

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

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

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**TO:** All Councilmembers

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

**DATE:** May 28, 2019

**SUBJECT:** Report on Bill 23-207, the “Fiscal Year 2020 Federal Portion Budget Request Act of 2019”

The Committee of the Whole, to which Bill 23-207 was referred, reports favorably thereon with amendments and recommends approval by the Council. This legislation establishes the proposed authority for the federal portion of the District’s budget for Fiscal Year 2020. The amendments primarily reflect agency requests.

The federal portion of the District’s budget consists of a small number of federal payments that are appropriated directly by Congress to the District. The remainder – and vast majority – of the District’s budget is appropriated via local legislation. For Fiscal Year 2020, that legislation is Bill 23-208, the Fiscal Year 2020 Local Budget Act of 2019. Further information on the District’s Fiscal Year 2020 budget and financial plan is set forth in the Committee’s report on that legislation.

CONTENTS

I.	BACKGROUND AND NEED .....	1
II.	LEGISLATIVE CHRONOLOGY .....	3
III.	POSITION OF THE EXECUTIVE .....	4
IV.	COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS .....	4
V.	LIST OF WITNESSES .....	4
VI.	IMPACT ON EXISTING LAW .....	6
VII.	FISCAL IMPACT .....	6
VIII.	SECTION-BY-SECTION ANALYSIS .....	6
IX.	COMMITTEE ACTION .....	8
X.	ATTACHMENTS .....	9

**I. BACKGROUND AND NEED**

Section 442 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.42), requires the Mayor to prepare and submit to the Council an annual budget for the District. Section 446, as amended by Law 19-321, the Budget Autonomy Act of 2012 (D.C. Official Code § 1-204.46), provides that the Council, within 70 days after receipt of the Mayor’s proposed budget, shall by act adopt the annual budget for the District government, with the federal portion of the budget being submitted thereafter by the Mayor to the President for transmission to Congress.

Bill 23-207, the Fiscal Year 2020 Federal Portion Budget Request Act of 2019, as approved by the Committee of the Whole, and subsequently approved by the Council, recommends the federal portion of the budget for Fiscal Year 2020. The local portion of the Fiscal Year 2020 budget is appropriated through Bill 23-208, the Fiscal Year 2020 Local Budget Act of 2019 and is subject to the same congressional review as other Council acts.

Since 1973, the District has had the authority to raise its own revenues. Prior to the enactment of the National Capital Revitalization and Self Government Improvement Act of 1997 (Revitalization Act), however, a significant portion of the District's budget was comprised of an annual payment from the United States government to the District.<sup>1</sup> This payment was approximately \$660 million annually in the mid-1990s. This federal payment constituted approximately 16 percent of the District's total budget.

With the Revitalization Act, and because of the District's strong financial management, the federal payments to the District government have shrunk dramatically. In Fiscal Year 2019, federal payments amounted to \$0.1 billion or 0.6 percent of the District's gross funds budget; the proposed Fiscal Year 2020 budget of \$15.5 billion<sup>2</sup> includes just 0.6 percent from federal payments. Of the proposed \$15.5 billion Fiscal Year 2020 budget, the majority—\$12 billion—is locally raised through District taxes and fees or derived from other local sources.<sup>3</sup> This means local dollars account for 77 percent of the District's total budget. Most of the rest—\$3.5 billion—is federal formula spending that includes Medicaid and federal grants available to all jurisdictions and for which the federal government has no unique oversight responsibility. Federal formula spending accounts for 22.4 percent of the District's total budget. Overall, approximately 99.4 percent of the District's budget is derived from local revenue and federal grants not unique to the District.<sup>4</sup> The remainder, less than 1 percent of the budget, comes from federal payments specifically requested for programs or projects unique to the District.<sup>5</sup>

However, the District still suffers from a constrained tax base, in part because a significant proportion of real property is federal or international and therefore tax exempt, and in part because the District is prohibited by the Home Rule Act from taxing income at its source. The so-called "commuter tax" prohibition not only deprives the District of the power of other municipalities and states to tax income earned within the jurisdiction by nonresidents; it also deprives the District of tax revenues that would otherwise inure to it because residents who work in other states can take

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<sup>1</sup> Approved August 5, 1997 (Pub. Law 105-33; 111 Stat. 251).

<sup>2</sup> Excluding intra-district funds.

<sup>3</sup> For fiscal year 2020, the local portion of the District's budget consists of the following: \$8.6 billion derived primarily from income, property, and sales taxes; \$0.5 billion from Dedicated Taxes; \$8.4 million from Private Grants and Private Donations; \$0.8 billion from Special Purpose Revenue; and \$2.0 billion from Enterprise Funds.

<sup>4</sup> This analysis excludes federal funds for agencies active in the District but not under the jurisdiction or control of the District government, including the United States Attorney, District of Columbia Courts, Bureau of Prisons, Public Defender Service, and several lesser agencies (e.g. the Judicial Nomination Commission). It also excludes federal reimbursement for emergency planning and expenses related to federal and national events, such as a presidential inauguration and demonstrations.

<sup>5</sup> Federal payments are direct appropriations from the Congress to the District, usually to an agency for a particular purpose.

a credit against the income tax they would otherwise pay to the District. This constraint is estimated to cost the District more than \$1 billion annually in lost tax revenue.

Despite constraints such as these, the District maintains a strong economic record supported by adherence to responsible financial management and fiscal discipline. This is evidenced by the minimal reliance on a federal payment, as noted above, and the solid financial footing rooted in locally-sourced funding. The District is growing, our tax base is growing, our financial reserves are healthy (equivalent to 58 days of operating needs, up from 54 a year ago), our capital spending is disciplined, and our retirement funds are among the best in the nation (the Police/Fire/Teachers pension fund is approximately 114% funded and OPEB is 111% funded). The District's decreasing reliance on federal funding is also prudent given cuts to federal spending that have impacted state and local governments in recent years.

More evidence of the strong financial position of the District, and details of the responsible policymaking that contributes to that position, is found in Bill 23-208, the Fiscal Year 2020 Local Budget Act of 2019 and accompanying committee report.

The portion of the District's Fiscal Year 2020 budget related to the federal budget request is contained in Bill 23-207. The amounts and purposes submitted by the Mayor reflected the amounts released in the budget proposed by the President of the United States on March 11, 2019.<sup>6</sup> The committee print of Bill 23-207 adjusts the Mayor's proposal to include a request for continued federal payments for the Resident Tuition Support program, and an increase to the federal payment for Emergency Planning and Security Costs, the D.C. Water and Sewer Authority, the District of Columbia Courts, the Judicial Commissions, and the Criminal Justice Coordinating Council.<sup>7</sup>

## II. LEGISLATIVE CHRONOLOGY

March 15, 2019	Notice of public hearings on the proposed Fiscal Year 2020 Budget and Financial Plan is published in the <i>District of Columbia Register</i> ( <i>updates to the schedule of budget oversight hearings published March 29 and April 5</i> )
March 20, 2019	Bill 23-207, the "Fiscal Year 2020 Federal Portion Budget Request Act of 2019" is introduced by Chairman Mendelson at the request of the Mayor
March 22, 2019	Committee of the Whole holds a public briefing on the Mayor's Fiscal Year 2020 Proposed Budget and Financial Plan

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<sup>6</sup> Available online at <https://www.whitehouse.gov/omb/budget/>. Additional details released March 18, 2019 at <https://www.whitehouse.gov/wp-content/uploads/2019/03/oia-fy2020.pdf>.

<sup>7</sup> Confirmed via phone interviews, May 2019.

March 29, 2019	Notice of Intent to Act on Bill 23-207 is published in the <i>District of Columbia Register</i>
April 2, 2019	Bill 23-207 is “read” at the April 2, 2019 Regular Legislative Meeting and referred to the Committee of the Whole
March 25 - April 25, 2019	Committees hold public hearings on the budgets of the agencies under their purview and the subtitles of the Fiscal Year 2020 Budget Support Act of 2019 that were referred to each for comments
April 26, 2019	Committee of the Whole holds a public hearing on Bill 23-207, Bill 23-208, and Bill 23-209
April 30 – May 2, 2019	Committees mark up and approve their budget recommendations for the Fiscal Year 2020 budget.
May 28, 2018	Committee of the Whole marks up Bill 23-207.

### III. POSITION OF THE EXECUTIVE

Bill 23-207 represents the federal portion of the Mayor’s Fiscal Year 2020 Proposed Budget and Financial Plan.

At the April 26, 2019 hearing on Bill 23-207, City Administrator Rashad Young presented testimony on behalf of the Mayor.

### IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

The Committee received no testimony or comments from any Advisory Neighborhood Commission on Bill 23-207.

### V. LIST OF WITNESSES

The Committee of the Whole held a public hearing on Bill 23-207 and other budget-related legislation on April 26, 2019.<sup>8</sup> None of the testimony focused on Bill 23-207. The witnesses were:

1. Damon King Senior Policy Advocate, Legal Aid Society of D.C.
2. Caroline Ovrawah SPACeS In Action

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<sup>8</sup> All the Council’s committees held hearings between March 25 and April 25, 2019, inclusive, on the Mayor’s proposed budget; in many cases, testimony at those hearings addressed various provisions of the Fiscal Year 2020 Local Budget Act.

3. Chauntese Chaung SPACeS In Action
4. Alisa Jackson-Gray SPACeS In Action
5. Lisa Mallory CEO, D.C. Building Industry Association
6. Diana Mayhew CEO, National Cherry Blossom Festival
7. Amber Harding Attorney, Washington Legal Clinic for the Homeless
8. Erika Wadlington D.C. Chamber of Commerce
9. Geraldine Tally Hobby DC Injured Workers Committee, Civil Service Status Fed/DC
  
10. Jesse Lovell Ward 3 Democrats
11. Keshini Ladduwahetti DC for Democracy
12. Ed Lazere Executive Director, D.C. Fiscal Policy Institute
13. Farida Abas Dorsey Platform of Hope/SPACeS In Action
14. Donna Miller SPACeS In Action
15. Kourtney Mills SPACeS In Action
16. Karma Cottman Executive Director, D.C. Coalition Against Violence
17. Kate Coventry Senior Policy Analyst, D.C. Fiscal Policy Institute
18. Kathy E. Hollinger President/CEO, Restaurant Association Metropolitan Washington
  
19. Gore Sihka Miriam's Kitchen
20. Robert Warren Miriam's Kitchen
21. Andy Wassenich Miriam's Kitchen
22. Daniel Essrow Public Witness
23. Travis Ballie Public Witness
24. Devon Haynes Birth to Three D.C. Coalition
25. Jennifer Mampara Director of Education, FRESHFARM FoodPrints
26. Paty Capetillo Public Witness
27. Shayna Cook Senior Manager, Bainum Family Foundation
28. Greg Myer for Jackie Duke Senior Vice President, Brookfield Properties
29. Kirsten Williams Vice President of Government Affairs, Apartment and Office Building Association
  
30. Brad Fennell WC Smith
31. Doug Firstenberg Stonebridge
32. Bill Alsup PGP Development
33. John T. Farrell Cushman & Wakefield
34. Steve Horne Elm Street Development
35. Mark Chalfant Executive Director, Washington Improv Theater
36. Aujane Walker Student, Anacostia High School
37. Inesha Andrews Student, Anacostia High School
38. Erin Palmer Commissioner, ANC 4B02
39. Kourtney Mills SPACeS in Action
40. Joy Ford Austin Executive Director, Humanities Council of Washington, DC
  
41. Joe Andronaco Access Green
42. Anton Mack Access Green
43. Antwon Johnson Access Green

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|-----|---------------------|--|
| 44. | Eric Samudfor       | Access Green   |
| 45. | Maya Martin Cadogan | PAVE   |
| 46. | Yesim Taylor        | Executive Director, DC Policy Center                                   |
| 47. | Jane Hayashi-Kim    | Public Witness   |
| 48. | Mark LeVota         | Executive Director, District of Columbia Behavioral Health Association |
| 49. | Katherine Zambon    | Public Witness   |
| 50. | Valerie Baron       | Public Witness   |
| 51. | Deidre Brown        | D.C. Association of REALTORS   |
| 52. | Kaitalin Peter      | D.C. Association of REALTORS   |
| 53. | Kunta Bedney        | D.C. Association of REALTORS   |
| 54. | Rashad Young        | City Administrator, Office of the City Administrator                   |

## VI. IMPACT ON EXISTING LAW

Bill 23-207 represents the federal portion of District's proposed budget for Fiscal Year 2020, pursuant to section 446 of the Home Rule Act, and does not amend existing District law. As set forth in the Home Rule Act, Bill 23-207 is effective only insofar as it is adopted by Congress.

## VII. FISCAL IMPACT

Bill 23-207 comprises the Council's adoption of the federal portion of the annual budget for the District government and establishes the availability of funding for certain operations of the District for Fiscal Year 2020 as set forth in the legislation.

## VIII. SECTION-BY-SECTION ANALYSIS

### DISTRICT OF COLUMBIA FEDERAL FUNDS APPROPRIATION REQUEST

Section 1 States the short title of Bill 23-207.

Section 2 Sets forth the requested federal portion expenditure levels and appropriation language for the government of the District of Columbia for the fiscal year ending September 30, 2020, as follows:

Federal Payment to the District of Columbia Courts- \$349,807,000.

This amount supports the District of Columbia Courts, as requested by them, including the District of Columbia Court of Appeals, the Superior Court of the District of Columbia, and the District of Columbia Court System.

Federal Payment for Defender Services in the District of Columbia Courts - \$46,005,000.

This amount supports payments for representation and appointed counsel in certain proceedings.

Federal Payment for Resident Tuition Support - \$40,000,000.

This amount supports the program known as DC Tuition Assistance Grants or “DCTAG” and is to be used to pay an amount based on the difference between in-State and out-of-State tuition at public institutions of high education.

Federal Payment for School Improvement - \$90,000,000.

This amount, known as “three-sector funds,” supports the payments for primary and secondary education authorized under the Scholarship for Opportunity and Results Act.

Federal Payment to the Criminal Justice Coordinating Council - \$2,150,000.

This amount, as requested by the Criminal Justice Coordinating Council, supports initiatives related to the coordination of federal and local criminal justice resources.

Federal Payment for Judicial Commissions - \$615,000.

This amount funds the operations of the Commission on Judicial Disabilities and Tenure at \$325,000 and the Judicial Nomination Commission at \$290,000, and consistent with their request.

Federal Payment for the District of Columbia National Guard - \$413,250.

This amount supports the Major General David F. Wherley, Jr. District of Columbia National Guard Retention and College Access Program.

Federal Payment for Testing and Treatment of HIV/AIDS - \$4,750,000.

This amount contributes to the District’s efforts to test for and treat individuals with HIV and AIDS.

Federal Payment for Emergency Planning and Security Costs in the District of Columbia - \$28,790,000.

This amount defrays costs incurred by the District’s provision of public safety at events related to the status of the District as the nation’s capital, including support requested by the Secret Service in carrying out protective duties and support to respond to terrorist threats or attacks in the region, provided, that \$12,290,000 of that amount shall be available for a fireboat.

Federal Payment to the District of Columbia Water and Sewer Authority - \$40,000,000. This amount supports the continued implementation of the Combined Sewer Overflow Long-Term Control Plan. This Plan is court-ordered, results from federal Clean Water Act requirements, and remediated water pollution caused by the sewage system build and operated by the federal government before 1974.

This section, if adopted by Congress, amends the District of Columbia Home Rule Act to state that the Chief Financial Officer shall be paid equal to the limit on total pay for certain federal employees pursuant to 5 U.S.C. § 5307(d), or at a rate established by law by the District of Columbia, except that the Chief Financial Officer's salary cannot be reduced during his or her service as Chief Financial Officer. Once enacted, this provision will enable the District government to increase the Chief Financial Officer's salary, just as it may raise the salaries of its Mayor, Chief of Police, Public Schools Chancellor, and all other local officials.

Section 4      Public-Private Partnership Contracts

This section, if adopted by Congress, would authorize the District of Columbia, notwithstanding any other provision of law, to expend funds, certified as available by the Chief Financial Officer, as necessary to pay termination costs of multiyear contracts entered into pursuant to the Public-Private Partnership Act of 2014, effective March 11, 2015 (D.C. Law 20-228, D.C. Official Code § 2-271.01 et seq.). This provision is necessary for the District to pursue public/private partnership financing to facilitate infrastructure improvements.

Section 5      Contingency Cash

This section, if adopted by Congress, provides that withdrawals from the Contingency Cash Reserve Fund must be approved by the Council by resolution. Withdrawals must be paid back to the Reserve Fund within two years, in essence an appropriation. The Council should have a role in the approval of the expenditures before being required to appropriate the repayments.

Section 6      Sales Tax

This section, if adopted by Congress, would apply the District's sales tax to for-profit places, such as museum gift shops and government-building cafeterias. These businesses compete with the private sector and should not be favored by exemption from the sales tax. Moreover, this provision does not tax the federal government, but congressional approval is necessary.

Section 7      States that this legislation, once adopted, constitutes the federal portion of the District's Fiscal Year 2020 budget.

Section 8      States the fiscal impact.

Section p      States the effective date.

## IX. COMMITTEE ACTION

On May 28, 2019, the Committee met to consider Bill 23-207, the "Fiscal Year 2020 Federal Portion Budget Request Act of 2019." The meeting was called to order at xxx p.m., and Bill 23-207 was item xxx on the agenda. After ascertaining a quorum (Chairman Mendelson and



Councilmembers Allen, Bonds, Cheh, Evans, Gray, Grosso, McDuffie, Nadeau, Silverman, Todd, R. White, and T. White present), Chairman Mendelson moved both the committee print and report for Bill 23-207 with leave for staff to make technical, conforming, and editorial changes. After an opportunity for discussion, the vote on the print and report was unanimous (Chairman Mendelson and Councilmembers Allen, Bonds, Cheh, Evans, Gray, Grosso, McDuffie, Nadeau, Silverman, Todd, R. White, and T. White voting aye). The meeting adjourned at xxx p.m.

#### **X. ATTACHMENTS**

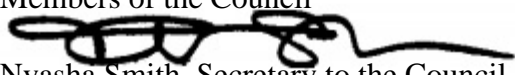
1. Bill 23-207 as introduced.
2. Certification letter for Bill 23-207.
3. Legal Sufficiency Determination for Bill 23-207.
4. Committee Print for Bill 23-207.

**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council

From :   
Nyasha Smith, Secretary to the Council

Date : March 22, 2019

Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Wednesday, March 20, 2019. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Fiscal Year 2020 Federal Portion Budget Request Act of 2019", B23-0207

INTRODUCED BY: Chairman Mendelson at the request of the Mayor

Retained by the Council with comments from the Committee of the Whole.

Attachment

cc: General Counsel  
Budget Director  
Legislative Services



2019 MAR 20 PM 5:10  
OFFICE OF THE  
SECRETARY

MURIEL BOWSER  
MAYOR

March 20, 2019

The Honorable Phil Mendelson, Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004

Dear Chairman Mendelson:

On behalf of the residents of the District of Columbia, I am pleased to submit to you the proposed District of Columbia Fiscal Year 2020 Budget and Financial Plan, "*A Fair Shot.*" Included in this submission, you will find the "Fiscal Year 2020 Local Budget Act of 2019," the "Fiscal Year 2020 Federal Portion Budget Request Act of 2019," the "Fiscal Year 2020 Budget Support Act of 2019," the "Fiscal Year 2019 Revised Local Budget Emergency Act of 2019," the "Fiscal Year 2019 Revised Local Budget Temporary Act of 2019," and the "Fiscal Year 2019 Revised Local Budget Emergency Declaration Resolution of 2019".

The Fiscal Year 2020 budget proposal makes significant investments in District residents by providing a broad range of services and programs to ensure that, as we continue to grow, Washingtonians continue to get the fair shot they deserve. For the fifth consecutive year, I heard from residents before I finalized my budget; through a series of budget engagement forums, residents shared their ideas and concerns about affordable housing, education, public safety, jobs and economic development, and health and human services. We also convened a telephone town hall to hear directly from seniors about their concerns and budget priorities and a telephone town hall for DC Government employees to share their ideas on how we can more effectively and efficiently deliver services to District residents. From these discussions, I finalized the proposed FY 2020 Budget and Financial Plan.

The budget before you reflects the ideas and priorities of District residents and delivers on my commitment to building more pathways to the middle class for Washingtonians in all eight

wards. I have increased my commitment to affordable housing by proposing a \$130 million investment in the Housing Production Trust Fund—by far, the highest commitment ever made to the Fund. We will continue our robust investments in education, and our capital plan allocates \$1.3 billion over the next six years for the continued modernization of our schools. This budget also maintains critical investments to building a *safer, stronger* DC and continues our commitment to ensure our residents have access to job training programs that prepare them for high-paying jobs and careers that exist—and will exist—in our city. Below are a few of the key investments in the proposed FY 2020 Budget and Financial Plan.

### **Affordable Housing**

Producing, preserving, and protecting affordable housing in Washington, DC is a top priority for my Administration. The FY 2020 budget demonstrates this commitment by making the following investments in affordable housing:

- \$130 million contribution to the Housing Production Trust Fund, a \$30 million increase over FY 2019;
- \$16.6 million increase in the subsidies for affordable housing through the District of Columbia Housing Authority;
- \$15 million for the housing preservation fund, so that long alongside new units we bring additional focus to ensuring that we are preserving existing affordable housing units in the District;
- \$20 million for a new middle-income housing fund to help provide affordable housing to DC’s middle-class; and
- Expanding the “Keep Housing Affordable Tax Credit” (previously known as Schedule H) which helps homeowners and renters, by increasing the income ceiling thresholds for all residents and increasing the maximum credit from \$1,025 to \$1,200.

### **High-Quality Education**

My Administration is committed to ensuring that every child in Washington, DC has access to first-class public education. The FY 2020 budget makes significant investments in education, including the following:

- A \$56.3 million increase in funding for K-12 public education;
- A 2.2 percent increase to the base amount of the Uniform Per Student Funding Formula;
- \$1.6 million to stand up six new, community schools at Anacostia, Ballou, Cardozo, Eliot-Hine, Langley, and Sousa;
- \$4.6 million to begin our Empowered Learners initiative, which will provide 1:1 laptops to our students starting in grades 3, 6, and 9;
- \$8.8 million for the opening of Bard High School Early College, New North Middle School (on the campus of Coolidge High School), and Coolidge High School;

- \$5 million in new child care provider rate increases to help providers meet rising costs and help families obtain high quality and affordable child care;
- Making the \$1,000 refundable, “Keep Childcare Affordable Tax Credit” permanent and annually increasing the credit by the rate of inflation;
- \$1.3 billion in investment in DCPS to fund school modernizations, small capital projects and school expansions to address overcrowding.
- Over \$30 million to renovate Old Miner, Old Randle Highlands, and Thurgood Marshall into early childhood education centers;
- \$8 million investment into early action pre-k initiatives that will allow DCPS to increase pre-kindergarten classrooms in our elementary schools; and
- \$36.6 million to complete the Martin Luther King, Jr., and Southeast library modernizations.

### **Safer, Stronger DC**

Washington, DC continues to be a safer city. But an increase in homicides means we must work even harder to further drive down violent crime by investment in our sworn officers, our violence interrupters, and in efforts to remove illegal guns from our streets. The FY 2020 budget includes the following investments to further our commitment to a safer, stronger DC:

- \$3.5 million to add 4 ambulance units, including 45 firefighter paramedics or firefighter EMTs;
- \$3 million to hire 70 police officers, on the path to reach 4,000 sworn officers by FY 2021;
- \$2.5 million for community-based grants for violence interruption that will expand and deepen current services;
- \$1.6 million to build three pilot sites for place-based trauma-informed care services, offering accessible therapeutic and referral services in target neighborhoods;
- \$1.0 million to add 5 employees and additional support for the Firearms Examination Unit at the Department of Forensic Sciences;
- \$500 thousand to increase community-based services provided to returning citizens; and
- \$77.4 million to upgrade critical building systems at the DC jail.

### **Transportation and the Environment**

A safe and efficient transportation network that serves residents in all eight wards is a key component of making sure all residents have a fair shot. The FY 2020 budget makes key investments in transportation that will make our streets safer and will provide more convenient access to transit options in underserved areas. My budget also includes investments that over time will make DC greener and more sustainable. Key investments in DC’s transportation and environment are:

- \$3.1 million to continue the Free DC Circulator program and increase access to transit and \$13 million for new Circulator buses including new expanded routes to Ward 7;
- \$2 million for new Vision Zero improvements to improve safety and reduce serious injuries and traffic fatalities and \$63 million in capital investments to make roadways and intersections safer and to increase bike lanes and expand trails;
- \$2.8 million for additional towing and bike lane enforcement along 20 major corridors during morning and evening rush hours to support safer and more efficient commutes for both drivers and bikers;
- \$188 million for the DC Streetcar to complete the extension to the Benning Road Metro Station;
- \$122 million for the new K Street Transitway to include two center-running bus lanes along K Street, NW;
- \$3 million to install electric vehicle charging stations at District agencies to support growing the District's electric fleet and \$17 million to continue energy efficiency and smart building retrofits of District facilities; and
- Funding to support full implementation of the CleanEnergy DC Act.

### **Health and Human Services**

Investing in the health and well-being of District residents remains a top priority of my Administration. This means ensuring more Washingtonians are able to provide for their families and connecting families with valuable care and supportive programs when they need it most. The FY 2020 budget creates critical supports and opportunities through the following investments:

- \$26 million in Homeward DC to make homelessness rare, brief, and non-recurring, including 260 new units for families, 345 new units for singles, and 68 new units for youths;
- \$4.7 million for Families First DC, a family strengthening and stabilization plan that will integrate services across District agencies in a community based-approach aimed at meeting families' needs;
- An additional \$2 million to the Safe at Home program to meet program demands and \$500,000 in grants for senior dental health;
- Expedited funding for the Ward 8 Senior Wellness Center project. The newly proposed timeline starts this project in FY 2020, with a completion date of FY 2021;
- An additional investment of \$6 million for an expansion of school mental health services, which continues the current project scope to provide mental health services within schools and expands services to 67 new schools for a total of 119 schools served;
- \$500 thousand to fund the Mayor's 3rd Maternal and Infant Health Summit, continuing to bring public awareness to the critical issue of maternal and infant health; and
- \$4.5 million to eliminate the sales tax on diapers.

## **Jobs and Economic Opportunity**

Maintaining a strong, diverse, and resilient city requires that every resident has a fair shot, and a pathway to the middle class. We accomplish this by supporting our most vulnerable families and residents; providing job training that leads to real employment opportunities; and by nurturing our small businesses to help ensure their growth and success. The FY 2020 Budget makes the following investments to help achieve these goals:

- \$2.5 million to ensure everyone is counted in the 2020 Census;
- \$200 thousand to continue Dream Grants to support Ward 7 and 8 entrepreneurs and the growth of microbusinesses located in those wards;
- \$7 million to leverage \$19 million in private investment to provide cultural non-profits with access to large-scale credit to make capital upgrades, create innovative programming, and provide stopgap funding for rental costs;
- \$250 thousand to help returning citizens start new businesses and launch careers;
- An additional \$1 million in our Great Streets and Neighborhood Prosperity Fund, for a total of \$8.3 million to support business development across the city with a focus on mixed-use development in high-unemployment areas; and
- Significant investments in improving the Department of Consumer and Regulatory Affairs, including \$5.5 million to improve the customer experience at DCRA, \$11.7 million to update and modernize DCRA's technology, and an additional \$5 million to further build out DCRA's website that connects applications and adjudication processes under the One-Stop Business Portal.

## **Government Operations**

We are building a government that works for the residents of the District, streamlines processes, and improves efficiency. The FY 2020 budget supports these improvements by making the following investments:

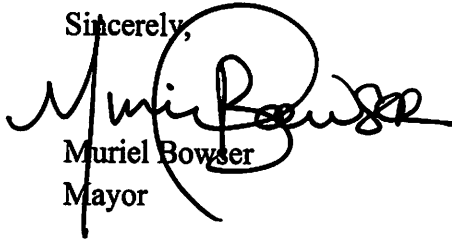
- A \$1.6 million increase for the Immigrant Justice Legal Services grant program, bringing the total amount of funding to \$2.5 million;
- \$3.2 million to fully fund the fair elections program;
- \$952 thousand to support the Statehood Campaign Initiative to help DC become the 51st state;
- \$111 thousand for a new lead sexual harassment policy officer to ensure that all District agencies have the tools, training and resources they need to follow best practices in employee misconduct investigations as required by the Mayor's sexual harassment policy;
- \$680 thousand for additional cybersecurity professionals to monitor and respond to threats to the District's network and \$13.4 million in cybersecurity capital investments to

ensure the District is prepared to counter evolving digital threats, safeguard sensitive data, and implement a modernized network user identity management system;

- \$62 million to fully fund the new Archives Building on the campus of the University of the District of Columbia; and
- \$208 million to move the District's financial and procurement operations to modern, highly efficient business platforms. These investments will streamline core administrative functions, allowing DC government to focus its time and energy on the programs and initiatives that address residents' top priorities.

This budget reflects our growing population of more than 700,000 residents and the benefits, needs, and stresses such growth entails. Most importantly, this budget means that Washingtonians will continue to get a fair shot at pathways to the middle class.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser". The signature is written in a cursive, flowing style with a large, prominent initial "M".

Muriel Bowser  
Mayor





Chairman Phil Mendelson  
at the request of the Mayor

A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To adopt, as a request to Congress for appropriation and authorization, the federal portion of the budget of the government of the District of Columbia for the fiscal year ending September 30, 2020.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Fiscal Year 2020 Federal Portion Budget Request Act of 2019”.

Sec. 2. Adoption of the federal portion of the Fiscal Year 2020 budget.

There is adopted, as a request to Congress for appropriation and authorization, the following federal portion of the budget of the government of the District of Columbia for the fiscal year ending September 30, 2020.

**DISTRICT OF COLUMBIA FEDERAL FUNDS APPROPRIATION REQUEST**

**FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT**

For a Federal payment for a school improvement program in the District of Columbia, \$90,000,000, to remain available until expended, for payments authorized under the Scholarship for Opportunity and Results Act (division C of Public Law 112–10); Provided, That, to the extent that funds are available for opportunity scholarships and following the priorities included in section 3006 of such Act, the Secretary of Education shall make scholarships available to students eligible under section 3013(3) of such Act, including students who were not offered a scholarship during any previous school year; Provided further, That within funds provided for opportunity scholarships up to \$3,200,000 shall be for the activities specified in sections 3007(b) through 3007(d) and 3009 of such Act.

1           **FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL**

2           For a Federal payment to the Criminal Justice Coordinating Council, \$1,805,000, to  
3 remain available until expended, to support initiatives related to the coordination of Federal and  
4 local criminal justice resources in the District of Columbia.

5  
6                           **FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS**

7           For a Federal payment, to remain available until September 30, 2021, to the Commission  
8 on Judicial Disabilities and Tenure, \$280,250, and for the Judicial Nomination Commission,  
9 \$256,500.

10  
11                           **FEDERAL PAYMENT FOR THE DISTRICT OF COLUMBIA NATIONAL GUARD**

12           For a Federal payment to the District of Columbia National Guard, \$413,250, to remain  
13 available until expended for the Major General David F. Wherley, Jr. District of Columbia  
14 National Guard Retention and College Access Program.

15  
16                           **FEDERAL PAYMENT FOR TESTING AND TREATMENT OF HIV/AIDS**

17           For a Federal payment to the District of Columbia for the testing of individuals for, and  
18 the treatment of individuals with, human immunodeficiency virus and acquired  
19 immunodeficiency syndrome in the District of Columbia, \$4,750,000.

20  
21                           **FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE**  
22   **DISTRICT OF COLUMBIA**

23           For a Federal payment of necessary expenses, as determined by the Mayor of the District  
24 of Columbia in written consultation with the elected county or city officials of surrounding  
25 jurisdictions, \$11,400,000, to remain available until expended, for the costs of providing public  
26 safety at events related to the presence of the National Capital in the District of Columbia,  
27 including support requested by the Director of the United States Secret Service in carrying out  
28 protective duties under the direction of the Secretary of Homeland Security, and for the costs of  
29 providing support to respond to immediate and specific terrorist threats or attacks in the District  
30 of Columbia or surrounding jurisdictions.

31  
32           **Sec. 3. Federal portion of the budget.**

33           The federal funds for which appropriation by Congress is requested by this act  
34 constitute the federal portion of the Fiscal Year 2020 annual budget for the District of  
35 Columbia government under section 446(a) of the District of Columbia Home Rule Act,  
36 approved December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46(a)).

37  
38           **Sec. 4. Fiscal impact statement.**

39           The Council adopts the fiscal impact statement of the Chief Financial Officer as the  
40 fiscal impact statement required by section 4a of the General Legislative Procedures Act of  
41 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

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Sec. 5. Effective date.

This act shall take effect as provided in section 446 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46).

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General



Legal Counsel Division

**MEMORANDUM**

**TO:** Alana Intrieri  
Executive Director  
Office of Policy and Legislative Support

**FROM:** Arthur J. Parker  
Acting Deputy Attorney General  
Legal Counsel Division

**DATE:** March 19, 2018

**SUBJECT:** Legal Certification of Draft Bill, the "Fiscal Year 2020 Federal Portion  
Budget Request Act of 2019"  
(AE-19-245)

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**This is to Certify that** this Office has reviewed the above-referenced draft legislation and found it, as to form, format, and authority only, to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5524.

A handwritten signature in blue ink that reads "Arthur J. Parker".

---

Arthur J. Parker

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
OFFICE OF THE CHIEF FINANCIAL OFFICER



**Jeffrey S. DeWitt**  
Chief Financial Officer

March 20, 2019

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW, Room 306  
Washington, DC 20004

Dear Mayor Bowser:

I am pleased to transmit the Fiscal Year (FY) 2020 Proposed Budget and Financial Plan. The FY 2020 Proposed Budget includes \$8.6 billion in Local funds and \$15.5 billion in Gross funds (excluding Intra-District funds).

The Office of the Chief Financial Officer (OCFO) worked closely with your executive leadership team, the City Administrator's Office of Budget and Performance Management staff, and agency program staff to produce a balanced budget and five-year financial plan. The FY 2020 policy budget reflects your administration's funding priorities and determinations.

After careful review, I certify that the FY 2020 – FY 2023 Budget and Financial Plan is balanced.

**REVENUE OUTLOOK**

The revenue outlook for the FY 2020 Budget and Financial Plan shows revenue growth that continues to be healthy but is expected to be slower than prior years. Population, employment and income growth will be positive over the financial plan but slower than previously anticipated due to uncertainties surrounding the federal government. The impact of the recent record-length federal government shutdown, outlined in detail in our revenue chapter, reminds us that the federal government remains a significant factor in the in the District's economy.

There is a high degree of uncertainty on what action Congress will take regarding discretionary spending caps that are set to return in FY 2020. Reductions in mandatory spending would adversely affect the District's economy. The federal tax reform legislation, which provided an immediate boost to economic growth last year, adds to the national debt that may impact interest rates in the future. Additional efforts to control domestic spending and possible major restructuring of federal agencies would also adversely impact federal spending in the District.

On a positive note, Amazon's decision to bring its second headquarters to the neighboring jurisdiction of Arlington, Virginia will have the likely effect of bringing related jobs and more residents to the District of Columbia. Based on our preliminary estimates, the projected slower growth is partially offset by benefits from this development. However, the exact timing and impact on the District of this development is uncertain, as the implementation will not begin until the end of this fiscal year.

Developments outside of the local economy also add some uncertainty to our revenue outlook. The increased tension in global trade will not affect the District directly, but could slow the national economy, and ultimately the District's economy. Volatility in the stock market, and other financial market issues such as tightening of Federal Reserve monetary policy measures, contribute to uncertainty. Other sources of uncertainty are possible economic disruptions arising from economic and political developments in other parts of the world as well as potential national security events. Experience has shown that three of the District's most volatile revenue sources—deed taxes, taxes on corporate profits, and individual capital gains—can be adversely affected quite quickly by developments in the nation's economy and capital markets.

Because of all these factors, our outlook is somewhat cautious, particularly as it relates to federal government spending policies and their impact on the District's economy and growth of total jobs and population in the city. We will continue to closely watch the key economic indicators for deviations from this forecast that might impact the financial plan.

## **BUDGET OVERVIEW**

The \$8.1 billion estimate for FY 2020 Local Fund revenue, prior to policy proposals included in the budget, includes \$16 million in higher revenue mainly from two major legislative changes, increasing revenue growth to 4 percent. These changes required remote vendors to collect sales tax on purchases made by District residents and the introduction of sports wagering in the District. Total General Fund revenue in FY 2020 is \$9.3 billion, an increase of \$332.1 million over FY 2018, before policy proposals.

Various policy initiatives increase General Fund revenue by \$126.9 million in FY 2020, and by an average of \$144.4 million annually through the remainder of the Financial Plan. A major initiative in this budget is the Deed Recordation and Transfer Taxes Amendment Act that increases each of these taxes from 1.45 percent to 2.5 percent for a total of 5 percent on commercial real estate transactions greater than \$2 million. This will provide \$90.8 million in additional revenue in FY 2020, \$12.9 million of which is dedicated to the Housing Production Trust Fund.

Other policy proposals include the repeal of a reduction in the commercial property tax rate scheduled to take effect October 1, 2019, that was included as part of the Internet Sales Tax Act and the repeal of the dedication of a portion of the District's sales tax revenue to the Commission on the Arts and Humanities that took effect on October 1, 2018 making this revenue available to Local funds. The Proposed Budget and Financial Plan also funds several laws that were passed subject to appropriation, including an increase of the maximum credit and income limits for the Schedule H real property tax relief and making the early family credit permanent.

**EXPENDITURES**

**Local Funds**

The Mayor's Proposed FY 2020 Budget includes approximately \$8,580.6 million in spending supported by \$8,581.1 million of resources, with an operating margin of \$0.5 million, as shown in Table 1.

<b>Table 1</b>	
<b>FY 2020 Proposed Budget Summary</b>	
<b>Local Funds</b>	
<b>(\$ in millions)</b>	
Taxes	\$ 7,519.8
Non-Tax Revenues	507.2
Lottery	62.0
All Other Resources	24.3
Revenue Proposals	127.9
Fund Balance Use	339.9
<b>Total Local Fund Resources</b>	<b>\$ 8,581.1</b>
<b>Local Expenditures</b>	<b>\$ 8,580.6</b>
<b>Projected FY 2020 Operating Margin</b>	<b>\$0.5</b>

### Gross Funds

The proposed FY 2020 gross funds operating budget (excluding intra-District funds) is \$15.5 billion, an increase of \$872.6 million, or 6.0 percent, over the FY 2019 approved gross budget of \$14.6 billion. The Local and non-Local funding components of the proposed FY 2020 gross budget and the changes from FY 2019 are summarized in Table 2 below.

<b>Table 2</b>				
<b>FY 2020 Gross Funds Budget by Fund Type</b>				
<b>(\$ in millions)</b>				
<b>Fund Type</b>	<b>FY 2019 Approved Budget</b>	<b>FY 2020 Mayor's Proposed</b>	<b>Change</b>	<b>% Change</b>
Local	\$ 7,852.9	\$ 8,580.6	\$ 727.8	9.3%
Dedicated Tax	566.4	521.2	-45.2	-8.0%
Special Purpose	704.4	772.8	68.4	9.7%
<b>Subtotal, General Fund</b>	<b>\$ 9,123.7</b>	<b>\$ 9,874.7</b>	<b>\$ 751.0</b>	<b>8.2%</b>
Federal	3,515.6	3,553.6	38.0	1.1%
Private	4.2	8.3	4.1	96.6%
<b>Total, Operating Funds</b>	<b>\$ 12,643.5</b>	<b>\$ 13,436.6</b>	<b>\$ 793.1</b>	<b>6.3%</b>
Enterprise and Other Funds (including from Dedicated Taxes)	1,941.6	2,021.1	79.5	4.1%
<b>Total Gross Funds</b>	<b>\$ 14,585.1</b>	<b>\$ 15,457.8</b>	<b>\$ 872.6</b>	<b>6.0%</b>

*Note: Details may not add to totals due to rounding*

### MAJOR COST DRIVERS – LOCAL FUNDS

Overall, the proposed FY 2020 Local funds budget increased by \$727.8 million, or 9.3 percent, over FY 2019. One component of the increase in the Local funds is the shift of several functions – major portions of the budgets for the WMATA Subsidy and the Commission on the Arts and Humanities – from Dedicated Taxes, in FY 2019, to Local funds, in FY 2020. Table 3 provides a snapshot of major cost drivers for the increase.



<b>Table 3</b>	
<b>Mayor's FY 2020 Proposed Budget</b>	
<b>Cost Drivers - Local Funds (in millions)</b>	<b>Amount</b>
<b>Major Changes:</b>	
Washington Metropolitan Area Transit Authority	\$ 224.5
Repayment of Loans and Interest	61.9
District of Columbia Public Schools	47.2
Department of Health Care Finance	46.7
Workforce Investments	37.8
Commission on the Arts and Humanities	30.6
Not-for-Profit Hospital Corp. Subsidy	30.0

### Primary Cost Drivers

- Washington Metropolitan Area Transit Authority:** \$224.5 million increase over FY 2019, primarily due to (1) a transfer of \$192.1 million of Dedicated Taxes, which funded the FY 2019 WMATA operating subsidy, to the WMATA capital subsidy in FY 2020, requiring increased expenditures in Local funds to restore the operating subsidy, (2) \$22.3 million to accommodate the 3 percent subsidy growth rate, (3) \$13.5 million for the Kids Ride Free program, and (4) additional funding for increased cost of debt service compared to FY 2019.
- Repayment of Loans and Interest:** \$61.9 million increase over FY 2019, due to borrowing for capital projects.
- District of Columbia Public Schools:** \$47.2 million increase over FY 2019, primarily due to a 2.2 percent increase to the student foundation level of \$10,658 to the FY 2020 level of \$10,891.
- Department of Health Care Finance:** \$46.7 million increase over FY 2019 supports over \$8 million for a projected 4.3 percent increase in the childless adult population in the same year the federal match rate declines from 93 percent to 90 percent. In addition, enrollment of Children's Health Insurance Program (CHIP) beneficiaries is projected to grow by over 12 percent in FY 2020, and the federal match rate declines from 100 percent to 90.5 percent, which will have an impact of nearly \$5 million. This additional funding also supports a 16.4 percent, or approximately \$15 million, rate increase for the Alliance program to ensure the Alliance MCO rates are actuarially sound. Finally, the balance supports numerous other increases necessitated by the projected 3.7 percent increase in total Medicaid enrollment, and other increases associated with the increased cost of individual services provided to District residents.
- Not-for-Profit Hospital Corporation Subsidy:** \$30 million increase over the FY 2019 approved budget is primarily due to a continued decline in patient activity and census.

- **Workforce Investments:** \$37.8 million increase is to support proposed union and nonunion pay agreements.
- **Commission on the Arts and Humanities:** \$30.6 million increase is primarily due to a transfer of \$28.1 million of Dedicated Taxes in FY 2019 to Local funding in FY 2020.

### **ITEMS TO MONITOR**

- **Not-for-Profit Hospital Corporation Subsidy:** The FY 2020 proposed budget includes a subsidy amount of \$40 million. An amount of \$20 million is included in the financial plan for FY 2021 and FY 2022. The financial plan assumes that a new hospital will open in FY 2023 and therefore does not include a subsidy payment for that year. The reduced need for subsidy funding in FY 2021 and FY 2022 assumes that the hospital will fully execute its gap-closing plan and rightsize expenses with patient volumes and revenues.
- **Settlements and Judgments:** Over the past several years, the District has settled lawsuits that resulted in exceeding the historical annual appropriation of \$21.8 million. As a result, the proposed FY 2020 budget for the Fund is \$28 million, which is a \$6.2 million increase over the FY 2019 approved budget. The OCFO will closely monitor these costs in FY 2020, which will include quarterly meetings with both the Office of the Attorney General and the City Administrator to discuss the timing and amounts of pending cases.

### **CAPITAL IMPROVEMENTS PLAN**

The District is addressing its continuing infrastructure needs through its Capital Improvements Plan (CIP). The total proposed appropriation request for the FY 2020 through FY 2025 CIP is \$8.4 billion from all sources. The majority of the capital budget will be financed with municipal bonds totaling \$5.1 billion, along with Pay-As-You-Go (Paygo) transfers from the General Fund, Federal Grants, a local match to the grants from the Federal Highway Administration, and local transportation fund revenue. Beginning with FY 2020, the District will increase its capital contribution to WMATA by \$178.5 million as its share of a region-wide commitment to increase capital funding by \$500 million per year. The District's contribution grows by 3 percent annually thereafter. The additional contribution will provide the necessary annual revenue to WMATA to fund improvements for a state of good repair. This increased contribution to WMATA totals \$1.2 billion through the FY 2025 CIP planning period.

The proposed capital budget for FY 2020 of \$2.1 billion of planned capital expenditures will be financed by \$1.3 billion in new I.T. or G.O. bonds, \$284.9 million from new short-term bonds, \$234.9 million in Paygo, \$176.1 million in federal grants and payments, \$27.6 million in the Local Match to the Federal Highway Administration grants, and \$45.3 million from the Local Transportation Revenue fund. Debt service through the CIP period remains below the 12 percent debt cap.

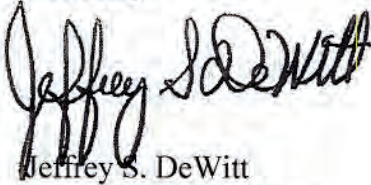
### **MULTI-YEAR FINANCIAL PLAN**

As in the past, the plan shows substantial growth in debt service costs during the plan period to support the \$8.4 billion CIP through FY 2025. Because of the growth in these costs, labor costs and other non-capital cost growth must be constrained throughout the financial plan. Careful monitoring of these costs in the operating budget, as well as execution of the capital plan, is required to ensure the plan remains balanced in the future.

### **CONCLUSION**

The leadership provided by you and your team, along with the hard work of the Office of Budget and Planning, the Associate Chief Financial Officers and their staffs, the Office of Revenue Analysis and others in the OCFO, allowed us to work effectively together to produce a balanced budget. I look forward to continuing to work with you and the Council during the upcoming budget deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey S. DeWitt". The signature is written in a cursive, slightly slanted style.

Jeffrey S. DeWitt  
Chief Financial Officer

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3  
4 A BILL

5  
6 23-207

7  
8 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
9  
10 \_\_\_\_\_  
11

12  
13 To adopt, as a request to Congress for appropriation and authorization, the federal portion  
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15 ending September 30, 2020.  
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22 following federal portion of the budget of the government of the District of Columbia for the  
23 fiscal year ending September 30, 2020.

24 **DISTRICT OF COLUMBIA FEDERAL FUNDS APPROPRIATION REQUEST**

25 **FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS**  
26

27 For salaries and expenses for the District of Columbia Courts, \$349,807,000 to be  
28 allocated as follows: for the District of Columbia Court of Appeals, \$15,232,000, of which not to  
29 exceed \$2,500 is for official reception and representation expenses; for the Superior Court of the  
30 District of Columbia, \$129,019,000, of which not to exceed \$2,500 is for official reception and  
31 representation expenses; for the District of Columbia Court System, \$83,578,000, of which not

32 to exceed \$2,500 is for official reception and representation expenses; and \$121,980,000, to  
33 remain available until September 30, 2021, for capital improvements for District of Columbia  
34 courthouse facilities; Provided, That funds made available for capital improvements shall be  
35 expended consistent with the District of Columbia Courts master plan study and facilities  
36 condition assessment; Provided further, That, in addition to the amounts appropriated herein,  
37 fees received by the District of Columbia Courts for administering bar examinations and  
38 processing District of Columbia bar admissions may be retained and credited to this  
39 appropriation, to remain available until expended, for salaries and expenses associated with such  
40 activities, notwithstanding section 450 of the District of Columbia Home Rule Act (section 1-  
41 204.50, D.C. Official Code); Provided further, That notwithstanding any other provision of law,  
42 all amounts under this heading shall be apportioned quarterly by the Office of Management and  
43 Budget and obligated and expended in the same manner as funds appropriated for salaries and  
44 expenses of other Federal agencies; Provided further, That 30 days after providing written notice  
45 to the Committees on Appropriations of the House of Representatives and the Senate, the District  
46 of Columbia Courts may reallocate not more than \$9,000,000 of the funds provided under this  
47 heading among the items and entities funded under this heading; Provided further, That the Joint  
48 Committee on Judicial Administration in the District of Columbia may, by regulation, establish a  
49 program substantially similar to the program set forth in subchapter II of chapter 35 of title 5,  
50 United States Code, for employees of the District of Columbia Courts.

51  
52 **FEDERAL PAYMENT FOR DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS**

53           For payments authorized under section 11–2604 and section 11–2605, D.C. Official Code  
54 (relating to representation provided under the District of Columbia Criminal Justice Act),  
55 payments for counsel appointed in proceedings in the Family Court of the Superior Court of the  
56 District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual  
57 agreements to provide guardian ad litem representation, training, technical assistance, and such  
58 other services as are necessary to improve the quality of guardian ad litem representation,  
59 payments for counsel appointed in adoption proceedings under chapter 3 of title 16, D.C. Official  
60 Code, and payments authorized under section 21–2060, D.C. Official Code (relating to services  
61 provided under the District of Columbia Guardianship, Protective Proceedings, and Durable  
62 Power of Attorney Act of 1986), \$46,005,000, to remain available until expended; Provided,  
63 That funds provided under this heading shall be administered by the Joint Committee on Judicial  
64 Administration in the District of Columbia; Provided further, That, notwithstanding any other  
65 provision of law, this appropriation shall be apportioned quarterly by the Office of Management  
66 and Budget and obligated and expended in the same manner as funds appropriated for expenses  
67 of other Federal agencies.

68

69                                   **FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT**

70           For a Federal payment to the District of Columbia, to be deposited into a dedicated  
71 account, for a nationwide program to be administered by the Mayor, for District of Columbia  
72 resident tuition support, \$40,000,000, to remain available until expended; Provided, That

73 such funds, including any interest accrued thereon, may be used on behalf of eligible District  
74 of Columbia residents to pay an amount based upon the difference between in-State and out-  
75 of-State tuition at public institutions of higher education, or to pay up to \$2,500 each year at  
76 eligible private institutions of higher education; Provided further, That the awarding of such  
77 funds may be prioritized on the basis of a resident's academic merit, the income and need of  
78 eligible students, and such other factors as may be authorized; Provided further, That the  
79 District of Columbia government shall maintain a dedicated account for the Resident Tuition  
80 Support Program that shall consist of the Federal funds appropriated to the Program in this  
81 Act and any subsequent appropriations, any unobligated balances from prior fiscal years, and  
82 any interest earned in this or any fiscal year; Provided further, That the account shall be under  
83 the control of the District of Columbia Chief Financial Officer, who shall use those funds  
84 solely for the purposes of carrying out the Resident Tuition Support Program; Provided  
85 further, That the Office of the Chief Financial Officer shall provide a quarterly financial  
86 report to the Committees on Appropriations of the House of Representatives and the Senate  
87 for these funds showing, by object class, the expenditures made, and the purpose therefor.

88

89

**FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT**

90

91

92

For a Federal payment for a school improvement program in the District of Columbia,  
\$90,000,000, to remain available until expended, for payments authorized under the Scholarship  
for Opportunity and Results Act (division C of Public Law 112–10); Provided, That, to the

93 extent that funds are available for opportunity scholarships and following the priorities included  
94 in section 3006 of such Act, the Secretary of Education shall make scholarships available to  
95 students eligible under section 3013(3) of such Act, including students who were not offered a  
96 scholarship during any previous school year; Provided further, That within funds provided for  
97 opportunity scholarships up to \$3,200,000 shall be for the activities specified in sections 3007(b)  
98 through 3007(d) and 3009 of such Act.

99

100 **FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL**

101 For a Federal payment to the Criminal Justice Coordinating Council, \$2,150,000, to  
102 remain available until expended, to support initiatives related to the coordination of Federal and  
103 local criminal justice resources in the District of Columbia.

104

105 **FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS**

106 For a Federal payment, to remain available until September 30, 2021, to the Commission  
107 on Judicial Disabilities and Tenure, \$325,000, and for the Judicial Nomination Commission,  
108 \$290,000.

109

110 **FEDERAL PAYMENT FOR THE DISTRICT OF COLUMBIA NATIONAL GUARD**

111 For a Federal payment to the District of Columbia National Guard, \$413,250, to remain  
112 available until expended for the Major General David F. Wherley, Jr. District of Columbia



113 National Guard Retention and College Access Program.

114

115 **FEDERAL PAYMENT FOR TESTING AND TREATMENT OF HIV/AIDS**

116 For a Federal payment to the District of Columbia for the testing of individuals for, and  
117 the treatment of individuals with, human immunodeficiency virus and acquired  
118 immunodeficiency syndrome in the District of Columbia, \$4,750,000.

119

120 **FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE**  
121 **DISTRICT OF COLUMBIA**

122 For a Federal payment of necessary expenses, as determined by the Mayor of the District  
123 of Columbia in written consultation with the elected county or city officials of surrounding  
124 jurisdictions, \$28,790,000, to remain available until expended, for the costs of providing public  
125 safety at events related to the presence of the National Capital in the District of Columbia,  
126 including support requested by the Director of the United States Secret Service in carrying out  
127 protective duties under the direction of the Secretary of Homeland Security, and for the costs of  
128 providing support to respond to immediate and specific terrorist threats or attacks in the District  
129 of Columbia or surrounding jurisdictions; provided, that \$12,290,000 of that amount shall be  
130 available for the purchase of a new fireboat to serve the Potomac and Anacostia Rivers and assist  
131 the District of Columbia in keeping pace with emerging threats and a higher volume of  
132 emergency response needs in the waterfront area.

133 **FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

134 For a Federal payment to the District of Columbia Water and Sewer Authority,  
135 \$40,000,000, to remain available until expended, to continue implementation of the Combined  
136 Sewer Overflow Long-Term Control Plan.

137  
138 Sec. 3. Compensation of the Chief Financial Officer.

139 (a) Section 424(b)(2)(E) of the District of Columbia Home Rule Act, approved April 17,  
140 1995 (109 Stat. 142; D.C. Official Code § 1-204.24b(b)(5)) is amended to read as follows:

141 “(E) PAY.—The Chief Financial Officer shall be paid at the greater of:

142 “(i) A rate such that the total amount of compensation paid during  
143 any calendar year is equal to the limit on total pay which is applicable during the year under  
144 section 5307 of title 5, United States Code, to an employee described in section 5307(d) of such  
145 title; or

146 “(ii) A rate established in law by the District of Columbia;  
147 provided, that any rate established pursuant to this clause which is applicable to any individual  
148 serving as the Chief Financial Officer shall not be reduced during any period of that individual’s  
149 service as Chief Financial Officer.”.

150

151 Sec. 4. Public-private partnership contracts.

152 Notwithstanding any other provision of law, during Fiscal Year 2020 and any subsequent  
153 fiscal year, the District of Columbia may expend funds, certified as available by the Chief

154 Financial Officer of the District of Columbia, as necessary to pay termination costs of multiyear  
155 contracts entered into by the District of Columbia to design, construct, improve, maintain,  
156 operate, manage or finance infrastructure projects procured pursuant to the Public-Private  
157 Partnership Act of 2014, effective March 11, 2015 (D.C. Law 20-228, D.C. Official Code § 2-  
158 271.01 *et seq.*), and such termination costs may be paid from appropriations available for the  
159 performance of the contract or the payment of termination costs or from other appropriations  
160 then available for any other purpose, not including the Emergency Reserve or Contingency  
161 Reserve Funds (D. C. Official Code § 1-204.50a), which, once allocated to these costs, shall be  
162 deemed appropriated for the purposes of termination costs of the contract and shall retain  
163 appropriations authority and remain available until expended.

164

165           Sec. 5. Contingency cash.

166           (a) No funds in excess of \$500,000 shall be obligated or expended from the Contingency  
167 Cash Reserve Fund established by section 450A(b) of the District of Columbia Home Rule Act,  
168 approved November 22, 2000 (114 Stat. 2440; D.C. Official Code § 1-204.50a(b)), unless such  
169 expenditures have been approved by the Council by resolution.

170           (b) The Contingency Cash Reserve Transparency Amendment Act of 2008, enacted on  
171 January 29, 2008 (D.C. Act 17-278; 55 DCR 1530), is enacted into law.

172

173           Sec. 6. Notwithstanding any other law, the following sales shall be subject to the sales

174 and use taxes of the District of Columbia:

175 (1) Sales at gift shops, souvenir shops, kiosks, convenience stores, food shops,  
176 cafeterias, restaurants, and similar establishments in federal buildings, including memorials and  
177 museums, in the District of Columbia that make sales to:

178 (A) The general public, if operated by the federal government, an agent of  
179 the federal government, or a contractor; and

180 (B) Other than the general public, if operated by an agent of the federal  
181 government or a contractor; and

182 (2) Sales of goods and services by a government-sponsored enterprise or  
183 corporation, institution, or organization established by federal statute or regulation (“federal  
184 enterprise or organization”), including the Smithsonian Institution, National Gallery of Art,  
185 National Building Museum, Federal National Mortgage Association, and Federal Home Loan  
186 Mortgage Corporation, if the federal enterprise or organization is otherwise exempt from such  
187 taxation, to the extent such sales otherwise would be subject to the sales and use taxes of the  
188 District of Columbia if the federal enterprise or organization were organized as a nonprofit  
189 corporation established pursuant to Chapter 4 of Title 29 of the District of Columbia Official  
190 Code, and exempt from federal income taxation pursuant to section 501(c)(3) of the Internal  
191 Revenue Code of 1954, approved August 16, 1954 (68A Stat. 163; 26 U.S.C. § 501(c)(3)).

192

193 Sec. 7. Federal portion of the budget.

194           The federal funds for which appropriation by Congress is requested by this act  
195   constitute the federal portion of the Fiscal Year 2020 annual budget for the District of  
196   Columbia government under section 446(a) of the District of Columbia Home Rule Act,  
197   approved December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46(a)).

198           Sec. 8. Fiscal impact statement.

199           The Council adopts the fiscal impact statement of the Chief Financial Officer as the  
200   fiscal impact statement required by section 4a of the General Legislative Procedures Act of  
201   1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

202           Sec. 9. Effective date.

203           This act shall take effect as provided in section 446 of the District of Columbia Home  
204   Rule Act, approved December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46).