



Chairman Phil Mendelson

AN AMENDMENT (#2)
Bill 23-761, "Fiscal Year 2021 Local Budget Act of 2020" (ANS)
July 23, 2020

1) Non-Departmental: Reduce Program 1000, Activity 1100, CSG 50 by (\$2,800,000) in recurring local funds.

2) Office of the Chief Financial Officer

- (a) Reduce Program 5000, Activity 5500, CSG 11 by (\$167,647) in recurring local funds.
- (b) Reduce Program 5000, Activity 5500, CSG 14 by (\$35,877) in recurring local funds.
- (c) Reduce Program 5000, Activity 5500, CSG 41 by (\$32,000) in recurring local funds.
- (d) Reduce Program 5000, Activity 5700, CSG 11 by (\$225,282) in recurring local funds.
- (e) Reduce Program 5000, Activity 5700, CSG 14 by (\$48,210) in recurring local funds.
- (f) Reduce Program 5000, Activity 5700, CSG 41 by (\$48,000) in recurring local funds.

3) Department of Behavioral Health

- (a) Reduce Program 6900, Activity 6970, CSG 50 by (\$2,000,000) in recurring local funds.
- (b) Reduce Program 6900, Activity 6980, CSG 50 by (\$2,000,000) in recurring local funds.

4) Financial Plan

- (a) Update the financial plan in FY22-24 to reflect a conversion of recurring funding to one-time funding in FY21 for the following programs:
 - DC Public Library: Program L300, Activity L380, CSG 70 - (\$1,500,000)
 - Dept. of Human Services: Program 5000, Activity 5014, CSG 50 - (\$3,500,000)
 - Dept. of Human Services: Program 5000, Activity 5038, CSG 50 - (\$1,800,000)
- (b) Office of the Chief Financial Officer - Push the start of the State LIHTC PS from FY22 to FY23
- (c) Update the financial plan to account for debt service for FY22-FY24.

5) Capital Improvement Plan

- (a) Add \$11,000,000 to Owner Agency Code (EB0) and Project No (AWR01C) Saint Elizabeth's East Campus Infrastructure in FY21
- (b) Rescind funding from FY23, FY24, and FY25 for Owner Agency Code (BA0) and Project No (AB102C), Archives and restore entirety in FY26.

Rationale:

This amendment reduces recurring dollars in the proposed budget to allow for the elimination of a tax on advertising services adopted on first reading of the Fiscal Year 2021 Budget Support Act of 2020. First, \$2.8m is cut from Non-Departmental for the implementation of B23-0091, the Department of Buildings Act of 2019. Second, the enhancement to the OCFO's Office of Tax and Revenue for administration of the advertising tax is eliminated as it is no longer necessary. Finally, this amendment reduces the \$9.5m enhancement for Community Based Mental Health Services by \$4m (leaving a \$5.5m enhancement over the Mayor's proposed budget). For balancing purposes, financial plan adjustments include making the following recurring enhancements one-time: \$1.5m for library collections, \$3.5m (of a \$7.1m total enhancement) from the Emergency Rental Assistance Program, and \$1.8m for street outreach. These activities will continue to be fully funded in FY 2021. Also this amendment makes adjustments to the Capital Improvements Plan to align the with the changes to the Pay-As-You Go Capital fund. The total amount of capital in each project remains the same, only the source of funds and/or timing will change. These reductions, along with additional carry-forward funds from the Fiscal Year 2020 Revised Local Budget Act of 2020, will deobligate \$19m in FY21 and \$81m over the financial plan in the budget, which will allow for the elimination of a tax on advertising services. A corresponding amendment will be offered to strike that tax at second reading of the BSA on July 28, 2020.

COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



Jennifer Budoff
Budget Director

FISCAL IMPACT STATEMENT

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

FROM: Jennifer Budoff - Budget Director *Jennifer Budoff*

DATE: July 22, 2020

SHORT TITLE: B23-0761 "Fiscal Year 2021 Local Budget Act of 2020"

TYPE: Amendment 2

REQUESTING OFFICE: Chairman Phil Mendelson

Conclusion

This amendment does not have an adverse impact on the District's budget or financial plan.

Background

The amendment reduces recurring dollars in the proposed budget to allow for the elimination of a tax on advertising services adopted on first reading of the Fiscal Year 2021 Budget Support Act (BSA). Specifically, this amendment makes the following changes:

- Cuts Non-Departmental by \$2.8m, eliminating funding for implementation of B23-0091, the Department of Buildings Act of 2019.
- Eliminates the enhancement to the Office of the Chief Financial Officer's Office of Tax and Revenue provided to administer the advertising tax because it is no longer necessary.
- Reduces the \$9.5m enhancement for Community Based Mental Health Services by \$4m, resulting in a total enhancement of \$5.5m over the Mayor's proposed budget.
- Makes several financial plan adjustments to make recurring enhancements one-time including: \$1.5m for library collections, \$3.5m (from the total enhancement of \$7.1m) for the Emergency Rental Assistance Program, and \$1.8m for homeless street outreach. Each of these programs remains fully funded in FY 2021, and remains higher than the Mayor's proposed budget.
- Makes adjustments to the Capital Improvements Plan to align the with the changes to the Pay-As-You Go Capital fund. The total amount of capital in each project remains the same, only the source of funds will change.

As proposed at first reading of the BSA, the tax on advertising services was estimated to raise \$19m in FY 2021. This amendment, along with carry-forward funds from the Fiscal Year 2020 Revised Local Budget Act of 2021 provides sufficient resources to eliminate the tax on advertising sales. A corresponding amendment to eliminate the tax will be offered at second reading of the BSA.