

**COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

TO: All Councilmembers

FROM: Chairman Phil Mendelson
Committee of the Whole

DATE: February 20, 2018

SUBJECT: Report on Bill 22-466, the “Fiscal Year 2018 Budget Support Clarification Amendment Act of 2018”¹

The Committee of the Whole, to which Bill 22-466 was referred, reports favorably thereon with amendments and recommends approval by the Council.

CONTENTS

| | | |
|-------|---|----|
| I. | Background and Need..... | 1 |
| II. | Legislative Chronology | 6 |
| III. | Position of the Executive | 7 |
| IV. | Comments of Advisory Neighborhood Commissions | 8 |
| V. | List of Witnesses..... | 8 |
| VI. | Impact on Existing Law | 8 |
| VII. | Fiscal Impact | 8 |
| VIII. | Section-By-Section Analysis..... | 8 |
| IX. | Committee Action | 10 |
| X. | Attachments..... | 10 |

I. BACKGROUND AND NEED

On June 27, 2017, the Council adopted Bill 22-244, the Fiscal Year 2018 Budget Support Act of 2017 (“FY18 BSA”).² Following passage of the FY18 BSA, staff at the Council and the Office of the Chief Financial Officer identified certain provisions in the Act that need to be clarified or amended to effectuate their intent and implement the Fiscal Year 2018 Budget and Financial Plan as approved by the Council. Bill 22-466, the Fiscal Year 2018 Budget Support Clarification Amendment Act of 2018 (“FY 2018 Clarification Act”), makes minor, technical, conforming, and clarifying amendments to various provisions supporting the Fiscal Year 2018 budget and financial plan.

¹ As introduced, the bill was named the “Fiscal Year 2018 Budget Support Clarification Amendment Act of 2017”; the committee print updates the year in the title to reflect the current year.

² D.C. Law 22-33 (64 DCR 7652).

Bill 22-466 also provides legislative changes necessary to authorize funding for the recently approved collective bargaining agreement between the District of Columbia Public Schools (“DCPS”) and the Washington Teachers’ Union (“WTU”); additional changes necessary to implement the contract, such as modifying the Fiscal Year 2018 uniform per student funding formula and authorizing certain payments to public charter schools are also included. These provisions, reflected in Title II of the committee print, were previously approved by Council in the Fiscal Year 2018 Budget Support Clarification Emergency Amendment Act of 2017 and the Fiscal Year 2018 Budget Support Clarification Temporary Amendment Act of 2017.³

Title I. Budget Support Act Clarifications

Title I includes 10 sections where conforming amendments, clarifying provisions, or other minor amendments to provisions included in the FY18 BSA are necessary to clarify the law and effectuate the Council’s intent.

Section 101 amends the Clean and Affordable Energy Act of 2008⁴ to include within the Sustainable Energy Trust Fund’s allowable uses \$242,412 in FY18 to fund activities within the Department of Energy and Environment (“DOEE”). This clarification is necessary to allow DOEE to spend the funds as allocated by the Council in the Fiscal Year 2018 Local Budget Act of 2017 (“FY18 LBA”).⁵

Section 102 amends the Homeland Security, Risk Reduction, and Preparedness Amendment Act of 2006⁶ to clarify the timing of appointments to the Comprehensive Homicide Elimination Strategy Task Force (no later than 60 days after Oct. 1, 2017), and the date by which the Task Force must complete its report (no later than Oct. 1, 2018). This Task Force had been repealed in 2014,⁷ but was revived in the Neighborhood Engagement Achieves Results Amendment Act of 2016 (“NEAR Act”).⁸ However, this portion of the NEAR Act was previously passed subject to appropriation; it was funded as part of the FY18 budget and financial plan. Section 102 updates the timing of these elements now that the NEAR Act is fully funded.

Section 103 amends the Protecting Pregnant Workers Fairness Amendment Act of 2017⁹ to clarify the source of the final decision for purposes of judicial review. The original bill erroneously referenced an independent hearing examiner; judicial review requires a final decision of the Director of the Office of Human Rights. The amendment makes this change, as well as corrects a typographical error.

³ The emergency act, D.C. Act 22-163 (64 DCR 10778), expires January 21, 2018. The temporary measure, D.C. Act 22-190 (64 DCR 12387), has a projected law date of January 20, 2018. The Council also approved a congressional review emergency act, D.C. Act 22-213, expiring March 19, 2018, in the event of a gap in the law between the emergency and the temporary measures.

⁴ Section 201(c) of D.C. Law 17-250 (D.C. Official Code § 8-1774.10(c)).

⁵ D.C. Law 22-16 (64 DCR 6581).

⁶ Section 501 of D.C. Law 16-262 (D.C. Official Code § 22-4251).

⁷ New Columbia Statehood Initiative and Omnibus Boards and Commissions Reform Amendment Act of 2014, effective May 2, 2015 (D.C. Law 20-271; 62 DCR 6642).

⁸ Section 203 of D.C. Law 21-125 (63 DCR 10570).

⁹ D.C. Law 20-168 (D.C. Official Code § 32-1231.01 *et seq.*).

Section 104 amends the Healthy Schools Amendment Act of 2017¹⁰ to align the Office of the State Superintendent of Education’s (“OSSE”) authority to issue physical activity grants with the entity’s new authority to issue nutrition education grants; the change is necessary to issue grants that support students’ health, wellness, and nutrition during the 2017-2018 school year. This change was requested by OSSE.

Section 105 amends the District of Columbia Real Estate Deed Recordation Tax Act¹¹ to make several clarifications to provisions included in the recently passed First-Time Homebuyer Tax Benefit Amendment Act of 2016.¹² These changes were requested by the OCFO and the Office of Tax and Revenue (“OTR”) and primarily address implementation issues for the Recorder of Deeds and OTR. Changes include clarifying the definitions of “first-time homebuyer” and “eligible property”; clarifying that the recordation tax on co-ops reflects the same .725% reduction in the tax rate; and clarifying the process and proof required to claim the benefit. The Council’s intent is to ensure that the benefit is extended to individuals purchasing their first home in the District; without the clarification, someone downsizing from a \$2 million home to a \$600,000 condo would qualify. It is necessary to include these changes so that the law can be implemented as Council intended.

Section 106 amends Title 47 of the District of Columbia Official Code to include a use tax that corresponds to the dedicated sales tax for Destination DC that was included in the FY18 BSA. Sales tax is collected by the vendor and paid by the vendor to OTR; a use tax is owed by the buyer in the event that the vendor was not required to collect it (for example, if the sale occurred outside of the District, but the use was in the District). Each sales tax should have a corresponding use tax to cover any gaps in collection. This amendment corrects this omission in the FY18 BSA.

Section 107 repeals the subject to appropriation clause for Law 21-112, the Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2015, which was funded in the Fiscal Year 2017 budget and amended in the FY18 BSA.

Section 108 amends the Early Childhood and School-Based Behavioral Health Infrastructure Act of 2012 to specify that the School Mental Health Task Force, created through the FY18 BSA, will be co-chaired by the Deputy Mayor for Health and Human Services (or his or her designee) and the school mental health expert appointed by the Chairperson of the Committee on Health. Without this amendment, the task force would be without leadership.¹³

Section 109 repeals sections of the FY18 BSA subtitle Public Use of Public Buildings and makes other changes to the D.C. Municipal Regulations (“DCMR”). This subtitle was included in the FY18 BSA by amendment at second reading; further changes were made to the subtitle by amendment at second reading of Bill 22-492, the Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017. As originally written, section 1152 of the subtitle amended D.C. Official Code § 10-114103a to authorize the Mayor to waive or reduce the liability insurance requirement

¹⁰ Section 102(c)(6) of D.C. Law 18-209 (D.C. Official Code § 38-821.02(c)(6)).

¹¹ 76 Stat. 11 (D.C. Official Code § 42-1101 *et seq.*).

¹² D.C. Law 21-268 (64 DCR 2159).

¹³ Councilmember Vincent C. Gray moved an amendment at second reading of Bill 22-492, the Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017 (D.C. Act 22-190; 64 DCR 12387), to include the language of section 108.

or permit, custodial, and security fees for a civic association or Advisory Neighborhood Commission (“ANC”) for the use of public space. The intent of the subtitle was to allow fee waivers related to the use of public buildings; however, the section of the code amended covers the public space between a curb and a sidewalk. Section 1153 of the FY18 BSA subtitle made similar changes to the D.C. Municipal Regulations; the amendment to Bill 22-492 modified this language to make the fee and liability waivers mandatory. Section 109 of this bill repeals these two sections and instead amends 5-E DCMR chapter 35 to achieve the intent of the original subtitle without additional costs to the District. It authorizes a civic association to use a school for regularly scheduled meetings at no charge, provided that the association leaves the building 15 minutes prior to the end of the regular shift of the custodian charged with closing that school, unless a later time has been arranged. This mirrors current regulatory language that exists for ANCs to use a public building without charge. Section 109 also authorizes the Mayor to waive a requirement for liability insurance.

Section 110 amends the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to clarify provisions included in section 1112 of the FY18 BSA that required the District to match legislative branch employees’ contributions to a 457 plan with a match limit of 3% of the employee’s base salary per pay period.¹⁴ Section 110 revises the structure of the underlying match, following further discussions with the Chief Financial Officer and the retirement benefits administrator. As amended, the District’s matching contribution will not be deposited into the employee’s 457 plan, but instead into a new 401(a) plan to be established. Under federal law, total contributions to a 457 plan may not exceed \$18,500 annually, or in the case of an employee 50 years of age or older, \$24,500. This means that, as the match is currently written, any amounts contributed by the District could supplant funds that would have otherwise been contributed by the employee, lowering the overall tax deferral benefit from the employee’s contribution. As proposed by section 110, a new 401(a) program would be established to capture the matching funds that would be separate from the employee’s 457 plan contribution; the match would not impact the annual contribution limit, thus increasing the tax benefit available. The new 401(a) established for the matching funds would vest immediately.

Title II. Washington Teachers’ Union Agreement and Public Charter Schools Funding

Title II includes the provisions necessary to implement elements of the DCPS and WTU contract (“WTU contract”).

On September 8, 2017, the WTU membership approved the new labor contract with DCPS, following five years of negotiation. Included in this contract was a 4% retroactive pay increase for Fiscal Year 2017, a 3% wage increase effective Oct. 1, 2018; and a 2% wage increase effective Oct. 1, 2019.¹⁵ On September 18, 2017, when the Mayor transmitted to Council Proposed Resolution 22-251, the Compensation Collective Bargaining Agreement between the District of Columbia Public Schools and Washington Teachers Union Local #6 of the American Federation of Teachers Emergency Approval Resolution of 2017,¹⁶ she also transmitted permanent, emergency, and temporary legislation designed to fund the costs associated with the WTU contract

¹⁴ The legislative branch includes the Council of the District of Columbia, the Office of the D.C. Auditor, and the Office of Office of Advisory Neighborhood Commissions.

¹⁵ Mayor’s transmittal letter, stamped September 18, 2017, accompanying B22-425, B22-426, and B22-427.

¹⁶ R22-251, effective Oct. 24, 2017 (64 DCR 10465).

and “to provide funding needed to settle other labor agreements between the District government and other unions.”¹⁷

As the other labor agreements mentioned in the Mayor’s transmittal letter had not yet concluded negotiations – in some case, those negotiations had yet to begin – the amount of funding necessary to meet those obligations was unknown, making the Mayor’s legislative proposal redirecting all of the June 2017 and September 2017 revenue estimate to the Workforce Investments account premature.¹⁸

Rather than moving the Mayor’s broad funding legislation, the Council chose to focus its attention specifically on the WTU contract, which had been ratified and sent down for Council approval. The WTU-related legislative changes were folded into a FY18 budget clarification bill already underway (which became Bill 22-466 and its emergency and temporary counterparts); the clarification measure made an appropriate vehicle, as several of the WTU contract-related provisions necessarily amended provisions of the FY18 BSA. Accordingly, on September 19, 2017, Chairman Mendelson introduced the Fiscal Year 2018 Budget Support Clarification Emergency Amendment Act of 2017, the Fiscal Year 2018 Budget Support Clarification Temporary Amendment Act of 2017, and Bill 22-466.

Section 201 amends the Uniform Per Student Funding Formula Funding for Public Schools and Public Charter Schools Act of 1998 to modify the uniform per student funding formula (“UPSFF”) base amount, allocations, and add-ons for Fiscal Year 2018. The UPSFF is the method by which the District funds public and public charter schools. These changes are necessary to implement the increases required by the WTU contract.

Section 202 amends Title 47 of the District of Columbia Official Code to establish in statute the Workforce Investments account as a non-lapsing account with no-year appropriation. The District used the Workforce Investments – previously only a paper agency – as a place to hold appropriated funds dedicated to employee compensation until the correct amount for each agency was determined. After the allocations were made, funds from Workforce Investment were reallocated to the appropriate agency personal services accounts. Section 202 codifies the account and its purpose. The section also authorizes certain uses of the account: (1) Costs related to financial, developmental, and other investments in the District government workforce, including salary increases or other items required by the terms of collective bargaining agreements and cost-of-living adjustments to salaries and hourly wages; (2) Payments to public charter schools authorized by section 204 of the Fiscal Year 2018 Budget Support Clarification Temporary Amendment Act of 2017; and (3) for such other purposes for which funds previously may have been deposited into the account.

Section 203 amends two sections of the FY18 BSA. First, it amends section 4003(b), to allow use of no more than \$30,200,000 of the Uniform Per Student Funding Formula increase to satisfy the WTU contract. The original provision in the FY18 BSA prohibited use of any of the Council’s UPSFF increase to satisfy compensation terms required by any CBA that became

¹⁷ See *supra* note 16.

¹⁸ The Committee notes that the Mayor has several sources of funding available for future CBAs, including future revenue estimate growth, funds already budgeted in the Workforce Investments account, \$40 million previously unspent in the Workforce Investment account, and 50% of any surplus identified in the upcoming FY17 CAFR.

effective in FY18. At that time, the WTU negotiations were underway; with the WTU contract completed, the Council reviewed available funding sources and agreed to authorize a portion of the increase for the WTU contract. While the Mayor initially requested this allocation in a percentage form, the Council chose a dollar amount to ensure that DCPS limited the spending to what was necessary. Thus, the \$30,200,000 figure reflects one third of the 3% increase the Council included in the FY18 budget (from \$9,682 to \$9,972 = \$7.7M) and 100% of the 2.9% increase included in Bill 22-466 (and the related emergency and temporary measures), that raised the UPSFF in FY18 from \$9,972 to \$10,257 (or \$22.5M).

Section 203 also amends section 7102 of the FY18 BSA, the Revised Revenue Contingency List Act of 2017, which directed excess revenue from the June 2017 and September revenue estimates (that is, revenue above the revenue previously forecasted in February 2017 and on which the FY18 budget was based) to be divided equally between the Workforce Investments account and the Capital Improvements Program, to offset general merchandise sales tax that in turn would be dedicated to WMATA (“WMATA offset”). The Council supports a new regional sales tax to meet WMATA’s needs for deferred maintenance. The intention of the 50% dedication to the WMATA offset was to effectively reduce the amount of sales tax increase necessary. It is necessary to update section 7102 to reflect updated information from the September revenue estimate. Following discussions with the Office of the Attorney General and the OCFO, section 203 specifies the amount to the WMATA offset, with the remaining additional revenues from that 50% going to the Workforce Investments account to satisfy the WTU contract.

Section 204 authorizes certain one-time payments to public charter schools in order to effectively match the 2017 retroactive increase provided to DCPS as a result of the WTU contract.

Bill 22-466 provides needed minor, technical, conforming, and clarifying amendments to various provisions supporting the Fiscal Year 2018 budget and financial plan, as well as language necessary to implement elements of the DCPS and WTU contract. The Committee therefore recommends approval of Bill 22-466 as reflected in the Committee Print.

II. LEGISLATIVE CHRONOLOGY

| | |
|------------------------|--|
| March 24, 2017 | Notice of public hearings on the proposed Fiscal Year 2018 Budget and Financial Plan is published in the <i>District of Columbia Register</i> (updates to the schedule of budget oversight hearings published March 31, April 28, and May 5) |
| April 4, 2017 | Chairman Mendelson introduces Bill 22-244 on behalf of the Mayor |
| April 14, 2017 | Notice of Intent to Act on Bill 22-244 is published in the <i>District of Columbia Register</i> |
| April 7 – May 11, 2017 | Committees hold public hearings on the budgets of the agencies under their purview and the subtitles of the Fiscal |

| | |
|--------------------|--|
| | Year 2018 Budget Support Act of 2017 that were referred to them for comments |
| May 12, 2017 | Committee of the Whole holds a public hearing on Bill 22-239, Bill 22-241, Bill 21-242, and Bill 22-244 |
| May 16-18, 2017 | Committees mark up and approve their budget recommendations for Fiscal Year 2018 |
| May 30, 2017 | Committee of the Whole marks up Bill 22-244 |
| May 30, 2017 | First reading on Bill 22-244 |
| June 27, 2017 | Final reading on Bill 22-244 |
| August 11, 2017 | Act 22-130 published in the <i>District of Columbia Register</i> |
| September 19, 2017 | Chairman Mendelson introduces Bill 22-466 |
| September 29, 2017 | Notice of Intent to Act on Bill 22-466 is published in the <i>District of Columbia Register</i> |
| October 3, 2017 | Chairman Mendelson introduces Bill 22-491, the Fiscal Year 2018 Budget Support Clarification Emergency Act of 2017, and Bill 22-492, the Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017 |
| October 3, 2017 | Final reading of Bill 22-491 and first reading of Bill 22-492 |
| November 7, 2017 | Final reading of Bill 22-492 |
| December 4, 2017 | Chairman Mendelson introduces Bill 22-611, the Fiscal Year 2018 Budget Support Clarification Congressional Review Emergency Amendment Act of 2017 |
| December 4, 2017 | Final reading on Bill 22-611 |
| February 20, 2018 | Committee of the Whole marks up Bill 22-466 |

III. POSITION OF THE EXECUTIVE

At the May 12, 2017 hearing on Bill 22-244, City Administrator Rashad Young presented testimony on behalf of the Mayor.

At the October 3, 2017 legislative meeting, Chairman Mendelson moved Bill 22-491, the Fiscal Year 2018 Budget Support Clarification Emergency Act of 2017, which substantially

reflected the attached committee print of Bill 22-466. That emergency measure was approved by unanimous vote and transmitted to the Mayor, who returned it with her signature on October 23, 2017. On November 7, 2017, the Council unanimously approved Bill 22-492, the Fiscal Year 2018 Budget Support Clarification Temporary Act of 2017, also substantially similar to the committee print of Bill 22-466. The Mayor returned Bill 22-492 with her signature on November 30, 2017.

IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

The Committee of the Whole held a public hearing on Fiscal Year 2018 budget-related legislation on May 12, 2017.¹⁹ Pursuant to Council Period 22 rule 501(a)(2), an additional hearing on Bill 22-466 is not required. The May 12, 2017 hearing record is incorporated by reference.

V. LIST OF WITNESSES²⁰

The Committee of the Whole held a public hearing on Bill 22-244 and other budget-related legislation on May 12, 2017. That witness list is incorporated by reference.

VI. IMPACT ON EXISTING LAW

Bill 22-466 includes amendments to the FY18 BSA, the Clean and Affordable Energy Act of 2008, the Homeland Security, Risk Reduction, and Preparedness Amendment Act of 2006, the Protecting Pregnant Workers Fairness Act of 2014, the Healthy Schools Act of 2010, the District of Columbia Real Estate Deed Recordation Tax Act, Title 47 of the District of Columbia Official Code, the Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2016, the Early Childhood and School-Based Behavioral Health Infrastructure Act of 2012, the District of Columbia Government Comprehensive Merit Personnel Act of 1978, the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act of 1998, and Title 5-E of the District of Columbia Municipal Regulations to clarify provisions supporting the Fiscal Year 2018 budget, and to implement elements of the DCPS and WTU contract.

VII. FISCAL IMPACT

Funds are sufficient in the fiscal year 2018 through 2021 budget and financial plan to implement the provisions of Bill 22-466, as noted in the attached fiscal impact statement.

VIII. SECTION-BY-SECTION ANALYSIS

¹⁹ All of the Council's committees held hearings between April 6 and May 11, 2017, inclusive, on the Mayor's proposed budget; in many cases, testimony at those hearings addressed various provisions of the FY 2018 BSA.

²⁰ Note: Written testimony and comments related to the Fiscal Year 2018 budget legislation are filed with the record for Bill 22-242.

Title I *Amends provisions included in the Fiscal Year 2018 Budget Support Act of 2017.*

Section 100 States the short title of Bill 22-244.

Section 101 Amends the Clean and Affordable Energy Act of 2008 to include within the Sustainable Energy Trust Fund’s allowable uses certain FY18 funds.

Section 102 Amends the Homeland Security, Risk Reduction, and Preparedness Amendment Act of 2006 to clarify the process of appointments to the Comprehensive Homicide Elimination Strategy Task Force.

Section 103 Amends the Protecting Pregnant Workers Fairness Amendment Act of 2017 to clarify the source of the final decision for purposes of judicial review and to correct a typographical error.

Section 104 Amends section 6112, the Healthy Schools Amendment Act of 2017 to make clarifying changes to OSSE’s authority to issue physical activity grants.

Section 105 Amends the District of Columbia Real Estate Deed Recordation Tax Act to make several clarifications of provisions related to implementation of the First-Time Homebuyer Recordation Tax Benefit Amendment Act of 2017.

Section 106 Amends Title 47 of the District of Columbia Official Code to include a corresponding use tax to the dedicated sales tax for Destination DC that was included in the FY18 BSA.

Section 107 Repeals the subject to appropriation clause for Law 21-112.

Section 108 Amends the Early Childhood and School-Based Behavioral Health Infrastructure Act of 2012 to designate two members as co-chairs.

Section 109 Repeals sections 1152 and 1153 of the FY18 BSA; amends chapter 35 of Title 5-E of the District of Columbia Municipal Regulations to authorize a civic association to use a public-school building at no cost, subject to certain parameters, and to authorize the Mayor to waive liability insurance requirements for a civic association.

Section 110 Amends the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to make changes to the legislative branch’s 457 deferred compensation program match.

Title II *Washington Teachers’ Union Agreement and Public Charter Schools Funding*

- Section 201 Amends the Uniform Per Student Funding Formula Funding for Public Schools and Public Charter Schools Act of 1998 to modify the uniform per student funding formula base amount, allocations, and add-ons for Fiscal Year 2018.
- Section 202 Amends Title 47 of the District of Columbia Official Code to establish in statute a non-lapsing Workforce Investments account and authorize certain uses.
- Section 203 Amends sections of the Fiscal Year 2018 Budget Support Act of 2017:
- Amends section 4003(b), to allow use of a certain amount of the Uniform Per Student Funding Formula increase to satisfy the WTU contract.
- Amends section 7102, the Revised Revenue Contingency List Act of 2017, to allocate certain excess revenue from the June 2017 and September revenue estimates for use in the Workforce Investments account and for the WMATA offset.
- Section 204 Authorizes certain one-time payments to public charter schools.
- Title III* *Applicability; Fiscal Impact; Effective Date*
- Section 301 Establishes an applicability date of October 1, 2017.
- Section 302 Adopts the fiscal impact statement.
- Section 303 Establishes the effective date.

IX. COMMITTEE ACTION

X. ATTACHMENTS

1. Bill 22-466 as introduced.
2. Fiscal impact statement for Bill 22-466.
3. Legal sufficiency determination.
4. Committee print of Bill 22-466.

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Fiscal Year 2018 Budget Support Act of 2017, the Clean and Affordable Energy Act of 2008, Title 47 of the District of Columbia Official Code, and the Marion S. Barry Summer Youth Employment Expansion Amendment Act of 2015 to clarify provisions supporting the Fiscal Year 2018 budget.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Fiscal Year 2018 Budget Support Clarification Amendment Act of 2017”.

Sec. 2. The Fiscal Year 2018 Budget Support Act of 2017, enacted on July 31, 2017 (D.C. Act 22-130; 64 DCR 7652), is amended as follows:

(a) Section 2282 is amended as follows:

(1) Subsection (d)(3)(B) is amended by striking the phrase “examiner at set forth” and inserting the phrase “examiner as set forth” in its place.

(2) Subsection (e) is amended by striking the phrase “a determination of an independent hearing examiner” and inserting the phrase “a final decision of the Director” in its place.

(b) Section 7142 is amended as follows:

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

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

37 “(1) Paragraph (16) is amended by striking the phrase “an individual who has
38 never owned eligible property” and inserting the phrase “an individual purchaser who has never
39 owned improved residential real property or an economic interest in a cooperative unit that
40 qualified for the homestead deduction provided pursuant to § 47-850 or § 47-850.01” in its
41 place.”.

42 (B) Paragraph (2) is amended to read as follows:

43 “(2) Paragraph (17) is amended to read as follows:

44 ““(17) The phrase "eligible property" means improved residential real property,
45 including an economic interest in a cooperative unit, purchased at an amount not to exceed
46 \$625,000, adjusted annually by the Washington, D.C., Standard Metropolitan Statistical Area
47 Consumer Price Index for Urban Wage Earners and Clerical Workers for the preceding calendar
48 year, effective as of the beginning of the current real property tax year, that qualifies for the
49 homestead deduction provided pursuant to § 47-850 or § 47-850.01; and the phrase includes all
50 other real property conveyed on the same deed.”.”.

51 (2) Subsection (b) is amended as follows:

52 (A) Paragraph (1) is amended as follows:

53 (i) Subparagraph (A) is amended to read as follows:

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

55 ““(1) Beginning October 1, 2017, for eligible property purchased by a first-time
56 District homebuyer, the rate of tax provided in subsection (a) of this section shall be reduced as
57 follows; provided, that requirements of paragraph (2) of this subsection are met; provided

58 further, that the entire benefit of the reduced recordation tax rate shall be allocated to the
59 grantees of the eligible property, as shown on the settlement statement or closing disclosure
60 form:

61 “(A) To .725% for a deed of title; or

62 “(B) For an economic interest in a cooperative unit:

63 “(i) To 1.825% when consideration allocable to the real property
64 is less than \$400,000; or

65 “(ii) To 2.175% when consideration allocable to the real property
66 is \$400,000 or greater.”.”.

67 (ii) Subparagraph (B) is amended to read as follows:

68 “(B) Paragraph (2) is amended to read as follows:

69 “(2) To be eligible for the reduced recordation tax rate provided by this
70 subsection, the applicant for the reduced rate shall, at the time the deed is offered for recordation:

71 “(A) Certify that the applicant is a first-time District homebuyer and is a
72 bona fide District of Columbia resident;

73 “(B) Provide proof that the combined federal adjusted gross income, as
74 shown on all the owners’ and household members’ federal income tax returns originally due or
75 filed immediately before (if filed before the original due date) the deed is offered for recordation,
76 is no higher than 180% of the Area Median Income as provided before the beginning of the real
77 property tax year (and effective for such tax year) by the United States Department of Housing
78 and Urban Development as a direct calculation without taking into account any adjustment. For
79 purposes of this subparagraph, “household” excludes any tenant occupying a separate dwelling
80 unit under a written lease for fair market value;

81 “(C) Provide proof that the real property to be purchased is eligible
82 property;

83 “(D) Submit a copy of the homestead deduction application for the
84 eligible property, signed by the applicant; and

85 “(E) Provide other documentation that the Mayor or the Chief Financial
86 Officer of the District of Columbia considers necessary or appropriate.”.”.

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

88 “(3) A new subsection (g) is added to read as follows:

89 “(g) Notwithstanding subsection (c) of this section and § 47-4421, any subsequent
90 deficiency of recordation tax determined to be owed on a deed taxed at the rate provided under
91 subsection (e) of this section when the deed was accepted for recordation shall be the liability of
92 the grantee or grantees solely and shall not create a lien on the real property that was transferred
93 under such deed.”.”.

94 Sec. 3. Section 210(c) of the Clean and Affordable Energy Act of 2008, effective October
95 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10(c)), is amended as follows:

96 (a) Paragraph (9) is amended by striking the word “and”.

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

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

100 “(11) For the fiscal year beginning October 1, 2017 and ending September 30,
101 2018, supporting DOEE activities in the amount of \$242,412.”.

102 Sec. 4. Chapter 22 of Title 47 of the District of Columbia Official Code is amended as
103 follows:

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

106 “47-2202.03. Additional tax on gross receipts for transient lodgings or
107 accommodations.”.

108 (b) A new section 47-2202.03 is added to read as follows:

109 “§ 47-2202.03. Additional tax on gross receipts for transient lodgings or
110 accommodations.

111 “(a) A tax, separate from, and in addition to, the taxes imposed pursuant to §§ 47-2202
112 and 47-2202.01 is imposed at the rate of 0.3% on the use, storage, or consumption of any room
113 or rooms, lodgings, or accommodations furnished to a transient by any hotel, inn, tourist camp,
114 tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly
115 furnished to transients.

116 “(b) Vendors engaging in the business activities listed in this section and purchasers of
117 the vendors' tangible personal property and services shall pay the tax at the rate of 0.3% of the
118 gross receipts for the sale or charges for any room or rooms, lodgings, or accommodations
119 furnished to a transient by any hotel, inn, tourist camp, tourist cabin, or any other place in which
120 rooms, lodgings, or accommodations are regularly furnished to transients.

121 “(c) If the occupancy of a room or rooms, lodgings, or accommodations is reserved,
122 booked, or otherwise arranged for by a room remarketer, the tax imposed by this section shall be
123 determined based on the net charges and additional charges by the room remarketer.

124 “(d) The tax revenue receipted pursuant to this section shall be dedicated to the
125 Washington Convention and Sports Authority, for transfer to Destination DC for the purposes of
126 marketing and promoting the District of Columbia as a destination. Any tax revenue dedicated

127 pursuant to this subsection shall be in addition to the funds dedicated to Destination DC pursuant
128 to § 10-1202.08a.”.

129 Sec. 5. Section 3 of the Marion S. Barry Summer Youth Employment Expansion
130 Amendment Act of 2015, effective May 12, 2016 (D.C. Law 21-112; 63 DCR 4326), is repealed.

131 Sec. 6. Fiscal impact statement.

132 The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact
133 statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved
134 December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

135 Sec. 7. Effective date.

136 This act shall take effect following approval by the Mayor (or in the event of veto by the
137 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
138 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
139 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
140 Columbia Register.

141

1
2 A BILL

3
4 22-466

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6
7 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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11

12 To amend the Fiscal Year 2018 Budget Support Act of 2017, the Clean and Affordable Energy
13 Act of 2008, the Homeland Security, Risk Reduction, and Preparedness Amendment Act
14 of 2006, the Protecting Pregnant Workers Fairness Act of 2014, the Healthy Schools Act
15 of 2010, the District of Columbia Real Estate Deed Recordation Tax Act, Title 47 of the
16 District of Columbia Official Code, the Marion S. Barry Summer Youth Employment
17 Expansion Amendment Act of 2016, the Early Childhood and School-Based Behavioral
18 Health Infrastructure Act of 2012, the District of Columbia Government Comprehensive
19 Merit Personnel Act of 1978, the Uniform Per Student Funding Formula for Public
20 Schools and Public Charter Schools Act of 1998, and Title 5-E of the District of
21 Columbia Municipal Regulations to clarify provisions supporting the Fiscal Year 2018
22 budget; to provide funding for the collective bargaining agreement between the District
23 of Columbia Public Schools and the Washington Teachers' Union and additional funding
24 to District of Columbia public charter schools; and to authorize certain one-time
25 payments to District of Columbia public charter schools.

26
27 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
28 act may be cited as the “Fiscal Year 2018 Budget Support Clarification Amendment Act of
29 2017”.

30 TITLE I. BUDGET SUPPORT ACT CLARIFICATIONS

31 Sec. 101. Section 210(c) of the Clean and Affordable Energy Act of 2008, effective
32 October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.10(c)), is amended as follows:

33 (a) Paragraph (9) is amended by striking the phrase “; and” and inserting a semicolon in
34 its place.

35 (b) Paragraph (10) is amended by striking the period at the end and inserting the phrase “;
36 and” in its place.

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

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

38 “(11) For the fiscal year beginning October 1, 2017 and ending September 30,
39 2018, supporting DOEE activities in the amount of \$242,412.”.

40 Sec. 102. Section 501 of the Homeland Security, Risk Reduction, and Preparedness
41 Amendment Act of 2006, effective March 14, 2007 (D.C. Law 16-262; D.C. Official Code § 22-
42 4251), is amended as follows:

43 (a) Subsection (b)(2) and (3) is amended to read as follows:

44 “(2) Of the 20 representatives, 10 shall be appointed by the Mayor and 10 shall be
45 appointed by the Chairman of the Council no later than 60 days after October 1, 2017.

46 “(3) The Mayor and the Chairman of the Council shall each designate a co-chair
47 of the Task Force, one each from the government and non-government sectors.”.

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

49 “(c) No later than October 1, 2018, the Task Force shall hold at least 3 public meetings
50 and shall present a report to the Mayor and the Council.”.

51 Sec. 103. The Protecting Pregnant Workers Fairness Act of 2014, effective March 3, 2015
52 (D.C. Law 20-168; D.C. Official Code § 32-1231.01 *et seq.*), is amended as follows:

53 (a) Section 8(b)(3)(B) (D.C. Official Code § 32-1231.07(b)(3)(B)) is amended by striking
54 the phrase “examiner at set forth” and inserting the phrase “examiner as set forth” in its place.

55 (b) Section 9(b) (D.C. Official Code § 32-1231.08(b)) is amended by striking the phrase
56 “a determination of an independent hearing examiner” and inserting the phrase “a final decision
57 of the Director” in its place.

58

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

59 Sec. 104. Section 102(c)(6) of the Healthy Schools Act of 2010, effective July 27, 2010
60 (D.C. Law 18-209; D.C. Official Code § 38-821.02(c)(6)), is amended to read as follows:

61 “(6) To increase physical activity in schools, the Office of the State
62 Superintendent of Education shall make grants available, subject to the availability of funds in
63 the Fund, through a competitive process or a formula grants process to public schools, public
64 charter schools, or organizations that provide technical assistance to public schools and public
65 charter schools to increase the amount of physical activity in schools; provided, that a school
66 receiving a grant award shall seek to meet the requirements of section 402 , and seek to increase
67 the amount of physical activity in which its students engage.”.

68 Sec. 105. The District of Columbia Real Estate Deed Recordation Tax Act, approved
69 March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1101 *et seq.*), is amended as follows:

70 (a) Section 301 (D.C. Official Code § 42-1101) is amended as follows:

71 (1) Paragraph (16) is amended by striking the phrase “an individual who has
72 never owned eligible property” and inserting the phrase “an individual purchaser who has never
73 owned improved residential real property or an economic interest in a cooperative unit that
74 qualified for the homestead deduction provided pursuant to D.C. Official Code § 47-850 or § 47-
75 850.01” in its place.

76 (2) Paragraph (17) is amended to read as follows:

77 “(17) The phrase “eligible property” means improved residential real property,
78 including an economic interest in a cooperative unit, purchased at an amount not to exceed the
79 purchase ceiling of \$625,000 (adjusted annually beginning with real property tax year 2019 by
80 the addition to the prior purchase ceiling of an amount equal to the percentage increase in the
81 Washington, D.C., Standard Metropolitan Statistical Area Consumer Price Index for All Urban

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

82 Consumers for the preceding calendar year in which the real property tax year begins, rounded to
83 the next lowest multiple of \$500), that qualifies for the homestead deduction provided pursuant
84 to D.C. Official Code § 47-850 or § 47-850.01; and the phrase also includes within the purchase
85 ceiling all other real property conveyed on the same deed.”.

86 (b) Section 303 (D.C. Official Code § 42-1103) is amended as follows:

87 (1) Subsection (e) is amended as follows:

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

89 “(1) Beginning October 1, 2017, for eligible property purchased by a first-time
90 District homebuyer, the rate of tax provided in subsections (a) and (a-4) of this section shall be
91 reduced as follows; provided, that the requirements of paragraph (2) of this subsection are met;
92 provided further, that the entire benefit of the reduced recordation tax rate shall be allocated to
93 the grantees of the eligible property, as shown on the settlement statement or closing disclosure
94 form:

95 “(A) To 0.725% for a deed of title; or

96 “(B) For an economic interest in a cooperative unit:

97 “(i) To 1.825% when consideration allocable to the real property is
98 less than \$400,000; or

99 “(ii) To 2.175% when consideration allocable to the real property
100 is \$400,000 or greater.”.

101 (B) Paragraph (2) is amended to read as follows:

102 “(2) To be eligible for the reduced recordation tax rate provided by this
103 subsection, the applicant for the reduced rate shall, at the time the deed is offered for recordation:

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

104 “(A) Certify that the applicant is a first-time District homebuyer and is a
105 bona fide District of Columbia resident;

106 “(B) Provide proof that the combined federal adjusted gross income, as
107 shown on all the owners’ and household members’ federal income tax returns originally due or
108 filed immediately before (if filed before the original due date) the deed is offered for recordation,
109 is no higher than 180% of the Area Median Income as provided before the beginning of the real
110 property tax year (and effective for such tax year) by the United States Department of Housing
111 and Urban Development as a direct calculation without taking into account any adjustment. For
112 purposes of this subparagraph, “household” excludes any tenant occupying a separate dwelling
113 unit under a written lease for fair market value;

114 “(C) Provide proof that the real property to be purchased is eligible
115 property; and

116 “(D) Submit a copy of the homestead deduction application for the eligible
117 property, signed by the applicant.”.

118 (C) Paragraph 3 is amended to read as follows:

119 “(3) The Mayor or the Chief Financial Officer of the District of Columbia may
120 require the applicant to provide such documentation as may be necessary or appropriate to
121 substantiate entitlement to the reduced rate of tax provided under this subsection.”.

122 (2) A new subsection (g) is added to read as follows:

123 “(g) Notwithstanding subsection (c) of this section and D.C. Official Code § 47-4421,
124 any subsequent deficiency of recordation tax determined to be owed on a deed taxed at the rate
125 provided under subsection (e) of this section when the deed was accepted for recordation shall be

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

126 the liability of the grantee or grantees solely and shall not create a lien on the real property that
127 was transferred under such deed.”.

128 Sec. 106. Chapter 22 of Title 47 of the District of Columbia Official Code is amended as
129 follows:

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

132 “47-2202.03. Additional tax on gross receipts for transient lodgings or
133 accommodations.”.

134 (b) A new section 47-2202.03 is added to read as follows:

135 “§ 47-2202.03. Additional tax on gross receipts for transient lodgings or
136 accommodations.

137 “(a) A tax, separate from, and in addition to, the taxes imposed pursuant to §§ 47-2202
138 and 47-2202.01 is imposed at the rate of 0.3% on the use, storage, or consumption of any room
139 or rooms, lodgings, or accommodations furnished to a transient by any hotel, inn, tourist camp,
140 tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly
141 furnished to transients.

142 “(b) Vendors engaging in the business activities listed in this section and purchasers of
143 the vendors' tangible personal property and services shall pay the tax at the rate of 0.3% of the
144 gross receipts for the sale or charges for any room or rooms, lodgings, or accommodations
145 furnished to a transient by any hotel, inn, tourist camp, tourist cabin, or any other place in which
146 rooms, lodgings, or accommodations are regularly furnished to transients.

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

147 “(c) If the occupancy of a room or rooms, lodgings, or accommodations is reserved,
148 booked, or otherwise arranged for by a room remarketer, the tax imposed by this section shall be
149 determined based on the net charges and additional charges by the room remarketer.

150 “(d) The tax revenue receipted pursuant to this section shall be dedicated to the
151 Washington Convention and Sports Authority, for transfer to Destination DC for the purposes of
152 marketing and promoting the District of Columbia as a destination. Any tax revenue dedicated
153 pursuant to this subsection shall be in addition to the funds dedicated to Destination DC pursuant
154 to § 10-1202.08a.”.

155 Sec. 107. Section 3 of the Marion S. Barry Summer Youth Employment Expansion
156 Amendment Act of 2016, effective May 12, 2016 (D.C. Law 21-112; 63 DCR 4326), is repealed.

157 Sec. 108. Section 203(b)(2) of the Early Childhood and School-Based Behavioral Health
158 Infrastructure Act of 2012, effective June 7, 2012 (D.C. Law 19-141; D.C. Official Code § 2-
159 1517.32(b)(2)), is amended as follows:

160 (a) Subparagraph (A) is amended by striking the phrase “designee;” and inserting the
161 phrase “designee, to co-chair the task force;” in its place.

162 (b) Subparagraph (P) is amended by striking the phrase “members.” and inserting the
163 phrase “members, to co-chair the task force.” in its place.

164 Sec. 109.

165 (a) Chapter 35 of Title 5-E of the District of Columbia Municipal Regulations (5-E
166 DCMR § 35) is amended as follows:

167 (1) Subsection 3503.5 is amended by striking the phrase “that school.” and
168 inserting the phrase “that school, unless a later time has been arranged.” in its place.

169 (2) Section 3504 is amended as follows:

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

170 (A) Subsection 3504.5 is amended to read as follows:

171 “§ 3504.5 Use of public school buildings and grounds pursuant to a use agreement shall
172 be granted only when the use is without cost to the Board of Education or when the costs are
173 reimbursed to the Board of Education by other agencies of the District government; provided,
174 that:

175 “(a) The Superintendent of Schools for short-term use agreements and the Board of
176 Education for long-term use agreements may accept in-kind services to the School System in lieu
177 of all or part of the custodial, utility, and operational expenses attendant to providing the space;
178 and

179 “(b) A civic association may use a school for regularly scheduled meetings at no charge;
180 provided, that they vacate the building no later than fifteen (15) minutes prior to the end of the
181 regular shift of the engineer/custodian charged with the responsibility of closing that school,
182 unless a later time has been arranged.”.

183 (B) Subsection 3504.16 is amended as follows:

184 (i) Paragraph (g) is amended by striking the phrase “A description
185 of the costs” and inserting the phrase “Except where costs are waived pursuant to § 3504.5, a
186 description of the costs” in its place.

187 (ii) Paragraph (h) is amended by striking the word “and” at the end
188 and inserting the phrase “provided, that the Mayor may waive liability insurance requirements
189 for a civic association; and” in its place.

190 (b) Sections 1152 and 1153 of the Fiscal Year 2018 Budget Support Act of 2017, enacted
191 on July 31, 2017 (D.C. Act 22-130; 64 DCR 7652), are repealed.

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

192 (c) Section 109 of the Fiscal Year 2018 Budget Support Clarification Temporary
193 Amendment Act of 2017, effective January 25, 2018 (D.C. Law 22-44; 64 DCR 12387), is repealed.

194 Sec. 110. The District of Columbia Government Comprehensive Merit Personnel Act of
195 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-601.01 *et seq.*), is
196 amended as follows:

197 (a) Section 2605 (D.C. Official Code § 1-626.05) is amended as follows:

198 (1) Paragraph (2) is amended by striking the phrase “; and” and inserting a
199 semicolon in its place.

200 (2) Paragraph (3) is amended by striking the phrase “Internal Revenue Code.” and
201 inserting the phrase “Internal Revenue Code, for employer contributions on behalf of an
202 employee pursuant to section 2609(c); and” in its place.

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

204 “(4) A defined contribution plan pursuant to section 401(a) of the Internal
205 Revenue Code, for employer contributions on behalf of an employee pursuant to section
206 2609(e).”.

207 (b) Section 2609 (D.C. Official Code § 1-626.09) is amended as follows:

208 (1) Subsection (b) is amended to read as follows:

209 “(b) Each employee may voluntarily contribute to the deferred compensation plan under
210 section 2605(2) in amounts not exceeding the limits set by section 457 of the Internal Revenue
211 Code.”.

212 (2) A new subsection (e) is added to read as follows:

213 “(e) On behalf of each employee of the Council, the Office of the District of Columbia
214 Auditor, and the Office of Advisory Neighborhood Commissions participating in the deferred

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

215 compensation plan established by section 2605(2), the District shall contribute to the defined
216 contribution plan established by section 2605(4) each pay period an amount equal to that
217 employee’s contribution pursuant to subsection (b) of this section for that pay period; provided,
218 that the District’s contribution pursuant to this subsection on behalf of an employee in any pay
219 period shall not exceed 3% of the employee’s base salary during that pay period.”.

220 (c) Section 2610 (D.C. Official Code § 1-626.10) is amended by adding a new subsection
221 (e) to read as follows:

222 “(e) The District’s contributions to the defined contribution plan under section 2605(4)
223 and the earnings on the District’s contributions for each employee shall vest immediately.”.

224 TITLE II. WASHINGTON TEACHERS’ UNION AGREEMENT AND PUBLIC
225 CHARTER SCHOOLS FUNDING

226 Sec. 201. The Uniform Per Student Funding Formula for Public Schools and Public
227 Charter Schools Act of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code
228 § 38-2901 *et seq.*), is amended as follows:

229 (a) Section 104 (D.C. Official Code § 38-2903) is amended by striking the phrase
230 “\$9,972 per student for Fiscal Year 2018” and inserting the phrase “\$10,257 per student for
231 Fiscal Year 2018” in its place.

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

234 “

| “Grade Level | Weighting | Per Pupil Allocation in FY 2018 |
|---------------------|-----------|---------------------------------|
| “Pre-Kindergarten 3 | 1.34 | \$13,744 |
| “Pre-Kindergarten 4 | 1.30 | \$13,334 |

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

| | | |
|---------------------------|------|----------|
| “Kindergarten | 1.30 | \$13,334 |
| “Grades 1-5 | 1.00 | \$10,257 |
| “Grades 6-8 | 1.08 | \$11,078 |
| “Grades 9-12 | 1.22 | \$12,514 |
| “Alternative program | 1.44 | \$14,770 |
| “Special education school | 1.17 | \$12,001 |
| “Adult | 0.89 | \$9,129 |

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“.

236

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

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

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foundation level as follows:

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“Special Education Add-ons:

| “Level/ Program | Definition | Weighting | Per Pupil Supplemental Allocation FY 2018 |
|-----------------------------|--|-----------|---|
| “Level 1: Special Education | Eight hours or less per week of specialized services | 0.97 | \$9,949 |
| “Level 2: Special Education | More than 8 hours and less than or equal to 16 hours per school week of specialized services | 1.20 | \$12,308 |
| “Level 3: Special Education | More than 16 hours and less than or equal to 24 hours per school week of specialized services | 1.97 | \$20,206 |
| “Level 4: Special Education | More than 24 hours per week of specialized services, which may include instruction in a self-contained (dedicated) special education school other than residential placement | 3.49 | \$35,797 |

Committee of the Whole
 DRAFT Committee print – Bill 22-466
 February 14, 2018

| | | | |
|-------------------------------|---|-------|----------|
| “Special Education Compliance | Weighting provided in addition to special education level add-on weightings on a per-student basis for Special Education compliance. | 0.069 | \$708 |
| “Attorney’s Fees Supplement | Weighting provided in addition to special education level add-on weightings on a per-student basis for attorney’s fees. | 0.089 | \$913 |
| “Residential | D.C. Public School or public charter school that provides students with room and board in a residential setting, in addition to their instructional program | 1.67 | \$17,129 |

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“General Education Add-ons:

| “Level/ Program | Definition | Weighting | Per Pupil Supplemental Allocation FY 2018 |
|-----------------|---|-----------|---|
| “ELL | Additional funding for English Language Learners. | 0.49 | \$5,026 |
| “At-risk | Additional funding for students in foster care, who are homeless, on TANF or SNAP, or behind grade level. | 0.219 | \$2,246 |

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“Residential Add-ons:

| “Level/ Program | Definition | Weighting | Per Pupil Supplemental Allocation FY 2018 |
|-----------------|------------|-----------|---|
| | | | |

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

| | | | |
|---|--|-------|----------|
| “Level 1: Special Education - Residential | Additional funding to support the after-hours level 1 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting | 0.368 | \$3,775 |
| “Level 2: Special Education - Residential | Additional funding to support the after-hours level 2 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting | 1.337 | \$13,714 |
| “Level 3: Special Education - Residential | Additional funding to support the after-hours level 3 special education needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting | 2.891 | \$29,653 |
| “Level 4: Special Education - Residential | Additional funding to support the after-hours level 4 special education needs of limited and non-English proficient students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting | 2.891 | \$29,653 |

Committee of the Whole
 DRAFT Committee print – Bill 22-466
 February 14, 2018

| | | | |
|-------------------------|---|-------|---------|
| *“LEP/NEP - Residential | Additional funding to support the after-hours limited and non-English proficiency needs of students living in a D.C. Public School or public charter school that provides students with room and board in a residential setting | 0.668 | \$6,852 |
|-------------------------|---|-------|---------|

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245

“Special Education Add-ons for Students with Extended School Year (“ESY”) Indicated

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in Their Individualized Education Programs (“IEPs”):

| *“Level/ Program | Definition | Weighting | Per Pupil Supplemental Allocation FY 2018 |
|---------------------------------|---|-----------|---|
| *“Special Education Level 1 ESY | Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs. | 0.063 | \$646 |
| *“Special Education Level 2 ESY | Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs | 0.227 | \$2,328 |
| *“Special Education Level 3 ESY | Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs | 0.491 | \$5,036 |
| *“Special Education Level 4 ESY | Additional funding to support the summer school or program need for students who require extended school year (ESY) services in their IEPs | 0.491 | \$5,036 |

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”.

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Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

249 Sec. 202. Chapter 3 of Title 47 of the District of Columbia Official Code is amended as
250 follows:

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

253 “47-368.07. Workforce Investments account.”.

254 (b) A new section 47-368.07 is added to read as follows:

255 “§ 47-368.07. Workforce Investments account.

256 “(a) The Workforce Investments account (“Account”) shall be administered by the Mayor
257 in accordance with subsections (b) and (c) of this section.

258 “(b) Money in the Account shall be used for the following purposes only:

259 “(1) Costs related to financial, developmental, and other investments in the
260 District government workforce, including salary increases or other items required by the terms of
261 collective bargaining agreements and cost-of-living adjustments to salaries and hourly wages;

262 “(2) Payments to public charter schools authorized by section 204 of the Fiscal
263 Year 2018 Budget Support Clarification Temporary Amendment Act of 2017, passed on 2nd
264 reading on November 7, 2017 (D.C. Act 22-190; 64 DCR 12387); and

265 “(3) For such other purposes for which funds previously may have been deposited
266 into the account.

267 “(c)(1) The money deposited into the Account shall not revert to the unrestricted fund
268 balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any
269 other time.

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

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

273 Sec. 203. The Fiscal Year 2018 Budget Support Act of 2017, effective on December 13,
274 2017 (D.C. Law 22-33; 64 DCR 7652), is amended as follows:

275 (a) Section 4003(b) is amended to read as follows:

276 “(b) For District of Columbia Public Schools, no more than \$30,200,000 of the Fiscal
277 Year 2018 increase to the Uniform Per Student Funding Formula foundation level over the Fiscal
278 Year 2017 foundation level, effectuated by section 4002, shall be used in Fiscal Year 2018 to
279 satisfy compensation terms required by a collective bargaining agreement that becomes effective
280 in Fiscal Year 2018.”.

281 (b) Section 7102 is amended as follows:

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

283 (A) The lead-in language is amended as follows:

284 (i) Strike the phrase “if local revenues” and insert the phrase “the
285 portion of local revenues” in its place.

286 (ii) Strike the phrase “estimate exceed the” and insert the phrase
287 “estimate that exceeds the” in its place.

288 (iii) Strike the phrase “for Fiscal Year 2018, these additional
289 revenues” and insert the phrase “for Fiscal Year 2018 (“additional revenues”)” in its place.

290 (B) Paragraph (1) is amended as follows:

291 (i) Strike the phrase “50% to the Workforce Investments account,”
292 and insert the phrase “Pursuant to subsection (b)(1) under the heading “Revised Revenue

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

293 Estimate Contingency Priority” in the Fiscal Year 2018 Local Budget Act of 2017, effective
294 August 29, 2017 (D.C. Law 22-16; 64 DCR 6581), 50% of the additional revenues to the
295 Workforce Investments account” in its place.

296 (ii) Strike the phrase “which shall be available to fund salary
297 increases or other items required by the terms of collective bargaining agreements that will
298 become effective in Fiscal Year 2018; and” and insert the phrase “; and” in its place.

299 (C) Paragraph (2) is amended to read as follows:

300 “(2) Pursuant to subsection (b)(2) under the heading “Revised Revenue Estimate
301 Contingency Priority” in the Fiscal Year 2018 Local Budget Act of 2017, effective August 29,
302 2017 (D.C. Law 22-16; 64 DCR 6581), 50% of the additional revenues as follows:

303 “(A) \$24.175 million in recurring additional revenues to the General Fund
304 of the District of the Columbia (“offset”), which shall offset in an equal amount a dedication of
305 general sales tax revenue to the capital improvements program (“CIP”) that in turn will be
306 dedicated to the Washington Metropolitan Area Transit Authority (“WMATA”), in accordance
307 with subsections (b) and (c) of this section; and

308 “(B) All remaining additional revenues to the Workforce Investments
309 account.”.

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

311 “(b) Revenue from general sales tax imposed by section 47-2002(a) of the District of
312 Columbia Official Code at the rate of 5.75% (“general sales tax”) in an amount equal to the
313 recurring revenue in the offset shall become a dedicated tax (“dedicated tax”) for use in the
314 CIP.”.

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

315 (3) Subsection (c) is amended by striking the phrase “(b)(1)(A)” both times it
316 appears and inserting the phrase “(b)” in its place.

317 Sec. 204. Payments to public charter schools.

318 In Fiscal Year 2018, each public charter school, as that term is defined in section 102(9)
319 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Act
320 of 1998, effective March 26, 1999 (D.C. Law 12-207; D.C. Official Code § 38-2901(9))
321 (“UPSFF Act”), that received Fiscal-Year-2017-based uniform per student funding formula
322 (“UPSFF”) payments shall receive a payment in Fiscal Year 2018 in an amount equal to the
323 difference between the total sum of Fiscal-Year-2017-based UPSFF payments that the public
324 charter school received and the total sum of Fiscal-Year-2017-based UPSFF payments that the
325 public charter school would have received if:

326 (1) The foundation level set forth in section 104 of the UPSFF Act (D.C. Official
327 Code § 38-2903) for Fiscal Year 2017 were \$9,885;

328 (2) The per-pupil allocations for Fiscal Year 2017 set forth in section 105 of the
329 UPSFF Act (D.C. Official Code § 38-2904) were adjusted to reflect a foundation level of \$9,885;

330 (3) The per-pupil supplemental allocations set forth in section 106(c) of the
331 UPSFF Act (D.C. Official Code § 38-2905(c)) were adjusted to reflect a foundation level of
332 \$9,885; and

333 (4) The at-risk allocations described in section 106a of the UPSFF Act (D.C.
334 Official Code § 38-2905.01) were calculated based on a foundation level of \$9,885.

335 TITLE III. APPLICABILITY; FISCAL IMPACT; EFFECTIVE DATE

336 Sec. 301. Applicability.

337 This act shall apply as of October 1, 2017.

Committee of the Whole
DRAFT Committee print – Bill 22-466
February 14, 2018

338 Sec. 302. Fiscal impact statement.

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

342 Sec. 303. Effective date.

343 This act shall take effect following approval by the Mayor (or in the event of veto by the
344 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
345 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
346 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
347 Columbia Register.

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