenger cars; and large delivery trucks equivalent to 163 passenger cars.[28] From FY 2003 through FY 2021, actual spending on local road maintenance grew from roughly $5 million annually to over $67 million peaking at more than $81 million in FY 2020. In 2005, when motor vehicle registration fees were last updated, the District spent just over $7 million on local road maintenance. In FY 2023, the Mayor has allocated over $37 million for this purpose. While the FY 2023 investment is a reduction from the highest levels of the last few years, it still represents a significant increase above historical spending over the last two decades. And that spending rate is likely insufficient to keep pace with the deterioration of our local roads. The harm that heavier vehicles cause to our roadways play a direct role in these high costs, which are borne by District taxpayers.

Last, the larger and heavier a vehicle, the more dangerous it is to pedestrians and cyclists. Heavier vehicles cause more serious pedestrian injuries or deaths in the event of a crash compared to lighter-weight cars; they are also more likely to be involved in a pedestrian-related crash in the first place.[29] A September 2021 study found that replacing SUVs with standard vehicles and replacing light trucks (including SUVs, pick-up trucks, and minivans) with lighter vehicles would save thousands of lives in U.S. cities; the study also found little evidence that the general shift towards adoption of bulkier vehicles improved the safety of drivers.[30] And, a cross-study analysis has found that pedestrians are two to three times more likely to suffer a fatality if struck by an SUV or pickup truck, as compared to a passenger vehicle.[31] Heavier vehicles are significantly more dangerous than lighter vehicles.

The District has seen firsthand an uptick in deadly traffic violence over the past decade—an uptick that correlates with the increase in the number of larger, heavier vehicles on our roadways. Since Mayor Bowser's 2015 announcement of the District's commitment to Vision Zero, the number of traffic fatalities in the District have increased each year but one—and the total number has nearly doubled, as detailed in the chart below.

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[27] U.S. Gen. Accounting Office, *CED-79-94, Excessive Truck Weight: An Expensive Burden We Can No Longer Support,* 22 (1979), https://www.gao.gov/products/ced-79-94.

[28] R3 Consulting Group, *Trash Services Study Final Report presented to City of Fort Collins, CO,* 2-20 (2008), on file with the Committee.

[29] Wen Hu & Jessica B. Cicchino, *The association between pedestrian crash types and passenger vehicle types,* INS. INST. FOR HIGHWAY SAFETY (March 2022), https://www.iihs.org/topics/bibliography/ref/2249.

[30] Justin Tyndall, *Pedestrian deaths and large vehicles*, ECON. OF TRANSP. (July 26, 2021), https://www.sciencedirect.com/science/article/abs/pii/S2212012221000241.

[31] Neal-Sturgess, C. E., Carter, E., Hardy, R., Cuerden, R., Guerra, L., & Yang, J., *APROSYS European In-Depth Pedestrian Database,* The 20th International Technical Conference on the Enhanced Safety of Vehicles, 2007.

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of Traffic Fatalities	32	19	29	26	26	28	30	36	27	37	40
Year/Year Increase	0	-40.63%	52.63%	-10.34%	0.00%	7.69%	7.14%	20.00%	-25.00%	37.04%	8.11%
Increase Since 2015					0.00%	7.69%	15.38%	38.46%	3.85%	42.31%	53.85%

It is clear that heavier vehicles take a greater toll on the District's environment, transportation infrastructure, and pedestrian safety, and the District should make efforts to encourage residents to adopt lighter weight vehicles. More importantly, though, where consumers do choose to purchase heavier vehicles, the District should do what it can to recoup money necessary to counteract the ill-effects of those heavier vehicles. Moreover, if possible, the District should discourage the trend of consumers purchasing heavier and heavier vehicles. One way to discourage this behavior is by making it more costly to own these vehicles through increases to motor vehicle registration fees. These fees, which are assessed annually on owners of motor vehicles in the District, are already tiered based on weight, with heavier vehicles paying more. Moreover, increasing the cost of these fees will also help to compensate for the increased damage caused by the vehicles. These tiers, however, do not meaningfully differential between vehicle types: for passenger vehicles, there is just an $83 difference between the fees charged for the lightest and heaviest vehicle weight classes. And, the Committee notes, this fee schedule has not been altered since 2005, well before we understood the many, significant harms caused by heavier vehicles.[32]

An increase in the registration fee to account for heavier vehicles is warranted to modernize this fee schedule with our current understanding of the impacts of these vehicles on District residents, infrastructure, and the environment. **Therefore, the Committee recommends inclusion of a subtitle in the Budget Support Act that modifies the motor vehicle registration fee schedule to increase registration fees for heavier vehicles.** The Committee is under no illusion that these fees alone will compel drivers to sell their light-weight truck and purchase a smaller vehicle; however, this fee change will serve to recoup the societal costs of these vehicles back to the District. And, it may also serve as a "nudge" to encourage consumers to purchase smaller cars,[33] especially when combined with the many other programs the District has adopted to encourage transition away from large vehicles that run on fossil fuels. **The Committee recognizes revenue totaling $2,310,000 in FY 2023 and $29,778,000 across the financial plan from this new fee schedule.**

Although heavier vehicles come with increased costs to society, the Committee acknowledges that electric vehicles ("EVs") often weigh more than their internal combustion engine counterparts due to the weight of their batteries. Since facilitating EV adoption is a critical goal of the District and necessary to addressing climate change, the subtitle proposes a weight adjustment for EVs that would allow vehicle owners to subtract 1,000 pounds—the

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[32] *See* the Fiscal Year 2003 Budget Support Amendment Act of 2002, effective June 5, 2003 (D.C. Law 14-307, D.C. Official Code § 50-1501.03(b)) (previous update of the lower weight fee schedule); the Department of Motor Vehicles Reform Amendment Act of 2004, effective April 8, 2005 (D.C. Law 15-307, D.C. Official Code § 50-1501.03(b)) (previous update of the higher weight fee schedule).
[33] *See generally* Richard H. Thaler & Cass R. Sunstein, NUDGE (2008).

average weight of an EV battery—from the total weight of the vehicle for the purposes of DMV's assessment of the fee. While these vehicles may be heavier than similarly sized internal combustion vehicles, the Committee believes the environmental benefits of EV adoption are sufficiently compelling to merit this small weight adjustment for these vehicles. Additionally, the subtitle narrows the applicability of the reduced vehicle registration fee for new electric, hybrid, or high efficiency vehicles to only apply to electric vehicles. Further discussion of this subtitle may be found at page 153 of this report.

District Recovery Plan & Intradistrict Reporting Shifts

As discussed in full in the Executive Summary to this report, this year saw two significant changes to how funding levels were reported in the Mayor's FY 2023 budget proposal. These include shifting reporting of federal ARPA fund dollars from specific programs and activities to a new (DCRP) District Recovery Plan Division, and reporting of intradistrict fund spending only in the budget of agencies "buying" the services, and not in the "seller" agency budget. These changes resulted in what appeared to be reductions to agency budgets, where in fact no reduction occurred. The Committee has included tables at Appendix L that provide a breakdown of those shifted funds, and the Committee's understanding of the Committee's actual proposed budget, minus those changes.

Capital Budget Analysis & Recommendations

The Mayor's proposed FY 2023 – FY 2028 capital budget request for the Agency is $24,858,000. This represents a $12,658,000 increase in total dollars from the FY 2022 – FY 2027 approved levels. The DMV's proposed capital budget increases by $6,458,000 in FY 2023 and by $6,000,000 in FY 2024. This increase is almost entirely allocated to the ongoing replacement of the DMV's ticket processing system, detailed below. The Committee recommends the adoption of the Agency's capital budget with no changes.

Destiny Replacement Project

The proposed capital budget of $24,858,000 allocates $6,500,00 in FY 2023, $2,500,000 in FY 2024, and $3,200,000 in FY 2025 for the Agency's Destiny Replacement Project; this project also has an available balance of $6,475,000. These proposed allocations are the same as last year's budget. Through this project, DMV plans to create a modernized, state-of-the-art, web-based driver-license and motor-vehicle-information system. The new system will reduce the complexities of maintaining the multitude of software platforms the Agency currently uses to do this work and improve the efficiency of changes to application software when DMV regulations change. After deployment of the new system, the DMV should be able to recognize a reduction in the cost to maintain this system in future budgets. The Committee supports the project given that the DMV's current system for driver licenses and motor vehicle information is outdated and in need of immediate upgrades.

In 2020, after years of very little progress on this project due to complications with the RFP, the DMV shifted its approach to completing the project. Rather than issue an RFP for an outside contractor, the DMV began to update this system through a partnership with the Office of the Chief Technology Officer. This facilitates a step-by-step modernization of the system, rather than a complete overhaul all at once, which the Agency believes will allow it to move forward with the project more efficiently and effectively. The Committee supported the change in approach last year to the extent that it enabled the Agency to move forward with upgrading even a portion of this critically important system in the short-term, given the system had not been updated in nearly 20 years. Due to the DMV's new approach to this project, measurable progress has been made toward completion of the project.

By the end of FY 2022, the DMV expects to have completed the following subprojects: development of general services, driver's license, and vehicle registration transaction portals; automation of the batch printing process; and production deployment of the web page front end and post-production support. The DMV has provided the Committee with information on the subprojects it plans to complete in FY 2023. These include infrastructure setup for mainframe migration; further development of title, identification card, adjudication, and business transactions portals; development of a back-end program; unit and functional testing of various portals; and general functional testing. The Committee is pleased that the Agency is making progress on this project, and that, per the Agency's estimates, the project is fully funded.

Before the Destiny system is replaced entirely, DMV will need to update the existing system to implement the adjustments to the motor vehicle registration fee schedule enacted via a subtitle in the Budget Support Act and detailed further at page 153. **Thus, the Committee recommends reducing the FY 2023 budget for this project by $300,000 and increasing the FY 2024 budget for this project by $300,000.** This net-neutral change will allow the needed changes to be made to the Destiny system in FY 2023 to accommodate the changes to the registration fee schedule, without decreasing the total amount allocated to the project over the Capital Plan. **Accordingly, the Committee allocates $300,000 in FY 2023 to a new subproject, Registration Fee Implementation, within (MVS16C) the Destiny Replacement Project.**

<u>E-TIMS System Upgrade Project</u>

The proposed capital budget includes a new $6,000,000 in FY 2023 and $6,000,000 in FY 2024 for the DMV's Ticket Processing System (E-TIMS) Upgrade Project; the project also has $5,213,000 in its allotment balance—only slightly less than last year. The E-TIMS system is over 25 years old and the DMV has been planning a much-needed upgrade of the system for nearly a decade. After initial compilation of an RFP package in FY 2021, the DMV was able to request the additional funding required by the project in this budget.

The project is currently in the RFP process and a solicitation was released to the public in late February of 2022. Now that a solicitation has been released, an award for a new contract is expected before the end of FY 2022 or in early FY 2023. According to the DMV, once the award is made, the additional funding provided in this year's budget will be necessary to advance the project.

According to the DMV's expected timeline, the Council will review the contract package and the DMV will award the contract in FY 2023. Once the contract is awarded, development, unit testing, and user acceptance testing will occur in FY 2024, along with the start of preparations for integration testing and a pilot program. In FY 2025, the DMV expects to begin production deployment and support. All told, the Agency anticipates that the new system will be in place approximately eighteen months after the execution of the new contract. The Committee hopes to see the Agency make more progress on this project, including adhering to the proposed timeline. The Committee also asks that the Agency alert it to any changes to the timeline moving forward.

Inspection Kiosks

The proposed capital budget includes $658,000 in FY 2023 to fully fund a new project creating two On-Board Diagnostics (OBD) Emissions Inspection Kiosks. In the Fiscal Year 2017 Budget Support Act, the Committee provided the DMV with $300,000 in additional funds for the Self-Service Exhaust Emissions Testing Pilot Program, which required the DMV to establish a pilot program for residents to use self-service inspection station kiosks for their emissions inspections. The Committee is pleased to see this program continued on a non-pilot basis. These kiosks will allow residents to perform their own emissions inspections on their vehicles. Currently, vehicle emissions testing (required by the Environmental Protection Agency) can only be performed at two locations in the District: the Inspection Station at 1001 Half Street, SW, and an OBD Emissions Inspection Kiosk at 300 Van Buren Street, NW. The DMV reports that other jurisdictions, namely Maryland and Ohio, have implemented similar inspection kiosk programs with great success. The addition of two new kiosks will allow drivers in the District to more easily test their vehicles without driving long distances to one of the two inspection locations.

The project's tentative start date is in FY 2023. The DMV is still determining where the two kiosks will be located but has assured the Committee that one of the two kiosks will be located east of the Anacostia River (both of the current locations are west of the river).

Policy Recommendations

The Committee offers no policy recommendations for FY 2023.

E. Department of Energy & Environment (KG)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	22,228,548	62,214,080	109,546	62,323,626	180.4%
Federal Payments	81,704,286	23,000,000	0	23,000,000	-71.8%
Federal Grant Funds	35,135,467	36,954,341	0	36,954,341	5.2%
Private Grant Funds	2,556,263	2,457,679	0	2,457,679	-3.9%
Special Purpose Revenue Funds	98,116,128	94,881,393	1,064,808	95,946,201	-2.2%
GROSS FUNDS	239,740,692	219,507,493	1,174,354	220,681,847	-7.9%

FY 2023 Full-Time Equivalents, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	143.3	141.8	1.00	142.8	-0.3%
Federal Payments	11.0	11.0	0.0	11.0	0.0%
Federal Grant Funds	102.5	101.3	0.0	101.3	-1.2%
Private Grant Funds	4.8	1.8	0.0	1.8	-63.4%
Special Purpose Revenue Funds	217.1	247.1	(1.0)	246.1	13.4%
GROSS FTES	478.5	503.0	0.0	503.0	5.1%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	25,059,559	30,363,624	75,847	30,439,470	21.5%
12 - Regular Pay - Other	18,067,170	16,188,874	-68,870	16,120,004	-10.8%
13 - Additional Gross Pay	0	23,133	0	23,133	N/A
14 - Fringe Benefits - Curr Personnel	10,413,960	11,045,514	17,377	11,062,891	6.2%
15 - Overtime Pay	18,500	18,500	0	18,500	0.0%
Personal Services (PS)	53,559,189	57,639,645	(239,204)	57,663,998	7.7%
20 - Supplies and Materials	555,173	478,437	0	478,437	-13.8%
31 - Telecommunications	251,171	149,910	0	149,910	-40.3%
40 - Other Services and Charges	24,676,650	8,140,717	350,000	8,490,717	-65.6%
41 - Contractual Services - Other	72,260,210	43,255,193	0	43,255,193	-40.1%
50 - Subsidies and Transfers	89,888,562	108,843,134	800,000	109,643,134	22.0%
70 - Equipment & Equipment Rental	1,013,408	1,000,457	0	1,000,457	-1.3%
Nonpersonal Services (NPS)	188,645,174	161,867,848	1,150,000	163,017,848	-13.6%
GROSS FUNDS	242,204,363	219,507,493	910,796	220,681,846	-8.9%

Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Agency Management	7,770,540	8,237,118	0	8,237,118	6.0%
100F	Agency Financial Operations	2,013,968	2,150,465	0	2,150,465	6.8%
2000	Natural Resources	45,279,502	39,275,797	0	39,275,797	-13.3%
3000	Environmental Services	21,574,105	24,562,654	194,738	24,757,392	14.8%
5000	Community Relations	1,571,900	1,603,542	0	1,603,542	2.0%
6000	Energy	158,876,819	53,212,347	979,616	54,191,963	-65.9%
6500	Utility Affordability	0	24,697,151	0	24,697,151	N/A
7000	Enforcement and Environmental Justice	505,980	523,304	0	523,304	3.4%
8000	Green Economy	960,483	473,286	0	473,286	-50.7%
8500	Urban Sustainability	3,651,068	3,674,159	0	3,674,159	0.6%
DCRP	District Recovery Plan	0	61,097,669	0	61,097,669	N/A
GROSS FUNDS		242,204,365	219,507,492	1,174,354	220,681,846	-8.9%

Table: FY 2023 Operating Budget, By Program (Gross Funds)

Agency Overview

The mission of the District Department of Energy and Environment (DOEE) is to improve the quality of life for the residents and natural inhabitants of the nation's capital by protecting and restoring the environment, conserving our natural resources, mitigating pollution, and educating the public on ways to secure a sustainable future. DOEE executes its mission through the work of the following divisions: **Agency Management**, which provides administrative support and operational management; **Agency Financial Operations**, which provides financial management to DDOE; the **Natural Resources Administration**, which oversees water quality, storm water, and fisheries and wildlife management; the **Environmental Services Administration**, which works to reduce contamination from toxic substances and air pollution; the **Community Relations Administration**, which manages public affairs and community-education programs for DDOE; the **Energy Administration**, which works to advance the District's energy policies and the effort to achieve reliable, clean and affordable energy, including by monitoring compliance with the District's clean energy regulations and overseeing the DC Sustainable Energy Utility; the **Utility Affordability Administration**, which provides financial assistance to low-income District residents in affording their utility bills and works to improve the efficiency and safety of homes in the District, such as by providing technical and financial assistance in identifying and addressing lead hazards; the **Enforcement and Environmental Justice Administration**, which develops and implements effective practices to support DDOE's enforcement efforts; the **Green Economy Administration**, which encourages green business, green buildings, and green jobs while creating market-based incentives to promote environmental sustainability and economic development; and the **Urban Sustainability Administration**, which develops policies and programs to encourage sustainability and address climate change and equity, and oversees the implementation of Sustainable DC, the District's sustainability plan.

Operating Budget Analysis & Recommendations

The Mayor's proposed FY 2023 Operating Budget for DOEE is $219,507,492, which represents a 9.4% decrease from the FY 2022 approved budget of $242,204,363. This funding supports 503 Full-Time Equivalents ("FTEs"), an increase of 11.2 FTEs or 2.3% from the FY 2022 approved level. In FY 2022, DOEE received significant federal funding from the American Rescue Plan Act (ARPA); the decrease in the proposed FY 2023 budget is largely due to a decrease in the amount of one-time ARPA funds.

Despite the decrease, the FY 2023 proposed budget for DOEE still includes significant federal ARPA funding—approximately $61 million worth. The Agency plans to use these funds to bolster several initiatives that the Committee strongly supports. This includes the District's clean energy and energy efficiency initiatives—the proposed budget includes nearly $30 million in funding to assist affordable housing properties in meeting the District's building energy efficiency standards and—as well as important environmental initiatives such household lead and mold abatement and lead pipe replacement. Meanwhile, in local funding, the budget proposal contains investments in flood resilience and utility affordability assistance for the District's most vulnerable residents.

Regarding DOEE's ARPA dollars, the Committee notes that the Agency has spent relatively little—slightly over $11 million—of the nearly $83 million it received in ARPA funds in FY 2022. Notably, DOEE expects to carry over more than *half*—nearly $46 million—of the FY 2022 ARPA funds into FY 2023. The Committee is confident, however, that this simply a result of the significant amount of funding and the need to plan for efficient use of the funding, as well as the time it takes to hire additional staff, award grants, and secure contracts. The Committee expects that DOEE will ramp up spending on these programs in the second half of FY 2022 and will then be ready to more quickly direct the additional ARPA funding in FY 2023 to established projects.

Unfortunately, aside from these significant investments from federal dollars, the Mayor's budget proposal falls far short of making the necessary investments in meeting the District's climate goals. In particular, fails to allocate the funding necessary to meet the Mayor's commitment to ensure that all new buildings in the District meet a net-zero emissions standard by 2026. The Committee hopes this will change in future budget cycles, particularly given that the District will not be able to continue to rely on federal money to meet our commitments.

Below, the Committee discusses the most significant budget changes and sources of spending in DOEE's major divisions in the budget proposal, as well as several recommended changes from the Committee to support DOEE's mission and the Council's priorities.

<u>Natural Resources Division</u>

The proposed budget for the Natural Resources Division is $39,276,000, a $6,004,000 decrease from the FY 2022 approved budget; however, this decrease largely reflects a shift of ARPA funds for green infrastructure from the Natural Resources Division to the DCRP Division. The green infrastructure programming was funded at $8,000,000 in FY 2022 and is funded at similar levels in FY 2023. Other programs in this Division are generally seeing modest increases in funding.

Flood Smart Homes

As the District grapples with the effects of climate change, we are already seeing an increasing number of flooding events, and we can expect to experience more frequent and more severe floods in the future. As part of the response to the increased risk of flooding, DOEE's budget proposal includes one-time funding of $2,645,738 in local dollars, and 1.0 FTE, to create the Flood Smart Homes program. This program will provide financial assistance to homeowners for resilience assessments and retrofits to assess and reduce their homes' vulnerability to flooding. DOEE expects to prioritize single-family homes in the 100-year floodplain in Wards 7 and 8 for this program. It estimates that this comprises 400 properties. The Agency will provide assistance to all interested homeowners unless the level of interest exceeds the amount of available funding, in which case it will prioritize the most vulnerable homes and residents. Given that we can expect flooding to continue to worsen to some extent over the long-term even with flood mitigation practices in place, the Committee hopes to see this program succeed in FY 2023 and to see recurring funding in the next budget cycle to build on this initial investment.

Green Infrastructure Maintenance

The proposed budget includes $8,330,532 in ARPA funding to maintain the District's green infrastructure. This is a slight increase from the approved budget of $8,087,895 in ARPA funding to start this program in FY 2022. Notably, the Agency also plans to spend another $8,500,000 on this project in FY 2024. The project supports the maintenance of the District's more than 4,000 green infrastructure assets, which include rain gardens, bioretention tree boxes, and permeable surfaces, all intended to reduce and filter stormwater runoff. Once these projects are complete, no entity has clear responsibility for their ongoing maintenance. As a result, neglect has meant that many of these installations are damaged or have become magnets for trash and rodents.

During the FY 2022 budget cycle, DOEE informed the Committee that it anticipated training 40 individuals per year and creating at least 20 permanent jobs through this investment. So far, DOEE has had limited spending from its FY 2022 funding on this program, but as noted above, the Committee expects spending to ramp up as project plans are developed and cleared through the Agency. The Committee is highly supportive of this program and urges the Agency to seek long-term funding so this program may continue in FY 2025, when the ARPA funds expire, and beyond.

The Division has additional enhancements from ARPA local revenue replacement funds for two other programs at similar levels as FY 2022. This includes $237,800 to support the Kingman Rangers Program, which will train and employ three full-time and two seasonal rangers at Kingman and Heritage Islands. The Rangers' work will include environmental restoration, education, and maintenance. Meanwhile, the budget also includes a $25,000 enhancement in ARPA local revenue replacement funds to the DumpBusters program, a partnership between DPW and MPD's Environmental Crimes Unit to enforce against illegal dumping in Wards 5, 7, and 8. This additional funding will increase capacity to respond to resident complaints. To date, DOEE has expended only a small portion of the funding allocated to these two programs in the FY 2022 budget, but as with the Agency's other new programs established using ARPA funding, the Committee anticipates that spending will ramp up in the later part of FY 2022 and into FY 2023.

Wildlife Rehabilitation Grant

For years, the District has awarded an annual competitive grant, allocated in (2030) Fisheries and Wildlife, to support wildlife rehabilitation services. Wildlife rehabilitation is an essential city service, as it protects human health and safety and is an integral part of the District's Animal Care and Control program, which is required to provide humane treatment for sick, injured, and orphaned wildlife. In many cases, wild animals require specialized care that only a licensed wildlife rehabilitator can provide. This grant is also critical in furthering the broad mission of DOEE in protecting wildlife, and—in particular—Species of Greatest Conservation Need. Unfortunately, in some fiscal years, the Mayor's budget proposal has cut funding for this important grant, which the Committee has had to restore.

Thankfully, as in the FY 2022 budget, the Mayor's proposed budget funds this grant. The Committee supports this grant being reliably funded, as uncertainty not only creates confusion and inconsistency for grantees seeking to do this work, but also could inadvertently result in this grant—and the essential services it supports—going unfunded in a future fiscal year.

Of note, in the FY 2022 budget, the Committee sought to create a stable source of funding for this grant moving forward by establishing a new "Protect Local Wildlife" motor vehicle identification tag; revenue from that tag would establish recurring, permanent funding for this grant. Revenues from the license plate flow to the Anacostia River Clean Up and Protection Fund ("Fund") to fulfill this annual grant. Unfortunately, to date, the license plate design has not been finalized, so no funds have been allocated for this purpose. The Committee urges DMV to complete the design and issue this tag before the end of FY 2022, to ensure these funds can begin to be collected and support this important grant.

<u>Environmental Services Division</u>

The Agency's FY 2023 proposed budget includes $24,563,000 for the Environmental Services Administration. This division protects public health and the environment in areas such as air quality, hazardous waste, lead, pesticides, and underground storage of petroleum products. The proposed budget includes increases for air quality monitoring and rail safety and environmental emergency response capacity. It also includes funding for an additional mold inspector. As noted below, however, the Committee believes this is insufficient, and increases the budget to support another additional mold inspector.

Advanced Air Monitoring

The proposed budget includes a one-time increase of $300,000 to support Advanced Air Monitoring. This project is intended to expand the Agency's hyperlocal air quality monitoring pilot, allowing the Agency to conduct preliminary air quality assessments in additional communities. This initiative will help DOEE to implement compliance and mitigation measures to improve air quality in disadvantaged communities, improving long-term public health outcomes.

The Committee supports this program. Studies have found—as recently as last fall—that low-income residents and people of color in the district disproportionately suffer the negative health impacts of air pollution in the District.34 Some neighborhoods in the Southeast portion of the District experience four times as many pollution-related deaths as wealthier neighborhoods in the Northwest. These outcomes are ultimately linked to the District's history of race-based housing policies, which pushed minority groups and people of color—in particular Black residents—into neighborhoods nearest to pollution sources. This project will help the District rectify the ongoing effects of those policies.

DOEE did note that this funding is insufficient to establish a permanent air quality monitoring program. To do that, the Agency would need additional funding of approximately $850,000 and 2.0 FTEs, which would allow the Agency to develop a comprehensive baseline measurement of the District's air quality in order to evaluate the cumulative impacts of air pollution on public health. The Committee urges the Mayor to fully fund this important program going forward.

Rail Safety and Emergency Response

The proposed budget includes an additional $178,624 in one-time funding to cover 1.4 FTEs for rail safety and emergency response capacity. These additional FTEs will help DOEE effectively respond to environmental emergencies, including chemical spills and illegal discharges on land or water, or fuel spills on the District waterways. The additional FTEs will also ensure the Agency has the capacity to monitor rail safety continuously and effectively within the District of Columbia on Federal Railroad Administration-controlled property, in accordance with a Memorandum of Understanding between DOEE and the Federal Railroad Administration. The Committee is concerned, however, about the one-time nature of this funding. These FTEs will be performing functions that are both critical and necessarily ongoing. The Committee therefore urges the Agency to find permanent funding for these positions.

Mold Inspections

For years, the number of District residents suffering from asthma has far outpaced the national average; in fact, as of 2018, more than one in eight District residents had an asthma diagnosis. Numerous studies have shown that indoor mold contamination is a direct contributor to heightened asthma rates.[35] Over the years, the Council has taken steps to address this issue, including passing the Air Quality Amendment Act of 2014, which provided DOEE with important new tools to address mold contamination at residential properties, including establishing indoor mold contamination thresholds and requirements for landlords to act to remediate mold. To date, DOEE has complemented that law by hiring a mold inspector and remediation professional—the only government staffer, across all District agencies—whose responsibilities include mold inspections. Of note, the Department of Consumer and

[34] *See* Jacob Fenston, *New Research Shows the Unequal Health Burden of Air Pollution in D.C.*, DCist (Nov. 16, 2021), https://dcist.com/story/21/11/16/air-pollution-more-deaths-black-neighborhoods-dc/.

[35] *See, e.g.*, Siyuan Xiao, et al., *Household Mold, Pesticide Use, and Childhood Asthma: A Nationwide Study in the U.S.*, Int'l J. of Hygiene and Environmental Health (Feb. 6, 2021), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7965337/.

Regulatory Affairs ("DCRA") (soon to be the Department of Buildings) currently provides no mold inspection services, despite being the District agency broadly responsible for enforcement of a number of the District's safe and healthy housing laws and regulations, including lead paint, pest abatement, fire safety, general cleanliness, heating and cooling, and electric service. Of note, DOEE reported receiving a higher number of mold complaints (420) in FY 2021 than other categories, including lead paint (47); unfortunately, DOEE reported only completing 33 initial physical inspections for mold in FY 2021.

Recognizing the critical need for both additional public mold inspectors and a robust regulatory scheme for identification and enforcement of violation of the District's mold laws, in 2020, the Council passed B23-132, the Residential Housing Environmental Safety Amendment Act of 2020. That legislation requires that DCRA, in addition to DOEE, enforce the District's indoor mold contamination laws. Due to the significant cost to implement this legislation, however, that bill is not yet in effect, and the Committee is unable to identify sufficient resources to fully fund it in the FY 2023 budget. The Committee hopes to work with the Committee of the Whole to identify funds to implement that law.

Thus, the Committee supports the proposal in the agency's FY 2023 budget to advance this work, including new funds in the DOEE to support one additional mold inspector and a new Lead and Mold Hazard Mitigation project, which will provide mold and lead mitigation efforts to low- and moderate-income households. Separate from mold abatement specifically, regarding environmental health hazards more generally, the Committee also supports DOEE's proposal to fund another FTE in the FY 2023 budget to support a new EPA grant to reduce children's exposure to lead in drinking water at schools and child-development centers.

Even with these investments, though, the Committee is concerned that 2.0 FTEs is insufficient to handle demand for mold inspections and remediations across the District. At the Committee's budget oversight hearing, Director Wells shared that three to five additional inspectors would be necessary for DOEE to be able to fully take on this work. Given the drastic, lifelong effects mold exposure can have on a child's health, the Committee believes the District cannot continue to delay in bringing on necessary staff to identify, track, and enforce against mold contamination. **Therefore, the Committee increases CSG 11 in (3090) Lead-Safe and Healthy Housing by 3.0 FTEs and $279,930 in FY 2023 and $1,119,720 over the four-year plan for the hiring of three additional Environmental Protection Specialists to undertake mold inspections and remediation.**

<u>Energy Division</u>

As noted above, the proposed FY 2023 budget for the Energy Division includes significant decreases as a result of the realignment of resources to the Utility Affordability Division. Five activities have been moved entirely out of the Energy Division and into the new Utility Affordability Administration:

- (6010) Energy Efficiency and Conservation – now (6510)
- (6020) Energy Affordability – now (6520)
- (6030) Energy Assistance Benefit Payments – now (6530)
- (6070) CRIAC Relief Fund – now (6570)

- (6080) Lead Pipe Replacement – now (6580)

The remaining activities in the Energy division primarily support the District's renewable energy and efficient buildings initiatives. The FY 2023 proposed budget includes substantial investments of ARPA funding in these programs, including to support the Building Energy Performance Standards program, Solar for All, and the Home Weatherization Assistance Program. The Committee discusses these investments below.

The Committee also recommends several changes to further support these vital programs. These changes include authorizing SETF funding for two bills currently moving through the Committee that would support the District's clean energy and climate goals; providing tax relief to Solar for All grant recipients to stretch the District's investment in solar energy; funding for emerging energy storage technology to support the District's renewable energy and resilience goals; and a study on the District's electric grid's capacity to support additional renewable resources. As explained below, all of these proposals play key roles in ensuring that the District plays its part in the global fight to avoid the most catastrophic potential effects of climate change, and to support the District's resilience plans to ensure we are prepared to protect residents from the effects of climate change that are already beginning to occur.

Building Energy Performance Standards

The FY 2023 proposed budget for the Energy Division largely continues the substantial investment of ARPA funds to support the implementation of the Building Energy Performance Standards ("BEPS") program from FY 2022. DOEE issued the first standards under BEPS in January 2021, establishing requirements for the District's most energy-intensive buildings to reduce their energy use by approximately 20% in the next six years. BEPS will be an important part of the District's GHG reduction targets, projected to make up over 20% of the District's 2032 reduction commitment. In FY 2022, the Mayor directed a significant amount of ARPA funds toward helping building owners come into compliance with BEPS. In the FY 2023 budget proposal, DOEE proposes significant continued spending focused on helping affordable housing projects comply with BEPS:

- $10,831,321 directed to the Green Bank to expand capital to support construction loans for affordable housing projects that are currently out of compliance with BEPS. This funding will support the Affordable Housing Retrofit Accelerator program, which DOEE launched using ARPA funding in FY 2022 in coordination with the Green Bank and the Sustainable Energy Utility;
- 10,000,000 to assist approximately 40 Department of Housing and Community Development (DHCD) and DC Housing Finance Agency (DCHFA) affordable housing projects comply with BEPS; and
- $8,244,844 to support grant funding for affordable housing projects that are outside of the DHCD and DCHFA funding. The funds will be used to provide energy audits, followed by pre-development and construction work to enable buildings to secure Green Bank-supported construction loans and implement energy retrofits.

In addition, DOEE proposes allocating $482,702 to the Building Energy Performance Administration to fund 4.0 FTEs to provide administrative support to the BEPS ARPA initiatives. All of this funding is reflected in DOEE's DCRP line.

The Committee supports these ongoing programs. Building energy use accounts for nearly 75% of the District's greenhouse gas emissions, so it is crucial that we make our buildings more energy efficient to reduce their impact. And the federal ARPA funding represents a unique opportunity to boost the BEPS program and help our most vulnerable residents benefit from more energy efficient buildings. The Committee is concerned, however, about the future of these programs after the ARPA funding runs out and encourages the Mayor to find ongoing funding to replace these dollars in future budget cycles.

Notably, however, aside from the significant investment of federal dollars in the District's climate efforts, the Mayor's budget proposal falls far short of making the necessary investments in meeting the District's climate goals. In particular, it fails to allocate the funding necessary to meet the Mayor's commitment to ensure that all new buildings in the District meet a net-zero emissions standard by 2026.[36] The District is already significantly behind on this commitment.[37] To come anywhere near meeting the commitment for District government-owned buildings requires a substantial investment in the near term—a larger investment than this Committee can find funds for.

Importantly, aside from being essential to the District's climate goals, investing in net-zero buildings would be *economically beneficial* to the District government. The Mayor's *Clean Energy DC* plan acknowledged this, noting that while construction costs for high-performance buildings were somewhat higher than costs for conventional buildings, the return on investment return on investment ranges from 5% to 12% for high-performance buildings and "*up to nearly 38%*" for net-zero buildings.[38] As the Plan also notes, cost premiums are likely to fall as net-zero building practices become more widespread.[39] Given that the Plan was written nearly four years ago, and before the federal government made significant commitments and investments in clean buildings,[40] the return on investment-to-cost differential has likely grown already.

Simply put, this administration has not put its money where its mouth has been on climate investments. The Committee urges DOEE to change that in future budget cycles. In the meantime, the most the Committee can do is to **authorize DOEE to use funding from the Sustainable Energy Trust Fund to support sustainability projects and programs.** The mechanism used to effectuate that change discussed in the subtitle at page 139, and the programs that sustainability projects and programs it will support are discussed below.

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[36] *See Clean Energy DC: The District of Columbia Climate and Energy Action Plan*, 26 (Aug. 2018).
[37] *See id.* at 67 (recommending that the District begin imposing net-zero building codes in the 2018 building code cycles). The Committee has pending legislation that would require net-zero building codes, which would address the Mayor's failure to fulfill this pledge, but the new codes cannot feasibly take effect until 2026.
[38] *Id.* at 64.
[39] *Id.*
[40] *See, e.g.*, 86 Fed. Reg. 70,935, Executive Order 14057 (committing the Federal Government to "a net-zero emissions building portfolio by 2045, including a 50 percent emissions reduction by 2032").

Solar for All

DOEE's proposed budget includes a significant reduction in funding for the Solar for All program, which helps low-income households access the financial benefits of solar energy. In FY 2022, DOEE allocated $17,500,000 in ARPA funding to expand the Solar for All program. The proposed budget does not direct any ARPA funding to Solar for All in FY 2023. The proposed budget does include $7,000,000 intended for DOEE's contract with the DC Sustainable Energy Utility ("SEU") to build community solar installations on private property, but even this investment is lower than DOEE's traditional $10,000,000 investment in the SEU. The reason for the lower funding for Solar for All from local dollars in FY 2023 is a significant drop in revenue from the Renewable Energy Development Fund ("REDF") in recent years. This drop in revenue is due in part to the fact that DOEE had planned to receive additional revenue from the liquidation of Solar Renewable Energy Credits ("SRECs") related to the community renewable energy facility ("CREF") at Oxon Run, but later decided to transfer those SRECs to the Green Bank. Reduced energy use over the past two calendar years due to the pandemic also contributed to the drop in revenue.

As a result of the decrease in funding, DOEE anticipates that the amount of community solar facilities the SEU will be able to install in FY 2023 will be reduced by 2 megawatts, although DOEE still expects the SEU to install similar levels of on-site solar arrays on single-family homes. This underscores the Committee's concern with funding this program—and, truly, any program—with revenues flowing from fees that can and do vary from year to year. Since its launch, the Solar for All program has seen tremendous success, serving more than 5,000 households and providing meaningful energy savings to these residents and increasing the amount of energy use in the District procures from green energy sources. Consistent funding is a critical part to the program's continued success.

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 an award of $1,000,000 will provide only $917,500 worth of solar capacity for residents. Making these awards tax-free means more awards can be provided—and more solar installed.

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 $1,000,000 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, if 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 $1,000,000 taxed award. In this case, however, DC SEU could use 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. **Thus, the Committee recommends inclusion of a subtitle**

in the Budget Support Act that would make these awards tax-exempt. This subtitle is discussed further at page 137 of this report. The Committee has also provided funding, through a transfer to the Committee on Business and Economic Development, to address reduced tax revenue stemming from making these awards tax exempt. **To support this program, the Committee increases (6050) Data and Benchmarking by $288,750 in FY 2023 and $1,526,250 over the financial plan.** The Committee authorizes funding from the Sustainable Energy Trust Fund to support these costs.

B24-267, the Climate Commitment Act of 2022

The fight to mitigate climate change is the defining environmental issue of our time. Climate change has enormous implications for not only the weather and our environment, but virtually every aspect of our lives and society, including public health, food security, infrastructure, and the economy. We are already seeing the impacts of climate change in the District: record-breaking extreme weather, increased flooding caused by extreme rain events and higher tides resulting from rising sea levels, and a sharp increase in the number of dangerously hot days. As these impacts increase in frequency and severity, they will increasingly harm the health, safety, and quality of life of all District residents. And they will not affect everyone equally; instead, they will be felt most immediately and most intensely by communities of color. In fact, based on numerous measurable phenomena, such as the urban heat island effect, many communities have already been disproportionately affected by climate change and face adverse health outcomes and additional environmental barriers to a higher quality of life.

Recognizing the harms posed by climate change and the need for imminent action, on May 24, 2021, Councilmembers Cheh, Lewis George, Henderson, Allen, R. White, Pinto, Nadeau, and Chairman Mendelson introduced the Climate Commitment Act of 2022. This legislation codifies the Sustainable DC Plan for reducing the District's emissions. The Plan sets goals of reducing greenhouse gas emissions by 50% (compared to 2006 levels) by 2032 and achieving carbon neutrality by 2050. This legislation would advance those goals, requiring the District to achieve 60% emissions reductions by 2030 and carbon neutrality by 2045, in line with the more ambitious milestones being set by other forward-thinking states such as Maryland.[41] The bill would also require the District government to lead by example by achieving net-zero emissions associated with District government operations by 2040.

At the hearing on the bill on January 25, 2022, the public response to this legislation was virtually unanimous: the bill as introduced was a good step, but not nearly enough. A number of advocates recommended bolstering the bill with concrete requirements to put the District on the path to achieving the ambitious milestones set out in the bill. As a result, the Committee added two new provisions to the bill:

First, the Committee Print would prohibit the District government from installing gas-fired space- or water-heating systems in District-owned buildings, beginning January 1, 2025. Transitioning to all-electric buildings is a key component of the District's efforts to achieve carbon neutrality, since buildings account for nearly 75% of our emissions. And given that

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[41] *See* Jacob Fenston, *Maryland Lawmakers Pass Tough New Requirements to Cut Carbon Emissions*, DCist (Mar. 31, 2022), https://dcist.com/story/22/03/31/maryland-lawmakers-carbon-emissions-bill/.

space- and water-heating systems typically have lifespans measured in decades, if the District government continues to install gas-fired systems over the next several years, it will be exceedingly difficult to meet the 2040 target date for net-zero emissions associated with District government operations. The Committee Print's requirement allows for new gas-fired systems only in cases where it would be technically infeasible to install an electric space or water heater.

Second, the Committee Print would require the District government to stop purchasing gasoline-powered or hybrid vehicles, and purchase only electric vehicles, for its fleets beginning in 2026. The transportation sector accounts for a quarter of the District's greenhouse gas emissions. Transitioning the District's fleets would reduce the government's share of those emissions; since the government can more easily take on the upfront costs of transitioning in the near term, it should lead the way on this front.

To support the policies in the Climate Commitment Act, the Committee recommends making spending on implementation of this legislation an authorized use of funding from the Sustainable Energy Trust Fund.

B24-420, the Clean Energy DC Building Code *Amendment Act of 2022*

Building emissions account for a substantial majority of the District's greenhouse gas emissions. Because of this, carbon reductions in this sector are essential to achieving our climate change goals. To achieve these reductions, in 2018, the Mayor's Clean Energy DC Plan recommended phasing in net-zero emissions building codes for new construction between 2021 and 2026. This code change would ensure that new buildings are constructed to be highly energy efficient, produce renewable energy on site (or directly obtain it from offsite), and result in lower energy costs for businesses and residents.

To this end, on October 1, 2021, Councilmembers Cheh, Henderson, Lewis George, Allen, Pinto, and Nadeau introduced B24-420, the Clean Energy DC Building Code Amendment Act of 2022. This bill would direct the Mayor to adopt a net-zero building code for most new buildings in the District other than single-family homes by 2026.

These rules will also apply to newly built and substantially renovated District government buildings. To support the measures necessary to implement the new building codes and enable the District government to comply with the codes, the Committee recommends making spending on implementation of this legislation an authorized use of funding from the Sustainable Energy Trust Fund.

Renewable Energy Storage Grants

A cornerstone of the District's climate policy is the effort to promote the generation of renewable energy within the District. The Solar for All program created by the Renewable Energy Portfolio Standard Expansion Amendment Act of 2016 is centered around an ambitious goal of using solar energy to reduce the electric bills of 100,000 households by 2032. The Clean and Affordable Energy Act of 2008 required electricity suppliers in the District to obtain a small portion of their energy supply from solar energy produced within the District. The Clean Energy Omnibus Amendment Act of 2018 increased the local solar carve-out, requiring suppliers to obtain an increasing percentage of their energy supply from local solar, up to 10% by 2041.

As the District has also recognized, because of the intermittent nature of renewable energy—in particular solar energy—energy storage systems are essential to maximizing the potential of renewable energy. Battery storage systems allow solar adopters to store excess energy generated during the day that might otherwise be wasted if the utility curtails output to the grid due to insufficient grid capacity. Curtailment is currently a regular occurrence in the District, and it often means that solar systems are shut down or throttled at times of peak generation.

Battery storage is also an important component of the District's resilience goals, since batteries can serve as backup power sources for critical infrastructure during a grid outage. The Sustainable DC Plan established a goal that a facility offering clean backup power for critical needs be available within walking distance of every resident in the District by 2032.

However, energy storage technology is in many ways still in its infancy. As of 2019, only 163 large-scale battery storage systems were operating in the United States.[42] And while the cost of energy storage systems has been dropping precipitously, current prices still put these systems out of reach for most renewable energy providers (as well as residents and building owners). As a result, renewable energy companies are often hesitant to invest in energy storage. Local renewable energy companies, in particular, have been reluctant to devote large amounts of capital to a technology they are unfamiliar with, and which involves steep learning curves for both the providers and the electric utility.

Over the long term, the cost of energy storage systems is expected to drop significantly.[43] But we cannot afford to wait for the market to resolve these issues on its own. The District must take aggressive action now to accelerate the development of a robust renewable energy infrastructure. A relatively small investment now can help to bolster the District's efforts to meet our sustainability and resilience goals for the next decade or more. Commitments by governments in the near-term will help to drive the cost of these systems down more quickly, making the systems affordable without subsidies in the future.

To that end, **the Committee recommends the inclusion of a subtitle in the Budget Support Act creating a program to award grants for commercial and residential energy storage systems associated with renewable energy resources.** These grants would provide at least 30% of the cost of an energy storage system for commercial system in FY 2023, at least 25% in FY 2024, and at least 20% in FY 2025; and up to 90% of the cost of residential storage systems in each of those years, up to $20,000 per award. In order to promote the local renewable energy industry, the subtitle would direct DOEE to prefer District-based grant applicants. It would also direct the Agency to give preference to systems that would be connected to solar installations supported by Solar for All or connected to a community resilience hub, to ensure that this program furthers the District's efforts to ensure all residents

[42] U.S. Energy Information Administration, *Battery Storage in the United States: An Update on Market Trends* (Aug. 16, 2021), https://www.eia.gov/analysis/studies/electricity/batterystorage/.
[43] *See, e.g.*, Wesley Cole, A. Will Frazier, and Chad Augustine, *Cost Projections for Utility-Scale Battery Storage: 2021 Update*, Nat'l Renewable Energy Laboratory (June 2021), https://www.nrel.gov/docs/fy21osti/79236.pdf.

benefit from the transition to clean energy. This subtitle is discussed further at page 143 of this report. **To support this program, the Committee increases (6050) Data and Benchmarking by $800,000 in FY 2023 and by $2,400,000 over the financial plan, and authorizes funding from the Sustainable Energy Trust Fund to support these costs.**

Electric Grid Hosting Capacity Study

A cornerstone of the District's climate policy is the effort to promote the generation of renewable energy within the District. The Solar for All program created by the Renewable Energy Portfolio Standard Expansion Amendment Act of 2016 is centered around an ambitious goal of using solar energy to reduce the electric bills of 100,000 households by 2032. The Clean and Affordable Energy Act of 2008 required electricity suppliers in the District to obtain a small portion of their energy supply from solar energy produced within the District. The Clean Energy Omnibus Amendment Act of 2018 increased the local solar carve-out, requiring electricity suppliers to step up the percentage of their energy supply obtained from local solar over time, up to 10% by 2041.

In order to meet these requirements, the District will have to promote the development of a significant number of solar installations within the District. As of 2021, even with over 8,600 solar arrays installed in the District, less than 2.5% of the District's electricity was supplied by solar power generated locally.[44] Most of these solar systems will need to be connected to the District's electric grid: not only is interconnection essential to incentivize solar adoption and enable solar adopters to defray the cost of installation through net metering,[45] but having a substantial number of solar systems connected to the grid will allow the District to meet both its resilience and clean energy goals. Interconnected solar systems can serve part of the District's regular energy needs and also provide backup power when the grid fails. Having solar resources interconnected to the grid would allow, for example, large community solar facilities to serve the energy needs of at least some of their neighbors—including critical infrastructure such as hospitals or emergency shelters—during a power outage.

However, the electric grid can only tolerate a certain amount of additional distributed energy resources ("DERs") like solar arrays before requiring upgrades to avoid endangering the safety, power quality, or reliability of energy supply. This concept is commonly referred to as "hosting capacity"—the amount of additional energy supply from DERs that the electric grid can accommodate without upgrades. Hosting capacity is critical to the District's clean energy and resilience goals. Already, Pepco has begun requiring individuals looking to connect small solar arrays on single-family homes to pay substantial fees to support upgrades to the grid. Pepco has justified these fees by referencing hosting capacity, stating that "[i]n some cases,

[44] Public Service Commission of the District of Columbia, *Renewable Energy Portfolio Standards: A Report for Compliance Year 2020* (May 3, 2021) at 22-23, available at https://dcpsc.org/Orders-and-Regulations/PSC-Reports-to-the-DC-Council/Renewable-Energy-Portfolio-Standard.aspx.
[45] Net metering is a policy that allows electric customers to return excess energy generated by their renewable energy systems to the grid and receive credit on their bills as compensation.

[a] solar installation could place too much electricity . . . onto Pepco's system, which could cause damage to the system or other Pepco customer appliances and devices."[46]

This both suggests that some parts of the District's electric grid may be nearing the limit of their hosting capacity and demonstrates the need for a comprehensive analysis of the grid's hosting capacity. With this analysis, the District would be able to prioritize areas of the District with more capacity for additional DERs when it supports or incentivizes solar installations. In addition, private individuals would have a better understanding of the anticipated cost of connecting a new solar array to the grid. And Pepco would have an incentive to increase transparency regarding its hosting capacity and the need to upgrade the grid for new solar installations.

Therefore, to support the District's clean energy and resilience initiatives, the Committee directs DOEE to conduct a comprehensive study in FY 2023 of the District's electric grid's existing capacity on radial feeders to support distributed energy resources such as solar photovoltaic panels, such as those placed on the roofs of single- and multi-family homes in the District, and battery storage systems. To further this study, the Committee anticipates DOEE will be able to work within its existing authority to obtain the data necessary to complete this study from Pepco. The District of Columbia Office of Energy Act of 1980 authorized DOEE to require energy distributors such as Pepco to "file such reports, data, and forecasts as [DOEE] may require" for purposes of obtaining information relevant to the District's energy resources, supply and demand, and research and development.[47] **The Committee increases (6050) Data and Benchmarking by $350,000 in one-time funds in FY 2023 to support the completion of this study.**

SETF Fees

On December 18, 2018, the Council passed the CleanEnergy DC Omnibus Amendment Act; that law will help facilitate the District achieving nearly 45% of our 50% carbon emissions reduction goal by 2032, by establishing robust Building Energy Performance Standards and aggressive renewable portfolio standards. That landmark legislation, which was fully funded in the FY 2020 budget, is a critical part of the District's efforts to address the causes of climate change.

One method that the Council utilized to fund this bill was through assessments on electric and gas usage. These assessments are very small, starting at less than one-third of a cent per kilowatt hour of electricity use. As structured, these fees were slated to taper off from FY 2020 through FY 2032 before remaining steady at slightly under one-fifth of a cent from 2032 on.

This schedule of reduced fees, however, is having a drastic effect on agency programming. Due to reduced SETF revenue in just the last two years, DOEE is already finding

[46] Maxine Joselow, *Fees from Pepco Put Solar Panels Out of Reach, D.C. Residents Say*, Washington Post (Feb. 23, 2022), https://www.washingtonpost.com/dc-md-va/2022/02/23/dc-solar-panels-pepco-fees/ (quoting Pepco spokesperson).
[47] *See* D.C. Code § 8-171.04(d)(10). The statute directs the Agency to treat information furnished pursuant to this authority as confidential, and maintain it appropriately, if Pepco requests as much. *Id.* at (d)(10)(B).

that the agency is struggling to cover programmatic needs supported by fund dollars. This puts in jeopardy investments the Council has made in the DC Sustainable Energy Utility, initiatives advanced by the CleanEnergy DC Omnibus Amendment Act, and numerous other programs critical to the District's sustainability efforts and carbon emissions reductions goals. With the fee continuing to taper off through 2032, the Committee has significant concerns that there will be insufficient funding to support many of these Council-championed climate investments; instead of increasing our investments in programs to combat climate change, we will instead be reducing them—at a time when there is virtually universal agreement that very little time remains to reduce emissions to avoid the most catastrophic effects of climate change.[48]

The Committee gave significant consideration to the burden of reversing the phase down of the fees; however, the Committee has determined that reversing this phase down will have a minimal impact on residents and their utility bills. As shown in the chart below, in the District, the average residential ratepayer uses 704 kWh of energy per month. Thus, the Committee anticipates that the impact on ratepayer bills from this change will represent just pennies per month.

Importantly, this subtitle <u>does not effectuate a fee increase</u>. No resident will see their monthly bill go up because of this change. Fees will simply stay at FY 2022 levels ($1.90 a month on average), rather than reduce. Thus, residents who can bear this minimal charge now will not face any additional burden in the future. (Residents who have difficulty affording this charge are probably already eligible for the District's utility assistance programs.)

IMPACT OF FREEZING SETF FEE ON SALES OF ELECTRICITY AT FY 2022 LEVEL					
Fiscal Year	SETF Charge Per kWh	Monthly Charge for Average Household Energy Use (704 kWh*)	Proposed new rate	Average Monthly Charge Under Current Law (704 kWh)	Difference in Monthly Cost Under This Proposal (704 kWh)
FY 20	$0.0029016	$2.04	--	$2.04	--
FY 21	$0.0027928	$1.97	--	$1.97	--
FY 22	$0.0027001	$1.90	$0.0027001	$1.90	--
FY 23	$0.0025994	$1.83	$0.0027001	$1.90	$0.07
FY 24	$0.0024986	$1.76	$0.0027001	$1.90	$0.14
FY 25	$0.0023979	$1.69	$0.0027001	$1.90	$0.21
FY 26	$0.0022971	$1.62	$0.0027001	$1.90	$0.28
FY 27	$0.0021964	$1.55	$0.0027001	$1.90	$0.35
FY 28	$0.0020956	$1.48	$0.0027001	$1.90	$0.43
FY 29	$0.0019949	$1.40	$0.0027001	$1.90	$0.50

[48] *E.g.* Sarah Kaplan and Brady Dennis, *The World is Running Out of Options to Hit Climate Goals, U.N. Report Shows*, Washington Post (Apr. 4, 2022), https://www.washingtonpost.com/climate-environment/2022/04/04/climate-change-report-united-nations-ipcc/ ("At the current rate of emissions, the world will burn through its remaining "carbon budget" by 2030—putting the ambitious goal of keeping warming to 1.5 degrees Celsius . . . irrevocably out of reach.").

FY 30	$0.0018942	$1.33	$0.0027001	$1.90	$0.57
FY 31	$0.0017934	$1.26	$0.0027001	$1.90	$0.64
FY 32 and after	$0.0016120	$1.13	$0.0027001	$1.90	$0.77
*See 2020 DC Data: https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf					

Not only will this change allow DOEE to recoup funds that will help fully fund existing programs funding from SETF. Freezing the SETF fee on sales of electricity at the FY 2022 level will also allow the Council to fund the following Council priorities, all of which will meaningfully move forward our efforts at climate resiliency and to combat the effects of climate change, including:

- Making awards issued pursuant to the Solar for All program tax-free, allowing program dollars to stretch further to purchase additional solar benefits (see page 82);
- Providing grants for commercial and residential energy storage systems to support resilience and the transition to renewable energy (see page 84);
- Supporting funding for Bill 24-267, the Climate Commitment Act of 2022 (see page 83); and
- Supporting funding Bill 24-420, the Clean Energy DC Building Code Amendment Act of 2021 (see page 84); and
- Supporting the range of programs funded through Sustainable Energy Trust Fund dollars.

To effectuate those benefits, this subtitle also amends D.C. Official Code § D.C. Official Code § 8-1774.10 to expand permissible uses of funds within the Sustainable Energy Trust Fund to include those expenditures.

From this subtitle, the Committee recognizes addition revenue in (6700) Sustainable Energy Trust Fund totaling $1,096,404 in FY 2023 and $11,204,136 across the financial plan.

Weatherization Assistance

DOEE's proposed budget also includes $5,000,000 ($4,000,000 in ARPA funds and $1,000,000 in existing federal funds) and 11.0 FTEs to support its Home Weatherization Assistance program. This program provides low-income residents with technical and financial assistance to help reduce their energy bills by making their homes more energy efficient. The Agency hopes that this funding will support weatherization of an additional 150-200 homes in FY 2023.

<u>Utility Affordability Administration</u>

The proposed budget includes a new division, the Utility Affordability Administration ("UAA"). DOEE established the UAA during FY 2021 and FY 2022, reallocating resources from the Energy Division. DOEE explained in its 2022 Performance Oversight responses that the reason for this realignment was to allow the Agency to better manage the significant federal funding for utility affordability programs.

The new Utility Affordability Administration comprises two divisions: the Residential Services Division and the Utility Assistance Division. Within the Residential Services Division are the Energy Efficiency and Conservation Branch ("EECB") and the Lead Hazard Reduction Branch ("LHRB"). The EECB assists residents in reducing their energy consumption by providing technical and financial assistance to help identify and install energy efficiency measures. The EECB also provides financing solutions to help commercial property owners implement energy efficiency improvements. In addition, the EECB will educate District residents about the efficient and safe use of energy. The Lead Hazard Reduction Branch, meanwhile, helps residents make their homes safer by providing technical and financial assistance for identifying and addressing lead hazards. The LHRB provides assistance to low-income residents with lead-based paint hazards through the Lead Reduction Program, and to all homeowners with partial lead service lines through the Lead Pipe Replacement Assistance Program.

The UAA's second division, the Utility Assistance Division, manages the UAA's direct subsidy programs. Within the division, the Energy Affordability Branch manages programs that assist low-income District residents with their energy bills; it also administers the Low-Income Home Energy Assistance Program (LIHEAP). The Water Affordability Branch, meanwhile, oversees programs that assist low-income District residents with their water bills. These include the Low-Income Household Water Assistance Program and the Clean Rivers Impervious Area Charge Residential Relief Program (CRIAC).

ARPA Funding for Mold and Lead Abatement

DOEE's DCRP Division includes $5,000,000 in FY 2023 in ARPA funds to support lead and mold mitigation efforts to low-and-moderate income households in the District. This funding, which is continuing at the same level as FY 2022 ARPA funding, expands on the District's existing grant from the federal Department of Housing and Urban Development for mold and lead abatement at low-income households. DOEE expects to continue funding at this level in FY 2024, as well.

LIHEAP and CRIAC Relief

As noted above, one key service that DOEE provides to District residents is the administration of a number of financial relief programs, including management of associated relief funds. These include the Low-Income Home Energy Assistance Program ("LIHEAP"), the Clean Rivers Impervious Area Charge ("CRIAC") Relief Fund, the Lead Pipe Replacement Fund, and other programs to support low-income residents with paying their energy and utility bills. These programs provide essential supports for residents across the District and continue to be all the more important now, after the end of the public health emergency, while many residents still struggle with financial instability, including unemployment.

In FY 2022, the Committee expressed concerns to the Agency that (6030) Energy Assistance Benefit Payments has a proposed multi-million dollar decrease for FY 2022—nearly a third of current funding levels. That Activity includes funding for the Low-Income Home Energy Assistance Program ("LIHEAP"), which helps vulnerable residents with outstanding electric bills. At that time, DOEE shared with the Committee that the Agency anticipated a supplemental LIHEAP grant of $14,000,000; DOEE anticipates spending down the remaining balance on that fund, which is approximately $10,500,000, by the end of FY 2022. This year, the Agency proposes funding Activity 6030 (now Activity 6530) at approximately the same levels as FY 2022, $10,526,000. However, DOEE has confirmed that it anticipates an additional FY 2023 LIHEAP grant; the Agency is still seeking clarity from the federal government on the amount of that grant, but anticipates an increase of FY 2023 levels, in part due to rising energy prices.

The Agency's FY 2023 budget proposal for this Division also includes $2,055,000 in funding for (6070) CRIAC Relief Fund, an increase of $545,000 over FY 2022 levels. This Activity includes funds to provide DC Water ratepayers with assistance in paying CRIAC fees and to cover administration of the fund. CRIAC, or the Clean Rivers Impervious Area Charge, is a special fee imposed or resident's water bills, and is directly related to the amount of impervious area on the resident's property and their water usage. CRIAC fee funds are used to support the District's compliance with a $2.7 billion consent decree with the federal Environmental Protection Agency that requires the District to install tunnels and other infrastructure to divert stormwater overflows into the Anacostia River. Because CRIAC fees are based on the amount of impervious surface area associated with a property (*e.g.* rooftops and paved driveways), they can be quite high for certain properties, and the CRIAC Relief fund provides essential relief for many residents, non-profits, and other institutions struggling to afford the fee.

Demand for this program has continued to grow since the CRIAC Relief Fund was established, from $1,400,000 in FY 2020 to $2,400,000 in FY 2021; to date in FY 2022, DOEE has already obligated $1,500,000—or approximately the full amount allocated in the budget—for this program. Thus, the Committee supports the additional investment in CRIAC relief made in the FY 2023 budget.

DOEE has informed the Committee that it anticipates spending on CRIAC relief in the following amounts during FY 2023:

Non-profit relief	$1,620,000
CAP 1 & CAP 2 Relief	$0[49]
CAP 3 Relief	$35,000
Green Infrastructure Grant	$90,000
Administrative/Other	$575,000
Total:	**$2,320,000.00**

The Committee is pleased to see DOEE continue to provide robust support for this essential program, including meaningful investments in the non-profit and emergency relief programs, which historically have had the highest levels of demand. Recognizing that FY 2021 demand was higher than an average year due to the pandemic, the Committee hopes to work with DOEE in future years to ensure these funds are rightsized to meet need, and fund dollars are not depleted well before the end of the fiscal year, as was the case in FY 2022 and appears to be the case in FY 2023.

[49] DC Water, not DOEE, provides CAP 1 and CAP 2 relief to eligible residents.

Lead Pipe Replacements

The Mayor's proposed budget includes just $532,000 in FY 2023 to support the Lead Pipe Replacement Assistance Program Activity (previously (6080), now (6580)). The funding in this Activity is used to finance the replacement of lead water service lines on private property, where DC Water previously completed a partial lead line replacement; funding may also be transferred to DC Water to support its lead water line replacement capital work. DOEE has confirmed that funding levels for this program do not represent a cut from FY 2022 levels; rather, as this funding included $10,000,000 in each of FY 2023 and 2024 of federal ARPA funds, DOEE has shifted these dollars to the (DCRP) District Recovery Plan Division.

Even with this funding, unfortunately, to date, the District has not allocated the level of funding necessary for DC Water to complete this work. There are still approximately 21,000 lead water service lines serving District homes, including more than 10,900 partial replacements; without a significant investment of additional funding, it will take decades for the District to replace these service lines. Again, no level of lead exposure is safe—especially for young children—and every year that we delay funding the removal and replacement of these water services lines puts residents at risk of lifelong health effects.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act into law. Among the numerous allocations for infrastructure prescribed in that law was a significant investment in funding for states to undertake lead water service line replacements. Under the law, the District is poised to receive approximately $28,275,000 per year for the next five years to support this work; in total, the District will receive $141,375,000. While this amount is less than half of the total cost of $350,000,000 DC Water requested from the Mayor in 2021 to complete this work, these funds represent a tremendous investment in removing and replacing these service lines and will allow the District to complete these replacements at thousands and thousands of homes.

It is also possible that these funds will be sufficient, or at least closer to the amounts needed, to complete this work. As the Committee discussed in its FY 2022 budget report, in anticipation of accelerating its work on lead water service line replacements, on June 14, 2021, DC Water released its Lead Service Line Replacement Plan ("Plan"). That plan lays out DC Water's strategy for completing this work, as well as the agency's estimated cost to remove and replace all lead water service lines in the District by 2030. Recognizing that DC Water's plan, while extensive, focused only on DC Water's role in the lead water service line replacement work, the Committee established an interagency task force to develop a cross-agency plan to complete and expedite this work; that task force has been meeting at least monthly since November 2021, and will produce a report identifying service and cost efficiencies in this work. That report will also consider and, to the degree appropriate, incorporate findings from the assessment of DC Water's plan and cost estimates, also prescribed by the Committee in the FY 2022 budget; the contract for that assessment was awarded and the contractor's analysis is underway, with that report coming in early summer 2022. It is the Committee's hope that, between the task force's report and the assessment's findings, the Council will be able to identify significant efficiencies to put the federal dollars allocated for lead water service line replacement work to best use.

Urban Sustainability

The Urban Sustainability Administration budget shows only a small increase overall, but this increase includes a valuable investment in the District's sustainable procurement programs, as discussed below.

Green Food Procurement and Environmentally Preferable Purchasing

In 2021, the Council passed B24-18, the Green Food Purchasing Amendment Act, which established a program at DOEE to address the greenhouse gas emissions associated with the District's food procurement. The United Nations has estimated that food system activities account for over one-third of global greenhouse gas emissions. Though the District produces very little food within its borders, we naturally consume a significant amount of food; in 2016, the District's food economy generated $8.7 billion in output. To reduce the food system's impact, this Act requires the District to reduce greenhouse gas emissions associated with food and beverage purchased by covered agencies by 25% by 2030. To achieve this reduction, the legislation requires DOEE to adopt a methodology to estimate and track the greenhouse gas emissions that occur through the lifecycle of food and beverages purchased by the District. It also requires DOEE to establish best practices for reducing emissions from food and beverage procurement and requires agencies that serve meals to residents to incorporate those best practices to achieve the goal of reducing greenhouse gas emissions.

The Green Food Purchasing Amendment Act also gave DOEE a role in the existing Environmentally Preferable Products and Services program ("EPPS"). The Council established this program in the Procurement Practices Reform Act of 2010. It requires that the District purchase environmentally preferable products or services to the maximum extent practicable. However, implementation of EPPS has not proceeded as intended. By Fiscal Year 2019, for instance, the District's total spending on EPPS was $28,000,000, just 0.66% of total spending for that year. Because of this slow progress, the Green Food Purchasing Amendment Act added a requirement that before an agency submits a statement of work to OCP for any contract over $100,000, DOEE must affirm either that the relevant agency is procuring environmentally preferable products or services or that doing so would be impracticable, in which case DOEE may waive the requirement. These provisions are intended to increase compliance with the existing EPPS requirements to raise the District's EPPS purchases above the current levels.

The proposed FY 2023 budget includes $141,000 and 1 FTE to support these programs. DOEE explained that this FTE will work with the Office of Contracting & Procurement (OCP) to develop a certification program to increase the mandated use of Environmentally Preferable Products and Services for government purchasing. This is in addition to the 1 FTE funded in FY 2022 to work on EPPS. DOEE noted that 2.0 FTEs are necessary to handle the significant scope of procurements that EPPS applies to. DOEE also funded 1 FTE in FY 2022 to handle green food purchasing. The Committee is pleased to see that the Green Food Purchasing Amendment Act has resulted in these two programs being funded.

Special Purpose Revenue Funds

Each year, the Committee reviews Special Purpose Revenue funds administered by agencies under the Committee's purview to identify recurring underspending, both year over and year and when compared to fund revenues. SPR fund dollars typically come from fees and fines assessed against residents and visitors to the District. Where amounts continually sit unspent in these Funds, agencies should make efforts to reduce revenues (either through rulemaking or, where necessary, but petitioning the Council to update legislation), or revisit spend plans to ensure every fund dollar is put to best use.

Across agencies, the Committee has identified several Special Purpose Revenue funds with significant, recurring fund balances. As detailed below, the Committee recommends sweeping these fund balances in the FY 2022 supplemental budget to ensure these funds are put to best use on behalf of residents; however, the Committee intends to work with agency in the coming months to further dive into the cause for these recurring fund balances and identify changes to ensure revenues and spending are right sized within these Funds moving forward:

- Fund 0667 – Wetlands Fund: Sweep $1,815,468

District Recovery Plan & Intradistrict Reporting Shifts

As discussed in full in the Executive Summary to this report, this year saw two significant changes to how funding levels were reported in the Mayor's FY 2023 budget proposal. These include shifting reporting of federal ARPA fund dollars from specific programs and activities to a new (DCRP) District Recovery Plan Division, and reporting of intradistrict fund spending only in the budget of agencies "buying" the services, and not in the "seller" agency budget. These changes resulted in what appeared to be reductions to agency budgets, where in fact no reduction occurred.

The Committee has included tables at Appendix L that provide a breakdown of those shifted funds, and the Committee's understanding of the Committee's actual proposed budget, minus those changes.

Vacancies

In an effort to increase efficiency and reduce waste, each year, the Committee systematically reviews vacancies at all agencies under its purview. Across the board, the Committee recommends eliminating positions that have been vacant since the beginning of FY 2020 and that are not currently under solicitation. Based on these criteria, the Committee identified a number of vacant positions that would be appropriate for elimination. Long-standing vacancies divert resources from other purposes and inefficiently allocate resources. **Therefore, the Committee recommends eliminating positions 99785, 99786, and 99741, and recognizing $170,384 in FY 2023 and $681,536 across the financial plan in local dollars, and $85,192 in FY 2023 and $340,768 across the financial plan in funds from (6700) Sustainable Energy Trust Fund.**

Capital Budget Analysis

The Mayor's proposed FY 2023 – FY 2028 capital budget request for DOEE is $35,177,000. This represents an increase of $2,355,000 from the Agency's FY 2022 – FY 2027 approved capital budget. The proposed budget includes $11,177,000 in funding for FY 2023.

<u>(HMRHM) Hazardous Material Remediation</u>

This project involves identifying, characterizing, and developing a cleanup plan to dredge or mitigate the effects of sediment buildups in and along the Anacostia River. DOEE has proposed funding this project at the following levels: $3,500,000 in each of FY 2023, FY 2024, and FY 2025, $11,000,000 in FY 2026, and $3,000,000 in FY 2027 and FY 2028. This represents a $3,000,000 increase in total budget authority, from $88,002,000 to $91,002,000. It also represents a shift in funding into earlier years, as the FY 2022 approved budget contained no funding in FY 2023 and FY 2024, $2,500,000 in FY 2025, and $11,000,000 in each of FY 2026 and FY 2027. DOEE explained that proposed spending for this project has shifted in part because some of the larger components of the project have been in investigation and pre-design phases; DOEE expects spending to accelerate once actual work begins on these projects. In addition, DOEE explained that it cannot start work on a large component of the project—soil remediation at Kenilworth Park—until the National Park Service (NPS) signs off on the proposed cleanup plan for that site. DOEE expects to receive signoff from the NPS on the plan in FY 2026.

<u>(IFM20) DC Integrated Flood Modeling</u>

This project would develop the first-ever integrated urban flood model for the District, which would inform the District's climate and resilience strategy. This model will enable the District to better prepare for flooding events by helping agencies and planners understand the risks of the different types of flooding the District experiences (e.g., from coastal surges, rivers, and intense rainfall). This work is all the more urgent due to climate change, which is expected to lead to more frequent, longer, and stronger rain events. The Mayor's proposed Capital Plan would maintain $1,167,000 in funding in FY 2023, which is the same level the Council had approved for FY 2023 in the FY 2022 budget.

<u>Sweep Allotment Balances in (SUS04C) Sustainable DC Fund and (K2015C) Enforcement and Compliance Database</u>

Each year, the Committee reviews the capital plans for agencies under its purview to identify historic underspending on projects as compared to amounts budgeted, as well as unspent allotment balances in completed projects. The Committee recommends sweeping all balances in projects without ongoing spending.

In the DOEE budget, the Committee identified two projects with *de minimis* allotment balances and not planned spend. The Committee recommends sweeping those funds as follows:

- Sweep $56 of the allotment balance of (SUS04C) Sustainable DC Fund
- Sweep $17,923 of the allotment balance (K2015C) Enforcement and Compliance Database

POLICY RECOMMENDATIONS

The Committee recommends that the Agency adopt the following policy changes:

1. *Ensure Solar for All Funding is Structured to Best Serve Residents into the Future*

The District's Solar for All Program was established under the Renewable Portfolio Standard Expansion Amendment Act of 2016. The program 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 households, and increasing the amount of energy the District procured from green energy sources. However, due to lower-than-anticipated REDF revenues due in part to the pandemic, the Solar for All program is estimated to be funded in FY 2023 at just $7,000,000, which is $3,000,000 less than typical years.

This brings to light the issue with funding this 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.

As discussed at page 82 in this report, the Committee has recommended the inclusion of a subtitle in the Budget Support Act that would make these grants tax-exempt. Currently, grants issued under the Solar for All program are taxed at a rate of 8.25% in the year of their award. Thus, a grant of $1,000,000 can provide only $917,500 worth of solar capacity for residents. Where these grants were tax exempt, DOEE could make these grants dollars go further. The Committee believes those grant funds could be put to best use providing additional solar capacity, rather than being paid back into the General Fund as taxes.

The Committee also urges DOEE to undertake a top-to-bottom review, starting in FY 2023, of the Solar for All Program, to identify cost and programmatic efficiencies for the program, and to ensure that program dollars are being used as effectively as possible. This examination should include coordination with the Green Bank on how grant dollars could be further leveraged—whether through different financing tools or other approaches—to expand the program. Furthermore, the Committee encourages DOEE to think critically about the future of this program, including how we might incentivize more communities, developments, and property owners to agree to participate, how we will sustain funding levels as solar adoption increases and REDF and RPS fees taper off as a result of both increased solar adoption and declining statutory fees (and whether these statutory fees—such as the alternative compliance fee—should be changed) and general planning for what the next ten years of Solar for All will look like. This planning is critical to ensuring the continued success of this program, and the Committee is eager to work with DOEE to effectuate any recommendations, including legislation, where necessary.

2. *Expand Flood Resilience Planning, including Expediting Standing up of a Flood Insurance Relief Fund*

One of perhaps the most critical risks facing the District as a consequence of climate change is increased flooding risks. The risk itself is not new, as certain neighborhoods in the District have always been vulnerable to flooding from the Anacostia Rivers; however, the frequency and extent of that risk has increased in recent years. As a result of rising sea levels and an increasing number of severe rain events caused by climate change, the boundaries of the District's floodplains have grown and will continue to grow; thus, more residents than ever live in these areas, and the likelihood of flooding in the known floodplains has also risen dramatically. It is critical, then, that we plan now to ensure residents and their property are protected from flooding harms.

The Committee believes DOEE recognizes these risks, and the agency has taken action. As discussed on page 76 of this report, DOEE has proposed funding for flood risk assessments and retrofits for vulnerable homes. In addition, the Committee was pleased to learn that the Executive has convened a Flood Task Force, of which DOEE is a part; the Committee eagerly awaits the Task Force's report, which is due in November 2022. And, on April 6, 2022, the Committee moved the Flood Resilience Amendment Act of 2022, which was introduced by the Mayor on behalf of the agency; this legislation would authorize DOEE to issue rules establishing flood hazard areas and to require flood insurance as a condition of occupancy for new or substantially improved buildings in those flood hazard areas. This legislation is a meaningful step forward in this work and will help ensure building owners are protected in the event of a flood; however, as was discussed at the hearing, this legislation does not advance protections for *tenants* living in those buildings.

However, more must be done—and, given the immediate and growing risk of flooding, done quickly. Thus, the Committee urges DOEE to expedite planning and implementation of the following during FY 2023 and onward:

- **Launch of flood insurance subsidy program:** As noted above, the legislation moved by the Committee in early April permitted DOEE to issue rules requiring that certain property owners procure flood insurance; this insurance would cover damage to buildings, but not cover any flood losses suffered by tenants at the property. What's more, the vast majority of homeowner's policies do not cover flood damage; tenants and residential property owners must procure separate flood insurance policies to protect their property and belongings in the case of flood damage.

As the agency is keenly aware, many tenants and homeowners at risk of flooding do not have flood insurance. This insurance can cost upwards of $800 a year, an additional cost that many households simply cannot bear. However, with the costs of flood damages potentially rising to tens of thousands of dollars, not having this insurance puts vulnerable families at incredible risk.

At the hearing on B24-410, Director Wells noted that DOEE is currently working on how to best to stand up a subsidy program but needs additional time to appropriately tailor and identify funding for these purposes. The Committee urges DOEE to expedite that work and hopes to work with the agency in the FY 2024 budget (or before) to stand up such a program.

- Provide notice to properties at risk of flooding: As noted above, many District households do not currently possess flood insurance, despite living in flood zones. While affordability is likely a key factor in many of households not carrying insurance, knowledge of the particular risk to their property may be another significant barrier.

  As the agency finalizes updates to the District's flood plain maps, the Committee encourages DOEE to work closely with the Department of Insurance, Securities, and Banking to develop public education materials for properties within those flood zones, and to provide notice to each of these properties of their flood risk, the importance of carrying flood insurance, and the availability of any relief, including, where stood up, information on any District subsidy program.

- Flood Resiliency Residential and Commercial Property Audits: In addition to the recommendations above, the Committee urges DOEE to explore (perhaps in conjunction with DCRA) how it might offer flood resiliency audits at residential and commercial properties in the future. These audits would ideally involve a contractor visiting participating residential and commercial properties and providing property owners with recommendations on upgrades and repairs the property owner could undertake to protect their property from flood harms. Where funding is available, these audits could be paired with rebates or subsidies to help income-eligible property owners pay to implement any recommendations from the audit.

3. *Explore strategies to cost-effectively transition buildings from fossil fuel heating systems to clean electric pumps, including at District-owned buildings*

In the Committee's FY 2022 budget report, the Committee urged DOEE to implement a pilot program for rebates for fossil fuel furnaces or boilers replaced with a heat pump, and fossil fuel water heaters replaced with electric versions. While these electric appliances once carried a much higher cost, these appliances can now be replaced cost-effectively in many cases. At that time, the Committee also urged DOEE to consider, separately or as a part of this rebate pilot program, how the District can support electrification of larger buildings, such as churches, office buildings, and schools. This transition is a critical component of the District's work to achieve its 2050 carbon neutrality targets, which simply cannot be done without eliminating fossil fuel use. Buildings make up almost three-quarters of District energy use, so upgrading these appliances will be a critical step forward in addressing building energy use. The Committee again urges DOEE to take this step, and intends to work with DOEE in the coming months to devise a plan—and full cost-estimate—for such a pilot, with a hopeful launch in FY 2024.[50]

The Committee also urges DOEE to expand its work with the Department of General Services in making these simple but critical changes to electric appliances at District-owned properties. For example, the Mayor's FY 2023 budget proposal includes approximately $43,600,000 for the replacement of aging HVACs and boilers at the District's public schools. This investment represents upgrades of dozens, if not hundreds, of new systems; once installed, these heating and cooling systems will have a lifespan of 15 to 25 years. We simply cannot afford for these investments to support the purchase of new HVAC and boiler systems that run on fossil fuels. The Committee intends to reach out to DGS on this directly, but urges DOEE to also work with their partner agency on this, to ensure these purchases are for equipment that moves forward the District's climate goals.

[50] One issue that will likely need to be addressed is the problem of stranded assets: the Committee urges DOEE to consider how the materials composing these fossil-fuel based appliances can be responsibly recycled and do not end up in our waste stream.

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F. GREEN FINANCE AUTHORITY (KB)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Enterprise and Other Funds	30,500,000	44,794,000	0	44,794,000	46.9%
GROSS FUNDS	30,500,000	44,794,000	0	44,794,000	46.9%

FY 2023 Full-Time Equivalents, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Enterprise and Other Funds	0.0	0.0	0.0	0.0	#DIV/0!
GROSS FTES	0.0	0.0	0.0	0.0	#DIV/0!

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	2,368,000	2,692,000	0	2,692,000	13.7%
14 - Fringe Benefits - Curr Personnel	739,000	434,000	0	434,000	-41.3%
Personal Services (PS)	3,107,000	3,126,000	0	3,126,000	0.6%
50 - Subsidies and Transfers	27,393,000	41,668,000	0	41,668,000	52.1%
Nonpersonal Services (NPS)	27,393,000	41,668,000	0	41,668,000	52.1%
GROSS FUNDS	30,500,000	44,794,000	0	44,794,000	46.9%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Green Finance Authority	30,500,000	44,794,000	0	44,794,000	46.9%
GROSS FUNDS		30,500,000	44,794,000	0	44,794,000	46.9%

AGENCY OVERVIEW

The mission of the Green Finance Authority is to serve to increase private investment in clean energy, clean transportation, clean water, stormwater management, energy efficiency, water efficiency, and green infrastructure projects in the District of Columbia. The Authority, commonly referred to as the Green Bank, first received funding in FY 2020. During that first year, the Mayor nominated, and the Council approved, the Authority's first Board of Directors, and the Board hired the Authority's first Chief Executive Officer. Since it began operations, the Authority has contributed significantly, through a variety of financial products, to the District's climate and energy goals, investing millions of dollars, and attracting millions more dollars of private investment, in renewable energy projects, and saving the District's residents millions of dollars in electric bills.

Operating Budget Analysis & Recommendations

The Green Finance Authority's proposed FY 2023 budget is $44,794,000. This represents, ostensibly, a 47% increase over the GFA's $30,500,000 budget in FY 2022. However, a significant portion of the funding is dollars that were originally budgeted in FY 2022 or even earlier, which the Authority has yet to receive. This includes $7,000,000 in Renewable Energy Development Fund ("REDF") dollars that were allocated to the GFA by statute in FY 2019; $5,000,000 in funding from the REDF and the Sustainable Energy Trust Fund ("SETF") initially included in the FY 2022 budget; $3,00,000 in SETF dollars budgeted in FY 2020; and $4,000,000 in REDF dollars budgeted in FY 2021. Meanwhile, $10,000,000 of the GFA's proposed FY 2023 budget is from new SETF dollars as prescribed by statute, $10,800,000 is ARPA funding for the Affordable Housing Retrofit Accelerator discussed on page 80, and $5,000,000 represents budget authority, rather than dollars on hand, under the Property Assessed Clean Energy ("PACE") financing program operated by the GFA in partnership with DOEE.

Thus, of the $44,794,000 in the proposed budget for the Green Finance Authority in FY 2023, only approximately $20,800,000 represents new funding in FY 2023. While this is still a substantial investment, the Committee hopes to look for ways to increase funding to the GFA in future budget cycles, given the urgency of investing in clean energy and resilience projects, and the added benefit the GFA provides through its ability to leverage each dollar we invest in it by attracting additional private funding.

Policy Recommendations

The Committee offers no policy recommendations for FY 2022.

G. DEPUTY MAYOR FOR OPERATIONS & INFRASTRUCTURE (KO)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	1,244,000	1,282,808	0	1,282,808	3.1%
GROSS FUNDS	1,244,000	1,282,808	0	1,282,808	3.1%

FY 2023 Full-Time Equivalents, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Local Funds	8.0	8.0	0.0	8.0	0.0%
GROSS FTES	8.0	8.0	0.0	8.0	0.0%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	1,002,893	1,034,660	0	1,034,660	3.2%
14 - Fringe Benefits - Curr Personnel	206,660	213,140	0	213,140	3.1%
Personal Services (PS)	1,209,553	1,247,800	0	1,247,800	3.2%
20 - Supplies and Materials	20,412	18,000	0	18,000	-11.8%
31- Telecommunications	0	4,548	0	4,548	N/A
70 - Equipment & Equipment Rental	14,173	12,460	0	12,460	-12.1%
Nonpersonal Services (NPS)	34,585	35,008	0	35,008	1.2%
GROSS FUNDS	1,244,138	1,282,808	0	1,282,808	3.1%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Agency Management	1,209,553	1,264,808	0	1,264,808	N/A
2000	Dep Mayor for Operations & Infrastructure	34,585	18,000	0	18,000	-48.0%
GROSS FUNDS		1,244,138	1,282,808	0	1,282,808	3.1%

AGENCY OVERVIEW

The mission of the Office of the Deputy Mayor for Operations and Infrastructure ("DMOI") is to support the Mayor to ensure a strong and sustained District government focused on maintaining, strengthening, and investing in the District's infrastructure (both the built and natural environment) and delivering high-quality government services to residents, non-residents, and businesses.

The agencies under DMOI's purview include the Department of Consumer and Regulatory Affairs; the Department of Energy and Environment; the Department of For-Hire Vehicles; the Department of Insurance, Securities, and Banking; the Department of Motor Vehicles; the Department of Public Works; and the District Department of Transportation. As with other deputy mayors, DMOI's purpose is to assist the Mayor and the City Administrator in coordinating the day-to-day operations and decision-making for the agencies under its jurisdiction, as well as managing projects that overlap among the agencies in the cluster.

Operating Budget Analysis & Recommendations

The Mayor's proposed FY 2023 Operating Budget for DMOI is $1,282,808, a 3.1% increase from last year's approved amount of $1,244,138. This funding supports 8.0 Full-Time Equivalents (FTEs). DMOI's FY 2023 budget remains largely the same as FY 2022, aside from some slight increases in personal services.

DMOI's 8.0 FTEs include the Deputy Mayor, Chief of Staff, Executive Assistant, Senior Legislative and Policy Advisor, Policy Advisor, Resources Allocation Analyst, Public Information Officer, and Program Analyst. These FTEs account for $1,248,000 in Personal Services funds. The remaining $34,000 is in Non-personal Services funds, which cover costs related to operating the office, such as supplies, contracting costs, and travel.

Capital Budget Analysis

The Mayor's proposed FY 2023 – FY 2028 capital budget includes no request for DMOI. The Committee recommends adoption of the Mayor's FY 2023 – FY 2028 capital budget as proposed.

Policy Recommendations

The Committee's only recommendation for FY 2023 is a repeat recommendation: that DMOI should create a central database where transit and transportation data could be housed and analyzed. As the Committee has advised before, adopting and adjusting sound transportation policies requires the evaluation and analysis of vast amounts of data. As it stands, our government receives data from Transportation Network Companies, taxicabs, WMATA, scooter companies, and our own databases that deal with licensing, tickets, adjudications, and more. All of these data points currently feed into different databases and then, in many instances, simply sit, waiting for someone to plumb their meaning. The Committee believes that this data, especially when aggregated and analyzed, could reveal trends that could and should inform transportation policy.

The Committee therefore encourages the Agency to consider creating a central database, where all kinds of transit and transportation data could be housed. A management team could then do both routine queries (e.g., annual reports that the Council mandates) and one-off analyses either at the behest of agencies or the Council. Although there would be substantial up-front costs, there would be long-term savings: one- or two-year contracts with various vendors to analyze things like congestion or curbside management will cost more in the long run. Indeed, measures before the Committee right now, including measures related to Vision Zero, call for substantial analyses of data that will be difficult to do in isolation and will be of much greater use if done in concert across the DMOI cluster. Although the funding does not exist in this budget to develop such a tool, the Committee encourages the Deputy Mayor to begin planning for such an effort in the future.

The Committee notes a new project in the Capital Plan called the “Cloud Data Exchange,” housed under the Office of the Chief Technology Officer. According to the Capital Plan, the “goal of this project is to implement a Districtwide cloud data exchange platform to allow for more efficient and cost-effective data integrations and data transformations between District agencies and their various IT systems.” This project will purportedly “work hand in hand with previous District capital IT investments including the DC Data Lake and Citywide Data Warehouse.” The Committee strongly urges that DMOI be very involved in this project to ensure that the Cloud Data Exchange can accommodate the aforementioned needs.

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H. HIGHWAY TRANSPORTATION FUND – TRANSFERS (KZ)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Dedicated Taxes	26,705,648	24,712,022	0	24,712,022	-7.5%
Special Purpose Revenue Funds	0	2,824,997	0	2,824,997	N/A
GROSS FUNDS	26,705,648	27,537,019	0	27,537,019	3.1%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
50 - Subsidies and Transfers	26,705,648	27,537,019	0	27,537,019	3.1%
Nonpersonal Services (NPS)	26,705,648	27,537,019	0	27,537,019	3.1%
GROSS FUNDS	26,705,648	27,537,019	0	27,537,019	3.1%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Transfer Tax to Highway Trust Fund	26,705,648	27,537,019	0	27,537,019	3.1%
1300	Special Purpose Revenue (ROW)	0	2,824,997	0	2,824,997	N/A
GROSS FUNDS		26,705,648	30,362,016	0	30,362,016	3.1%

AGENCY OVERVIEW

The Highway Transportation Fund – Transfers (HTF-T) is a paper agency that records the transfer of motor fuel tax and a portion of rights-of-way revenue from the District's General Fund to the Highway Trust Fund.

Approximately 199 of the District's bridges and 400 miles of District streets and highways are eligible for federal assistance. The Federal Highway Administration (FHWA) administers the Federal-Aid Highway Program and reimburses DDOT for eligible expenditures related to approved highway projects according to cost-sharing formulas that are established by federal law. The District's share of eligible project costs is funded with the local HTF-T.

OPERATING BUDGET ANALYSIS & RECOMMENDATIONS

The proposed HTF-T budget for FY 2022 is $27,537,019, which represents a 3.1% increase from the FY 2022 approved budget of $26,705,648. The FY 2023 budget proposal for Dedicated Taxes reflects a decrease of $1,994,000 to align the budget with revenue projections for the motor fuel tax. This decrease is based on the requirements for the transfer of revenue generated from the motor fuel tax, as certified by the Office of Revenue Analysis, to the Highway Trust Fund. The proposed budget for Special Purpose Revenue Funds reflects an increase of $831,000 due to a change in the estimated Rights-of-Way revenue contribution to the Highway Trust Fund for FY 2022.

The Committee recommends adoption of the Mayor's FY 2023 operating budget as proposed.

Policy Recommendations

The Committee offers no policy recommendations for FY 2023.

I. DC Water (LA)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Enterprise and Other Funds	658,422,984	686,403,000	0	686,403,000	4.2%
GROSS FUNDS	658,422,984	686,403,000	0	686,403,000	4.2%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
11 - Regular Pay - Cont Full Time	132,146,000	137,046,000	0	137,046,000	3.7%
14 - Fringe Benefits - Curr Personnel	40,064,000	40,960,000	0	40,960,000	2.2%
15 - Overtime Pay	8,143,000	8,218,000	0	8,218,000	0.9%
Personal Services (PS)	180,353,000	186,224,000	0	186,224,000	3.3%
20 - Supplies and Materials	34,201,000	36,994,000	0	36,994,000	8.2%
30 - Energy, Comm. and Bldg Rentals	27,328,000	28,798,000	0	28,798,000	5.4%
40 - Other Services and Charges	35,217,000	40,334,000	0	40,334,000	14.5%
41 - Contractual Services - Other	88,504,000	88,504,000	0	88,504,000	0.0%
50 - Subsidies and Transfers	22,718,000	23,070,000	0	23,070,000	1.5%
70 - Equipment & Equipment Rental	1,108,000	1,108,000	0	1,108,000	0.0%
80 - Debt Service	268,993,984	281,371,000	0	281,371,000	4.6%
Nonpersonal Services (NPS)	478,069,984	500,179,000	0	500,179,000	4.6%
GROSS FUNDS	658,422,984	686,403,000	0	686,403,000	4.2%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	WASA	658,422,984	686,403,000	0	686,403,000	4.2%
GROSS FUNDS		658,422,984	686,403,000	0	686,403,000	4.2%

Agency Overview

The mission of the District of Columbia Water and Sewer Authority ("DC Water"), as stated in its authorizing statute, is to "plan, design, construct, operate, maintain, regulate, finance, repair, modernize, and improve water distribution and sewage collection, treatment, and disposal systems and services, and to encourage conservation." DC Water ensures that District residents have safe drinking water, manages wastewater collection and treatment, and manages the District's 9,500 fire hydrants. Each year, DC Water provides these services to more than 700,000 District residents and over 22,000,000 annual visitors.

DC Water is governed by a Board of Directors consisting of eleven principal and eleven alternate members. Six principal members and six alternate members are appointed by the Mayor with the advice and consent of the Council; the other members represent Montgomery and Prince George's counties in Maryland and Fairfax County in Virginia. Although the DC Water Board of Directors has representation from the entire region, only the members from the District establish the rate policies. Following approval by the Board of Directors, DC Water submits its annual operating and capital budgets to the Mayor and to the Council for inclusion in the District's budget. Although the Mayor and Council can review and comment on DC Water's budget, neither has the authority to change it.

DC Water provides core services in five main categories. DC Water manages: Drinking Water Treatment and Distribution with the U.S. Army Corps of Engineers Washington Aqueduct by collecting water from the Potomac River, treating the water to exceed federal drinking water requirements, and distributing the drinking water through 1,300 miles of underground pipes to individual homes and other buildings; Wastewater Collection, which consists of 1,800 miles of sanitary and combined sewers, sixteen stormwater stations, 75,000 catch basins and manholes, and nine wastewater pumping stations that carry wastewater to the Blue Plains treatment facility; Wastewater Treatment for wastewater from the District, Maryland, and Virginia at Blue Plains, the largest treatment plant of its kind in the world; Stormwater, which includes 25,000 catch basins which remove more than twenty-three tons of debris from stormwater each day, and through the Clean Rivers Project, a large infrastructure project which will reduce combined sewer overflows due to stormwater; and Fire Hydrants to protect public safety.

BUDGET SUMMARY & RECOMMENDATIONS

DC Water's proposed FY 2023 budget is $686,403,000, which represents an increase of 4.2% from the FY 2022 gross budget of $658,423,000. DC Water's budget is made up entirely of Enterprise funds raised by DC Water. The growth in the Agency's FY 2023 budget is due to an increase of $12,377,000 in debt service and costs associated with the agency's capital improvements program, an increase of $5,117,000 in water purchase cost increase from Washington Aqueduct, $1,470,000 in electricity and water usage at the Blue Plains Wastewater Treatment Plant, and $2,793,000 in increased costs for water treatment chemicals. The budget also includes $5,871,000 to support the agency's workforce.

The Committee recommends adoption of the Mayor's FY 2023 operating budget as proposed.

Federal Funding for Lead Water Service Line Replacement Programs

Studies have long shown that there is no safe level of exposure to lead. Lead exposure risks are particularly acute for infants and young children; even low levels of lead exposure can affect brain development, causing cognitive delays and behavioral disorders, and causing physical harm to children's cardiovascular, endocrine, and immune systems. Although we typically speak of the harms stemming from lead exposure in the context of youth, lead has been linked to a number of negative health outcomes for adults, including cardiovascular and kidney disease. We also know that communities of color and low-income families are at heightened risk of lead exposure and lead poisoning; ensuring we are able to remove and replace all lead water service lines by 2030, then, is not only an issue of public health, but of equity.

On March 12, 2021, DC Water General Manager David Gadis and Tommy Wells, Chairman of the DC Water Board of Directors and Director the Department of Energy and

Environment, sent a letter to Mayor Bowser requesting $350,000,000 of federal relief funds to support lead water service line replacements. In that letter, General Manager Gadis and Chairman Wells noted that the agency had yet to identify a significant amount of funding needed to complete this work, which, if not identified, would prevent the District from meeting its goal of removing and replacing all lead water service lines by 2030. On April 1, 2021, Chairperson Cheh, along with Councilmembers Nadeau, Pinto, Lewis George, Allen, and Bonds, sent a letter to the Mayor reiterating DC Water's request, and the urgency of fully funding the lead water service line replacement programs.

Unfortunately, to date, the District has not allocated the level of funding necessary for DC Water to complete this work. There are still approximately 21,000 lead water service lines serving District homes, including more than 10,900 partial replacements; without additional funding, it will take decades for the District to remove these service lines. Again: no level of lead exposure is safe—especially for young children—and every year that we delay funding the removal of these water services lines puts residents at risk of lifelong health effects.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act ("IIJA") into law. Among the numerous allocations for infrastructure prescribed in that law was a significant investment in funding for states to undertake lead water service line replacements. Under that law, the District is poised to receive approximately $28,275,000 per year for the next five years to support this work; in total, the District will receive $141,375,000. While this amount is less than half of the total cost projected by DC Water, the represent a tremendous investment in removing and replacing these service lines and will allow the District to complete these replacements at thousands and thousands of homes.

It is also possible that these funds may be adequate—or closer to the amounts needed—to complete this work. As the Committee discussed in its FY 2022 budget report, in anticipation of accelerating its work on lead water service line replacements, on June 14, 2021, DC Water released its Lead Service Line Replacement Plan ("Plan"). That plan lays out DC Water's strategy for completing this work, as well as the agency's estimated cost to remove and replace all lead water service lines in the District by 2030. Recognizing that DC Water's plan, while extensive, focused only on DC Water's role in the lead water service line replacement work, the Committee established an interagency task force to develop a cross-agency plan to complete and expedite this work; that task force has been meeting at least monthly since November 2021, and will produce a report identifying service and cost efficiencies in this work. That report will also consider and, to the degree appropriate, incorporate findings from the assessment of DC Water's plan and cost estimates, also prescribed by the Committee in the FY 2022 budget; the contract for that assessment was awarded and the contractor's analysis is underway, with that report coming in early summer 2022. It is the Committee's hope that, between the task force's report and the assessment's findings, the Council will be able to identify significant efficiencies to put the federal dollars allocated for lead water service line replacement work to best use.

Policy Recommendations

The Committee offers no policy recommendations for FY 2023.

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J. WASHINGTON AQUEDUCT (LB)

FY 2023 Operating Budget, By Revenue Type					
Fund Type	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
Enterprise and Other Funds	70,521,160	138,227,183	0	138,227,183	96.0%
GROSS FUNDS	70,521,160	138,227,183	0	138,227,183	96.0%

FY 2023 Operating Budget, By CSG (Gross Funds)					
Comptroller Source Group	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
50 - Subsidies and Transfers	70,521,160	138,227,183	0	138,227,183	96.0%
Nonpersonal Services (NPS)	70,521,160	138,227,183	0	138,227,183	96.0%
GROSS FUNDS	70,521,160	138,227,183	0	138,227,183	96.0%

FY 2023 Operating Budget, By Program (Gross Funds)						
Code	Agency Program	FY 2022 Approved	FY 2023 Mayor	Committee Variance	FY 2023 Committee	% Growth
1000	Washington Aqueduct	70,521,159	138,227,183	0	138,227,183	96.0%
GROSS FUNDS		70,521,159	138,227,183	0	138,227,183	96.0%

AGENCY OVERVIEW

The mission of the Washington Aqueduct is to collect, purify, and pump an adequate amount of potable water to the distribution systems managed by DC Water, Arlington County, and the Fairfax Water Authority. The Washington Aqueduct fulfills its mission by (1) providing high quality potable water; (2) providing potable water at an equitable, economical rate; and (3) protecting the consumer from both microbial risks and adverse health effects caused by chemicals in drinking water. Water produced by the Washington Aqueduct treatment plants has consistently met and surpassed all pertinent drinking water standards set by the U.S. Environmental Protection Agency.

The Washington Aqueduct is managed by the U.S. Army Corps of Engineers and governed by a Wholesale Customer Board. The Agency's budget is based on projected revenue earned by selling water to DC Water, Arlington County, and the Fairfax Water Authority. On average, the Washington Aqueduct produces 155,000,000 gallons of water per day at its two treatment plants in the District.

As a federal agency, the Washington Aqueduct is required to have a budget and spending authority for all funds necessary to meet its mission of supplying water to all three jurisdictions. The District budget process is the vehicle used to transmit the Washington Aqueduct's operating budget to Congress. Thus, although the Committee's purview includes the Washington Aqueduct, the Council does not have the legal authority to change its budget.

Budget Analysis & Recommendations

The Mayor's proposed FY 2023 gross budget is $138,227,183, which represents a 96.0% increase from the FY 2022 approved budget of $70,521,159. The Aqueduct's operating budget did not undergo a substantive change from FY 2022 levels; the increase reported reflects a significant investment in Washington Aqueduct's Capital Improvement Program to allow for the replacement and repair of aging infrastructure under the agency's control. Specifically, these funds will support:

- Replacement of the North Clearwell ($53,000,000)
- East Filter Building Upgrades ($7,350,000)
- Flocculation and Sedimentation Improvements at Basins 3 and 4 ($7,000,000)
- Chemical Building HVAC upgrades ($3,700,000)
- Transmission Main Improvements ($3,500,000)
- Administration Building Employee Relocation ($3,000,000)
- Residuals Processing Improvements ($300,000)
- Other emergent projects ($4,000,000)

The Washington Aqueduct was first established in 1853 and has long been a thoughtful steward of a significant portion of the infrastructure providing clean, potable drinking water to the District. Much of that infrastructure, however, is quite old and, due to its size and scope, will be quite costly to replace, repair, and upgrade. Thus, the Committee is in strong support of these investments, and will look for updates on the status and impact of these projects as they move forward.

The Committee recommends adoption of the Mayor's FY 2023 operating budget as proposed.

Policy Recommendations

The Committee offers no policy recommendations for FY 2023.

NON-COMMITTEE BUDGET RECOMMENDATIONS

In addition to the changes recommended for agencies within its jurisdiction, the Committee has worked with other Council committees to identify funding needs and recommends providing additional funds to support programs in those other committees as described below.

COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

The Committee recommends transferring the following amount to the Committee on Business and Economic Development:

$20,000 in one-time local funds in FY 2023 to the Department of Small and Local Business Development to extend the Tenleytown Main Street's service area boundaries to Rodman Street. The Main Streets Program fosters retail investment in the District by providing services and funding to help communities retain and recruit businesses, improve commercial properties and streetscapes, and attract consumers. With the opening of the large "City Ridge" development coming in the summer of 2022 and continued development of the adjacent Upton Place ongoing, Tenleytown Main Street intends to extend its service area boundaries by the end of 2022 to include both projects. This funding would be used to update and extend neighborhood branding to include the new service area, as well as to support outreach and engagement to the businesses and properties therein.

$150,000 in one-time local funds to the Department of Small and Local Business Development for the Friendship Heights Alliance. The Alliance was formed late last year to conduct place making, place management, branding, and economic development in the Friendship Heights neighborhood. The long-term goal of the organization is to develop a Business Improvement District in the neighborhood. Given that the neighborhood straddles the border between the District and Maryland, both jurisdictions have a stake in the success of these revitalization efforts. To that end, Montgomery County has pledged money to the organization in the coming year. Although the Council provided seed funding for the organization in last year's budget, the necessity for clarifying emergency legislation later in the year meant that the money—and the work it funded—was delayed. This additional funding will abrogate the necessity that last year's funding be spent entirely before October 1, 2022, and will also serve as an important counterpart to the Maryland funding, demonstrating that both jurisdictions are invested in the success of the neighborhood revitalization efforts.

$250,000 in one-time local funds to the Department of Small and Local Business Development for District Bridges to engage in a pilot program, providing Main Street Program-type support to businesses and communities in Ward 3 not otherwise serviced by such a program.

COMMITTEE ON GOVERNMENT OPERATIONS AND FACILITIES

The Committee recommends transferring the following amounts to the Committee on Government Operations and Facilities:

$40,300 in FY 2023 and $403,000 across the financial plan to the Department of General Services to support the increase in fixed costs of electricity that will arise due to the termination of the phase out of the Sustainable Energy Trust Fund fees detailed at page 87.

COMMITTEE ON HEALTH

$200,000 in recurring funds to the DC Health for Food & Friends home delivered meals. These funds will help provide an additional 35,000 home-delivered meals to DC residents living with cancer, HIV/AIDS, diabetes, and other serious illnesses.

$129,066 in recurring funds to DC Health for Produce Plus. The funds will enable FRESHFARM to increase the number of DC residents served by this acclaimed farmers' market nutrition program by 30%, to a total of 6,000 people. This increase will also allow the program to transfer to a much-needed digital platform that will confer dignity, choice, and autonomy to the customer experience.

$100,000 in recurring funds to DC Health for Healthy Corners. These funds will directly support DC Central Kitchen's SNAP Match incentives, which expand SNAP customers' purchasing power for fruits and vegetables at corner stores.

$100,000 in recurring funds to DC Health to support a diaper bank grant program. During the pandemic, the costs of diapers substantially increased, which has placed a burden on low-income families. Diapers are the one item that is not covered under federal or local assistance programs such as SNAP, WIC, or TANF. Additionally, there is no additional government assistance to help support the work of organizations providing free diapers to low-income families. Under the grant program, a grant will be issued for the purchase and distribution of free diapers to families with infants under three that qualify for income-contingent federal or local government assistance programs.

$75,000 in recurring funds to DC Health to support mental health services at a nonprofit that provides support and mentorship to local students to encourage higher rates of attendance of college or workforce development programs.

COMMITTEE ON HOUSING AND NEIGHBORHOOD REVITALIZATION

The Committee recommends transferring the following amounts to the Committee on Housing and Neighborhood Revitalization:

$130,000 in recurring funds to the Department of Aging and Community Living to allow a District hospital to serve residents suffering from mild cognitive impairment stemming from COVID-19. This funding will further allow this cognitive treatment to be integrated with digital telemedicine services.

$250,000 in recurring funds to the Department of Aging and Community Living to permit a District hospital to design primary care telemedicine services to meet the needs of the District's most marginalized patients. This funding will allow a District hospital to research how to best improve access to telemedicine for vulnerable senior citizens, especially those in Wards 7 and 8, and to strengthen telemedicine services based on that research.

$250,000 in recurring funds to DACL to allow a District hospital to develop a social innovation accelerator that supports residents as they develop solutions to community health problems they identify. This will allow residents in Wards 7 and 8 to develop ideas regarding the best ways to address health disparities in their communities.

$288,000 in one-time funds to the Department of Aging and Community Living to enable a District senior housing provider to provide its tenants with consistent congregate meals, benefits counseling, social worker support, transportation to groceries, shopping and leisure, weekly wellness classes, and one-on-one health clinic support.

$250,000 in one-time funds to the Department of Aging and Community Living to enable a District senior services provider to expand programming that helps individuals with Alzheimer's Disease and Related Dementias (ADRD) maintain their bills and financial stability. This funding will allow services to be expanded to include advance care planning, long-term care planning, behavioral symptom management, benefit linkage, healthcare coordination, and caregiver support.

$200,000 in one-time local funds to the Department of Aging and Community Living to support programming at a senior center that provides comprehensive health and social services to senior adults living in isolation or within a family context, with a focus on serving seniors who speak a language other than English.

$500,000 in FY 2023 capital funds to the Department of Aging and Community Living to support the planning and design of a senior wellness center for Wards 2 and 3. Currently, Wards 2 and 3 are the only Wards without a senior wellness center, despite having significant populations of older adults. In fact, over 17% of Ward 3's population is over the age of 65. To date, however, these seniors can only access programming by traveling to wellness centers in other wards, through private service providers, or through one-off programs at other District facilities. For years, the Council has worked with the Department of Aging and Community Living to explore whether alternatives to a brick-and-mortar senior wellness center—such as a "virtual" center made up of coordinated programs and services at various existing DPR, DCPL, and DACL facilities—might address this need, but have been unsuccessful, to date. Thus, both wards are in need of brick-and-mortar facilities. In light of the significant cost and logistical burdens—including locating a site—for two new facilities, the Committee believes it to start with one facility, tailored in terms of size, siting, and programs to serve both Wards 2 and 3.

Committee on Recreation, Libraries, and Youth Affairs

The Committee recommends transferring the following amounts to the Committee on Recreation, Libraries, and Youth Affairs:

$625,000 in FY 2022 capital funds to the Department of Parks and Recreation in Capital Project (QM8PRC) Palisades Recreation Center to support the creation of a new dog park at the Palisades Community Center, located at 5200 Sherier Place, NW in Ward 3. The

Palisades Community Association alerted the Committee to the pressing need of a dedicated neighborhood dog park in December of 2020. The proliferation of pandemic pet adoptions, overcrowding at nearby National Park Service land, and increasing instances of off-leash dogs in the neighborhood have created an urgent need or a new dog park at the Community Center. Dog parks are also known to serve as important community gathering spaces and provide safe, enclosed spaces for District pets to exercise and play. That said, the particular topography of the Palisades makes the cost of construction somewhat uncertain. Providing this funding will allow development to continue.

$250,000 in FY 2023 capital funds to the Department of Parks and Recreation for a new capital project to support a feasibility study of renovation of the Hearst Cottage at Hearst Park. Although the Hearst Park campus has undergone extensive upgrades in recent years, the small DPR cottage on the park site has yet to be renovated. While DPR has plans for improvements to the cottage, they are currently limited ADA upgrades. Further upgrades are necessary to ensure this cottage may fully accommodate future uses, especially as the park sees increased use with the opening of the Hearst Park Pool. DPR has told the Committee that Hearst Cottage is designated as historic and situated on a hill, which presents challenges related to the possible expansion of the building footprint and complex grading issues. Additionally, DPR suggests further community engagement to gather information on future needs for the facility before making changes. A feasibility study with a robust community engagement process is beneficial before planning a full facility renovation. The feasibility study results do not guarantee capital funding for the renovation. However, the study provides a blueprint of possibilities for moving forward.

Committee of the Whole

The Committee recommends transferring the following amounts to the Committee of the Whole:

$35,000 in one-time local funds to the Metropolitan Washington Council of Governments (MWCOG) to support the Food and Agriculture Regional Member (FARM) committee at MWCOG. As with other MWCOG issues such as air quality and water supply, the food and agriculture system's interconnectedness often demand a regional response. These funds will allow MWCOG to build stronger connections within the region's food and farm economy.

$207,398 in recurring funds and $6,000 in one-time funds to the Office on Planning (OP) for two (2.0) FTEs for the Food Policy Council. The Food Policy Council was created by the "Food Policy Council and Director Establishment Act of 2014" to promote food policies that strengthen the District's local food system. The law established a new position within the Office of Planning, the Food Policy Director, to serve as an advocate inside the government to improve the District's food policies, and to help guide the work of the Food Policy Council. In the years since the law was passed, the work of the Food Policy Director and Food Policy Council has grown, directly in line with the increased focus the Director and Council have brought to food and nutrition issues impacting District residents. Given this growth, the Committee believes that the work of the Food Policy Director and Food Policy Council could be enhanced by increasing the Food Policy Director's staff within the Office of Planning to include two new FTEs focused on communications and policy analysis.

$200,000 in one-time funds to the Office on Planning for a Central Food Processing Facility feasibility and siting study. In June 2021, the Office of Planning and the Food Policy Council published a report entitled an Assessment of a Central Food Processing Facility ("CFPF") for Washington, D.C., as required by the Healthy Students Amendment Act of 2018. The report provides an assessment of how the District could design and manage a Central Food Processing Facility to improve the nutritional quality of meals served in public institutions in the District (such as senior centers, schools, and correctional facilities), support local food businesses, shore up the District's food systems resilience, and create career pathways in the food sector. The report evaluates the impact of a central food processing facility on the region, operational best practices, and facility infrastructure by looking to other jurisdictions that have established such a facility. The next step is for the District to conduct a feasibility and siting study to assess the cost, return on investment, and revenue generation potential of a facility, and identify a suitable site for the facility, capable of meeting the District's needs.

$1,249,296 in FY 2023 and $25,760,886 in recurring operating funds to the Paygo Agency to be converted into capital funds.

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Budget Support Act Recommendations

On March 16, 2022, Chairman Mendelson introduced, on behalf of the Mayor, Bill 24-714, the Fiscal Year 2023 Budget Support Act of 2022. The bill contains two subtitles on which the Committee on Transportation and the Environment has provided comments. The Committee also recommends the addition of fourteen new subtitles. The Committee describes the purpose, fiscal impact, committee reasoning, and a section-by-section analysis for each of the subtitles it recommends for inclusion in the Budget Support Act below and has attached legislative language for each as Attachment I to this report.

A. Recommendations on Budget Support Act Subtitles Proposed by the Mayor

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

1. Title VI, Subtitle C. Climate Change Resilience Funding
2. Title VI, Subtitle D. Transportation Capital Improvements Plan Contracts

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1. TITLE VI, SUBTITLE C. CLIMATE CHANGE RESILIENCE FUNDING.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

As proposed by the Mayor, this subtitle would authorize DOEE to spend funds from the Renewable Energy Development Fund and the Sustainable Energy Trust Fund on climate resilience projects and programs.

FISCAL IMPACT

The fiscal impact of this subtitle is incorporated into the proposed FY 2023 – FY 2026 budget and financial plan.

COMMITTEE REASONING

Both the Renewable Energy Development Fund ("REDF") and the Sustainable Energy Trust Fund ("SETF") were established to direct funding to the District's climate initiatives. The REDF was set up to support the creation of new solar energy resources in the District; the SETF was established primarily to fund the Sustainable Energy Utility ("SEU"), which develops programs to support the expansion of sustainable energy in the District.

Both of these funds have limited uses authorized by statute. DOEE would like to expand the authorized uses of each of these funds to encompass energy-related climate resilience projects, such as solar and battery facilities. These types of projects are key to the District's climate resilience initiatives, as they can help supply backup power to critical facilities, such as hospitals, police and fire stations, and emergency shelters, in the event of a power outage. These resilience projects are also in keeping with the purpose of the REDF and the SETF. The subtitle would require any climate resilience projects funded through the funds to include a solar or sustainable energy component, or to promote sustainable energy resources. And infrastructure such as battery storage is critical not only to the District's resilience strategy, but to our sustainable energy goals, since renewable resources fluctuate.

Moreover, while the District must continue to increase its use of renewable resources to reduce greenhouse gas emissions and mitigate climate change, it is also important to recognize that we will inevitably also need to adapt to a changing climate. This subtitle will allow us to simultaneously work to advance our renewable energy goals, our climate change mitigation goals, and our adaptation goals. Therefore, the Committee recommends inclusion of this subtitle in the Budget Support Act.

SECTION-BY-SECTION ANALYSIS

Sec. 6021. Short Title

Sec. 6022. Amends the Renewable Energy Portfolio Standard Act of 2004 by adding an authorized use of the Renewable Energy Development Fund for climate resilience projects that include a solar component or use solar energy generated in the District.

Sec. 6023. Amends the Clean and Affordable Energy Act of 2008 by adding an authorized use of the Sustainable Energy Trust fund for climate resilience projects using sustainable energy resources.

2. Title VI, Subtitle D. Transportation Capital Improvements Plan Contracts.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

As proposed by the Mayor, this subtitle would remove the requirement that option year extensions of multi-year contracts appearing in the capital improvements plan, or amendments to such contracts, be submitted to Council for passive approval.

FISCAL IMPACT

The fiscal impact of this subtitle is incorporated into the proposed FY 2023 – FY 2026 budget and financial plan.

COMMITTEE REASONING

As structured, this subtitle would allow DDOT to include local contract option years in its Plan of Contracts, rather than having those options year be sent piecemeal to the Council for review. The agency noted that it manages a capital improvement program that exceeds $1,800,000,000, with these contracts almost exclusively exceeding the $1,000,000 or multi-year threshold for Council review. The agency noted for the Committee that these contracts have already undergone extensive review when first approved, and that retaining approval of option year contracts causes significant delay to the timeline for this work.

While the Committee appreciates the issues raised by DDOT in support of moving this subtitle, the Committee is reluctant to remove avenues for Council review in regard to significant spending of District funds, as is the case here. Though not involving DDOT, in recent years, the Council has taken action to disapprove agency efforts to exercise options years in given contracts, precisely because, in the time since the contracts were first awarded, circumstances had changed such that moving forward with option years no longer seemed the best fit for residents. This may be for reasons of cost, quality of service, or even changes in policy, in which the Council decides pursuing an alternate course of action than prescribed under the current contract would best serve the District. And, even where the Council does not disapprove of these contracts, this review does provide essential opportunity for members to review and scrutinize these option year renewals—especially where an amendment is being considered.

Thus, the Committee recommends striking this subtitle.

SECTION-BY-SECTION ANALYSIS

Sec. 6001. Short Title

Sec. 6002. Amends Section 202(b)(3) of the Procurement Practices Reform Act of 2010 to remove the requirement that option year extensions of multi-year contracts appearing in the capital improvements plan, or amendments to such contracts, be submitted to Council for passive approval.

B. Recommendations for New Budget Support Act Subtitles

The Committee on Transportation and the Environment recommends the following fourteen new subtitles to be added to the Fiscal Year 2023 Budget Support Act of 2022:

1. Food Policy Council Grant-Making Authority and Amendments
2. Central Food Processing Facility Siting and Feasibility Study
3. Boot Damage and Removal Fines
4. Green Finance Authority Board Streamlining
5. Solar for All Tax Relief
6. Sustainable Energy Trust Fund Fees
7. Renewable Energy Storage Grants
8. Vision Zero and Shared Fleet Amendments
9. Visitor Parking Pass Access
10. Tactical Safety Project Upgrade Plan
11. 11th Street Bridge Park Funding
12. Motor Vehicle Registration Fees
13. Specialty License Plates
14. Subject to Appropriations Repeals

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1. TITLE X, SUBTITLE X. FOOD POLICY COUNCIL GRANT-MAKING AUTHORITY AND AMENDMENTS.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would amend the Food Policy Council and Director Establishment Act of 2014 to improve the functionality of the Food Policy Council in a number of ways, including by: updating the working groups of the Food Policy Council; updating the expectations for ex officio members as well as which agencies are considered ex officio members of the Council; allowing public members to be compensated for their work on the Food Policy Council; and, providing the Director of the Office of Planning with grant-making authority to support food projects and programs related to the Food Policy Council.

FISCAL IMPACT

The subtitle has no impact on the financial plan.

COMMITTEE REASONING

In 2014, the Council passed the Food Policy Council and Director Establishment Act of 2014. Prior to the bill's passage, our District agencies were working in silos on issues related to food, and there was no coordinated group of food policy experts advising the District government on its food policies. Creating a Food Policy Council was a crucial step in bringing experts together to analyze current District policies and provide guidance on how best to strengthen District laws affecting our food system. Since then, the Food Policy Council and Food Policy Director have played an invaluable role in shaping the District's food-related policy.

However, the Food Policy Director's testimony during the FY 2021 Performance Oversight hearing revealed that there are several provisions in the Act that currently inhibit the ability of both the Food Policy Council and the Food Policy Director to operate most effectively, or that do not accurately reflect the current priorities of the Food Policy Council.[51] Additionally, the Office of Planning does not currently possess the authority to provide grant funding in support of food projects and programs, confounding their efforts to support non-governmental entities doing this critical work.

Thus, the Committee recommends the inclusion of a subtitle in the Budget Support Act that modifies the composition and requirements of the Food Policy Council slightly to better reflect its needs and priorities, and that provides the Mayor's Agent and Office of Planning more broadly with explicit grant-making authority for food-related projects and programs.

SECTION-BY-SECTION ANALYSIS

[51] Committee on Transportation & the Environment, Food Policy Council Oversight Hearing, Feb. 8, 2022, http://dc.granicus.com/MediaPlayer.php?view_id=29&clip_id=7096.

Sec. XX01. Short title.

Sec. XX02. Amends the Food Policy Council and Director Establishment Act of 2014 to allow ex-officio members to vote and to require them to attend all Food Policy Council meetings; add DCPS and DLSBD as ex-officio members; allow public members to be compensated for serving on the Council; and update the working groups of the Food Policy Council.

Sec. XX03. Provides the Director of the Office of Planning with grant-making authority to support food projects and programs related to the Food Policy Council.

2. TITLE X, SUBTITLE X. CENTRAL FOOD PROCESSING FACILITY SITING AND FEASIBILITY STUDY.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would require the Office of Planning to conduct a siting and feasibility study for a central food processing facility in the District.

FISCAL IMPACT

The Committee's FY 2023 budget recommendations provide the funding necessary to implement this subtitle.

COMMITTEE REASONING

In June 2021, the Office of Planning and the Food Policy Council published a report entitled an Assessment of a Central Food Processing Facility ("CPF") for Washington, D.C, as required by the Healthy Students Amendment Act of 2018. The report provides an assessment of how the District could design and manage a Central Food Processing Facility to improve the nutritional quality of meals served in public institutions in the District (such as senior centers, schools, and correctional facilities), support local food businesses, shore up the District's food systems resilience, and create career pathways in the food sector.

As a solution at the intersection of human health and environmental sustainability, the potential benefits of a central food processing facility are manifold. A CPF will reduce reliance on major food service contracts by supporting the ability of District agencies, such as DC Public Schools, to shift from external food service management to self-operations. In addition, a CPF will strengthen the local food supply chain. By creating a food hub in the District for storage, aggregation, and processing, a CPF will bring the regional food supply closer to consumers, reducing the District's reliance on transportation nodes and national supply chains. This, in turn, will make the local food system more resilient in the face of future supply chain disruptions, provide infrastructure support for local businesses, regional farms, and food access organizations, as well as increase year-round availability of local nutritious foods. Other benefits include fortifying the District's emergency food preparedness response and supporting the local food economy. A central food processing facility can serve as critical food preparedness infrastructure to sort, pack, process, and distribute food aid to residents in the event of future emergencies, and also has the potential to serve as a major job creation and workforce development facility by providing workforce training and job opportunities in food processing and preparation. Finally, a central processing facility can reduce the carbon footprint of the District's food system by strengthening the District's access to, and institutional procurement of, regional produce, as well as through composting initiatives, reusing foods that are aggregated by local producers for feeding efforts, and recovering food from businesses to be used in food production.

The report published by the DC Office of Planning and the Food Policy Council evaluates the impact of a central food processing facility on the region, operational best practices, and facility infrastructure by looking to other jurisdictions that have established such a facility. The next step is for the District to conduct a feasibility and siting study to assess the cost, return on investment, and revenue generation potential of a facility, and identify a suitable site for the facility, capable of meeting the District's needs. Thus, the Committee recommends the inclusion of a subtitle in the Budget Support Act that requires the Office of Planning to conduct such a feasibility and siting study.

This subtitle is also being moved by the Committee of the Whole, which has jurisdiction over the Office of Planning.

Section-by-Section Analysis

Sec. XX01. Short title.

Sec. XX02. Requires the Office of Planning, in conjunction with DCPS and DGS, to conduct a siting and feasibility study for a central food processing facility located within the District and outlines certain requirements for the study.

3. TITLE X, SUBTITLE X. BOOT DAMAGE AND REMOVAL FINES.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would increase the penalty fee for damaging, destroying, or otherwise removing a District-owned vehicle boot without authorization of the Mayor.

FISCAL IMPACT

There is sufficient funding in DMV's budget for the agency to absorb any costs associated with this subtitle. In addition, the subtitle has no recognized revenue in the financial plan but will generate revenue from increased fines.

COMMITTEE REASONING

The Committee has recently been made aware that the cost to replace a vehicle boot is far greater than the penalty fee DPW currently assesses for the destruction of a boot. DPW has shared that the cost to replace a boot is $750, while the penalty fee is $300.

Given that, for years now, we have had at least one individual in the District illegally removing and destroying vehicle boots, the Committee feels that it is important to ensure stronger deterrence for such illegal actions, as well as ensure that we can at least recoup the cost of the destroyed boot when such crimes do occur.

Thus, the Committee recommends the inclusion of a subtitle in the Budget Support Act that increases the penalty for boot removal, damage, or destruction to at least $750.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Establishes that any person who damages, destroys, or removes a vehicle boot without authorization of the Mayor will be subject to a fine of at least $750.

Sec. XX03. Requires the Mayor to issue rules reflecting the increased fine.

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4. TITLE X, SUBTITLE X. GREEN FINANCE AUTHORITY BOARD STREAMLINING.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would reduce the number of voting members of the GFA Board required for a quorum from five to four, making permanent the temporary legislation passed by the Council in October 2021. It would also remove the requirement that the Mayor select an appointed Board member to serve as chairperson of the Board, instead allowing the voting members of the Board to elect a chairperson.

FISCAL IMPACT

The subtitle has no impact on the financial plan.

COMMITTEE REASONING

The Green Finance Authority Establishment Act of 2018 mandated that five voting members of the GFA Board would constitute a quorum and that a two-thirds majority of voting members present at a Board meeting would be required for the Board to take any official action. In practice, these requirements have proven onerous and created the possibility that the Board may be unable to take important actions, potentially for extended periods of time, if and when it is unable to secure a quorum.

There are two issues that create this risk. First, the GFA Board is composed of individuals who work in the renewable energy industry, sustainable investing, and finance. As a result, it is likely that one or more board members will occasionally have a conflict of interest regarding a particular transaction under consideration by the GFA Board and will therefore have to recuse themselves from voting on the transaction. Because the Board only consists of seven voting members, this creates a substantial risk that the Board will be unable to establish a quorum on particular transactions.

Second, the GFA Board has been plagued by vacancies due to a slower-than-anticipated appointment process. The Board had at least one vacancy among voting members as of each of the last two rounds of performance oversight. In at least one case, a seat was vacant for over a year. For extended periods, the Board has had only five voting members. This, combined with the potential for conflicts of interest, puts the Board in constant danger of being paralyzed by the statutory quorum requirement. Meanwhile, there is nothing inherently *correct* about setting the quorum requirement at five voting members; nor is there anything inherently problematic about reducing the requirement to four members. The Committee understands that most Board votes are unanimous; thus, the primary effect of lowering the quorum requirement will be simply to streamline the Board's operations and avoid the Board being unable to take important actions. At any rate, even where there is not unanimity among members, the number of votes necessary to advance a project with a quorum of four or five is the same: three members. For these reasons, the Committee recommends lowering the quorum for the GFA Board from five voting members to four voting members.

In the same vein, the Committee recommends removing the requirement that the Mayor appoint a member to be chairperson of the Board. The Committee believes Board members are in the best position to choose a chairperson, as serving as Chair requires a significant additional investment in time and personal resources, and Board members can best identify among them who can make that commitment.

The Committee believes both of these changes will enable the GFA Board to operate more efficiently and avoid situations where it is unable to act due to inability to attain a quorum, without any detriment to the Board's oversight functions.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Amends the Green Finance Authority Establishment Act of 2018 to reduce the number of voting members of the GFA Board required for a quorum from 5 to 4 and to remove the requirement that the Mayor select the Board's chair and instead allow the voting members of the Board to elect a chairperson.

5. TITLE X, SUBTITLE X. SOLAR FOR ALL TAX RELIEF.

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 an award from the Solar for All program as amounts eligible for exclusion from computation of District gross income.

FISCAL IMPACT

This subtitle is expected to cost $288,750 in FY 2023 and $1,526,250 over the financial plan. The Committee's FY 2023 budget recommendations provide the funding necessary to implement this subtitle.

COMMITTEE REASONING

The District's Solar for All Program was established under the Renewable Portfolio Standard Expansion Amendment Act of 2016. The program is implemented by the DC Sustainable Energy Utility and the Department of Energy and Environment. It 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 the District procures from green energy sources. However, as a result of 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 points to an issue with funding the Solar for All 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 an award of $1,000,000 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 more 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 $1,000,000 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, if 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 $1,000,000 taxed award. In this case, however, DC SEU could 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 Al Program, to support additional solar installations. For these dollars to support additional projects as proposed will, of course, 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.

This subtitle is also being moved by the Committee on Business and Economic Development, which has jurisdiction over tax-related matters.

Section-by-Section Analysis

Sec. XX01. Short title.

Sec. XX02. Amends Section 47-1803.02 of the District of Columbia Official Code to add the amounts received by a taxpayer for an award from the Solar for All program as amounts eligible for exclusion from computation of District gross income.

6. TITLE X, SUBTITLE X. SUSTAINABLE ENERGY TRUST FUND FEES.

Purpose, Effect, and Impact on Existing Law

This subtitle would amend the Clean and Affordable Energy Act of 2008 to adjust certain assessments on energy sales, and to expand the permissible uses of funds within the Sustainable Energy Trust Fund.

Fiscal Impact

This subtitle is expected to generate revenue totaling $1,096,404 in FY 2023 and $11,204,136 across the financial plan.

Committee Reasoning

On December 18, 2018, the Council passed the CleanEnergy DC Omnibus Amendment Act; that law will help facilitate the District achieving nearly 45% of our 50% carbon emissions reduction goal by 2032, by establishing robust Building Energy Performance Standards and aggressive renewable portfolio standards. That landmark legislation, which was fully funded in the FY 2020 budget, is a critical part of the District's efforts to address the causes of climate change.

One method that the Council utilized to fund this bill was through assessments on electric and gas usage. These assessments are very small, starting at less than one-third of a cent per kilowatt hour of electricity use. As structured, these fees were slated to taper off from FY 2020 through FY 2032 before remaining steady at slightly under one-fifth of a cent from 2032 on.

This schedule of reduced fees, however, is having a drastic effect on agency programming. Due to reduced SETF revenue in just the last two years, DOEE is already finding that the agency is struggling to cover programmatic needs supported by fund dollars. This puts in jeopardy investments the Council has made in the DC Sustainable Energy Utility, initiatives advanced by the CleanEnergy DC Omnibus Amendment Act, and numerous other programs critical to the District's sustainability efforts and carbon emissions reductions goals. With the fee continuing to taper off through 2032, the Committee has significant concerns that there will be insufficient funding to support many of these Council-championed climate investments; instead of increasing our investments in programs to combat climate change, we will instead be reducing them—at a time when there is virtually universal agreement that very little time remains to reduce emissions to avoid the most catastrophic effects of climate change.[52]

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[52] *E.g.* Sarah Kaplan and Brady Dennis, *The World Is Running Out of Options to Hit Climate Goals, U.N. Report Shows*, Washington Post (Apr. 4, 2022), https://www.washingtonpost.com/climate-environment/2022/04/04/climate-change-report-united-nations-ipcc/ ("At the current rate of emissions, the world will burn through its remaining "carbon budget" by 2030—putting the ambitious goal of keeping warming to 1.5 degrees Celsius . . . irrevocably out of reach.").

The Committee gave significant consideration to the burden of reversing the phase down of the fees; however, the Committee has determined that reversing this phase down will have a minimal impact on residents and their utility bills. As shown in the chart below, in the District, the average residential ratepayer uses 704 kWh of energy per month. Thus, the Committee anticipates that the impact on ratepayer bills from this change will represent just pennies per month.

Importantly, this subtitle <u>does not effectuate a fee increase</u>. No resident will see their monthly bill go up because of this change. Fees will simply stay at FY 2022 levels ($1.90 a month on average), rather than reduce. Thus, residents who can bear this minimal charge now will not face any additional burden in the future. (Residents who have difficulty affording this charge are probably already eligible for the District's utility assistance programs.)

IMPACT OF FREEZING SETF FEE ON SALES OF ELECTRICITY AT FY 2022 LEVEL					
Fiscal Year	SETF Charge Per kWh	Monthly Charge for Average Household Energy Use (704 kWh*)	Proposed new rate	Average Monthly Charge Under Current Law (704 kWh)	Difference in Monthly Cost under this Proposal (704 kWh)
FY 20	$0.0029016	$2.04	--	$2.04	--
FY 21	$0.0027928	$1.97	--	$1.97	--
FY 22	$0.0027001	$1.90	$0.0027001	$1.90	--
FY 23	$0.0025994	$1.83	$0.0027001	$1.90	$0.07
FY 24	$0.0024986	$1.76	$0.0027001	$1.90	$0.14
FY 25	$0.0023979	$1.69	$0.0027001	$1.90	$0.21
FY 26	$0.0022971	$1.62	$0.0027001	$1.90	$0.28
FY 27	$0.0021964	$1.55	$0.0027001	$1.90	$0.35
FY 28	$0.0020956	$1.48	$0.0027001	$1.90	$0.43
FY 29	$0.0019949	$1.40	$0.0027001	$1.90	$0.50
FY 30	$0.0018942	$1.33	$0.0027001	$1.90	$0.57
FY 31	$0.0017934	$1.26	$0.0027001	$1.90	$0.64
FY 32 and after	$0.0016120	$1.13	$0.0027001	$1.90	$0.77
*See 2020 DC Data: https://www.eia.gov/electricity/sales_revenue_price/pdf/table5_a.pdf					

Not only will this change allow DOEE to recoup funds that will help fully fund existing programs funding from SETF. Freezing the SETF fee on sales of electricity at the FY 2022 level will also allow the Council to fund the following Council priorities, all of which will meaningfully move forward our efforts at climate resiliency and to combat the effects of climate change, including:

- Making awards issued pursuant to the Solar for All program tax-free, allowing program dollars to stretch further to purchase additional solar benefits (see page 137);
- Providing grants for commercial and residential energy storage systems to support resilience and the transition to renewable energy (see page 143);

- Supporting funding for Bill 24-267, the Climate Commitment Act of 2022 (see page 83); and
- Supporting funding Bill 24-420, the Clean Energy DC Building Code Amendment Act of 2022 (see page 84); and
- Supporting the range of programs funded through Sustainable Energy Trust Fund dollars.

To effectuate those benefits, this subtitle also amends D.C. Official Code § D.C. Official Code § 8-1774.10 to expand permissible uses of funds within the Sustainable Energy Trust Fund to include those expenditures.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Amends Section 210 of the Clean and Affordable Energy Act of 2008 to adjust certain assessments on energy sales and to expand permissible uses of the Sustainable Energy Trust Fund.

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7. TITLE X, SUBTITLE X. RENEWABLE ENERGY STORAGE GRANTS.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would establish a grant program to incentivize the installation of energy storage systems associated with renewable energy generation systems.

FISCAL IMPACT

This subtitle is expected to cost $800,000 in FY 2023 and $2,400,000 across the financial plan. The Committee's FY 2023 budget recommendations provide the funding necessary to implement this subtitle.

COMMITTEE REASONING

A cornerstone of the District's climate policy is the effort to promote the generation of renewable energy within the District. The Solar for All program created by the Renewable Energy Portfolio Standard Expansion Amendment Act of 2016 is centered around an ambitious goal of using solar energy to reduce the electric bills of 100,000 households by 2032. The Clean and Affordable Energy Act of 2008 required electricity suppliers in the District to obtain a small portion of their energy supply from solar energy produced within the District. The Clean Energy Omnibus Amendment Act of 2018 increased the local solar carve-out, requiring suppliers to obtain an increasing percentage of their energy supply from local solar, up to 10% by 2041.

As the District has also recognized, because of the intermittent nature of renewable energy—in particular solar energy—energy storage systems are essential to maximizing the potential of renewable energy. Battery storage systems allow solar adopters to store excess energy generated during the day that might otherwise be wasted if the utility curtails output to the grid due to insufficient grid capacity. Curtailment is currently a regular occurrence in the District, and it often means that solar systems are shut down or throttled at times of peak generation.

Battery storage is also an important component of the District's resilience goals, since batteries can serve as backup power sources for critical infrastructure during a grid outage. The Sustainable DC Plan established a goal that a facility offering clean backup power for critical needs be available within walking distance of every resident in the District by 2032.

Energy storage technology, however, is in many ways still in its infancy. As of 2019, only 163 large-scale battery storage systems were operating in the United States.[53] And while the cost of energy storage systems has been dropping precipitously, current prices still put these systems out of reach for renewable energy providers, as well as residents and building owners. As a result, renewable energy companies are often hesitant to invest in energy storage. Local renewable energy providers, in particular, have been reluctant to devote large

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[53] U.S. Energy Information Administration, *Battery Storage in the United States: An Update on Market Trends*, rel. Aug. 16, 2021, https://www.eia.gov/analysis/studies/electricity/batterystorage/.

amounts of capital to a technology they are unfamiliar with, and which involve steep learning curves for both the providers and the electric utility.

Over the long term, the cost of energy storage systems is expected to drop significantly.[54] But we cannot afford to wait for the market to resolve these issues on its own. The District must take aggressive action now to accelerate the development of a robust renewable energy infrastructure. A relatively small investment now can help to bolster the District's efforts to meet our sustainability and resilience goals for the next decade or more. Commitments by governments in the near-term will help to drive the cost of these systems down more quickly, making the systems affordable without subsidies in the future.

To that end, this subtitle would create a program, operated by DOEE or the Sustainable Energy Utility, to award grants providing at least 30% of the cost of an energy storage system for commercial systems in FY 2023, at least 25% in FY 2024, and at least 20% in FY 2025. The subtitle would also allow DOEE to provide grants covering up to 90% of the cost of residential storage systems, up to $20,000, in each of these years. In order to promote the local renewable energy industry, the subtitle would direct DOEE to prefer District-based grant applicants. It would also direct the Agency to give preference to systems that would be connected to solar installations supported by Solar for All or connected to a community resilience hub, to ensure that this program furthers the District's efforts to ensure all residents benefit from the transition to clean energy.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Amends the Clean and Affordable Energy Act of 2008 to add an authorized use of the Sustainable Energy Trust Fund for grants to incentivize the installation of energy storage systems associated with renewable energy generation systems and directs DOEE to award grants.

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[54] *See, e.g.*, Wesley Cole, A. Will Frazier, and Chad Augustine, *Cost Projections for Utility-Scale Battery Storage: 2021 Update*, Nat'l Renewable Energy Laboratory (June 2021), https://www.nrel.gov/docs/fy21osti/79236.pdf.

8. TITLE X, SUBTITLE X. VISION ZERO AND SHARED FLEET AMENDMENTS.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would amend the Safety-Based Traffic Enforcement Amendment Act of 2012, as amended by the Vision Zero Enhancement Omnibus Amendment Act of 2020, to prescribe the number and type of automated enforcement cameras that DDOT must have in operation by January 1, 2023, and January 1, 2024.

FISCAL IMPACT

The subtitle has no impact on the financial plan.

COMMITTEE REASONING

On September 22, 2020, the Council passed the Vision Zero Enhancement Omnibus Amendment Act of 2020. That legislation is an essential part of the District's work toward achieving Vision Zero and will provide DDOT and partner agencies with a number of tools to increase cyclist and pedestrian safety, which include a mandate that DDOT install a certain number and type of ATE cameras by FY 2022 and FY 2024. The law is broad and comprehensive in its approach, and the District cannot afford to wait to fully fund and implement this legislation. Unfortunately, to date, the Mayor has not provided any dollars to fund the law, despite providing significant funding in both the FY 2022 and FY 2023 budgets to support other pedestrian and cyclist safety initiatives.

Given the legislation's large, $41,000,000-per-year cost, the Committee could not feasibly fund this legislation through budget cuts alone. In the FY 2022 budget, however, the Committee took action to fund the bill in future years by dedicated revenue from the 118 new ATE cameras proposed in the FY 2022 budget to funding the law. Unfortunately, although we are more than halfway through the fiscal year, DDOT has yet to procure those new ATE cameras, and no new revenues have come into the fund. Thus, the law remains unfunded.

The Mayor's budget proposal for FY 2023 includes a further investment in ATE cameras. Like in FY 2022, the camera numbers and types proposed by DDOT do not precisely map onto the Vision Zero legislation. Below is a chart of the camera breakdowns for both the Mayor's investments and those included in the law:

Camera Type	Pre-FY 2022	Mayor's FY 2022 Budget Proposal	Mayor's FY 2023 Budget Proposal	Mayor's Proposals (Cumulative Total)	Vision Zero Omnibus FY 2022 Mandate	Vision Zero Omnibus FY 2024 Mandate (Cumulative Total)	Vision Zero Cameras Not Included in Mayor's Proposals
Speed	80	17	170	267	0	0	0
Red Light	40	10	17	67	75	125	58
Stop Sign	6	6	17	29	0	30	1
Bus Priorty Lane	0	40	20	60	10	10	0
School Bus	0	0	25	25	0	0	0
Bus Mounted	0	56	0	56	0	0	0
Truck Overweight	2	0	17	19	0	0	0
Total	128	129	266	523	85	165	

As seen in the chart, while not a perfect match, DDOT's ATE camera investments do largely match those in the bill; the major shortfall list is in red light automated enforcement cameras. Also reflected in the chart is the total number of cameras, which, under the Mayor's proposal, will rise to 523, more than 400% growth over the number of cameras funded in the FY 2021 budget.

The Committee is not inclined to prescribe the addition of even more cameras at this time. And, following conversations with DDOT about their approach to selecting these camera types—in particular, their decision to invest in 170 more speed cameras over other types, including red light cameras—the Committee is inclined to agree that the camera types chosen by DDOT will meaningfully advance traffic safety in the District.

As noted, the Committee dedicated funding from all new ATE cameras—which will include the new cameras here—to funding the Vision Zero legislation. Necessarily, then, the costs to DDOT to procure and manage these cameras are only eligible uses of that fund where the camera types conform to those prescribed in the Vision Zero Enhancement Omnibus Amendment Act. To ensure that these critical Vision Zero activities can be funded using these Special Purpose Revenue Fund dollars, the Committee is moving this subtitle, which amends the legislation to mirror the mandated ATE camera types to the investments made in the FY 2022 and FY 2023 budget. Accordingly, this amendment will also mean that this portion of the Vision Zero legislation can be considered funded and effective.

This subtitle also makes a small amendment to the Shared Fleet Devices Amendment Act of 2020 to authorize DDOT to temporarily suspend shared fleet service in the District in limited circumstances, without the shared fleet operators being out of compliance with the law. Under the current law, covered operators are required to deploy their fleet even where DDOT believes doing so would be dangerous, such as during known severe weather. This language would provide the Director with that authority where the Director concludes that doing so would help preserve public safety.

Section-by-Section Analysis

Sec. XX01. Short title.

Sec. XX02. Amends the Safety-Based Traffic Enforcement Amendment Act of 2012 to prescribe number and type of automated enforcement cameras that DDOT must have in operation by January 1, 2023, and January 1, 2024.

9. TITLE X, SUBTITLE X. VISITOR PARKING PASS ACCESS.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would extend the eligibility of visitor parking passes issued during 2020 through December 31, 2022, and require that DDOT make available physical visitor parking passes, also eligible through December 31, 2022, to residents who certify that they do not currently possess a visitor parking pass issued for 2020.

FISCAL IMPACT

The Committee's FY 2023 budget recommendations provide the funding necessary to implement this subtitle.

COMMITTEE REASONING

District residents living on blocks with Residential Parking Permits ("RPP") are provided with access to Visitor Parking Permits ("VPPs") by DDOT. Residents may provide VPPs to visitors to allow them to legally park in RPP zones near their home. Since the VPP program was first launched, these passes have taken the form of a physical, hard-copy pass provided to eligible residents each year and could be provided to visitors without registration or reporting to DDOT; the visitor would simply display the provided pass on their dashboard.

In late 2020, however, DDOT announced a new digital VPP system, intended to modernize how these passes are used and reduce fraud. At that time, DDOT also informed residents that the physical, hard-copy VPPs issued to residents for 2020 would be valid through September 30, 2021, to allow for a smoother transition between the two programs.

The new system launched in July 2021, and residents immediately raised concerns to the Council regarding the new system. These included confusion about how to use the new system, and concerns about equity of access to the system and the new passes (which, because they were initially only able to be issued on a per-visit or per-visitor basis, necessarily required access to a computer and printer). In September 2021, DDOT agreed to extend the validity of the VPPs issued to residents for 2020 until January 15, 2022, to provide the agency with more time to streamline the new system and provide additional public education to residents. The Council later extended the eligibility of those passes twice: first, through April 15th, and later, through November 25th.

Since the start of 2022, DDOT has made several updates to the new system, including allowing residents to make recurring reservations for certain visitors. DDOT also upgraded their systems to allow for visitor vehicles to be tracked via license plate number, a change that would negate the need for paper printouts of passes. The Committee has since learned, however, that DPW lacks the necessary license plate readers ("LPR") to implement this upgrade, meaning visitors would still need to print out a paper pass or risk receiving a ticket.

To address this, DDOT included approximately $3,400,000 in its capital budget to support the purchase of license plate readers for DPW vehicles; these amounts will cover the cost for DPW to purchase both LPR hardware and software for 97 additional DPW vehicles—which, combined with the 13 vehicles already equipped with LPR, will cover all or nearly all of DPW's enforcement fleet.

The Committee supports this investment but recognizes that it will take time for these LPRs to be purchased and installed, and for DPW staff to be trained on their use. Further, these funds will only become available October 1, 2022. The Committee believes that hard copy passes must still be made available to residents up and until DPW enforcement staff can fully administer enforcement of the program.

Thus, this subtitle would extend the eligibility of the VPPs for calendar year 2020 through December 31, 2022; it is the Committee's hope that DDOT will also use that time to do further public education on the new system, including at ANC meetings. Recognizing that some residents may have never received a 2020 VPP (for example, new residents), and others may have lost their 200 VPP or thrown it away, thinking it was no longer valid, the subtitle also requires that DDOT provide access to a new, hard copy VPP for these residents. The Committee intends to work with DDOT in the coming months or the form and method by which residents can access those new passes.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Amends Title 18 of the District of Columbia Municipal Regulations to extend the eligibility of visitor parking passes issued during 2020 through December 31, 2022 and require that DDOT make available physical visitor parking passes, also eligible through December 31, 2022, to residents who certify that they do not currently possess a visitor parking pass issued for 2020.

10. TITLE X, SUBTITLE X. TACTICAL SAFETY PROJECT UPGRADE PLAN.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would amend the Priority Sidewalk Assurance Act of 2010 to require DDOT to promulgate an annual plan for converting tactical safety projects to permanent streetscape projects. The subtitle would also require creating an inventory of tactical safety projects, developing criteria to select projects to upgrade, and reporting to the Council and the Mayor on previous years' implementation of the plan.

FISCAL IMPACT

The Committee's FY 2023 budget recommendations provide the funding necessary to implement this subtitle.

COMMITTEE REASONING

In recent years, the District has made considerable progress to quickly and cost-effectively build out safety infrastructure along our trails and roadways. It is common to see curb extensions, bike lanes, modular bus islands, and closed slip lanes in the District that have been constructed with inexpensive, temporary materials. While using temporary materials to install these tactical projects has provided us with a number of benefits—primarily cost-effectiveness and the ability to stand up these projects quickly—they often fall short of the higher quality, safer, more durable, and aesthetic standards that are typical of permanent installations and that residents deserve for their streetscapes.

The Mayor's FY 2023 Capital Improvement Plan proposes $5,000,000 annually, and $30,000,000 from FY 23-27. DDOT states this level of funding would allow for the design and construction of roughly 20 permanent intersection improvements per year. DDOT's stated intention for this project is to begin a program of upgrading certain temporary safety improvements through the installation of permanent concrete infrastructure, namely curb extensions. Through this subtitle, the Committee seeks to support the effective use of these funds and bring transparency and accountability to tactical safety project conversions, while still affording DDOT flexibility to establish its own criteria for selecting the types and number of projects to be converted each year.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. "Upgrading Tactical Safety Projects Planning Amendment Act of 2022"

Sec. XX02. Amend the Priority Sidewalk Assurance Act of 2010 to require DDOT to promulgate an annual plan for converting tactical safety projects to permanent streetscape projects. The subtitle requires creating an inventory of tactical safety projects, developing criteria to select projects to upgrade, and reporting to the Council and the Mayor on previous years' implementation of the plan.

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11. TITLE X, SUBTITLE X. 11TH STREET BRIDGE PARK FUNDING.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would amend the Fiscal Year 2016 Budget Support Act of 2015 to authorize award or disbursement of funds to support the 11th Street Bridge Park project once 25% of the total projected construction costs have been raised from private donors.

FISCAL IMPACT

The subtitle has no impact on the financial plan.

COMMITTEE REASONING

The 11th Street Bridge Park will be the District's first elevated public park. Located on the piers of the old 11th Street Bridge spanning the Anacostia River and linking Anacostia with Navy Yard, the Bridge Park will be a new venue for healthy recreation, environmental education, and the arts. The Bridge Park draws on an extensive community outreach and consultative process, anchored by more than 1,000 meetings. Pre-construction began in 2016. Preliminary plans include bike and pedestrian trails, outdoor performance spaces, play areas, gardens, and a dock to launch boats and kayaks. Due to language in the FY 2016 Budget Support Act, however, allocated funds for the project, will not be awarded or disbursed to any entity for construction until at least 50% of the total projected project construction costs have been raised by private donors. To date, 11th Street Bridge Park fundraisers have secured $31,490,000, with an additional $6,011,550 pending, closing in on the $40,687,500 that it is required to raise.

As discussed further in the DDOT chapter of this report, the Committee supports the bridge park and is thankful that the Executive has left the Committee's funding in the project for FY 2026. However, given the success of private fundraising, the Committee seeks to expedite funding to meet the $15,000,000 threshold in FY 2023 necessary to advance construction.

As noted, the FY 2016 Budget Support Act mandated that 50% or more of project construction costs be raised before District spending could be triggered. Fundraising is currently just shy of those amounts. Given the significant level of private fundraising to date, and the incredible investment in Ward 8 and the District represented by this project, the Committee recommends making District funds available immediately, in FY 2023, to support this work. To that end, the Committee recommends inclusion of this subtitle in the Budget Support Act, in order to lower the trigger from 50% to 25% for disbursement of District funds for this project.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Provides the short title.

Sec. XX02. Amends Title VIII, Subtitle G of the Fiscal Year 2016 Budget Support Act of 2015 to authorize award or disbursement of funds to support the 11th Street Bridge Park project once 25% of the total projected construction costs have been raised from private donors.

12. TITLE X, SUBTITLE X. MOTOR VEHICLE REGISTRATION FEES.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would amend the District of Columbia Revenue Act of 1937, to modify the motor vehicle registration fee schedule. It would increase registration fees for heavier vehicles; add an additional fee for trucks and SUVs; provide a weight discount for electric vehicles; and direct the Mayor to create an assistance program to help low-income vehicle owners afford increased registration fees.

FISCAL IMPACT

This subtitle is expected to generate revenue totaling $2,310,000 in FY 2023 and $29,778,000 across the financial plan. There is sufficient funding in DMV's budget for the agency to absorb any costs associated with this subtitle.

COMMITTEE REASONING

Since the late 1970s, sales of light weight trucks, which includes SUVs, vans, and pic-up trucks, have skyrocketed. In January 1980, Manufacturers reported sales of 2.7 million units and by March 2022, that figure had risen to more than 10.6 million units.[55] The percentage of total motor vehicles sales consisting of light weight trucks is also growing, with SUVs alone representing 47.4% of American motor vehicle sales in 2019, compared to 22.1% for sedans; all light-trucks constitute a staggering 72% of car sales.

Despite their name, these vehicles are far from "light weight" – the most popular SUVs, especially the mid- and full-size models, and pickup trucks weigh significantly more than sedans and compact cars. For example, the top selling sedan, the Toyota Camry, weighs from 3,310 to 3,595 pounds. Compare that to the top selling mid-size crossover SUV, the Toyota Highlander, which weighs from 4,145 to 4,450 pounds, almost a full thousand pounds more. And one of the top selling full-size SUVs, the Chevrolet Tahoe, weighs a full thousand pounds more than that, from 5,473 to 5,845 pounds.[56]

What's more, vehicles of all types are getting heavier. Over the past two decades, the number of vehicles weighing over 4,000 pounds has grown from about 25% of the market in 1990 to around 60% by 2020. The chart below, prepared by the U.S. Environmental Protection Agency, provides a visual of how vehicle weight class distribution has changed over the past half century.[57]

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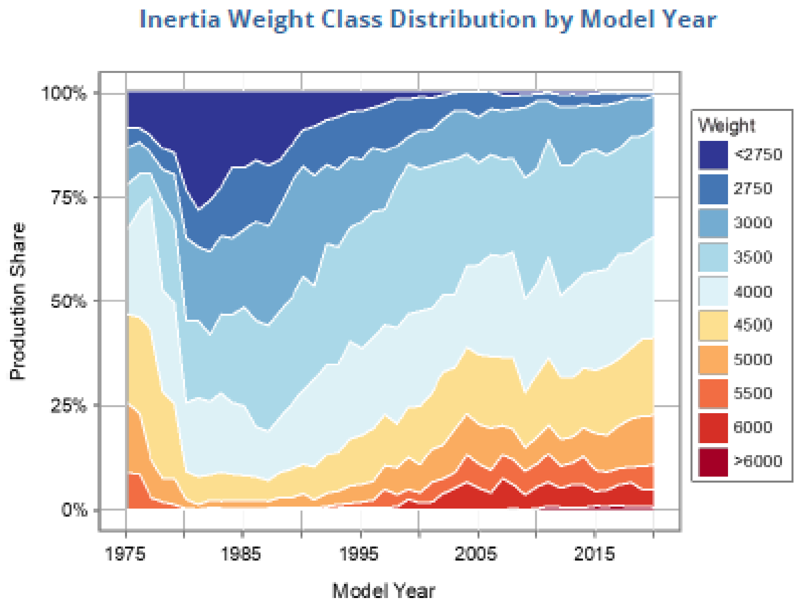
[55] Fed. Reserve Bank of St. Louis, *Motor Vehicle Retail Sales: Light Weight Trucks* (Apr. 8, 2022), https://fred.stlouisfed.org/series/LTRUCKSA.

[56] Example vehicle weights are curb weights of 2022 models as reported by the manufacturers. Variability for each model results from different options for each model.

[57] United States Environ'l Protection Agency, *The 2020 EPA Automotive Trends Report: Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975*, United States Environment Protection Agency (Jan. 2021), https://www.epa.gov/emission-standards-reference-guide/vehicle-weight-classifications-emission-standards-reference.



Unfortunately, the marked increase in larger, heavier vehicles has significant consequences on the environment, traffic safety, and District's roadways and other transportation infrastructure.

The heavier a vehicle is, the greater its contribution to greenhouse gas emissions and climate change. While many sources of greenhouse gas emissions have become cleaner in recent years, vehicles continue to be primarily powered by fossil fuels. Currently, less than 1% of passenger vehicles—including sedans, SUVs, and light-duty trucks—are electric vehicles, and in 2021, electric vehicles made up only 3% of light vehicle sales, with hybrids at just 5%.[58] All the while, fossil-fuel vehicles are consuming more fuel, on average. One explanation for this is the increasing prevalence of larger vehicles on the roads: SUVs, on average, consume about a quarter more fuel than medium-sized cars.[59] From 2010 to 2018, SUVs were responsible for all the increased fuel demand for passenger vehicles, accounting for 3.3 million additional barrels of oil a day, while fuel consumption from other cars declined over the same period. With increased fuel consumptions comes increased greenhouse-gas emissions. Concerns over the environmental impact of larger cars is especially relevant in the District, where transportation accounts for roughly 24% of greenhouse gas emissions, the second highest source behind buildings and energy.[60]

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[58] Cage, Feilding, *The Long Road to Electric Cars,* Reuters, (Feb. 7, 2022), https://graphics.reuters.com/AUTOS-ELECTRIC/USA/mopanyqxwva/.

[59] Laura Cozzi & Apostolos Petropoulous, *Growing Preference for SUVs Challenges Emissions Reductions in Passenger Car Market*, INT'L ENERGY ASS'N (Oct. 15, 2019), https://www.iea.org/commentaries/growing-preference-for-suvs-challenges-emissions-reductions-in-passenger-car-market.

[60] District of Columbia Department of Energy & Environment, *Greenhouse Gas Inventories* (2019), https://doee.dc.gov/service/greenhouse-gas-inventories.

In addition, the heavier a vehicle, the more damage that vehicle does to the District's roads and bridges. It has long been known that large, 18-wheeler trucks cause exponentially more damage than small, passenger cars.[61] Based on sample data reported by the American Association of State Highway and Transportation Officials, this principle holds true for larger passenger vehicles, as well. They found that larger vehicles, like vans and pickup trucks, cause road damage equivalent to seven passenger cars; large pickups and delivery vans equivalent to fifteen passenger cars; and large delivery trucks equivalent to 163 passenger cars.[62] From FY 2003 through FY 2021, actual spending on local road maintenance grew from roughly $5 million annually to over $67 million peaking at more than $81 million in FY 2020. In 2005, when motor vehicle registration fees were last updated, the District spent just over $7 million on local road maintenance. In FY 2023, the Mayor has allocated over $37 million for this purpose. While the FY 2023 investment is a reduction from the highest levels of the last few years, it still represents a significant increase over historical spending over the last two decades. And that spending rate is likely insufficient to keep pace with the deterioration of our local roads. The harm that heavier vehicles cause to our roadways play a direct role in these high costs, which are borne by District taxpayers.

Last, the larger and heavier a vehicle, the more dangerous it is to pedestrians and cyclists. Heavier vehicles cause more serious pedestrian injuries or deaths in the event of a crash compared to lighter-weight cars; they are also more likely to be involved in a pedestrian-related crash in the first place.[63] A September 2021 study found that replacing SUVs with standard vehicles and replacing light trucks (including SUVs, pickup trucks, and minivans) with lighter vehicles would save thousands of lives in U.S. cities; the study also found little evidence that the general shift towards adoption of bulkier vehicles improved the safety of drivers.[64] And, a cross-study analysis has found that pedestrians are two to three times more likely to suffer a fatality if struck by an SUV or pick-up truck, as compared to a passenger vehicle.[65] Heavier vehicles are significantly more dangerous than lighter vehicles.

The District has seen firsthand an uptick in deadly traffic violence over the past decade—an uptick that correlates with the increase in the number of larger, heavier vehicles on our roadways. Since Mayor Bowser's 2015 announcement of the District's commitment to Vision Zero, the number of traffic fatalities in the District have increased each year but one—and the total number has nearly doubled, as detailed in the chart below.

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[61] U.S. Gen. Accounting Office, *CED-79-94, Excessive Truck Weight: An Expensive Burden We Can No Longer Support,* 22 (1979), https://www.gao.gov/products/ced-79-94.

[62] R3 Consulting Group, *Trash Services Study Final Report presented to City of Fort Collins, CO,* 2-20 (2008), available here.

[63] Wen Hu & Jessica B. Cicchino, *The Association Between Pedestrian Crash Types and Passenger Vehicle Types,* INS. INST. FOR HIGHWAY SAFETY (March 2022), https://www.iihs.org/topics/bibliography/ref/2249.

[64] Justin Tyndall, *Pedestrian Deaths and Large Vehicles*, ECON. OF TRANSP. (July 26, 2021), https://www.sciencedirect.com/science/article/abs/pii/S2212012221000241.

[65] Neal-Sturgess, C. E., Carter, E., Hardy, R., Cuerden, R., Guerra, L., & Yang, J., *APROSYS European In-Depth Pedestrian Database,* The 20th International Technical Conference on the Enhanced Safety of Vehicles, 2007.

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of Traffic Fatalities	32	19	29	26	26	28	30	36	27	37	40
Year/Year Increase	0	-40.63%	52.63%	-10.34%	0.00%	7.69%	7.14%	20.00%	-25.00%	37.04%	8.11%
Increase Since 2015					0.00%	7.69%	15.38%	38.46%	3.85%	42.31%	53.85%

It is clear that heavier vehicles take a greater toll on the District's environment, transportation infrastructure, and pedestrian safety, and the District should make efforts to encourage residents to adopt lighter weight vehicles. More importantly, though, where consumers do choose to purchase heavier vehicles, the District should do what it can to recoup money necessary to counteract the ill-effects of those heavier vehicles. Moreover, if possible, the District should discourage the trend of consumers purchasing heavier and heavier vehicles. One way to discourage this behavior is by making it more costly to own these vehicles through increases to motor vehicle registration fees. These fees, which are assessed annually on owners of motor vehicles in the District, are already tiered based on weight, with heavier vehicles paying more. Moreover, increasing the cost of these fees will also help to compensate for the increased damage caused by the vehicles. These tiers, however, do not meaningfully differential between vehicle types: for passenger vehicles, there is just an $83 difference between the fees charged for the lightest and heaviest vehicle weight classes. And, the Committee notes, this fee schedule has not been altered since 2005, well before we understood the many, significant harms caused by heavier vehicles.[66]

An increase in the registration fee to account for heavier vehicles is warranted to modernize this fee schedule with our current understanding of the impacts of these vehicles on District residents, infrastructure, and the environment. **Therefore, the Committee recommends inclusion of a subtitle in the Budget Support Act that modifies the motor vehicle registration fee schedule to increase registration fees for heavier vehicles.** The Committee is under no illusion that these fees alone will compel drivers to sell their light-weight truck and purchase a smaller vehicle; however, this fee change will serve to recoup the societal costs of these vehicles back to the District. And, it may also serve as a "nudge" to encourage consumers to purchase smaller cars,[67] especially when combined with the many other programs the District has adopted to encourage transition away from large vehicles that run on fossil fuels.

Although heavier vehicles come with increased costs to society, the Committee acknowledges that electric vehicles ("EVs") often weigh more than their internal combustion engine counterparts due to the weight of their batteries. Since facilitating EV adoption is a critical goal of the District and necessary to addressing climate change, the subtitle proposes a weight adjustment for EVs that would allow vehicle owners to subtract 1,000 pounds—the average weight of an EV battery—from the total weight of the vehicle for the purposes of DMV's

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[66] *See* the Fiscal Year 2003 Budget Support Amendment Act of 2002, effective June 5, 2003 (D.C. Law 14-307, D.C. Official Code § 50-1501.03(b)) (previous update of the lower weight fee schedule); the Department of Motor Vehicles Reform Amendment Act of 2004, effective April 8, 2005 (D.C. Law 15-307, D.C. Official Code § 50-1501.03(b)) (previous update of the higher weight fee schedule).
[67] *See generally* Richard H. Thaler & Cass R. Sunstein, NUDGE (2008).

assessment of the fee. While these vehicles may be heavier than similarly sized internal combustion vehicles, the Committee believes the environmental benefits of EV adoption are sufficiently compelling to merit this small weight adjustment for these vehicles. Additionally, the subtitle narrows the applicability of the reduced vehicle registration fee for new electric, hybrid, or high efficiency vehicles to only apply to electric vehicles.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. "Motor Vehicle Registration Fee Amendment Act of 2022"

Sec. XX02. Amends the District of Columbia Revenue Act of 1937 to modify the motor vehicle registration fee schedule, to increase the registration fees for heavier vehicles; increase fees for trucks and SUVs; provide a weight discount for electric vehicles; and create an assistance fund to help lower income vehicle owners afford the increased registration fees.

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13. TITLE X, SUBTITLE X. SPECIALTY LICENSE PLATES.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would amend the Title IV of the District of Columbia Revenue Act of 1937 to require the Mayor to design and make available for issue multiple specialty license plates demonstrating support for the Washington Wizards basketball team, the D.C. United soccer team, the Washington Spirit soccer team, and behavioral health awareness.

FISCAL IMPACT

There is sufficient funding in the DMV's budget for the agency to absorb any costs associated with this subtitle. In addition, the subtitle has no recognized revenue in the financial plan but will generate revenue from the new motor vehicle identification tags.

COMMITTEE REASONING

Specialty license plates provide a method for residents to show support for various causes or organizations and to raise funds for those particular causes and organizations, or for the District generally.

In February of 2022, the Chairman, on behalf of the Mayor, introduced B24-654 and B24-657, which would create specialty license plates promoting the Washington Wizards and behavioral health awareness, respectively. Since there are already specialty license plates available for the Washington Capitals, Mystics, and Nationals, the Committee recommends adding specialty tags for other popular teams in the District to complete the list.

Funds from application fees and annual display fees generated by the Wizards, D.C. United, and Spirit tags are deposited into the General Fund of the District of Columbia. The funds generated by the behavioral health awareness tag must be deposited into the Behavioral Health Awareness Fund, which will be established in a BSA subtitle recommended by the Committee on Health.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Provides the short title.

Sec. XX02. Amends Title IV of the District of Columbia Revenue Act of 1937 to require the Mayor to design and make available for issue one or more motor vehicle identification tags that demonstrate support for the Washington Wizards basketball team, the D.C. United soccer team, the Washington Spirit soccer team, and behavioral health awareness; and designates where funds generated by these tags must be deposited.

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14. TITLE X, SUBTITLE X. SUBJECT TO APPROPRIATIONS REPEALS.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would repeal the subject to appropriations language in one bill that the Committee is proposing to fund or partially fund the FY 2023 – FY 2026 financial plan.

FISCAL IMPACT

This fiscal impact of this subtitle is incorporated into the Committee's recommendations to fund portions of the Zero Waste Omnibus Amendment Act of 2020.

COMMITTEE REASONING

As the Committee provides funding for amendatory section 103(e) within 2(b)(3), 2(d)(2), amendatory section 112c within 2(k), and 2(m) of the Zero Waste Omnibus Amendment Act of 2020, it recommends repealing or amending the subject to appropriations language in those bills to reflect this funding.

SECTION-BY-SECTION ANALYSIS

Sec. XX01. Short title.

Sec. XX02. Amends and partially repeals the subject to appropriations language in the Zero Waste Omnibus Amendment Act of 2020.

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C. Recommendations for Revised Local Budget Emergency Act Subtitles

The Committee on Transportation and the Environment recommends the following one new subtitle to be added to the Fiscal Year 2022 Revised Local Budget Emergency Act of 2022:

1. Fiscal Year 2022 Grant Authorization Repeal

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1. TITLE X, SUBTITLE X. FISCAL YEAR 2022 GRANT AUTHORIZATION REPEAL.

PURPOSE, EFFECT, AND IMPACT ON EXISTING LAW

This subtitle would repeal DDOT's authorization to issue a grant in FY 2022 to MWAA for a local airport authority to study aircraft operations and noise at Ronald Reagan Washington National Airport, and its impact on the quality of life of residents along the Potomac River.

FISCAL IMPACT

This subtitle has no impact on the financial plan.

COMMITTEE REASONING

For several years, representatives of the District have served on a community working group, organized by the Metropolitan Washington Airport Authority ("MWAA"), to work toward solutions to minimize the noise affecting residents living along Ronald Reagan Washington National Airport's flight path on the Potomac River, that are also acceptable to the Federal Aviation Administration. Last year, the Committee identified $200,000 for the District to join Arlington, VA and Montgomery County, MD MWAA member jurisdictions in a study to identify improvements to flight paths, referred to as the NOWGEN-DCA project.

Unfortunately, by the time these funds were made available, the study was too far along for the scope to be expanded to include the District, and for these funds to be put to good use. During FY 2022, the Committee explored several other options for using these funds to otherwise move forward efforts to address airplane noise, including redirecting this grant to MWCOG for that entity to undertake cross-jurisdictional planning on this issue. Unfortunately, none of these efforts came to fruition, and the Committee—while dedicated to finding solutions for this issue—cannot identify a related use for these grant funds at this time. Thus, the Committee has recommended sweeping $200,000 in FY 2022 funds.

To effectuate that sweep, the Committee must repeal the language authorizing DDOT to issue a grant for this purpose. Therefore, the Committee recommends the inclusion of this subtitle, repealing the language in the FY 2022 Budget Support Act authorizing DDOT to issue the grant.

SECTION-BY-SECTION ANALYSIS

Sec. XXXX. Short title.

Sec. XXXX. Amends the Fiscal Year 2022 Budget Support Act of Fiscal Year 2021 to repeal DDOT's authorization to issue a grant in FY 2022 to MWAA for a local airport authority to study aircraft operations and noise at Ronald Reagan Washington National Airport, and its impact on the quality of life of residents along the Potomac River.

Committee Action and Vote

On Thursday, April 21, 2022, at 12:XX p.m., the Committee on Transportation and the Environment met virtually to consider and vote on the Mayor's proposed FY 2023 budget for the agencies under its jurisdiction, the provisions of the FY 2023 Budget Support Act of 2022 referred to the Committee for comment, the Committee's budget report, and the ledger of committee actions. Chairperson Mary M. Cheh determined the existence of a quorum with the presence of Councilmembers Charles Allen, Janeese Lewis-George, Christina Henderson, and Kenyan McDuffie. Chairperson Cheh provided a brief overview of the draft report, the ledger of committee actions, and the changes recommended to the Mayor's proposed budget, and then invited other members to provide comments on the Committee's report and recommendations.

[Member Comments]

Chairperson Cheh then moved for approval of the Committee's Fiscal Year 2022 Local Budget Act recommendations, the Committee's Fiscal Year 2022 Budget Support Act of 2021 recommendations, the Committee's budget report, and the ledger of committee actions, with leave for staff to make technical and conforming changes to reflect the Committee's actions. The Members voted 0 to 0 to dis/approve the recommendations, voting as follows:

Members in favor:
Members opposed:
Members voting present:
Members absent:

Chairperson Cheh then thanked the members of the Committee for all of their work and support during the budget process. She thanked her staff, including Chief of Staff Jonathan Willingham, Committee Director Michael Porcello; Legislative Counsels Ariel Ardura, Evan Marolf, and Steven Palmer; Legislative Assistant Andrew Grinberg; Committee Clerk Aukima Benjamin; Special Assistant Abigail McLean; Constituent Services Coordinator Amy Sinnenberg. She also thanked Joe Wolfe, Anne Phelps, Andy Eisenlohr, and Jen Budoff of the Council Budget Office and Assistant General Counsel Zach Walter for their invaluable assistance.

Chairperson Cheh adjourned the meeting at XXX p.m.

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ATTACHMENTS

A. Witness List for the March 22, 2022, Fiscal Year 2023 Budget Oversight Hearing on the Department of Motor Vehicles and Deputy Mayor for Operations and Infrastructure
B. Witness List for the March 25, 2022, Fiscal Year 2023 Budget Oversight Hearing on the Department of Public Works
C. Witness List for the March 29, 2022, Fiscal Year 2023 Budget Oversight Hearing on the Department of Energy and Environment and Green Finance Authority
D. Witness List for the April 4, 2022, Fiscal Year 2023 Budget Oversight Hearing on the District Department of Transportation
E. Testimony received by the Committee for the Department of Motor Vehicles and the Deputy Mayor for Operations and Infrastructure
F. Testimony received by the Committee for the Department of Public Works
G. Testimony received by the Committee for the Department of Energy and Environment And the Green Finance Authority
H. Testimony received by the Committee for the District Department of Transportation
I. Recommended Subtitles for Inclusion in the Budget Support Act
J. Recommended Subtitles for Inclusion in the FY 2022 Revised Local Budget Emergency Act
K. Chart of the Committee's Recommended Changes to the Budgets of the Agencies under its Jurisdiction
L. Charts of FY 2023 Proposed Budgets for Agencies Under the Committee's Jurisdiction Minus DCRP and Intradistrict Spending Shifts

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