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Councilmember Janeese Lewis George

**AN AMENDMENT**

**#1**

**IN THE COUNCIL OF THE DISTRICT OF COLUMBIA**

**DATE**: May 16, 2022

**OFFERED BY**: Councilmember Janeese Lewis George

**TO:** B25-202, the Fiscal Year 2024 Budget Support Act of 2023
(Committee Print)

**Text of the Amendment:**

PART A – GIVE SNAP A BONUS

Title V is amended by adding a new subtitle to read as follows:

SUBTITLE X. GIVE SNAP A BONUS.

Sec. XXX1. Section 5084 of the Food Stamp Expansion Act of 2009, effective March 3, 2010 (D.C. Law 18-111; D.C. Official Code § 4-261.04), is amended by adding a new subsection (c) to read as follows:

“(c) In addition to any locally funded minimum benefit that a household may receive under subsection (a) of this section, between January 1, 2024 and September 30, 2024, a household participating in SNAP shall receive a locally funded benefit equal to 10% of the household’s federal maximum monthly allotment.”.

PART B – UNIVERSAL PAID LEAVE FUND

Subtitle IV-C (Universal Paid Leave Implementation Fund) is amended as follows:

1. Section 4022, amending section 1152 of the Universal Paid Leave Implementation Fund Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 32­-551.01), is amended by adding a new amendatory subsection (c) to read as follows (beginning after line 1156):

“(c) Subsection 1152(i) (D.C. Official Code § 32-551.01(i)) is amended to read as follows (deletions in strikethrough and additions underlined):

“ “(i) The balance in the Fund shall not fall below the equivalent of 5 ~~9~~ months of benefits provided pursuant to the Act, at any time during a fiscal year. If the Chief Financial Officer determines that the balance in the Fund will fall below the equivalent of 5 ~~9~~ months of benefits during a fiscal year, the Chief Financial Officer shall promptly notify the Mayor and the Council and present a plan, including recommended legislative changes, if any, to address the shortfall. If the balance in the Fund falls below the equivalent of 2 ~~6~~ months of benefits, the District shall immediately cease any further payments of benefits. If payment of benefits is ceased in accordance with this section, payment of benefits shall not resume until the Fund balance is equal to the equivalent of 6 ~~12~~ months of benefits.” ”.

2. A new section 4023 is added to read as follows:

“Sec. 4023. Subsection 104a(b)(3) of the Universal Paid Leave Amendment Act of 2016, effective November 13, 2021 (D.C. Law 24-45; D.C. Official Code § 32-541.04a(b)(3)) is amended by striking the phrase “9 months” and inserting the phrase “5 months” in its place.”.

PART C – DESIGNATED FUND TRANSFER

Subtitle VII-E (Designated Fund Transfers) is amended as follows:

1. Section 7042 is amended by adding a new subsection (e) to read as follows:

“(e) Notwithstanding any provision of law limiting the use of funds in the Universal Paid Leave Fund, the Chief Financial Officer shall transfer in Fiscal Year 2024 to the unassigned fund balance of the General Fund of the District of Columbia an amount that is necessary to fund the cost of section XXX1 [Give SNAP a Bonus], but not to exceed the funds that are made available by section 4022(c) [reducing the reserve requirement of the Universal Paid Leave Fund]. The amount identified in this section shall be made available as set forth in the approved Fiscal Year 2024 Budget and Financial Plan.”.

2. Technical amendment: Section 7043 is amended by striking the word “section” and inserting in its place the word “subtitle”.

**Rationale:**

This amendment would fund a temporary increase in food assistance benefits from January 1, 2024, through the remainder of FY 2024 (September 30, 2024), as envisioned by the Give SNAP a Raise Amendment Act of 2022 (D.C. Law 24-301). These additional, locally funded benefits—equal to 10% of the household’s federal maximum benefit—would be supported with approximately $39,613,000 in one-time funds.

Funds would be made available by reducing the fund balance requirement of the Universal Paid Leave Fund from 9 months’ expenditures (approximately $100 million in FY24) to 5 months’ expenditures (approximately $56 million in FY24). The District’s current 9-month fund balance requirement is far in excess of the level maintained by other states with paid leave programs. (Paid leave fund balances typically range from 3 to 6 months.) Even the District’s General Fund maintains a year-end fund balance of about 2 months’ expenditures.

The current 9-month reserve requirement was enacted as part of the original paid family leave legislation in 2016, based on concerns from the then-Chief Financial Officer about potential exposure of the General Fund. But in the FY22 Budget Support Act, the Council acted to insulate the General Fund from the paid family leave program. Specifically, D.C. Official Code § 32‑551.01(n) specifies that the costs of paid leave benefits are payable solely from the Universal Paid Leave Fund and from no other source. The language of this subsection is modeled on the language routinely used in the issuance of revenue bonds, which are payable from a single specified source without risk to the General Fund.

Importantly, reducing the reserve requirement *will not affect future tax rates* supporting the paid leave program. Under current law, the tax rates may be adjusted each year as needed to cover projected benefit costs.[[1]](#footnote-2) Whether the reserve requirement is higher or lower does not factor into the tax rate calculation. Money that is held to meet the current, excessively high fund balance does *not* provide relief to employers and does *not* provide benefits to workers.

In contrast, increasing the amount of food assistance will directly benefit low-income District families who are currently struggling with higher food prices *and* the loss of federal temporary pandemic SNAP benefits. Until March 2023, the federal temporary benefits provided households with at least $95, and as much as $250 or more, in monthly food assistance. One study, by the Urban Institute, estimated that while the federal temporary benefits were in effect, they reduced the number of people living in poverty by 10 percent and child poverty by 14 percent in the 35 participating states and territories (including the District).[[2]](#footnote-3)

If this amendment passes, a corresponding amendment to the Local Budget Act will provide appropriation authority.

1. D.C. Official Code § 32-541.04a. [↑](#footnote-ref-2)
2. Laura Wheaton and Danielle Kwon, “Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty,” Urban Institute, Aug. 1, 2022, accessed: <https://www.urban.org/research/publication/effect-reevaluated-thrifty-food-plan-and-emergency-allotments-supplemental>, *cited in* Dottie Rosenbaum et al., “Temporary Pandemic SNAP Benefits Will End in Remaining 35 States in March 2023,” Center on Budget and Policy Priorities, Feb. 6, 2023, accessed: <https://www.cbpp.org/research/food-assistance/temporary-pandemic-snap-benefits-will-end-in-remaining-35-states-in-march>. [↑](#footnote-ref-3)