



GOVERNMENT OF THE DISTRICT OF COLUMBIA

FY 2009 PROPOSED BUDGET AND FINANCIAL PLAN

Executive Summary

JUNE 9, 2008

SUBMITTED TO THE COUNCIL OF THE DISTRICT OF COLUMBIA

BY ADRIAN M. FENTY, MAYOR



GETTING THE JOB DONE

Government of the District of Columbia
FY 2009 Proposed Budget
and Financial Plan

*Getting the Job
Done*

Volume 1

Executive Summary

Submitted
to the
Congress of the United States

by the

Government of the District of Columbia



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

District of Columbia Government

For the Fiscal Year Beginning

October 1, 2007

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the District of Columbia for its annual and capital budget for the fiscal year beginning October 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria of a policy document, a financial plan, an operational guide and a communications device.

The award is the eighth in the history of the District of Columbia. The Office of Budget and Planning will submit this FY 2009 Budget and Financial Plan for consideration by GFOA, and believes the FY 2009 Proposed Budget and Financial Plan continues to conform to the GFOA's requirements.

Government of the District of Columbia

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City Administrator

Victor Reinoso
Deputy Mayor for Education

Tené Dolphin
Chief of Staff

Neil O. Albert
Deputy Mayor for Planning and Economic
Development

Natwar M. Gandhi
Chief Financial Officer

Members of the Council

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Chairman-At-Large

Carol SchwartzAt Large
David A. CataniaAt Large
Phil MendelsonAt Large
Kwame R. Brown.....At Large
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Jack EvansWard 2
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Muriel BowserWard 4
Harry Thomas, Jr.Ward 5
Tommy WellsWard 6
Yvette M. AlexanderWard 7
Marion BarryWard 8

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Office of the City Administrator

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Chief of Budget Execution

Office of the Chief Financial Officer

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Office of Tax and Revenue

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Cynthia Gross

Associate General Counsel

Associate Chief Financial Officers

Deloras Shepherd

Human Support Services

Mohamed Mohamed

Government Operations

George Dines

Government Services

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Economic Development and Regulation

Angelique Hayes

Public Safety and Justice

Office of Budget and Planning

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James Spaulding
Associate Deputy Chief Financial Officer

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Eric Cannady, Deputy Director
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Public Safety and Public Works

David Hines, Deputy Director
Rasheed Dawodu
Amina Elzeneiny
Sherrie Greenfield
Lydia Hallums

Public Education

Brenda Haws, Senior Education Financial Advisor
Carolyn Johnson
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Financial Planning and Analysis

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Sue Taing

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Kenard Hawkins
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Renee Waddy

Capital Improvements Program

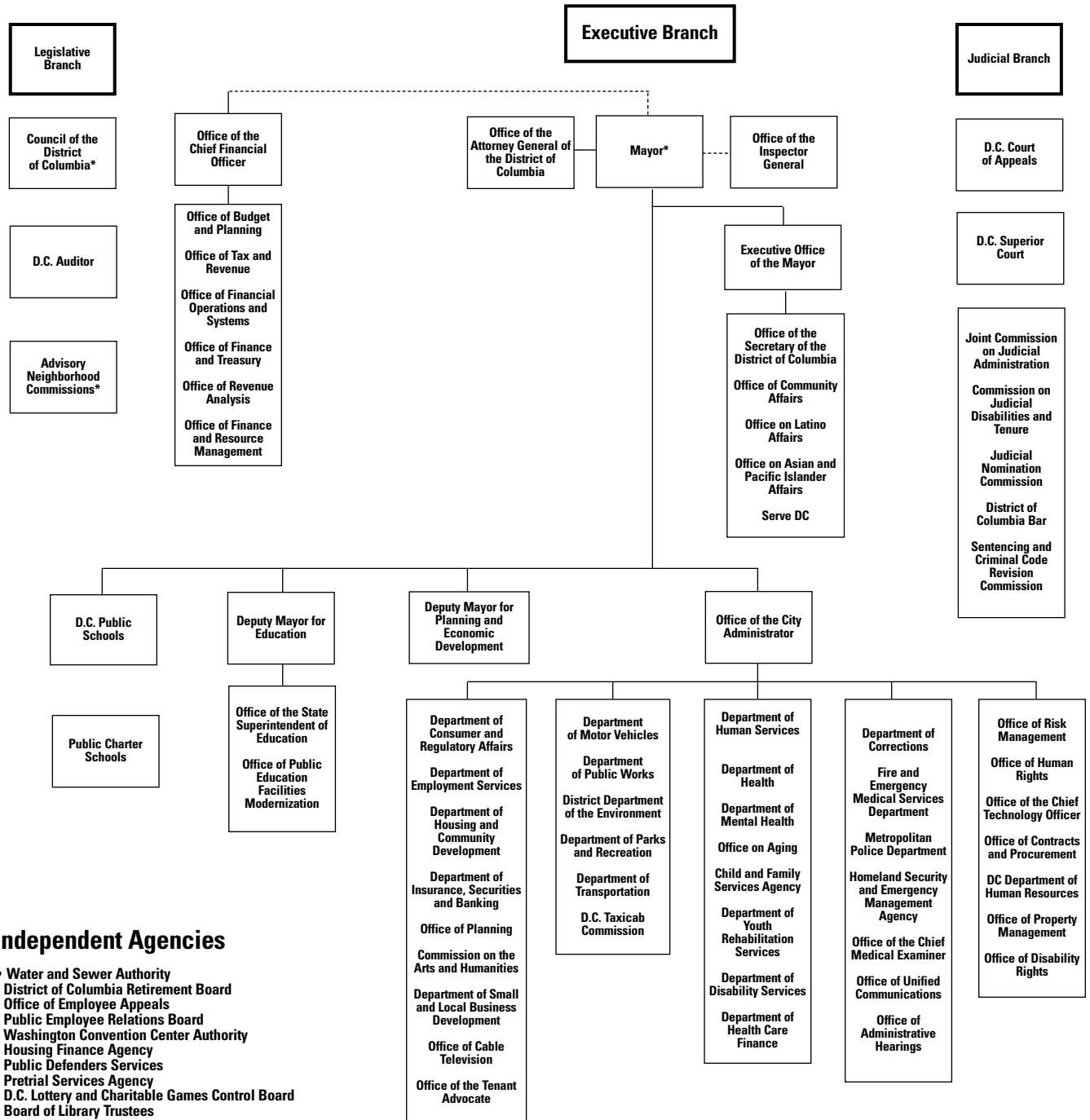
John McGaw, Acting Director
Carlotta Osorio, Acting Controller
Omar Herzi
David Kintu
Bharat Kothari

Information Systems

Freeman Murray, Deputy Director
Stephen Durity
Walter Fraser
Afsar Husain
Robert Johnson
Darryl Miller

District of Columbia - Organization Chart

Government of the District of Columbia



Independent Agencies

- Water and Sewer Authority
- District of Columbia Retirement Board
- Office of Employee Appeals
- Public Employee Relations Board
- Washington Convention Center Authority
- Housing Finance Agency
- Public Defenders Services
- Pretrial Services Agency
- D.C. Lottery and Charitable Games Control Board
- Board of Library Trustees
- University of the District of Columbia Board of Trustees
- D.C. Sports and Entertainment Commission
- Office of the People's Counsel
- D. C. Housing Authority
- Contract Appeals Board
- Board of Real Property Assessments and Appeals
- Alcoholic Beverage Regulation Administration

Charter Independent Agencies

- Zoning Commission
- Public Charter Schools
- Public Service Commission
- Board of Elections and Ethics

Regional Bodies

- Metropolitan Washington Council of Governments
- National Capital Planning Commission
- Washington Metropolitan Area Transit Authority
- Washington Metropolitan Area Transit Commission
- Washington Metropolitan Airports Authority

*Elected officials

FY 2009 Proposed Budget and Financial Plan

Volume 1 **Executive Summary**

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The FY 2009 Budget Request Act

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Volume 3 - FY 2009 Proposed Budget and Financial Plan - *Agency Budget Chapters - Part 2*

Volume 4 - FY 2009 Proposed Budget and Financial Plan - *Operating Appendices - Part 1*

Volume 5 - FY 2009 Proposed Budget and Financial Plan - *Operating Appendices - Part 2*

Volume 6 - FY 2009 Proposed Budget and Financial Plan - *FY 2009 - FY 2014 Capital Appendices*

Volume 7 - FY 2009 Proposed Budget and Financial Plan - *FY 2009 - FY 2014 Highway Trust Fund*

Transmittal Letter



ADRIAN M. FENTY
MAYOR

June 9, 2008

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

On behalf of the residents of the District of Columbia, I submit to you the District's Fiscal Year 2009 Budget and Financial Plan, entitled *Getting the Job Done*.

This \$8.6 billion spending plan, including \$6.5 billion in General Fund resources, is the District of Columbia's thirteenth consecutive balanced budget. The budget remains balanced despite the fact that revenue growth has slowed considerably as a result of the increasing weaknesses in the national economy. This budget positions the District to meet immediate and long term fiscal challenges by eliminating hundreds of unnecessary positions and slowing the growth of other cost drivers. The budget provides modest tax relief for businesses and low-income residents. This budget will also strengthen critical services in the areas of education, public safety, healthcare and human services, infrastructure and the environment, economic development and affordable housing, and government operations and financing.

Education

Improving public education is the District's highest priority. The budget for the District of Columbia Public Schools (DCPS) focuses resources on the classroom, with a comprehensive staffing model for every school. Consolidating resources in fully-functioning schools, rather than many underused buildings, will enable the school system to hire more art, music, and physical education teachers, more social workers and psychologists, and more literacy and math coaches.

This budget will also support movement towards universal pre-Kindergarten, a shared policy goal of the District's legislative and executive branches. DCPS will expand its services to more 3- and 4-year-old children, and plans to phase-in a quality early childhood program at every elementary school. To bring this about, DCPS will institute rigorous professional development standards and an assessment and intervention model.

Public Safety

A safer city requires investing in personnel and technology. The budget includes salaries, benefits and equipment funding for the Metropolitan Police Department to move towards a goal of 4,200 sworn officers, while civilianizing evidence technician positions. This will put more officers on the street and begin building a professional staff for the new Consolidated Forensic Laboratory, scheduled to begin construction in 2009.

Investments in police technology will help the department to focus more effectively on its core mission. This will provide easier access to information for officers and command staff and reduce the amount of time it takes to complete reports.

Enhanced funding for the Fire and Emergency Medical Services Department will support the recommendations of the Mayor's Task Force on Emergency Medical Services, including the Street Calls program. This initiative connects repeat 911 callers with effective medical treatment on site preventing costly transportation to local emergency rooms. This frees personnel and equipment to respond to legitimate emergencies. A new paramedic training curriculum is also planned.

Finally, we are proposing \$1.5 million to create 96 units of supportive housing for victims of domestic violence. This collaborative project among the DC Superior Court, the Department of Housing and Community Development, and non-profit providers will provide stable housing and services to victims, replacing the current practice of providing only hotel rooms.

Healthcare and Human Services

The Department of Health plans new investments to combat HIV/AIDS, childhood obesity, substance abuse and diabetes. The Department will also implement the SafeRX program to provide public information on prescription drug choices.

Our Child and Family Services Agency plans to spend \$4.5 million on kinship care, to help eligible relatives (including grandparents) meet the needs of children for whom they provide—while keeping them out of the foster care system. The agency will also expand access to mental health services.

This fiscal year, we plan to make the District Government more accessible to people with disabilities. We will provide sign language interpreters and real time captioning for meetings with people who are deaf, Braille materials for people who are blind, and assistive technology for employees with various disabilities. By centralizing this funding, DC agencies will be encouraged to hire people with disabilities and include people with disabilities in all programs. The Office of Disability Rights will also implement an accessible taxi service pilot in the District.

Additional funding of \$5.2 million will enable the Department of Disability Services to continue moving people with developmental disabilities from highly restrictive settings into homes of their own, receiving supportive services funded through the Medicaid waiver.

The new Department of Health Care Finance will institute intensive medical case management for high-risk patients who currently can only receive this care in institutional settings. This will allow an estimated 1,000 seniors to take advantage of timely care while remaining in their homes, while saving taxpayer dollars. This budget also increases Medicaid fee-for-service rates for primary and specialty care.

With capital investments, the Department of Mental Health will make critical infrastructure improvements at St. Elizabeth's Hospital. The department also plans to increase acute care admissions by 15 per month, expand mobile crisis services, and expand school-based mental health care.

Infrastructure and Environment

The budget invests in infrastructure maintenance and improvements while also recognizing the importance of our environment, parks, and recreation facilities. The Department of the Environment will lead the District's efforts to prevent lead poisoning by eliminating lead exposure hazards in the District's housing stock and the enforcing the District's lead laws. DDOE also plans to enhance its support for the Green Building Act, its emergency response capacity, and incentives for home and business owners to reduce their stormwater runoff.

The Department of Public Works will build on its success in converting all District Government heavy vehicles to ultra-low-sulfur diesel fuel in 2007 by mixing this fuel with 20 percent vegetable oil. This will reduce fleet emissions and improve air quality. The Department also plans to add 40 year-round positions for employees with commercial driver's licenses. They will assist in the spring cleaning program, nuisance abatement, trash collection, mowing, alley cleaning and street sweeping, as well as litter control in hot spots and Fix-It areas.

The Department of Transportation will improve pedestrian safety by increasing the number of traffic control officers for deployment at high-hazard or congested intersections. DDOT will station crossing guards at all public elementary schools and expand the program to serve public charter schools. DDOT also plans a new Metro Extra bus route on 16th Street and expanded service on H Street, NE.

The Department of Motor Vehicles will offer District residents the option of SmarTrip technology in their driver's licenses and ID cards, making the Metro system even more convenient. The Department will also install automated kiosks at locations throughout the District, reducing the need for visits to service centers.

Affordable Housing and Economic Development

The budget will preserve and expand affordable housing initiatives, despite the downturn in the regional housing market. A key piece of our strategy is the Home Purchase Assistance Program, which offers down payment and closing-cost assistance to first-time homebuyers. We anticipate 500 more residents will achieve their dreams of owning a home in FY 09 due to an infusion of \$19 million in local funds.

The District will create a Housing First Fund to provide vulnerable homeless residents with supportive services and housing assistance. This Fund will enable the District to embrace a "housing first" approach to addressing homelessness by immediately aligning resources essential to simultaneously meet the service and housing needs of the homeless.

The Department of Housing and Community Development will resurrect the Land Acquisition for Housing Development Opportunities program in FY 09 after more than 10 years of dormancy. This program provides long-term lease-back or low-interest loans on District-owned land to help developers buy land for low- to moderate-income housing.

Last summer, I unveiled the redesigned permit center at the Department of Consumer and Regulatory Affairs (DCRA). We have brought the many District agencies involved in permitting and licensing into

one room with a logical flow and intuitive signage. This year, we plan to add \$500,000 to DCRA's budget to standardize and extend the exchange of information with other agencies.

Last summer was one the most successful for the District's Summer Youth Employment Program. We plan to build on that success by investing \$6.9 million to allow the Department of Employment Services (DOES) to hire 15-20,000 youths and expand the program from 6 to 10 weeks. DOES will also eliminate the waiting list for its Transitional Employment Program, which provides high-quality job training.

Government Operations and Finances

This budget includes a number of improvements in the way the District Government will operate in FY 09. The Office of the Chief Technology Officer (OCTO) plans dramatic cuts in the amount of paper documents used across the government, reducing our impact on the environment and the need for storage. OCTO will create a centralized scanning center with the goal of digitizing 40 million documents by the end of the fiscal year. A total of \$7.4 million will be available for this effort.

The Office of the Attorney General (OAG) will establish a rulemaking unit to assist the largest agencies that have the most urgent needs or largest backlogs in rulemaking. This will be done with a \$16,000 annual investment and existing staff. OAG also plans to enhance its support of the Poverty Lawyer Loan Assistance Fund and Access to Justice initiatives, which provide access to legal services, language assistance and law school loan repayment assistance.

The Office of Property Management will assume responsibility for maintaining the buildings affected by the upcoming DCPS school consolidation. Many of these buildings will be immediately put to alternative use, some as District Government offices. This action will reduce the District's reliance on leased property, locate our employees closer to the neighborhoods and residents they serve, and preserve the option of converting the buildings back to schools if future enrollment requires their use.

Finally, the current retirement system for District Government employees is restrictive for vesting, and many employees set aside nothing for their retirement. This budget includes \$10 million to begin implementation of an enhanced retirement plan, including an employer contribution, for post-1987 District general employees.

This budget proposal is the product of exhaustive analysis of every District Government agency and vigorous Council oversight. We believe it is possible to deliver the services our residents expect and deserve, while protecting their investment our city.

I look forward to Federal approval of this budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Adrian M. Fenty". The signature is stylized and cursive, with a long horizontal flourish extending to the right.

Adrian M. Fenty

How to Read the Budget and Financial Plan

How to Read the Budget and Financial Plan

The District of Columbia's FY 2009 Proposed Budget and Financial Plan is a communication tool that presents and explains policy priorities, agency operations, including program/organizational structures, as well as performance measures in the context of the financial plan that shows the District's sources of revenue and planned expenditures. Included are forecasts of economic and financial conditions, current and planned long-term debt financing, policy decisions, and other important financial information for the District's government. These elements are essential for accurate financial reporting and sound management of public resources.

How to Read the Budget and Financial Plan describes the sections of this budget volume that define the budget priorities for the District. These sections are consistent with the National Advisory Council on State and Local Budgeting's recommended budget practices that call for a presentation of information that provides the reader with a guide to government programs and organizational structure. Additionally, these sections are consistent with the standards of the Government Finance Officers Association for the Distinguished Budget Presentation Award.

The FY 2009 Budget and Financial Plan is presented in six volumes summarized as follows:

Executive Summary (Volume 1) - Provides a high-level summary of the general budget and financial information, including sections describing the new initiatives within the District's proposed budget, the transmittal letters from the mayor and chief financial officer, information on the strategic budgeting process, presents the District's 5-year financial plan, detailed information on the District's projected revenue, expenditures and various appendices. In addition, this volume includes information about the District's budgetary and financial management policies, grant match and maintenance of efforts, statistical profile of the District, glossary of budget terms, budget summary tables by agency and fund type, and the Budget Request Act legislation that serves as the basis for the District's federal appropriations act.

Agency Budget Chapters (Volumes 2 and 3) - Describes the operating budgets for each of the District's agencies by appropriation title. Appropriation titles categorize the general areas of services provided by the District on behalf of its citizens and are listed in the Table of Contents. Examples are Public Education System and Human Support Services.

Operating Appendices (Volumes 4 and 5) - Includes detailed supporting tables displaying the proposed expenditures and full-time equivalents in the operating budgets that are described in Volume 2.

Note: These volumes are available exclusively on the Government of the District of Columbia website at <http://cfo.dc.gov/>.

Capital Appendices (Volume 6) - Describes the District's proposed six-year capital improvement plan for all of the District's agencies (excluding the Highway Trust Fund).

Highway Trust Fund (Volume 7) - Describes the District's Highway Trust Fund, which is the main funding source for the 6-year capital improvement plan for federally eligible transportation projects. These funds are administered by the District Department of Transportation. This volume is published only with the District's proposed budget in June of each year.

Detailed information on the chapter contents of each volume include:

Volume 1: Executive Summary

Includes:

Introduction: FY 2009 Proposed Budget and Financial Plan

This chapter is a narrative and graphic summary of the proposed budget and financial plan. It describes the overall proposed budget, including the sources and uses of public funds versus the prior year's approved budget. The chapter also explains the budget development process and calendar for FY 2009.

Strategic Budgeting

This chapter describes the initiatives that the District is undertaking to improve budgeting and management of resources. It includes a description of the District's continued efforts and progress in Performance-Based Budgeting (PBB), which is the District's initiative to align resources with results, benchmarking, performance measurement, performance planning, and service-level budgeting. PBB greatly improves the District's ability to make policy and funding decisions based on anticipated results and improve the District's ability to hold program managers accountable for achieving results.

Financial Plan

This Financial Plan summarizes planned revenues and expenditures for FY 2008-2012. This chapter includes financing sources and uses and assumptions applied to derive the short-term and long-term economic outlook. It also includes an assessment of the impact of budgetary decisions on the financial health of the District.

Revenue

This chapter shows current revenue projections for each revenue type as certified by the Office of the Chief Financial Officer. It also details the District's revenue sources, provides an overview of the District's and regional economy and economic trends, and the outlook for revenue through FY 2012.

Operating Expenditures

This chapter describes the District's recent local expenditures and future projections. It includes analysis of expenditures between FY 2004 and 2009, both by agency and by expense category such as personnel, supplies, or fixed costs. Finally, it discusses expenditure projections for FY 2010 through 2012, based on the proposed FY 2009 budget, as presented in the financial plan.

Appendices

This last section of the Executive Summary volume contains a number of items to clarify the District's budget:

- The **D.C. Comprehensive Financial Management Policy** provides a framework for fiscal decision-making by the District to ensure that financial resources are available to meet the present and future needs of District citizens;
- The **Grant Match and Maintenance of Effort** section includes a table by agency and grant number that provides the required grant match and maintenance of effort contributions for federal and private grants received by the District;
- The **Statistical Section** provides tables that reflect the financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the District;
- The **Basis of Budgeting and Accounting** section describes the basis of budgeting and accounting, which allows the reader to understand the different presentation methods of the District's finances;
- The **Glossary of Budget Terms** section describes unique budgeting, accounting, and District terms that may not be known by the general reader;
- The **Summary Tables** detail the District's proposed operating budget by agency and fund type for both the budgeted dollars and positions; and
- The **Budget Request Act** is the legislation that the District Council and Mayor enact the District's budget via local law, and serves as the basis for the District's federal appropri-

ations act to be enacted into law by the United States Congress and President via the federal appropriations process.

Volumes 2 & 3: Agency Budget Chapters - Part I & II

Includes:

Agency chapters illustrate available resources, what the resources are spent on, and the outcomes achieved and anticipated as a result of these expenditures.

Changes from the previous year include:

- The FY 2009 Budget and Financial Plan transitioned the budget from a narrative format to a table format and the bulk of the budget detail is presented in tabular form.
- The FY 2009 budget includes the transition to agency performance plans. Please refer to the **Strategic Budgeting Chapter** in Volume 1 for more information.
- For those agencies with performance plans, a table is included in the agency chapter that contains the agency's performance measures.

Chapters are grouped by appropriation title and each chapter contains the following sections:

Header Information:

- Agency name and budget code;
- Website address and telephone; and
- FY 2009 proposed operating budget table.

Introduction:

- Agency mission; and
- Performance Objectives, or Strategic Result Goals, and agency program descriptions.

Financial and Program Information (FTE employment levels):

- Proposed Funding by Source table.
- Proposed Full-Time Equivalents table.
- Proposed Expenditure by Comptroller Source Group table.

- Proposed Expenditure by Program (PBB agencies) table.
- FY 2008 Approved Budget to FY 2009 Proposed Budget reconciliation table.
- Agency Performance Measures table.

To help the reader navigate the Agency Budget Chapter volume, an example of an agency narrative is presented at the end of this chapter. This example represents a performance plan agency. Callout boxes highlight the features discussed above.

Volumes 4 & 5: Operating Appendices

These two volumes provide supporting tables to each agency's proposed operating budget. The tables generally include FY 2007 actual expenditures, FY 2008 approved budgets, the FY 2009 proposed budget, and the change from FY 2008 to FY 2009 (unless noted).

Note: These volumes are available exclusively on the Government of the District of Columbia website at <http://cfo.dc.gov/>.

The following tables are provided for Agencies that have been converted to a performance-based budgeting format:

Schedule 30-PBB - Dollars summarized by program, activity, and governmental fund (governmental fund breakout is for FY 2009 only and includes general fund detail);

Schedule 40-PBB - Dollars summarized by program, comptroller source group and governmental fund;

Schedule 40G-PBB - Dollars summarized by program, comptroller source group and appropriated fund within the general fund

Schedule 41 - Dollars and FTEs summarized by comptroller source group and governmental fund;

Schedule 41G - Dollars and FTEs summarized by comptroller source group and appropriated fund within the general fund; and

Schedule 80 - Dollars and FTEs summarized by revenue type, appropriated fund, and revenue source (for FY 2009 proposed budget only).

The following tables are provided for agencies that have not been converted to a PBB format:

Schedule 30 - Dollars summarized by control center, responsibility center, and governmental fund (governmental fund breakout is for FY 2009 only and includes general fund detail);

Schedule 40 - Dollars summarized by control center, comptroller source group and governmental fund;

Schedule 40G - Dollars summarized by control center, comptroller source group and appropriated fund within the general fund;

Schedule 41 - Dollars and FTEs summarized by comptroller source group and governmental fund;

Schedule 41G - Dollars and FTEs summarized by comptroller source group and appropriated fund within the general fund; and

Schedule 80 - Dollars and FTEs summarized by revenue type, appropriated fund, and revenue source (for FY 2009 proposed budget only).

Volume 6: Capital Improvement Plan & Appendices

This volume covers the District's FY 2009-FY 2014 Capital Improvements Plan (CIP), excluding the Highway Trust Fund. The volume includes:

- The **Introduction** chapter describes the overall CIP including the sources and uses of capital funds, the District's policies and proce-

dures for its capital budget and debt, the FY 2009 planning process, and an overview of the District of Columbia's Water and Sewer Authority's FY 2007-FY 2016CIP.

- The **Project Description Forms**, comprise the major portion of the capital appendices volume. The project description forms provide details on capital projects funded by general obligation bonds, pay-as-you-go (paygo) capital, the Master Equipment Lease program, and the Local Street Maintenance Fund. Each page shows one subproject's planned allotments for fiscal years 2009 through 2014, description, annual operating impact, milestone data, and location on a map.
- The **Appendices**, provide supporting tables and a glossary about the District's capital budget, including:
 - The **FY 2009 Planned Expenditures from New and Existing Allotments** table summarizes all planned FY 2009 expenditures by agency and subproject for new allotments in FY 2009 versus prior years' allotments;
 - The **FY 2009-FY 2014 Planned Expenditures From New Allotments** table summarizes the new allotments' planned FY 2009-FY 2013 expenditures by agency, project, and subproject;
 - The **FY 2009-FY 2014 Planned Funding** table summarizes the FY 2009 and six-year funding sources for all new allotments by agency, subproject, and funding source;
 - The **Balance of Capital Budget Authority, All Projects** table summarizes the lifetime budget authority, life-to-date expenditures, total commitments, and balance of budget authority for all ongoing capital projects by agency, project, and authority (District versus federal);

- The **FY 2009 Appropriated Budget Authority Request** table summarizes the proposed new projects and changes (increase or decrease) for ongoing projects by agency, subproject, and fund (Local versus Local Street Maintenance); and
- The **Glossary of Budget Terms** describes terms used in the capital appendices.

Volume 7: Highway Trust Fund

This volume covers the District's FY 2009-FY 2014 proposed Highway Trust Fund expenditures, including:

- The **Introduction** chapter describes the Highway Trust Fund program, including the sources and uses of the funds, the District's policies and procedures for the trust fund, and the FY 2009 planning process.
- The next section, the **Project Description Forms**, comprise the majority of the Highway Trust Fund volume. Each page shows one sub-project's planned allotments for fiscal years 2009 through 2014, description, annual operating impact, milestone data, and location on a map.
- The last section, the **Appendices**, provides supporting tables about the District's Highway Trust Fund program.

Agency budget code

(BA0)

Office of the Secretary

Agency name

www.os.dc.gov
Telephone: 202-727-6306

Agency Website address

Description	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	% Change from FY 2008
Operating Budget	\$3,515,419	\$3,755,726	\$4,736,085	26.1
FTEs	26.0	29.0	29.0	0.0

This shows the agency's FY 2007 actual expenditures, FY 2008 approved budget, the FY 2009 Mayor's proposed budget and the variance from FY 2009 to FY 2008. This includes the agency's operating budget and FTEs.

FTE actuals are the number of Full Time Equivalent positions paid.

The mission of the Office of the Secretary of the District of Columbia is to provide document management and ceremonial services for the Mayor and District government agencies in a manner that is efficient, accountable, and customer friendly.

This section describes the agency's mission and purpose.

To fulfill its mission by achieving the following objectives:

Objective 1: Provide timely and open access to all District of Columbia laws, regulations, administrative rules, and public records.

Objective 2: Support DC agencies' attempts to bring the best of the District to the forefront of e-government services nationwide.

Objective 3: Maintain excellent relations with the international community in Washington, D.C., including the embassies, our sister cities, and the Department of State.

To view complete agency performance plans, please visit the 'Performance Plans and Reports' link on the CapStat webpage at <http://capstat.oca.dc.gov/>.

These objectives are funded through the following agency programs:

- International Relations and Protocol - provides liaison and outreach services to the diplomatic and international community, on behalf of the Mayor and local residents. This program is responsible for all international visitors to the District Government, including the development of partnerships and relations between the District and embassies and their neighbors.
- Ceremonial Services - provides ceremonial services to the Mayor, Council members, officials, businesses, organizations, and government agencies so that they can participate in events recognized by the Mayor. Proclamations, greeting letters and other ceremonial documents are the most requested documents.

This identifies the agency's performance objectives for this year. Performance plans for all agency are on the CapStat website.

- **Office of Documents and Administrative Issuances** - provides publication and legal editorial services to the Mayor, District agencies, and the general public so that they can give and/or have official notice of all proposed and adopted legal mandates.
- **Notary Commission and Authentications** - provides commissioning and authentication services to private individuals and businesses so that they can become notary publics and have their documents authenticated.
- **Public Records** - provides archives and records management services to D.C. government agencies and the public so that they can gain access to official government documents.
- **Executive Management** - supports the Emancipation Day Celebration and related activities to commemorate District of Columbia Emancipation Day.
- **Agency Management** - provides for administrative support and the required tools to achieve operational programmatic results. This program is standard for all agencies using performance-based budgeting.

This describes the agency's programs.

The agency's FY 2009 proposed budget is presented in the following tables:

FY 2009 Proposed Gross Funds Operating Budget, by Revenue Type

Table BA0-1 contains the proposed FY 2009 agency budget compared to the FY 2008 approved budget. It also provides FY 2006 and FY 2007 actual expenditures.

Table BA0-1

(dollars in thousands)

Appropriated Fund	Actual FY 2006	Actual FY 2007	Approved FY 2008	Proposed FY 2009	Change from FY 2008	Percent Change*
General Fund						
Local Funds	2,897	3,247	3,341	4,174	834	25.0
Special Purpose Revenue Funds	168	267	415	562	147	35.4
Total for General Fund	3,066	3,514	3,756	4,736	980	26.1
Federal Resources						
Federal Grant Fund	0	-5	0	0	0	N/A
Total for Federal Resources	0	-5	0	0	0	N/A
Private Funds						
Private Donations	18	6	0	0	0	N/A
Total for Private Funds	18	6	0	0	0	N/A
Intra-District Funds						
Intra-District Funds	30	0	0	0	0	N/A
Total for Intra-District Funds	30	0	0	0	0	N/A
Gross Funds	3,114	3,515	3,756	4,736	980	26.1

*Percent Change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant agreement, please refer to Schedule 80, Agency Schedule, Office of the Chief Financial Officer's website.

This presents the agency's total operating budget from each funding source (Local, Dedicated Taxes, Special Purpose Revenue, Federal Payments, Federal Grants, Medicaid, Private Grants, and Intra-District sources). Shown is a comparison of the FY 2006 actual, FY 2007 actual, FY 2008 approved, and FY 2009 proposed budgets.

FY 2009 Proposed Full-Time Equivalents, by Revenue Type

Table BA0-2 contains the proposed FY 2009 FTE level compared to the FY 2008 approved FTE level by revenue type. It also provides FY 2006 and FY 2007 actual data.

Table BA0-2

Appropriated Fund	Actual FY 2006	Actual FY 2007	Approved FY 2008	Proposed FY 2009	Change from FY 2008	Percent Change*
General Fund						
Local Funds	22.0	26.0	27.0	27.0	0.0	0.0
Special Purpose Revenue Funds	0.0	0.0	2.0	2.0	0.0	0.0
Total for General Fund	22.0	26.0	29.0	29.0	0.0	0.0
Proposed FTEs	22.0	26.0	29.0	29.0	0.0	0.0

This lists the agency's FTEs for two prior years, the current year, and upcoming fiscal year by revenue type.

FY 2009 Proposed Operating Budget, by Comptroller Source Group

Table BA0-3 contains the proposed FY 2009 budget at the Comptroller Source Group (object class) level compared to the FY 2008 approved budget. It also provides FY 2006 and FY 2007 actual expenditures.

Table BA0-3
(dollars in thousands)

Appropriated Fund	Actual FY 2006	Actual FY 2007	Approved FY 2008	Proposed FY 2009	Change from FY 2008	Percent Change*
11 Regular Pay - Cont Full Time	1,401	1,639	1,874	1,863	-11	-0.6
12 Regular Pay - Other	63	164	201	160	-41	-20.4
13 Additional Gross Pay	50	56	61	0	-61	-100.0
14 Fringe Benefits - Curr Personnel	238	293	324	342	18	5.6
15 Overtime Pay	4	10	0	0	0	N/A
Subtotal Personal Services (PS)	1,755	2,162	2,460	2,465	5	0.2
20 Supplies and Materials	41	28	14	75	61	428.2
30 Energy, Comm. and Bldg Rentals	25	70	89	75	-14	-16.2
31 Telephone, Telegraph, Telegram, Etc	30	36	43	37	-7	-15.6
32 Rentals - Land and Structures	0	472	230	5	-225	-98.0
33 Janitorial Services	3	37	41	45	4	9.5
34 Security Services	11	11	10	40	31	319.1
35 Occupancy Fixed Costs	110	19	24	91	68	287.1
40 Other Services and Charges	527	540	686	832	147	21.4
41 Contractual Services - Other	395	126	134	1,041	907	676.7
70 Equipment & Equipment Rental	216	14	25	30	5	20.0
Subtotal Nonpersonal Services (NPS)	1,359	1,354	1,296	2,271	975	75.2
Gross Funds	3,114	3,515	3,756	4,736	980	26.1

This lists the agency's total operating expenditures for FY 2006, FY 2007, FY 2008 approved budget, and FY 2009 proposed budget at the Comptroller Source Group level.

*Percent Change is based on whole dollars.

FY 2009 Proposed Operating Budget and FTEs, by Program and Activity

Table BA0-4 contains the proposed FY 2009 budget by program and activity compared to the FY 2008 approved budget. It also provides FY 2007 actual data.

Table BA0-4

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2007	Approved FY 2008	Proposed FY 2009	Change from FY 2008	Actual FY 2007	Approved FY 2008	Proposed FY 2009	Change from FY 2008
(1000) Agency Management Program								
(1010) Personnel	4	0	23	23	0.0	0.0	0.0	0.0
(1020) Contracting and Procurement	223	200	343	143	1.0	2.0	3.0	1.0
(1030) Property Management	0	461	495	34	0.0	0.0	0.0	0.0
(1050) Financial Management	1	0	0	0	0.0	0.0	0.0	0.0
(1055) Risk Management	1	0	0	0	0.0	0.0	0.0	0.0
(1060) Legal	30	0	0	0	0.0	0.0	0.0	0.0
(1070) Fleet Management	74	68	72	4	1.0	1.0	1.0	0.0
(1080) Communication	19	119	65	-54	2.0	2.0	1.0	-1.0
(1085) Customer Service	0	0	43	43	0.0	0.0	0.5	0.5
(1090) Performance Mgmt	0	301	283	-18	2.0	2.0	2.0	0.0
No Activity Assigned	-5	0	0	0	0.0	0.0	0.0	0.0
Subtotal (1000) Agency Mgmt. Program	347	1,149	1,324	175	6.0	7.0	7.5	0.5
(1001) Escheated Estates Fund Program								
(1100) Escheated Estates	594	44	0	-44	3.0	0.5	0.0	-0.5
Subtotal (1001) Escheated Estates Fund Program	594	44	0	-44	3.0	0.5	0.0	-0.5
(1002) Internation Relations & Protocol								
(1200) International Relations & Protocol	235	169	112	-57	1.0	2.0	1.0	-1.0
Subtotal (1002) Internation Relations & Protocol	235	169	112	-57	1.0	2.0	1.0	-1.0
(1003) Ceremonial Services								
(1300) Ceremonial Services	44	187	211	24	0.0	2.0	2.0	0.0
Subtotal (1003) Ceremonial Services	44	187	211	24	0.0	2.0	2.0	0.0
(1004) Office Of Documents & Admin. Issuance								
(1400) Regulations Activity	202	253	254	1	3.0	3.0	3.0	0.0
(1401) D.C. Register	267	439	638	198	2.0	2.0	4.0	2.0
(1402) Admin. Issuances	0	182						0.0
Subtotal (1004) Office Of Documents & Admin. Issuance	468	874						2.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

(Continued on next page)

This provides an overall budgeted funding level and number of approved full-time equivalent employees (FTEs) for FY 2007 actuals (unaudited,) FY 2008 and FY 2009 for specific programs and activities.

Table BA0-5

FY 2008 Approved Budget to FY 2009 Proposed Budget, by Revenue Source

This is a new table for FY 2009 that itemizes the changes made during the development of the FY 2009 Mayoral Local funds budget target reflects the revenue from the FY 2008 approved budget. See the How to Read the Budget chapter in the Budget Manual for more information on this table.

This table, new for FY 2009, describes the changes made to an agency during the overall budget formulation process.

Baseline Adjustments Describes adjustments to the agency's FY 2009 proposed budget compared to the FY 2008 approved budget.

BA0-5

FY 2008 Approved Budget to FY 2009 Proposed Budget

(in thousands)

	Budget	FTEs
LOCAL FUNDS: FY 2008 APPROVED BUDGET & FTEs	\$3,341	27.0
FY 2009 Budget Target Adjustment	\$0	-12.0
LOCAL FUNDS: FY 2009 INITIAL BUDGET TARGET & FTEs	\$3,341	15.0
Baseline Adjustments:		
Restore existing personnel levels and correct fixed cost estimates;	955	12.0
Restore non-personal services budget to historical level; and	687	0.0
Revise fixed cost estimates for electric, janitorial, natural gas, occupancy, telecom, rent, security, water and sewer.	-1,645	0.0
Subtotal: Baseline Adjustments	-\$3	12.0
Cost Savings:		
Align natural gas estimates with usage and rates; and	-8	0.0
Cancel proposed telecom expansion.	-4	0.0
Subtotal: Cost Savings	-\$12	0.0
Policy Initiatives:		
Update the DC Municipal Regulations and publish them online (one-time); and	800	0.0
Fund personnel and procurement assessments.	49	0.0
Subtotal: Policy Initiatives	\$849	0.0
LOCAL FUNDS: FY 2009 PROPOSED BUDGET & FTEs	\$4,174	27.0
	Budget	FTEs
SPECIAL PURPOSE REVENUE: FY 2008 APPROVED BUDGET & FTEs	\$415	2.0
Baseline Adjustments:		
Revise revenue projections for Documents and Administrative Issuance program; and	102	0.0
Revise revenue projections for Notary Commission and Authentications program.	45	0.0
Subtotal: Baseline Adjustments	\$147	0.0
SPECIAL PURPOSE REVENUE: FY 2009 PROPOSED BUDGET & FTEs	\$562	2.0

Describes policy decreases that are the result of proposed Cost Savings initiatives.

Describes increases and transfers that are a result of District Policy Initiatives.

Table BA0-6

Agency Performance Measures

Performance Measure	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
	Actual	Actual	Target	Target	Target
1. DCMR updates by number titles	0	4	3	10	10
2. Notary digitization by % files digitized	0%	10%	100%	100%	100%
3. Number of Ceremonial documents processed	1,750	2,203	2,000	2,000	2,000
4. Number of Foreign delegations served	N/A	320	300	300	300

Agency Performance Measures

This table, new for FY 2009, shows programs' outcome-based performance measures with prior years' actuals, current year targets, and future year targets.

Overview

Introduction to the FY 2009 Budget and Financial Plan

The District of Columbia government is unique and extremely complex.

As one entity, the District government provides services typically delivered elsewhere by states, counties, cities, and special taxing districts. The challenge for the District is to navigate this jurisdictional complexity while facing variable revenues and increasing service needs. Totalling \$10.1 billion, the gross expenditure budget in the FY 2009 Proposed Budget and Financial Plan is \$261 million, or 2.7 percent, more than the FY 2008 approved budget of \$9.8 billion, including Enterprise Fund agencies but excluding Intra-District funding.

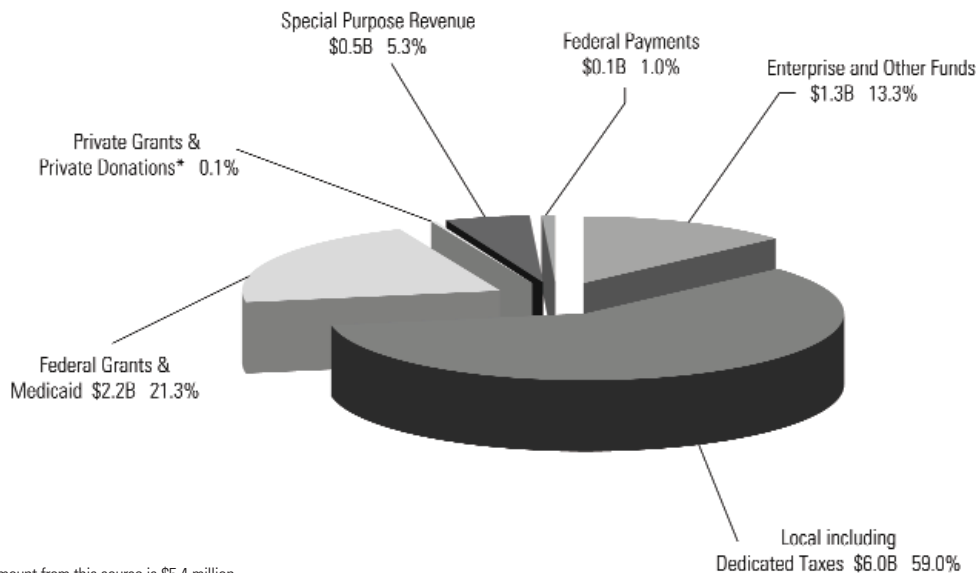
The budget funds services as diverse as street cleaning, affordable multi-family housing development, voter registration, business inspection,

fire fighting, police patrol, running a lottery, managing a vast multimodal transit system, educating children, promoting economic development, encouraging people to move into the District, and protecting at-risk youth.

The District's proposed budget is similar to any other budget in that it identifies resources (revenues) and uses (expenditures) to accomplish specific purposes developed by citywide strategic planning and departmental business planning. In addition to these basic elements, the proposed budget includes a financial forecast for policy priorities of the Mayor and the Council of the District of Columbia and detailed cost information for agency programs

Figure 1-1

Where the Money Comes From - Sources of Gross Funds for FY 2009 (\$10.1 Billion)



* The amount from this source is \$5.4 million.

and activities. The District's FY 2009 proposed budget includes a number of agency reorganizations and program shifts. These changes are being made to improve services and accountability and meet strategic business goals. They include the following:

- Pursuant to the Public Education Reform Amendment Act of 2007, the Early Care and Education Administration program transferred from Department of Human Services, to the Office of the State Superintendent of Education. In addition, the District of Columbia Public Schools non-public tuition and special education transportation functions transferred to the newly created agencies, Non-Public Tuition and Special Education Transportation, respectively and the state Special Education functions of the District of Columbia Public Schools transferred to the Office of the State Superintendent of Education.
- The FY 2009 gross budget for the Department of Health reflects the removal of the Health Care Safety Net and Medicaid Assistance Administration programs. Pursuant to the "Department of Health Care

Finance Establishment Act of 2007" (Bill 17-076), these programs will be reflected in the newly created Department of Health Care Finance agency.

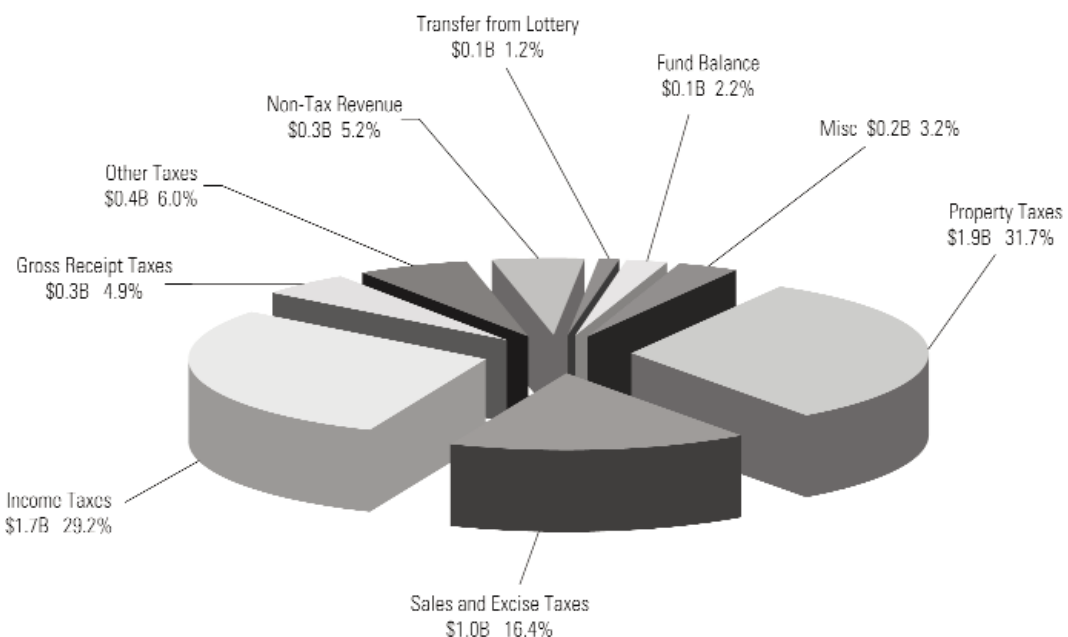
- The Office of Partnership and Grants was established as a new agency that will provide technical assistance with Federal grants management to District agencies.
- The FY 2009 gross budget for the District of Columbia Public Schools reflects the removal of the facilities maintenance function. Pursuant to the "School Modernization Use of Funds Requirements Emergency Amendment Act of 2007" (Bill 17-0415), these programs are reflected in the Office of Public Education Facilities Modernization agency.

Where the Money Comes From

Money for providing District services comes from a variety of sources. The District's general fund consists of Local Tax and Nontax Revenue, Dedicated Taxes, and Special Purpose Revenue funds. Federal grants, federal Medicaid, and federal payments constitute the District's federal resources. Private resources and Enterprise and Other funds make up the balance of the District's gross funds (Figure 1-1).

Figure 1-2

Where the Money Comes From - Sources of Local Fund Revenue FY 2009 (\$6.0 Billion)



Local tax revenue accounts for most of the money supporting services and includes such common sources as income, property, and sales taxes (Figure 1-2). Detailed revenue information, including historical trends, FY 2008 revenue estimates and projection assumptions are included in the revenue chapter of this budget book.

How the Money is Allocated

To facilitate policy decisions concerning expenditures and to provide summary information for reporting expenditures, the District's budget is developed, presented, and executed along several lines. These include fund types, appropriation titles, agencies, programs, and expense categories. As with revenues, expenditures can be grouped by the source of funds. The total of these funds is referred to as "gross funds." Totaling \$10.1 billion, the expenditure budget in the FY 2009 Proposed Budget and Financial Plan is \$261 million, or 2.7 percent, more than the FY 2008 approved budget of \$9.8 billion, including Enterprise Fund agencies but excluding Intra-District funding.

For purposes of appropriating the District's budget, agency budgets are grouped by function, such as public safety or public education. Table 1-1 shows the FY 2009 proposed gross funds expenditures budget by appropriation title and their change from FY 2008. Figure 1-3 shows the percentage distribution of FY 2009 gross expenditure by appropriation title. The largest appropriation titles, Public Education System and Human Support Services, represent 48.6 percent of the District's proposed budget - meaning almost one-half of every dollar generated is directed to these two areas.

The proposed Local funds budget including dedicated taxes for FY 2009 is \$6.0 billion, which is \$196 million or 3.4 percent more than the FY 2008 approved budget of \$5.8 billion. Table 1-2 shows the FY 2009 proposed Local funds expenditures budget by appropriation title and their change from FY 2008.

Within the appropriation titles are the agencies that operate the programs, activities, and services provided to District citizens and businesses. For example, the Public Works appropriation title

includes the Department of Public Works, the Department of Transportation, and the Department of Motor Vehicles. The FY 2009 proposed local budget includes over 100 agencies receiving Local funds in seven appropriation titles.

To provide context as to the types of expenses for a particular program, information is presented by expense category (Table 1-3). These same categories are used by all District agencies. Specific agency costs by expense category are included in the agency chapters.

A large expense category is personal services, totaling \$2.0 billion and representing 33.2 percent of the FY 2009 Local funds, including Dedicated Taxes, proposed budget. This funding will support 26,232 Local full-time equivalent (FTE) positions, a decrease of 526 FTEs, or 2.0 percent, from FY 2008 (see Table 1-4). Including all fringe benefits, but excluding extra compensation like overtime and shift differential, the average Local FTE for FY 2009 will cost \$72,343.

The District's FY 2009 gross funds proposed budget, including intra-District funds, includes 34,264 FTEs, a decrease of 451 FTEs or 1.3 percent from FY 2008. Major gross funds FTE changes by agency are detailed in Table 1-5.

Performance-Based Budgets

In addition to these District-wide expenditure reports by appropriation title and category, the District has completed its transition to a performance-based budgeting (PBB) structure and agency budgets show the programs and activities they provide. In limited cases, service-level information can also be provided. For those agencies that have a performance plan, we are also able to show the results associated with the expenditures. More information about performance-based budgeting is available in the Strategic Budgeting chapter within this volume and the Service-Level Budgeting chapter found within the Special Studies volume.

Table 1-1

Gross Funds Expenditure Budget, by Appropriation Title

(Excludes Intra-District and Housing Finance Agency HFO)

(Dollars in Thousands)

	FY 2008 Approved Budget	FY 2009 Proposed Budget	Change from FY 2008	% Change from FY2008
Governmental Direction and Support	411,886	438,701	26,816	6.5
Economic Development and Regulation	581,225	509,238	(71,987)	-12.4
Public Safety and Justice	1,148,277	1,294,584	146,307	12.7
Public Education System	1,583,673	1,699,888	116,215	7.3
Human Support Services	3,074,024	3,211,223	137,199	4.5
Public Works	594,711	645,839	51,128	8.6
Financing and Other	1,004,712	959,821	(44,890)	-4.5
Subtotal, General Operating Funds	8,398,507	8,759,293	360,786	4.3
Enterprise Funds	1,441,512	1,341,868	(99,645)	-6.9
Total District of Columbia	9,840,019	10,100,161	261,142	2.7

Note: Details may not sum to totals because of rounding.

Organization of the FY 2009 Budget and Financial Plan

The FY 2009 Budget and Financial Plan is composed of the following volumes:

- Volume I - Executive Summary.
- Volume II and III - Agency Budget Chapters: these provide all summary information regarding the District's proposed budget.
- Volumes IV and V - Operating Appendices: these provide detailed information about operating funds by agency.
- Volume VI - FY 2009-FY 2014 Capital Appendices: this provides detailed information about capital projects and spending by agency.
- Volume VII FY 2009 - 2014 Highway Trust Fund.

Figure 1-3

Where the Money Goes - Gross Funds Expenditure Budget, by Appropriation Title for FY 2009 (\$10.1 Billion)

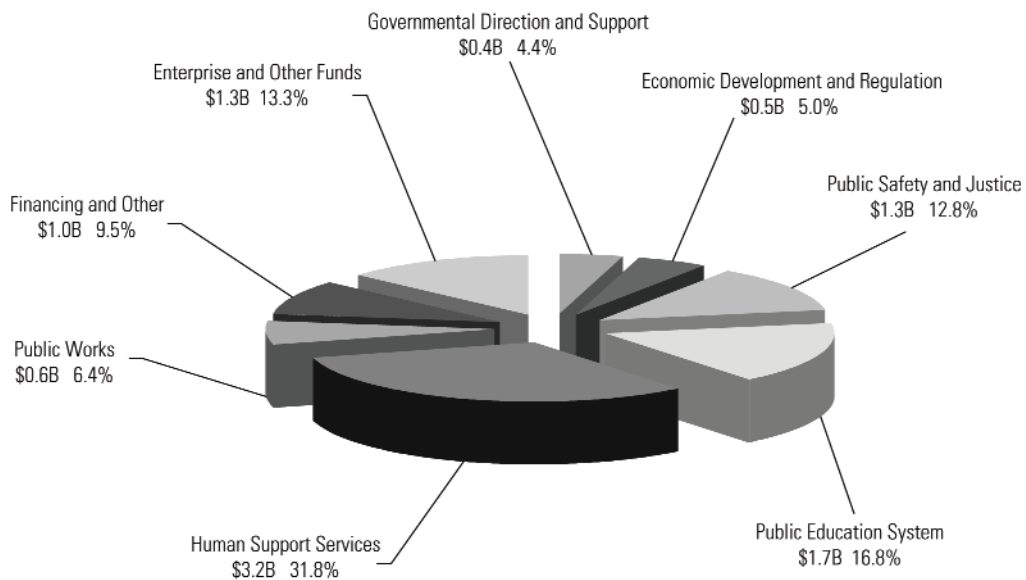


Table 1-2

Local Funds Expenditure Budget, by Appropriation Title**(Includes Dedicated Taxes and excludes Enterprise Funds)**

(Dollars in Thousands)

	FY 2008 Approved Budget	FY 2009 Proposed Budget	Change from FY 2008	% Change from FY 2008
Governmental Direction and Support	337,173	361,097	23,924	7.1
Economic Development and Regulation	241,755	269,075	27,320	11.3
Public Safety and Justice	963,108	956,087	(7,021)	-0.7
Public Education System	1,284,308	1,401,649	117,341	9.1
Human Support Services	1,541,417	1,598,864	57,447	3.7
Public Works	409,248	451,135	41,887	10.2
Financing and Other	990,832	925,884	(64,949)	-6.6
Grand Total	5,767,841	5,963,790	195,949	3.4

Note: Details may not sum to totals because of rounding.

Additional details about the organization of the District's FY 2009 budget and financial plan may be found in the How to Read the Budget and Financial Plan chapter.

The FY 2009 Budget Calendar

The FY 2009 Budget and Financial Plan is a culmination of a year-long process that starts with strategic and neighborhood planning and culminates with the specific spending decisions in the budget. Some of the critical steps in the budget formulation process and their general schedule are described in Table 1-6.

The District's Budget Process: A Brief Overview

The District of Columbia Home Rule Act (Public Law 93-198; 87 Stat. 777) [D.C. Official Code 1-201.01 et. seq.], approved December 24, 1973, prescribes a procedure for the approval of the annual budget for the District of Columbia Government.

Under section 424(a)(5) [D.C. Official Code 1-204.24(a)(5)], the Chief Financial Officer for the District of Columbia prepares and submits to the Mayor and the Council annual estimates of all revenues of the District of Columbia (without regard to the source of such revenues), including proposed revenues. These revenue estimates are binding on the Mayor and the Council for purposes of the annual budget to be submitted to Congress, except that the Mayor and the Council

may base the budget on estimates of revenues that are lower than those prepared by the Chief Financial Officer. Under section 442(a) [D.C. Official Code 1-204.42(a)], the Mayor prepares and submits a proposed annual budget to the Council. In preparing the annual budget, the Mayor may use a budget prepared by the Chief Financial Officer for this purpose under section 424(a)(2) [D.C. Official Code 1-204.24(a)(2)].

Under section 603(c) [D.C. Official Code 1-206.03(c)], the Mayor is required to submit a balanced budget and identify any tax increases that shall be required. The Council is required to adopt such tax increases to the extent the budget is approved. The annual budget submitted shall include, among other items, a multiyear plan for all agencies of the District government (as required under section 443 [D.C. Official Code 1-204.43]) and multiyear capital improvements plan for all agencies of the District government (as required under section 444 [D.C. Official Code 1-204.44]).

Under section 446 [D.C. Official Code 1-204.46], the Council must hold a public hearing on the budget submission and, within 56 calendar days after receipt of the budget proposal from the Mayor, adopt a budget by act. The act is styled as the Budget Request Act (of the year of adoption) and requires only one reading. If the Mayor approves the budget act, he or she submits the act to the President for transmission to Congress.

Table 1-3

Local Funds Proposed Expenditure Budget, by Category**(Includes Dedicated Taxes and excludes Enterprise Funds)**

(Dollars in Thousands)

	FY 2008 Approved Budget	FY 2009 Proposed Budget	Change from FY 2008	% Change from FY 2008
Regular Pay - Cont. Full Time	1,454,900	1,528,451	73,551	5.1
Regular Pay - Other	132,138	109,214	-22,924	-17.4
Additional Gross Pay	36,648	42,867	6,219	17.0
Fringe Benefits - Curr. Personnel	247,133	260,049	12,916	5.2
Overtime Pay	36,728	41,753	5,025	13.7
Subtotal, Personal Services	1,907,547	1,982,334	74,787	3.9
Supplies and Materials	57,196	51,492	-5,704	-10.0
Energy, Comm. and Bldg Rentals	78,314	75,848	-2,466	-3.2
Telephone, Telegraph, Telegram, Etc	35,971	31,988	-3,983	-11.1
Rentals - Land and Structures	107,012	107,570	558	0.5
Janitorial Services	4,405	5,815	1,410	32.0
Security Services	26,445	28,392	1,947	7.4
Occupancy Fixed Costs	11,627	17,213	5,586	48.1
Other Services and Charges	149,483	165,160	15,677	10.5
Contractual Services - Other	548,804	466,020	-82,784	-15.1
Subsidies and Transfers	2,187,265	2,403,216	215,950	9.9
Equipment & Equipment Rental	45,254	49,302	4,049	9.0
Debt Service	608,519	579,438	-29,080	-4.8
Subtotal, Nonpersonal Services	3,860,294	3,981,456	121,162	3.1
Total	5,767,841	5,963,790	195,949	3.4

Note: Details may not sum to totals because of rounding.

Table 1-4

Local Funds Proposed FTEs, by Appropriation Title**(Includes Dedicated Taxes and excludes Enterprise Funds)**

	FY 2008 Approved Budget	FY 2009 Proposed Budget	Change from FY 2008	% Change from FY 2008
Governmental Direction and Support	2,588	2,596	8	0.3
Economic Development and Regulation	508	483	-26	-5.0
Public Safety and Justice	8,612	8,747	135	1.6
Public Education System	8,583	8,190	-393	-4.6
Human Support Services	4,633	4,416	-217	-4.7
Public Works	1,833	1,800	-33	-1.8
Financing and Other	-	-	-	-
Total, Local Funds	26,758	26,232	-526	-2.0

Note: Details may not sum to totals because of rounding.

However, unlike other acts submitted to the Mayor for signature, the Mayor may exercise a line-item veto under section 404(f) [D.C. Official Code 1-204.04]. If the Mayor disapproves an item or provision, he or she must attach to the act a statement of the item or provision which is disapproved and, within the 10-day period for approval or disapproval, return a copy of the act and statement with his or her objections to the Council.

The Council has 30 calendar days to reenact a disapproved item or provision by a two-thirds vote of the members of the Council present and voting. If an item or provision is reenacted, the chairman submits it to the President for transmission to Congress. If the Mayor fails to return a disapproved item or provision to the Council in a timely manner, he or she shall be deemed to have approved the item or provision and the chairman will submit it to the President for transmission to Congress.

Unlike other legislation, the Budget Request Act does not become effective after a period of congressional review; it never becomes District of Columbia local law. Instead, the President transmits the Budget Request Act to the House and Senate. Ultimately, Congress appropriates all funds for the District by an act. This act may, but is not required to, include some or all of the provisions of the Budget Request Act as transmitted by the District.

Table 1-5

Major Gross Funds FTE Changes

Includes Enterprise and Intra-District Funds

Agency Name	FY 2008 Approved FTEs	FY 2009 Proposed FTEs	Increase (Decrease)	Explanation of Major FTE Changes
Office of the Chief Technology Officer	332	298	(34)	Net of the removal of one-time FTEs from FY 2008
Office of Property Management	323	285	(38)	Elimination of capital FTEs from the operating budget
Office of the Chief Financial Officer	1,048	1,078	30	Additional tax compliance enforcement, improvement in grants management, and additional training staff for procurement and personnel systems
Other Agencies	1,770	1,791	21	Net of policy decisions
Governmental Direction and Support	3,473	3,452	(21)	
Office of the Deputy Mayor for Planning and Economic Development	46	77	31	Net increase mainly due to the increase of FTEs for AWC and NCRC transfer
Other Agencies	1,617	1,625	8	Net of policy decisions
Economic Development and Regulation	1,662	1,702	39	
Fire and Emergency Medical Services Department	2,209	2,263	54	Implementation of EMS Task Force Recommendations & Fire-Hydrant Testing Program
Other Agencies	6,651	6,667	16	Net of policy decisions
Public Safety and Justice	8,859	8,930	70	
District of Columbia Public Schools	9,286	7,376	(1,910)	Transfer out functions to other agencies
Office of the State Superintendent of Education	132	409	277	Transfer in state education functions from DCPS
D.C. Public Library	541	479	(62)	Vacant positions eliminated
Special Education Transportation	0	1,146	1,146	Transfer in transportation function from DCPS
Office of Public Education Facilities Modernization	35	400	365	Transfer in maintenance function from DCPS
Other Agencies	12	39	27	Net of policy decisions
Public Education System	10,005	9,848	(158)	
Department of Human Services	1,139	935	(204)	FTEs transferred to the Office of the State Superintendent of Education to align budget with federal and special purpose resources
Department of Mental Health	1,691	1,630	(61)	Locally funded FTEs eliminated as a result of Mayor's initiative to reduce vacant positions
Department of Health	1,159	922	(237)	FTEs transferred to newly created Department of Health Care Finance
Dept of Parks and Recreation	878	823	(55)	Locally funded FTEs eliminated as a result of Mayor's initiative to reduce vacant positions. Also, Intra-District positions eliminated align with agency's approved resources
Department of Health Care Finance	0	166	166	Newly created agency
Other Agencies	2,204	2,146	(58)	Net of policy decisions
Human Support Services	7,071	6,623	(447)	
Department of Transportation	230	368	138	Primarily FTEs Shifted from Capital Funds
Department of Motor Vehicles	368	295	(74)	Cost-Saving: Vacant FTEs eliminated
Other Agencies	1,820	1,819	(1)	Net of policy decisions
Public Works	2,418	2,481	63	
Financing and Other	0	0	0	
Total General Operating funds	33,488	33,035	(453)	
Enterprise Fund	1,227	1,229	2	
GRAND TOTAL, District Government	34,715	34,264	(451)	-1.3%

Note: Details may not sum to totals because of rounding.

How and When the Budget is Prepared

Budget Guidance

August – September 2007

The FY 2009 budget process began with the Office of Budget and Planning (OBP) creating guidelines on how agencies should prepare the agency budget submissions. These guidelines were conveyed to all District stakeholders at the annual Budget Kickoff held on September 20, 2007.

Agency Budget Request Development

October – December 2007

Taking into consideration the Executive Office of the Mayor's citywide strategic plan, and following the budget guidance from OBP, agencies developed their FY 2009 budget requests, and requests for additional funding through program enhancements and technical adjustments.

Budget Analysis

December 2007 – January 2008

OBP reviewed agency budget requests for adherence to established guidelines, identified opportunities for efficiencies and incorporated revised economic data into the formulation process.

Budget Presentation

January – March 2008

OBP provided the Mayor with the Baseline budget and program enhancements requested by the agencies. OBP also assisted the Office of the City Administrator through sound analysis and collaboration during the Budget Review Team meetings where policy priorities were determined, and the Mayor's FY 2009 proposed budget was finalized for submission to the Council on March 20, 2008.

Council Public Hearings (Consensus Process)

April 2008

Council Committees held Budget Request Act hearings to hear testimony on agencies' FY 2009 proposed budgets. Council began revising and marking up the Mayor's Proposed budget.

Budget Request Act and Budget Submission Act

May – June 2008

The Council approved the FY 2009 Budget Request Act of 2008 and the FY 2009 Budget Support Act of 2008. The FY 2009 Proposed Budget and Financial Plan is submitted to Congress.

Strategic Budgeting

The strategic management process of the District continues to advance and evolve. Under the direction of the Mayor, the District has adopted the CapStat performance process as the city-wide accountability program, which has added a new level of rigor to the District's quest for excellence in government. As the District makes many of its financial activities routine, we continue to examine our business operations and seek to leverage our management reforms and other tools to improve the quality of government and the services provided to residents, businesses, and visitors.

With Mayor and Council support, the Office of the Chief Financial Officer (OCFO) continues to improve budgetary, performance, and financial practices to provide accurate, real-time financial performance data to decision-makers at both the program management and execution levels. These projects have resulted in changes to the District's methodologies for managing performance and budgets. This chapter outlines the current status of these and other initiatives.

PERFORMANCE-BASED BUDGETING: CURRENT

The District's transition to Performance Based Budgeting (PBB) is mostly complete. PBB links spending to programs, activities, and services, allowing results to be measured. This linkage enables public officials, program managers, and the public to evaluate whether funding is being spent wisely on a program that is meeting its goals, or if the money could be better spent on other services. As new agencies are created and

existing agencies restructured, the implementation of PBB will continue as appropriate.

In FY 2001, the Council passed legislation (DC 47-308.01) requiring the Mayor's budget to be performance based. The law specified that the following be included in the budget presentation:

- Program Name
- Agency strategic result goals
- Estimated total program, activity and service costs
- Program overview describing activities
- Program performance measures
- Estimated program costs
- Full-time equivalents (FTEs) for the prior, current, and next fiscal year
- Program benchmarks providing comparisons with other jurisdictions

Later legislation modified some of these requirements for specific agencies, including service-level costs and benchmarks.

The PBB methodology replaces the tradi-

tional budget organizational structure with a structure that shows programs, activities, and services. We can now see the outcomes of the spending alongside the traditional categories of cost.

Based on Mayoral guidance, selected agencies have transitioned their strategic business plans into performance plans. As part of this process, agency performance measures underwent a rigorous review and validation. These revisions have led to updated or enhanced performance measures, as some agencies gain experience under the CapStat performance program. For the 70 agencies with a performance plan, the budget is presented with the agency's strategic mission, objectives, program summaries and performance measures. The Office of Budget and Planning expects the number of agencies with performance plans to increase in FY 2010.

PERFORMANCE-BASED BUDGETING: FUTURE

As the CapStat and PBB process becomes routine, we will see consistent, steady improvement in the efficiency and effectiveness of service delivery. Organizational transformation is a multi-year process and performance plan initiatives will not instantly transform the District's government into a world class organization. However, steady progress that transforms stellar individual actions into standard operating procedures will solidify the District of Columbia's transformation to world class status. Thus, a component of our transformation is the codification of the strategic management process and its underlying procedures into a cohesive set of policy documents.

We envision a continuous management process, designed and administered with an appropriate level of rigor, which captures citizen and administration priorities, and then translates those priorities into planning and resource allocation guidance for the agencies. A steady stream of performance feedback from all stakeholders and a reevaluation of priorities will feed into the management cycle.

PBB Impact on Budget Development and Budget Execution

PBB removes the static lines that have clearly marked the beginning (issuance of budget development instructions to agencies) and the ending (Council/Congress adoption of the budget) of the budget development process; and instead shifts the focus to a continuous process of planning, budgeting and evaluating programs. By putting planning activities before the budget process and performance after budget adoption, the planning, financial management and performance evaluation functions merge to become an effective agency management and budgeting tool.

The technical elements of budgeting, such as estimating revenues, projecting expenses and accounting for inflation, do not change under PBB. However, as the District's PBB implementation matures with improved performance data collection and reporting processes, the budget development process will shift the focus from technical budgeting to program costs and program results.

Performance-Based Budgeting also impacts budget execution. Because an agency's program structure aligns agency resources to the work the agency performs, agency spending is shown more clearly, allowing policy makers to know exactly where an agency is spending its allotted dollars.

The Mayor and the Council can use the program structure to make decisions about where to increase or decrease resources. The idea of targeted adjustments based on policy priorities is not new. However, if structures are not in place to show the work performed, adjustments are often made across the board or at the agency level without knowing what will be affected.

Agency Management Program

An additional benefit of PBB is the District's ability to track specific expenses across various agencies. In FY 2004, the Office of Budget and Planning (OBP) and the Office of the City Administrator (OCA) developed the Agency Management Program (AMP) to track costs for common administrative expenses across the District. The completed PBB agency strategic business plans include the AMP and up to 13 of

its associated activities, depending on whether the agency performs that function. Among these activities are:

- Personnel- Provides human resource services to agencies so that they can hire, maintain, and retain a qualified and diverse workforce.
- Training and Employee Development- Provides training and career development services to department staff so that they can maintain/increase their qualifications and skills.
- Labor-Management Partnership- Creates a structure in which agencies can collaboratively resolve workplace issues.
- Property Management- Provides real estate and facility services to agencies in a timely, efficient, and effective manner in keeping with current District operations, industry standards and best practices.
- Information Technology- Provides network, telephone, and computer hardware and software support and information services to department management and staff so they can use technologies to produce, communicate and manage information.
- Financial Services- Provides financial and budgetary information to departmental program/administrative units to ensure the appropriate collection/allocation, utilization and control of District resources.

The AMP brings consistency in budgeting and performance reporting to the District's administrative services and allows for more accurate tracking of administrative costs.

Agency Financial Operations

In the FY 2005 Budget and Financial Plan the funding and FTE count for all OCFO FTEs assigned to the agencies were separated into a program called Agency Financial Operations (AFO). This allocation continues in the FY 2009 Budget and Financial Plan. The purpose of the AFO program is to provide comprehensive and efficient financial management services to and on behalf of all District agencies.

Agency fiscal operations are managed by the Associate Chief Financial Officers (ACFOs) who serve as the key contact between the Office of the Chief Financial Officer and the District's senior leadership in managing agency finances. The five ACFOs each represent one of the major appropriation titles in the District's budget: Government Operations, Economic Development and Regulation, Government Services, Human Support Services, and Public Safety and Justice. Agency fiscal officers report to their respective ACFO.

Service-Level Budgeting

Performance-based budgeting has created a uniform structure within every agency for presenting the work they do. Agencies manage programs; programs are made up of activities; and activities consist of services. Previously, the District budgeted at the activity level. However, during the FY 2005 budget the District Council identified criteria for the presentation of budgets at the service level. Service-level budgeting has value in that it allows for greater clarity and transparency in agency budgets, informing stakeholders about the operations of government. See the Service Level Budgeting chapter within the *Special Studies* volume for the service level budgets of 16

Table 2-1
**Service-Level Budgets for the
 FY 2009 Budget and Financial Plan**
 (See the *Special Studies* volume)

Government Direction and Support:
Office of the Attorney General (CB)
Office of the Chief Financial Officer (AT)
Office of the Chief Technology Officer (TO)
Office of the Inspector General (AD)
Office of Property Management (AM)
Public Safety and Justice:
Department of Corrections (FL)
Fire and Emergency Management Service (FB)
Homeland Security and Emergency Management Agency (BN)
Metropolitan Police Department (FA)
Office of Unified Communications (UC)
Office of Justice Grants Management (FO)
Office of Victims Services (FE)
Public Works:
District Department of the Environment (KG)
Department of Motor Vehicles (KV)
Department of Public Works (KT)
Department of Transportation (KA)

agencies that fit the criteria established by Council. Table 2-1 identifies by appropriation title which agency budgets are presented at the service level in FY 2009.

Benchmarking

For the District, benchmarking is a comparison between District agency programs and comparable jurisdictions to assess performance and efficiency. Benchmarking helps identify potential program efficiencies by comparing them with similar programs in comparison jurisdictions. These jurisdictions are selected based on several factors, which include size, similar service delivery techniques and proximity. Another benefit of benchmarking is the development and fostering of a culture of program management focused on continuous improvement. The FY 2009 benchmarking study incorporated higher level outcomes into the mix of benchmarks. Those benchmarks published in previous years but deemed to have limited value were withdrawn from the benchmarking presentation. See the Benchmarking chapter within the *Special Studies* volume.

CFO\$ource: Empowering Real-Time Decision-Making

In FY 2004, the Office of Budget and Planning developed the CFO\$ource Executive Dashboard, which brought financial information together in one web-based application. The Dashboard provides agency heads, managers, and their staff with the ability to help them in decision-making. This application provides online standardized financial reports from SOAR, the District's financial system of record. Analytic cubes called "Dynamic Views" allow users to view high-level financial data while drilling down to specific programs, activities, funds or object classes of cost within the operating, capital, and grants budgets. Information related to budget, payroll, procurement, and agency performance is currently linked to the application.

Since its initial release upgrades to CFO\$ource have provided users with enhanced managerial tools. Use of the CFO\$ource application has expanded to over

800 users, to include members of the District Council and the Executive Office of the Mayor. Recent, notable updates include the "Dynamic Views" portion of the Executive Dashboard application, which was enhanced to include over 40 formatted templates that are instantly available for ad hoc viewing and analysis. The FY 2009 budget was created through the implementation of the WebForm Budget Formulation Application (BFA) in CFO\$ource, which facilitates the entry of budget data via the web, reduces manual processes and allows for more accurate and timely analysis. A benefit of the BFA is the creation of a much improved position budgeting module, which enhances position control across the District by more accurately forecasting future salary and benefit costs per employee.

Summary:

While the strategic management process itself is dynamic, its continuance and evolution as a city-wide management structure will form the stability required to institutionalize best practices and facilitate our movement to world class status. The process itself should not hinder progress and change, but provide a structure that facilitates orderly change. Our strategic management process must provide a broad based management structure for improving the delivery of city services while at the same time improving the efficiency of services deemed to be provided at the proper service level. This task is not without challenges, but it is an achievable goal for a city and government determined to achieve world class status.

Financial Plan and Fund Structure

The Financial Plan projects the District's results of operation for three fiscal years beyond the proposed operating budgets of the General Fund (comprised of local funds, dedicated taxes, and special purpose funds) and the Federal and Private Resources Funds (comprised of federal grants, federal payments, and private grants and donations) for the next fiscal year. The actual results for the prior fiscal year and the forecast for the current fiscal year are also included as context for FY 2009 through FY 2012 of the financial plan.

The District uses the multi-year financial plan as a working tool throughout the fiscal year to monitor the impact of legislative proposals, programmatic initiatives, and economic changes on the District's near-term fiscal outlook. The plan is primarily a budget document, but it has aspects of an accounting document and a cash flow document. It includes projections of the effects of budget decisions on the fund balance, and it considers the maintenance of certain required reserve funds. This financial plan focuses on the District's Proposed FY 2009 Budget and its impact on FY 2010 through FY 2012.

Below are line-item descriptions of the financial plan elements. For explanatory purposes, the plan is broken into four sections:

- Revenues;
- Expenditures;
- Fund balance, Generally Accepted Accounting Principles (GAAP) adjustments, and transfers; and
- Composition of fund balance.

The numbering scheme noted below refers to the line numbers on Tables 3-1, 3-2, 3-3, and 3-4.

Revenues

2. Taxes. This category includes property, sales, income, and other taxes, which are projected by the Office of Revenue Analysis. See the Revenue chapter for details.

3. Dedicated Taxes. This line includes eight types of dedicated taxes: (a) the Neighborhood Investment Trust Fund; (b) Comprehensive Housing Task Force Trust Fund; (c) Housing Production Trust Fund; (d) Nursing Facility Quality of Care Fund; (e) Ball Park Fund; (f) the School Modernization Fund; (g) the Healthy DC Fund; and (h) parking taxes dedicated to the District Department of Transportation.

a. Neighborhood Investment Trust Fund: In 2004, District legislation created a Neighborhood Investment Fund and a Neighborhood Investment Program which dedicates approximately \$10 million annually from personal property tax revenue to pay for a variety of community revitalization development purposes, including commercial, residential, and civic uses for twelve priority neighborhoods.

b. **The Comprehensive Housing Task Force Fund:** The “Fiscal Year 2007 Budget Support Act of 2006” established the Comprehensive Housing Task Force Fund (CHTF). A portion of the increase in the deed tax revenue that comes from the increase in the deed tax rates will be the funding source for this fund. This fund supports a number of affordable housing initiatives including rent supplements, workforce housing and energy assistance. In FY 2009, CHTF Fund is being moved to the Local Fund to better manage the use of these funds by several agencies like Department of Human Services, Department of Mental Health, and the District Department of Environment.

c. **The Housing Production Trust Fund:** The Housing Production Trust Fund (HPTF) Second Amendment Act of 2002 requires that 15 percent of the District's Deed Recordation and Transfer Tax Revenue be transferred to the HPTF annually. The HPTF provides funds for the acquisition, construction, and rehabilitation of affordable multifamily housing projects.

d. **The Nursing Facility Quality of Care Fund:** The Healthcare Provider Tax imposes a 6 percent tax on the District's nursing homes. The legislation was passed during 2004. All of the funds raised are designated to go to the Nursing Facility Quality of Care Fund.

e. **Ballpark Fund:** The “Ballpark Omnibus Financing and Revenue Act of 2004” (the “Ballpark Act”) provides for the creation of a Ballpark Revenue Fund, into which the Chief Financial Officer of the District (the “CFO”) is required to deposit “all receipts from those fees and taxes specifically identified by any provision of District of Columbia law to be paid into the fund and any rent paid pursuant to a lease of the ballpark.” Those fees and taxes include the Ballpark Fee, utility taxes, stadium revenue and rent. The Ballpark Revenue Fund pays for the debt service on the District's baseball stadium revenue bonds. See Revenue chapter for details.

f. **The School Modernization Fund:** In FY 2006, the District enacted the “School

Modernization Financing Act of 2006,” which established the Public School Capital Improvement Fund. See Revenue chapter for details. In FY 2009, this fund is being recorded in the Dedicated Taxes section to better portray the use of this fund.

g. **The Healthy DC Fund:** The Fiscal Year 2007 Budget Support Act of 2006 Section 15b established the Healthy DC Fund and Program. This act states that all tax revenue derived from hospital and medical services corporations, except for taxes upon real estate and fees and charges provided for by insurance laws of the District shall be deposited into the fund and used to finance health care and medical services for qualifying individuals in the District of Columbia. This fund will be administered by the Health Care Financing agency within the District of Columbia.

h. **The parking taxes dedicated to the District Department of Transportation (DDOT):** With reference to the DC Code, 100 percent of the sales and use taxes collected by the District for parking and storing will be dedicated to the operations of the DDOT; provided, that any such revenues in excess of \$30.0 million shall be deposited into the Highway Trust Fund. In the FY 2009, this fund is being recorded in the Dedicated Taxes section to better portray the use of this fund.

4. **General Purpose Non-Tax Revenues.** This line includes revenue from licenses and permits, fines, charges for services, and other revenue sources that are not dedicated to particular purposes. See the Revenue chapter for details.

5. **Special Purpose (O-Type) Revenues.** Special purpose non-tax revenues, or O-Type or Other revenues, are funds generated from fees, fines, assessments, or reimbursements that are dedicated to the District agency that collects the revenues to cover the cost of performing the function. The “dedication” of the revenue to the collecting agency is what distinguishes this revenue from the general purpose non-tax revenues.

6. Transfer from the Lottery Board. This line reflects the portion of D.C. Lottery and Charitable Games Control Board revenue that is transferred to the District's general fund.

7. Sub-total, General Fund Revenues. This line reflects the sum of lines 1 through 6.

8. Bond Proceeds for Issuance Costs. This is the portion of the proceeds that will be used to cover the cost of issuing General Obligation bonds.

9. Transfer from Federal and Private Resources. This line reflects the movement of federal grant dollars into Local funds to pay for certain indirect costs.

10. Transfer from HPTF Special Revenue Fund for Debt Service. This line shows the amounts transferred from the HPTF Special Purpose Revenue fund to the General Fund each fiscal year to retire debt.

11. Transfer from Enterprise Fund Baseball Project. This line shows the second installment of the replenishment of Contingency Reserve funds loaned to the Baseball Project in FY 2005 to cover costs related to the project.

12. Transfer from Capital Funds (Bus Shelter Revenue) for Debt Service. This line shows the transfer of revenues collected from advertisements on bus shelters for the retirement of debt issued to finance the Great Streets and Bridges capital projects.

13. Transfer in from AWC and NCRC for Economic Development Authority. NCRC and AWC ceased to exist as quasi-independent instrumentalities of the District on October 1, 2007 pursuant to Subtitle P of the Fiscal Year 2008 Budget Support Act of 2007 ("Act"). The Act transfers the assets and the liabilities of both entities to the Mayor.

14. Fund Balance Use. This represents unexpended funds that fell to the "bottom-line", fund balance, in prior years but which the District is proposing to use in the current year. The

General Fund Balance includes Local funds (including dedicated taxes) that finance transfers to other District funds, certain one-time expenditures, and Special Purpose Revenues that some agencies plan to spend from accumulated fund balances. Line 14a in Table 3-2 shows the amount of fund balance used to help balance FY 2008 operating budgets as a result of the Gross Sales Tax revenues dedicated to the School Modernization Program. Line 14b in FY 2008 equals \$210.8 million of proposed one-time expenditures. The FY 2009 Proposed Budget uses \$93.5 million of local fund balance, \$10.0 million of FY 2008 additional certified revenues, and \$13.76 million available balance of FY 2008 budgeted Operating Cash Reserve to finance one-time expenditures. FY 2010 Projected budget reflects the use of available balance in FY 2008 budgeted Operating Cash Reserve of \$22.74 million. Line 14c in Table 3-2 reflects \$150.4 million use of fund balance in FY 2008 to cover a proposed Supplemental Appropriation of \$99.5 million; allocation of \$38.3 million of prior year budgeted reserves; and allocation of 12.6 million of FY 2007 Unreserved Designated fund balance. Lines 14a and 14b in Table 3-3 show the amount of fund balance used from dedicated taxes for Neighborhood Investment Trust fund, \$7.0 million, and the Ballpark fund, \$8.2 million, in FY 2009. Lines 14a and 14b in Table 3-4 show the amount of fund balance certified for use in FY 2009 from 'O-type' Special Purpose Revenue funds, \$79.3 million, and the amount of certified resources not used and returned to fund balance, \$10.9 million.

15. Revenue Proposals. This line reflects one-time revenues in FY 2009 and proposed revenue changes that are detailed in the Revenue chapter of this volume.

16. Total General Fund Resources – This line shows the sum of the individual revenue **and fund balance items presented in lines 7 through 15 above.**

17. Line intentionally left blank

Expenditures

18. Expenditures (by Appropriation Title).

Lines 19 - 25 are agency expenditures. These items reflect agency expenditures by appropriation title.

25. Financing and Other. This line includes Repayment of Debt, Short-Term Borrowings, Certificate of Participation, and other items in this appropriation title that are not specifically shown in line 26.

26. Cash Reserve (Budgeted Contingency). The District is required to budget for a cash reserve of \$50.0 million each year, to provide budgetary stability in the absence of the budgeted reserve, which was eliminated after FY 2003. This has been eliminated from FY 2009 budget.

27. Subtotal, Operating Expenditures. This line shows the sum of lines 19 through 26.

28. School Modernization Fund. This line reflects the paygo transfer of gross sales tax dedicated for the capital projects related to the School Modernization Program beginning in FY 2007. In FY 2009, this fund is being recorded in the Dedicated Taxes section to better portray the use of this fund.

29. Paygo Capital. This line reflects a transfer to the capital fund to increase capital financing. In FY 2008, \$8.1 million was approved for this purpose in the original budget. Another \$30.1 million was added in a Supplemental Appropriation approved by Council. \$38.6 million is proposed for this purpose in the FY 2009 budget including \$2 million from 'O-type' Special Purpose Revenues. In each of the out years, FY 2010 to FY 2012, \$1.5 million of parking taxes have been set aside for pedestrian and bicycle safety projects.

30. Transfer to Trust Fund for Post-Employment Benefits. This line reflects a transfer in FY 2007 to reduce the District's accumulated liability for health insurance costs for retirees. These costs must be recognized begin-

ning in FY 2008 in accordance with the Governmental Accounting Standards Board (GASB) ruling on the treatment of such costs. The FY 2009 to FY 2012 amounts reflects a change in policy governing these funds.

31 Transfer to Enterprise Funds. This line in Table 3-3 reflects transfers of dedicated tax revenues to special revenue funds outside of the General Fund: the Housing Production Trust Fund and the Baseball Revenue Fund discussed in the revenue section above.

32. Total General Fund Expenditures. This is the sum of lines 27 through 31.

33. Operating Margin, Budget Basis. This is the difference between Total General Fund Resources and Expenditures (line 16 minus line 32).

34. Line intentionally left blank.

Fund Balance, GAAP Adjustments and Transfers

35. Beginning General Fund Balance. Shows the accumulated fund balance at the beginning of the fiscal year, which is identical to the end of year fund balance for the previous fiscal year.

36. Operating Margin, Budget Basis. This is a restatement of line 33.

37. Projected GAAP Adjustments (Net). GAAP adjustments are year-end adjustments necessary to properly report the ending fund balance on an accounting basis by converting budgeted activity to resources earned and used in the current fiscal year. This includes items such as fund balance released from restrictions, current year purchases used to build up ending inventory levels, and the current year net consumption of inventories purchased in prior years.

38. Deposits into Reserve Funds (From Fund Balance). Funds will be moved from the fund balance into the Emergency and Contingency Reserve Funds as necessary.

39. **Deposits into Reserve Funds (To Cash Reserves).** Shows that funds deposited into the reserve funds remain in the General Fund balance.

40. **Fund Balance Use.** The amount of prior-year fund balance that is used in the current year (line 14 must be subtracted when calculating the current year-end fund balance.

41. **Ending General Fund Balance.** This line shows the sum of the beginning fund balance, the budget-basis operating margin, and GAAP and other adjustments (lines 35 through 40).

42. Line intentionally left blank.

43. **Composition of Fund Balance**

44. **Emergency Cash Reserve Balance (2 percent formerly 4 percent).** The District was required to establish an Emergency Reserve, by the end of FY 2004, equal to 4 percent of the District's Local expenditures. The requirement was satisfied in FY 2002. In FY 2005, the requirement was changed to 2 percent, and the base for the calculation was also changed.

45. **Contingency Cash Reserve Balance (4 percent, formerly 3 percent).** The District was required to establish a Contingency Reserve equal, by the end of FY 2007, to 3 percent of the District's Local expenditures. The requirement was satisfied in FY 2002. In FY 2005, the requirement was changed to 4 percent, and the base for the calculation was also changed.

46. **Fund Balance not in Emergency and Contingency Reserves.** This reflects the portion of the fund balance that is not composed of the two cash reserve funds. This line item does not reflect available funds, because there are several other restrictions on the District's fund balance in addition to cash reserve balances, such as bond escrow. Fund balance restrictions are addressed thoroughly in the District's Comprehensive Annual Financial Report.

47. **Ending General Fund Balance.** This line reflects the sum of lines 44 - 46, representing the various components of the fund balance.

48. Line intentionally left blank.

49. **Total cash reserves – operating, emergency & contingency.** This line reflects the cash reserves available during a given fiscal year.

Federal and Private Resources Fund:

- Federal Grants are grants the District receives from federal agencies, including block grants, formula grants, certain entitlements, and competitive grants.
- Federal Payments are direct appropriations from the Congress to the District, usually to a particular District agency for a particular purpose.
- Federal Medicaid Payments are the federal share of the District's Medicaid costs. Generally, the federal government pays 70 percent of the cost of Medicaid while the District pays 30 percent, although the proportions differ in certain circumstances.
- Private Grants are grants the District receives from non-Federal sources. This category includes private donations.

Table 3-5 displays a summary financial plan for the Federal and Private Resources Fund. The line items are as follows:

F1. Federal Grants. Federal grant awards received by District agencies.

F2. Federal Payment/Contribution. Funding contributed by the federal government for specific projects. These funds are restricted in use by the federal government.

F3. Private Grants. Revenues received from private grants.

F4. Federal and Private Resources. This line is the sum of lines F1 through F3.

F5. **Fund Balance Use.** This line reflects amounts previously contained in the fund balance that have been released for use in the current year.

F6. **Transfer to General Fund.** This line represents funds used to pay for indirect costs, as shown on line 13 of the General Fund financial plan.

F7. **Total Federal and Private Resources.** This is the sum of lines F4 through F6.

F8. Line intentionally left blank.

F9. – F16. **Agency Expenditures by Appropriation Title.** These items reflect agency expenditures by appropriation title. The growth of expenditures in the out-years is based on growth assumptions that are discussed in the Operating Expenditures chapter.

F17. **Total Federal and Private Resources Fund Expenditures.**

F18. **Operating Margin, Budget Basis.** This line provides the difference between Total Federal and Private Resources and Total Federal and Private Expenditures. F19. Line intentionally left blank.

F20. - F24. Fund Balance Calculations.

Note on Intra-District Budgets: Intra-District budgets represent agreements between two agencies whereby one agency purchases services from the other. The buying agency spends its own budget (Local, Special Purpose Revenue, Federal, or Private). The selling agency receives this expenditure as intra-District revenue, establishes intra-District budget authority, and spends against that authority to provide the service.

An agency's total "gross funds" budget includes its intra-District budget authority. Because such arrangements appear as expenditures twice, once in each agency, the intra-District totals are excluded from the District-wide calculations of the total "gross funds" budget. They also are excluded from the CAFR totals at the end of the year.

Table 3-1

FY 2009 - 2012 Proposed Budget and Financial Plan: GENERAL FUND

(\$ thousands)

	FY 2007 Actual	FY 2008 Approved	FY 2008 Adjusted	FY 2009 Proposed	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
1 Revenues							
2 Taxes	4,729,040	4,883,509	4,957,716	4,994,644	5,263,750	5,525,630	5,821,962
3 Dedicated Taxes	58,731	142,052	147,399	267,551	274,090	283,876	298,625
4 General Purpose Non-Tax Revenues	423,875	326,111	327,624	308,568	304,394	310,147	305,255
5 Special Purpose (O-type) Revenues	366,511	357,784	450,807	453,612	449,368	441,706	447,475
6 Transfer from Lottery	65,376	72,100	70,000	71,000	71,000	71,000	71,000
7 Sub-total, General Fund Revenues	5,643,533	5,781,556	5,953,546	6,095,375	6,362,602	6,632,359	6,944,317
8 Bond Proceeds for Issuance Costs	6,335	60,000	60,000	15,000	15,000	15,000	15,000
9 Transfer from Federal and Private Resources	0	6,646	3,497	3,497	3,497	3,497	3,497
10 Transfer from Enterprise Fund (HPTF) for Debt Service	0	12,000	12,000	0	0	0	0
11 Transfer from Enterprise Fund Baseball Project	14,871	0	0	0	0	0	0
12 Transfer from Capital Funds (Bus Shelter Revenue) for Debt Svc	0	9,714	9,714	0	0	0	0
13 Transfer In from AWC and NCRC for Economic Development Authority	0	55,646	55,646	0	0	0	0
14 Fund Balance Use	122,412	339,989	475,461	200,892	22,740	0	0
15 Revenue Proposals	0	59,564	1,661	185,004	192,341	190,792	202,235
16 Total General Fund Resources	5,787,151	6,325,115	6,571,525	6,499,768	6,596,180	6,841,648	7,165,049
17							
18 Expenditures (by Appropriation Title)							
19 Governmental Direction and Support	366,258	387,642	411,935	413,505	434,374	429,387	443,407
20 Economic Development and Regulation	321,892	394,608	440,338	376,534	308,027	308,376	314,734
21 Public Safety and Justice	961,429	1,036,665	1,047,882	1,026,938	1,051,306	1,086,169	1,124,569
22 Public Education System	1,240,676	1,306,621	1,439,036	1,434,069	1,495,826	1,526,718	1,572,830
23 Human Support Services	1,512,702	1,573,805	1,564,445	1,630,866	1,693,758	1,776,062	1,864,658
24 Public Works	429,971	573,070	578,794	622,607	611,554	630,216	654,886
25 Financing and Other	491,077	689,256	703,146	684,041	731,356	726,260	744,774
26 Cash Reserve (Budgeted Contingency)	0	50,000	25	0	0	0	0
27 Sub-total, Operating Expenditures	5,324,005	6,011,667	6,185,601	6,188,560	6,326,201	6,483,187	6,719,858
28 School Modernization Fund	0	100,000	100,000	106,000	112,360	119,102	130,279
29 Paygo Capital	118,861	8,152	38,262	38,637	1,500	1,500	1,500
30 Transfer to Trust Fund for Post-Employment Benefits	4,700	110,907	110,907	81,100	86,700	92,700	99,000
31 Transfer to Enterprise Funds - HPTF and Baseball Revenue Fund	58,731	92,930	88,228	82,819	68,622	66,547	68,883
32 Total General Fund Expenditures and Transfers	5,506,297	6,323,656	6,522,998	6,497,116	6,595,383	6,763,036	7,019,520
33 Operating Margin, Budget Basis	280,854	1,459	48,527	2,652	797	78,612	145,529
34							
35 Beginning General Fund Balance	1,435,142	1,494,000	1,494,000	1,047,066	828,826	786,883	845,495
36 Operating Margin, Budget Basis	280,854	1,459	48,527	2,652	797	78,612	145,529
37 Projected GAAP Adjustments (Net)	(99,584)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
38 Deposits into Reserve Funds (From Fund Balance)	(15,734)	(12,092)	(17,879)	(1,402)	(46,252)	0	(1,683)
39 Deposits into Reserve Funds (To Cash Reserves)	15,734	12,092	17,879	1,402	46,252	0	1,683
40 Fund Balance Use	(122,412)	(339,989)	(475,461)	(200,892)	(22,740)	0	0
41 Ending General Fund Balance	1,494,000	1,135,470	1,047,066	828,826	786,883	845,495	971,024
42							
43 Composition of Fund Balance							
44 Emergency Cash Reserve Balance (2%, formerly 4%)	87,932	100,024	102,189	103,591	124,972	124,972	125,533
45 Contingency Cash Reserve Balance (4%, formerly 3%)	221,451	221,451	225,073	225,073	249,944	249,944	251,066
46 Fund Balance not in Emergency & Contingency Reserves	1,184,617	813,995	719,804	500,162	411,967	470,579	594,426
47 Ending General Fund Balance (Line 44)	1,494,000	1,135,470	1,047,066	828,826	786,883	845,495	971,024
48							
49 Total cash reserves - operating, emergency & contingency	309,383	371,475	327,287	328,664	374,915	374,915	376,598

Table 3-2

Local Funds Component of the GENERAL FUND

(\$ thousands)

	FY 2007 Actual	FY 2008 Approved	FY 2008 Adjusted	FY 2009 Proposed	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
1 Revenues							
2 Taxes	4,729,040	4,883,509	4,957,716	4,994,644	5,263,750	5,525,630	5,821,962
4 General Purpose Non-Tax Revenues	423,875	326,111	327,624	308,568	304,394	310,147	305,255
6 Transfer from Lottery	65,376	72,100	70,000	71,000	71,000	71,000	71,000
7 Sub-total, Local Fund Revenues	5,218,291	5,281,720	5,355,340	5,374,212	5,639,144	5,906,777	6,198,217
8 Bond proceeds for Issuance Costs	6,335	60,000	60,000	15,000	15,000	15,000	15,000
9 Transfer from Federal and Private Resources	0	6,646	3,497	3,497	3,497	3,497	3,497
10 Transfer from Enterprise Fund (HPTF) for Debt Service	0	12,000	12,000	0	0	0	0
11 Transfer from Enterprise Fund Baseball Project	14,871	0	0	0	0	0	0
12 Transfer from Capital Funds (Bus Shelter Revenue) for Debt Svc	0	9,714	9,714	0	0	0	0
14a Fund Balance Use: To Replace Dedicated Gross Sales Taxes	0	65,385	65,385	0	0	0	0
14b Fund Balance Use: One-time Expenditures in FY	0	210,754	210,754	117,260	22,740	0	0
14c Fund Balance Use: Other	39,467	0	150,411	0	0	0	0
15 Revenue Proposals - - misc.	0	(23,811)	1,231	188,708	192,508	192,458	204,302
16 Total Local Fund Resources	5,278,964	5,622,408	5,868,332	5,698,677	5,872,889	6,117,732	6,421,016
17							
18 Expenditures (by Appropriation Title)							
19 Governmental Direction and Support	334,990	337,173	361,466	361,097	388,821	384,634	398,009
20 Economic Development and Regulation	147,119	152,259	203,441	219,302	176,137	178,626	183,258
21 Public Safety and Justice	912,310	963,108	969,856	956,087	989,723	1,025,667	1,063,195
22 Public Education System	1,226,076	1,284,308	1,416,723	1,401,649	1,467,647	1,499,033	1,544,746
23 Human Support Services	1,479,218	1,531,417	1,511,397	1,573,915	1,637,456	1,720,183	1,808,321
24 Public Works	353,590	409,248	414,992	427,015	447,336	468,611	491,169
25 Financing and Other	491,077	675,377	693,736	642,523	676,772	668,166	686,289
26 Cash Reserve (Budgeted Contingency)	0	50,000	25	0	0	0	0
27 Sub-total, Operating Expenditures	4,944,380	5,402,890	5,571,636	5,581,588	5,783,892	5,944,920	6,174,987
28 Paygo to School Modernization Capital Fund	0	100,000	100,000	0	0	0	0
29 Paygo Capital	118,861	8,152	38,262	34,337	1,500	1,500	1,500
30 Transfer to Trust Fund for Post-Employment Benefits	4,700	110,907	110,907	81,100	86,700	92,700	99,000
32 Total Local Fund Expenditures and Transfers	5,067,941	5,621,948	5,820,805	5,697,024	5,872,092	6,039,120	6,275,487
33 Operating Margin, Budget Basis	211,023	460	47,527	1,653	797	78,612	145,529

^A Please note: The deduction for School Modernization Dedicated Taxes is shown in the expenditure section of this Financial Plan in order to reflect the true level of revenue generated from taxes. From FY 2009, both revenue and expenditure is shown in Dedicated Taxes

Table 3-3

Dedicated Taxes Component of the GENERAL FUND

(\$ thousands)

	FY 2007 Actual	FY 2008 Approved	FY 2008 Adjusted	FY 2009 Proposed	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
1 Revenues							
3a Dedicated Taxes for the Neighborhood Investment Trust	0	9,875	9,875	10,000	10,000	10,000	10,000
3b Dedicated Taxes for the Comprehensive Housing Trust Fund	0	28,247	27,636	23,513	23,644	24,698	25,869
3c Dedicated Taxes for the Housing Production Trust Fund	58,731	46,533	45,562	38,775	38,994	40,725	42,652
3d Dedicated Taxes for the Nursing Facility Quality of Care Fund	0	11,000	11,000	11,000	11,000	11,000	11,000
3e Dedicated Taxes for the Ballpark Fund	0	46,397	42,666	41,863	41,628	41,822	42,231
3f Dedicated Taxes for the School Modernization Fund	0	0	0	106,000	112,360	119,102	130,279
3g Dedicated Taxes for the Healthy DC Fund	0	0	10,660	6,400	6,464	6,529	6,594
3h Dedicated Taxes for DDOT - parking taxes	0	0	0	30,000	30,000	30,000	30,000
7 Sub-total, Dedicated Taxes	58,731	142,052	147,399	267,551	274,090	283,876	298,625
14a Fund Balance Use: Neighborhood Investment Trust	0	4,841	0	6,998	0	0	0
14b Fund Balance Use: the Ballpark Fund	0	0	0	8,181	0	0	0
14c Fund Balance Use: Other	0	0	0	0	0	0	0
15 Revenue Policy Proposals	0	0	0	(14,964)	(12,622)	(13,676)	(14,847)
16 Total Dedicated Taxes	58,731	146,893	147,399	267,766	261,468	270,200	283,778
18 Expenditures (by Appropriation Title)							
19 Governmental Direction and Support	0	0	0	0	0	0	0
20 Economic Development and Regulation	0	42,963	37,511	16,998	10,000	10,000	10,000
21 Public Safety and Justice	0	0	0	0	0	0	0
22 Public Education System	0	0	0	0	0	0	0
23 Human Support Services	0	10,000	20,660	24,949	28,486	28,551	28,616
24 Public Works	0	0	0	24,120	15,176	15,179	15,181
25 Financing and Other	0	0	0	9,580	26,824	30,821	30,819
29 Sub-total, Operating Expenditures	0	52,963	58,171	75,647	80,486	84,551	84,616
30 Paygo to School Modernization Capital Fund	0	0	0	106,000	112,360	119,102	130,279
31 Paygo Capital	0	0	0	2,300	0	0	0
33a Transfer to HPTF Special Revenue Fund (Enterprise Fund)	58,731	46,533	45,562	32,775	26,994	24,725	26,652
33b Transfer to Baseball Revenue Fund (Enterprise Fund)	0	46,397	42,666	50,044	41,628	41,822	42,231
34 Total Dedicated Taxes Expenditures and Transfers	58,731	145,893	146,399	266,766	261,468	270,200	283,778
35 Operating Margin, Budget Basis	0	1,000	1,000	1,000	0	0	0

Table 3-4

Special Purpose Revenue Component of the GENERAL FUND

(\$ thousands)

	FY 2007 Actual	FY 2008 Approved	FY 2008 Adjusted	FY 2009 Proposed	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
1 Revenues							
5 Special Purpose (O-type) Revenues	366,511	357,784	450,807	453,612	449,368	441,706	447,475
7 Sub-total, Special Purpose Revenue Funds	366,511	357,784	450,807	453,612	449,368	441,706	447,475
13 Transfer in from AWC and NCRC for Economic Development Authority	0	55,646	55,646	0	0	0	0
14a Fund Balance Use	82,945	70,027	70,027	79,348	0	0	0
14b Certified Resources not used	0	(11,018)	(21,116)	(10,895)	0	0	0
15 Revenue Proposals/Policy Proposals	0	83,375	430	11,260	12,455	12,010	12,780
16 Total Special Purpose Revenue Funds	449,456	555,814	555,794	533,325	461,823	453,716	460,255
17							
18 Expenditures (by Appropriation Title)							
19 Governmental Direction and Support	31,268	50,469	50,469	52,408	45,553	44,753	45,398
20 Economic Development and Regulation	174,773	199,386	199,386	140,234	121,890	119,750	121,476
21 Public Safety and Justice	49,119	73,557	78,026	70,851	61,583	60,502	61,374
22 Public Education System	14,600	22,313	22,313	32,420	28,179	27,685	28,084
23 Human Support Services	33,484	32,388	32,388	32,002	27,816	27,328	27,721
24 Public Works	76,381	163,822	163,802	171,472	149,042	146,426	148,536
25 Financing and Other	0	13,879	9,410	31,938	27,760	27,273	27,666
26 Subtotal, Operating Expenditures	379,625	555,814	555,794	531,325	461,823	453,716	460,255
31 Paygo Capital	0	0	0	2,000	0	0	0
33 Transfer to Enterprise Funds - HPTF	0	0	0	0	0	0	0
34 Total Special Purpose Revenue Funds component of General Funds	379,625	555,814	555,794	533,325	461,823	453,716	460,255
35 Operating Margin, Budget Basis	69,831	0	0	0	0	0	0

Table 3-5

Federal and Private Resources Financial Plan

(\$ thousands)

	FY 2007	FY 2008	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	Actual	Approved	Adjusted	Proposed	Projected	Projected	Projected
F1 Federal Grants	1,788,164	2,005,972	2,180,582	2,162,392	2,252,436	2,346,175	2,444,359
F2 Federal Payment/Contribution	82,261	67,652	96,153	97,865	97,865	97,865	97,865
F3 Private Grants	6,643	7,875	12,702	5,418	5,624	5,828	6,041
F4 Subtotal, Federal & Private Resources	1,877,068	2,081,499	2,289,437	2,265,675	2,355,925	2,449,868	2,548,265
F5 Fund Balance Use	17,837	0	0	0	0	0	0
F6 Transfer to General Fund	0	(6,646)	(3,497)	(3,497)	(3,497)	(3,497)	(3,497)
F7 Total Federal & Private Resources	1,894,905	2,074,853	2,285,940	2,262,178	2,352,428	2,446,371	2,544,768
F8							
F9 Expenditures (by Appropriation Title)							
F10 Governmental Direction and Support	114,984	24,244	38,978	25,196	26,075	26,943	27,846
F11 Economic Development and Regulation	121,852	140,085	145,782	99,929	102,806	105,688	108,671
F12 Public Safety and Justice	8,052	111,612	177,213	267,645	273,610	279,688	285,911
F13 Public Education System	217,280	277,052	305,809	265,819	270,258	274,740	279,352
F14 Human Support Services	1,377,497	1,500,218	1,566,221	1,580,357	1,655,730	1,734,646	1,817,577
F15 Public Works	27,653	21,642	43,867	23,232	23,949	24,666	25,411
F16 Financing and Other	4,691	0	8,070	0	0	0	0
F17 Total Federal & Private Expenditures	1,872,009	2,074,853	2,285,940	2,262,178	2,352,428	2,446,371	2,544,768
F18 Operating Margin, Budget Basis	22,896	0	0	0	0	0	0
F19							
F20 Beginning Federal & Private Fund Balance	161,310	134,249	134,249	134,249	134,249	134,249	134,249
F21 Operating Margin, Budget Basis	22,896	0	0	0	0	0	0
F22 Projected GAAP Adjustments (Net)	(32,120)	0	0	0	0	0	0
F23 Fund Balance Use	(17,837)	0	0	0	0	0	0
F24 Ending Federal & Private Fund Balance	134,249	134,249	134,249	134,249	134,249	134,249	134,249

Revenue

Introduction

This chapter presents the revenue outlook for the District of Columbia's General Fund for the FY 2008 to FY 2012 period. Since revenues are affected by the performance of the D.C. economy, this chapter includes a discussion of the economic outlook for the District of Columbia.

The first part of the chapter includes a description of the revenue-estimating assumptions for both the short run (FY 2008 and FY 2009) and over the longer term (FY 2010 – FY 2012). The chapter then turns to the outlook for the specific sources of revenue that flow to the General Fund. These include various tax and non-tax sources of non-dedicated revenue, as well as special purpose non-tax sources which consist of fees, fines, assessments, and reimbursements dedicated to the District of Columbia agency that collects the revenues. For each General Fund revenue source, a description of that revenue source is provided, along with a discussion of factors affecting the revenue being generated by that source.

This chapter also provides information on special funds financed by certain tax revenues. These dedicated tax revenues, which are not available for general budgeting, are transferred to the following funds: Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's Unified Fund, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, the Nursing Facility Quality of Care Fund and the Healthy DC Fund.

The chapter concludes with a description of the procedures used to estimate revenue, followed by a presentation of additional detail on what the District of Columbia taxes and collects, and how much revenue these taxes and non-tax revenues yield.

D.C. Code § 47-318.01(b) requires the Chief Financial Officer to prepare, on a biennial basis a tax expenditure budget that estimates the revenue loss to the District government from each tax expenditure for the current fiscal year and the next 2 fiscal years. The tax expenditure budget for FY 2008 to FY 2011 is presented as an appendix to this chapter.

Summary

The revenue outlook for this year's Budget and Financial Plan is strongly influenced by two factors: (1) the slowdown occurring in the national economy and (2) D.C.'s real estate markets. The most recent national employment and output numbers are the worst in over four years and national credit and equity markets are experiencing great difficulties. How much the national economy will slow down and for how long is very uncertain. The revenue forecast for the District assumes that the deteriorating condition of the national economy will have an adverse impact on District revenues, but it is not a "worst case" forecast.

The baseline forecast assumes that revenue growth will slow in FY 2008. However, moderate growth is still forecast to occur each year in the forecast period. Revenue growth in FY 2008 and FY 2009 is also affected by several policy initiatives, including changes to the real property tax,

changes in fees, and improved tax compliance. The policy initiatives are spelled out in the Policy Proposals section later in the chapter.

In FY 2008 unrestricted General Fund revenue (net revenue after fund dedication¹) is expected to increase by \$76.5 million from FY 2007. (See Table 4-1.) This represents a 1.5 percent increase over the prior year, just a fraction of the 10.8 percent rate of growth that occurred in FY 2007. For FY 2009, the revenue gain (again, after fund dedication) is forecast to be \$306.3 million or 5.8 percent more than FY 2008. For the remaining years of the plan unre-

stricted revenue is expected to grow between 4.6 percent and 5.0 percent.

The slowdown in revenue growth in FY 2008 follows four years of rapid growth. From FY 2003 to FY 2007 total unrestricted General Fund revenue grew a total of \$1,511 million, or 41.2 percent. During this time dedicated General Fund revenue grew much more rapidly than unrestricted revenue. Dedicated General Fund revenue increased by \$490.9 million over the 4 years, a 193 percent increase. Starting in FY 2009, dedicated funds no longer account for a growing share of revenue.

Table 4-1

**Actual and Estimated Revenue for FY 2004 – FY 2010:
Unrestricted and Dedicated**

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.
Unrestricted General Fund Revenue							
Baseline estimate (\$M)	4,062.4	4,466.0	4,674.7	5,180.0	5,255.3	5,374.2	5,639.1
Policy initiatives (\$M)					1.2	188.7	192.5
Total unrestricted revenue (\$M)	4,062.4	4,466.0	4,674.7	5,180.0	5,256.6	5,562.9	5,831.6
Change from prior year (\$M)	393.1	403.6	208.7	505.3	76.5	306.3	268.7
% change from prior year	10.7	9.9	4.7	10.8	1.5	5.8	4.8
Dedicated Revenue							
Baseline estimate (\$M)	379.6	518.7	630.6	745.8	858.2	894.7	904.6
Policy initiatives (\$M)					0.4	-3.7	-0.2
Total dedicated revenue (\$M)	379.6	518.7	630.6	745.8	858.6	891.0	904.5
Change from prior year (\$M)	124.8	139.1	111.8	115.2	112.9	32.4	13.5
% change from prior year	49.0	36.6	21.6	18.3	15.1	3.8	1.5
Total Revenue							
Baseline estimate (\$M)	4,442.0	4,984.7	5,305.3	5,925.8	6,113.6	6,268.9	6,543.8
Revenue initiatives (\$M)					1.7	185.0	192.4
Total revenue (\$M)	4,442.0	4,984.7	5,305.3	5,925.8	6,115.2	6,453.9	6,736.2
Change from prior year (\$M)	517.9	542.7	320.6	620.5	189.4	338.7	282.3
% change from prior year	13.2	12.2	6.4	11.7	3.2	5.5	4.4

Source: OCFD. Unrestricted General Fund revenue consists of tax and non-tax revenue available for appropriation that has not been dedicated for a particular purpose. Dedicated revenues are tax and non-tax receipts (including "O-type" funds) dedicated to the Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's Unified Fund, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, the Nursing Facility Quality of Care Fund, the Healthy DC Fund, and other purposes. The baseline estimate is the revenue estimate transmitted in the May 7, 2008 letter to the Mayor and Council (except for "O-type" revenues which are not included in the revenue estimate letter). For details of each revenue type see Table 4-19. Policy initiatives are detailed in Table 4-19, Exhibit B. The fiscal years shown in this table differ from those shown in latter tables in order to highlight the comparison between the last 4 fiscal years and the years 2008 through 2010.

¹ Before the dedication of revenue for the Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's Unified Fund, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, the Nursing Facility Quality of Care Fund and the Healthy DC Fund. The revenue number includes "O" type revenues.

The Economic Outlook

In the spring of 2008 a number of developments heightened concerns that a significant slowdown in the U.S. economy was occurring. On a seasonally adjusted basis, U.S. employment in March 2008 was 240,000 below December 2007, the first three successive months reduction in employment in five years. In April the Bureau of Economic Analysis reported that real GDP growth fell to 0.6 percent in the March 2008 quarter on a seasonally adjusted basis, the lowest rate of growth in five years (except for both the first and last quarters of CY 2007 when the rate was also 0.6 percent). In March, the stock market declined, ending the month 10.4 percent below the end of December and 5.8 percent below a year earlier. Credit has tightened, investment is down, and unemployment is rising. Nationally, the sales prices of existing houses are declining. At the same time, led by high energy prices, for the first quarter of 2008 the U.S. Consumer Price Index was 4.1 percent higher than a year earlier.

In the past, when the U.S. economy has slowed the District's economy has also. This happened in the early 1990's and again before the 2001 recession. In both instances D.C. revenues were adversely affected. The bursting of the stock market bubble in 2001 was the most significant reason for the decline in D.C. revenues in FY 2003.

The FY 2009 Budget and Financial Plan takes into account the national economic slowdown, with its probable resulting adverse impact on the District of Columbia economy and revenues. However, this is not a "worst-case" scenario. That degree of pessimism is not warranted by evidence currently available.

According to the Nelson A. Rockefeller Institute of Government, in the fourth calendar quarter of 2007 state tax revenue (adjusted for legislative tax changes and inflation) declined by 4.3 percent, the largest decline since the first quarter of 2003.² To this point, the District has not seen such reductions. In the fourth quarter of 2007 the District's major state-type taxes (general sales, individual income, and corporate franchise) increased by an inflation-adjusted 4.1 percent. Total tax collections (unadjusted for inflation) were also up by 6.4 percent in the first half

of FY 2008 compared to the comparable period of FY 2009.

Based on recent economic indicators, there are reasons to be hopeful that the District's economy will be able to do as well or better than the national economy as the U.S. economy slows. Over the past six months, job growth in D.C. (mostly in the private sector) has been stronger than in both the U.S. and the entire Washington metropolitan area. (In the first quarter of 2008, jobs were up 1.1 percent in D.C., 0.8 percent in the metro area, and 0.6 percent for the U.S.) The OFHEO house price index for the 4th quarter of 2007 shows prices up 1.9 percent in D.C., compared to a 0.8 percent increase in the U.S. as a whole and a 2.9 percent decrease for the Washington D.C. metropolitan area.

The current revenue forecast is a cautious one, but not a worst case one. The forecast assumes the stock market will lose ground in FY 2008 and that the average selling price of homes will decline in both FY 2008 and FY 2009. Employment and wages edge downward, commercial office vacancies rise, real property transfers slow down, and construction projects are delayed.

The estimating assumptions for FY 2008 and FY 2009, respectively, include 1.1 percent and 0.4 percent growth in total jobs; 5.2 percent and 4.0 percent increases in the personal income of District residents; and inflation of 3.8 and 2.3 percent. In FY 2008 the stock market is expected to decrease by 4.7 percent, and from FY 2007 through FY 2009 the average selling price of homes is expected to decrease by a total of 4.0 percent. The largest increases in jobs are expected to be in professional, business, education, and health services, the District's leading private sector service industries.

Major Taxes

One of the benefits of the unique status of the District of Columbia, which has both local and state government responsibilities, is that its revenue system draws from a broad range of tax sources. The different ways these sources are connected to the economy help to explain why D.C. revenue growth can be expected to grow moderately in the face of a slowing economy.

² Alison J. Grinnell and Robert B. Ward, *State Tax Revenue Falters Again*, Nelson A. Rockefeller Institute of Government, March 2008, No. 71.

Table 4-2

Actual and Estimated Taxes (before fund dedication) for FY 2004 – FY 2010: Major Taxes and Other Taxes

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.
Major tax revenue							
Baseline estimate (\$M)	3,333.0	3,741.7	4,014.6	4,589.0	4,782.4	4,913.0	5,200.1
Policy initiatives (\$M)					-0.3	115.7	118.4
Total major tax revenue (\$M)	3,333.0	3,741.7	4,014.6	4,589.0	4,782.1	5,028.7	5,318.5
Change from prior year (\$M)	409.1	408.7	272.9	574.4	193.1	246.6	289.8
% change from prior year	14.0	12.3	7.3	14.3	4.2	5.2	5.8
All other tax revenue							
Baseline estimate (\$M)	471.6	507.3	501.8	565.9	538.3	549.1	547.4
Policy initiatives (\$M)						25.5	28.5
Total all other taxes (\$M)	471.6	507.3	501.8	565.9	538.3	574.6	575.9
Change from prior year (\$M)	11.4	35.7	-5.5	64.1	-27.5	36.2	1.3
% change from prior year	2.5	7.6	-1.1	12.8	-4.9	6.7	0.2
Total tax revenue							
Baseline estimate (\$M)	3,804.6	4,249.0	4,516.3	5,154.8	5,320.7	5,462.0	5,747.4
Policy initiatives (\$M)					-0.3	141.2	146.9
Total all other sources (\$M)	3,804.6	4,249.0	4,516.3	5,548.8	5,320.4	5,603.3	5,894.3
Change from prior year (\$M)	420.5	444.4	267.3	638.5	165.6	282.8	291.1
% change from prior year	12.4	11.7	6.3	14.1	3.2	5.3	5.2

Source: OCFO Major taxes are: real property taxes, general sales and use tax, individual income tax, corporate and unincorporated business franchise taxes, and deed taxes (deed recordation, deed transfer, and economic interest taxes). The baseline estimate is the revenue estimate transmitted in the May 7, 2008 letter to the Mayor and Council. For details of each tax category see Table 4-19. Policy initiatives are detailed in Table 4-19, Exhibit B. The fiscal years shown in this table differ from those shown in latter tables in order to highlight the comparison between the last 4 fiscal years and the years 2008 through 2010.

In FY 2007, 89.0 percent of all D.C. tax revenues (including all dedicated taxes) were derived from these major taxes: the real property tax, the general sales tax, the individual income tax, business income taxes, and taxes on real estate transactions. As discussed below, based on their relationship to the economy, these taxes fall into three groups:

- the general sales tax and withholding (derived principally from monthly flows of transactions and earnings);
- the real property and deed taxes (derived from the assessed value of all real property and real property transactions); and
- business income taxes and the non-withholding part of the individual income tax (derived from profits and changes in the value of financial assets).

General sales tax and withholding for individual income tax. These taxes are most directly connected to employment and earnings in the economy. The general sales tax and withholding portion of the individual income tax account for:

- 37.5 percent of total tax revenue (before fund dedication) in FY 2007; and
- 17.1 percent of total tax growth from FY 2005 to FY 2007 compared to 38.0 percent of growth forecast from FY 2007 to FY 2009.

Almost half of the general sales tax results from hotel stays and restaurant sales. In FY 2005 sales taxes grew rapidly in part because of the opening of the World War II Memorial and other attractions and the presidential inaugural, although increases in construction (taxes on materials) and house sales (furniture sales and the like) also appear to have contributed. In FY 2007

Table 4-3

Actual and Estimated General Sales and Individual Income Tax Withholding for FY 2004 – FY 2010:

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.
Baseline estimate							
General Sales Tax (\$M)	733.2	861.1	908.9	960.9	964.8	1,031.9	1,083.1
Withholding for the Individual Income Tax (\$M)	875.6	918.7	970.5	974.8	1,000.5	1,068.8	1,137.8
Subtotal (\$M)	1,608.8	1,779.8	1,879.4	1,934.8	1,965.3	2,100.7	2,221.0
Policy initiatives (\$M)						4.7	4.4
Total (\$M)	1,608.8	1,779.8	1,879.4	1,934.8	1,965.3	2,105.4	2,225.4
Change from prior year (\$M)	102.4	171.0	99.6	55.3	30.5	140.1	120.0
% change from prior year	6.8	10.6	5.6	2.9	1.6	7.1	5.7

Source: OCFD. Revenues for withholding estimated by the Office of Revenue Analysis. The baseline estimate is the revenue estimate transmitted in the May 7, 2008 letter to the Mayor and Council. Policy initiatives are detailed in Table 4-19, Exhibit B. Amounts include dedicated funds.

withholding grew more slowly than would have been expected given the growth in the economy because of a reduction in individual income tax rates. The percentage growth in general sales and withholding in FY 2008 is below, and FY 2009 is above, the rate of growth in D.C. Personal Income in those years (5.2 percent in FY 2008 and 4.0 percent in FY 2009).

Real property and deed taxes. Rising real estate assessments and the increase in the value of real property transactions have been a major source of the District's extraordinary revenue growth in the past several years and will continue to be a strong factor in FY 2008 and FY 2009. Real property and property transaction taxes (deed

transfer, deed recordation, and economic interest taxes) account for:

- 36.7 percent of total tax revenue (before fund dedication) in FY 2007;
- 53.5 percent of total tax revenue growth from FY 2005 to FY 2007, and 77.7 percent of growth forecast from FY 2007 to FY 2009.

In FY 2006 the assessed market value of all taxable property in the District (before the application of any caps or credits) for taxes collected in those years increased 15.4 percent, and accelerated by another 24.2 percent for FY 2007. While the rate of increase in assessed values for FY 2008 and FY 2009 will be less than for FY 2007, the decline is not precipitous and assessed

Table 4-4

Actual and Estimated Real Property and Deed Tax Revenues for FY 2004 – FY 2010

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.
Baseline estimate (\$M)							
Real property tax (\$M)	947.7	1,060.6	1,153.8	1,448.7	1,715.0	1,856.6	1,992.2
All deed taxes (\$M)	353.1	347.6	360.4	443.9	373.7	283.5	276.0
Subtotal (\$M)	1,300.7	1,408.2	1,514.2	1,892.6	2,088.8	2,140.1	2,268.1
Policy initiatives (\$ M)						100.9	102.3
Total (\$M)	1,300.7	1,408.2	1,514.2	1,892.6	2,088.8	2,241.1	2,370.4
Change from prior year (\$M)	234.7	107.5	106.0	378.4	196.2	152.3	129.3
% change from prior year	22.0	8.3	7.5	25.0	10.4	7.3	5.8

Source: OCFD. Revenues for withholding estimated by the Office of Revenue Analysis. The baseline estimate is the revenue estimate transmitted in the May 7, 2008 letter to the Mayor and Council. Policy initiatives are detailed in Table 4-19, Exhibit B. Amounts include dedicated funds.

values will continue to rise faster than general measures of the D.C. economy such as Personal Income. For FY 2008, the assessed market-value of real property (which is based on property values as of January 1, 2007) is an estimated 15.6 percent higher than the prior year, and assessed values for FY 2009 (which are based on property values as of January 1, 2008) are expected to rise by 9.4 percent. Deed tax collections are expected to slow down in FY 2008 and FY 2009 due to the falling total value of sales of residential and commercial property.

Business income and non-withholding part of the individual income tax.³

These taxes are connected to the most volatile parts of the national and District economies—the stock market, credit markets, and corporate and unincorporated business profits. These taxes provided a more than proportionate share of the revenue growth in the FY 2005 to FY 2007 period, and in turn are a principal contributor to the slowdown in revenues in Fiscal Years 2008 and 2009. The business income and non-withholding part of the individual income tax account for:

- 14.8 percent of total tax revenue (before fund dedication) in FY 2007;

- 22.9 percent of total tax revenue growth from FY 2005 to FY 2007, compared to minus 17.7 percent of growth forecast from FY 2007 to FY 2009.

At the end of March, the U.S. stock market (as measured by the S and P 500 Index) was 5.8 percent below a year earlier and this revenue forecast assumes it will be 4.7 percent below last year for the remainder of the fiscal year. The poor outlook for both the stock market and corporate profits as the economy slows is a major contributor to the expected slowdown in District revenues.

Risks

As indicated, many signs point to the slowing of the national economy, but how much the economy will slow and for how long is unknown. The April Blue Chip Economic Indicators report noted in summarizing the forecasts of 50 private sector economists for the period through 2009: “More than half our panelists now say the economy has already entered or will slip into a recession this year ... [but] none of our panelists currently predict a particularly deep or protracted downturn in the economy.”⁴

A national downturn more severe than is now currently anticipated is a major risk to the District’s current revenue forecast. A national

Table 4-5

Actual and Estimated Business Income Taxes and Non-withholding for the Individual Income Tax for FY 2004 – FY 2010

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.
Baseline estimate							
Non-withholding for individual income tax (\$M)	166.7	241.4	263.1	339.0	321.7	239.1	254.0
Corporate income tax (\$M)	168.4	195.5	215.3	255.5	255.2	262.6	269.4
Unincorporated business income tax (\$M)	88.3	116.9	142.6	167.0	151.4	170.4	187.6
Subtotal (\$M)	423.4	553.7	620.9	761.6	728.3	672.2	711.0
Policy initiatives (\$M)					-0.3	10.1	11.7
Total (\$M)	423.4	553.7	620.9	761.6	728.0	682.3	722.7
Change from prior year (\$M)	72.0	130.3	67.2	140.6	-33.6	-45.8	40.5
% change from prior year	20.5	30.8	12.1	22.6	-4.4	-6.3	5.9

Source: OCFD. Non-withholding for the individual income tax, estimated by ORA, consists of declarations, payments with returns, refunds, and fiduciary returns. The baseline estimate is the revenue estimate transmitted in the May 7, 2008 letter to the Mayor and Council. Policy initiatives are detailed in Table 4-19, Exhibit B.

³ The non-withholding part of the individual income tax consists of declarations, payments with returns, refunds, and fiduciary returns.

⁴ Blue Chip Economic Indicators, Aspen Publishers, April 10, 2008, Summary, p.1

recession, with its consequent impact on the District tax bases, could quite quickly adversely affect revenues derived from tourism, construction, and real property transactions, and if accompanied by a sharp fall in the stock market and corporate profits could result in smaller payments and unusually large refunds for individual income and business income taxes in FY 2009. Another risk is that further deterioration in the economy and in credit markets could adversely affect residential or commercial real property values more than has already been assumed. Most of the decrease in value, however, will be reflected in FY 2010 revenues rather than in FY 2009.

Also, driven by higher oil and food prices and a possible slowing in productivity growth, inflation may yet become a real threat to the national economy. Rising inflation combined with current imbalances in the economy—in particular, the high budget and trade deficits—could lead to higher long-term interest rates. Although the District’s revenue estimates assume a gradual rise in long-term interest rates, more rapid increases in interest rates could cause more slowing of growth in the real estate market than we are forecasting.

One of the stabilizing factors in the District’s economy is the presence of the federal government. The pattern of federal expenditures is, however, also a significant risk factor for D.C. In FY 2005 feder-

al spending in D.C. for wages, benefits, procurement, and grants to the District government was \$37.6 billion. Federal employment accounts for almost 30 percent of all D.C. jobs and almost 1/3 of all wages and salaries, and many more people are employed as a result of contracting. Security concerns arising out of 9/11 and the Iraq war have resulted in large increases in government spending that benefited the Washington D.C. area. However, in FY 2005 (the latest year for which data are available) the level of procurement spending in the District was virtually unchanged from FY 2004. According to the George Mason Center for Regional Analysis, the annual increases in federal procurement in the Washington D.C. metropolitan area will be less in the next five years than in the most recent five-year period. Efforts to reduce spending over the next few years to bring greater balance to federal fiscal policy could also dampen growth in the District of Columbia.

Economic Assumptions for the FY 2009-2012 Revenue Estimates and Financial Plan

The U.S. Economy

As indicated earlier, a number of recent indicators show that the national economy has been slowing down. According to the U.S. Bureau of

Table 4-6

Selected U.S. Economic Indicators, CY 2006Q4 – 2008Q1

(Percent change from same calendar year quarter of previous year unless noted)

	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1
GDP						
Real	2.6	1.5	1.8	2.8	2.5	2.5
Nominal	5.3	4.5	4.7	5.3	5.1	4.7
Employment (wage and salary)	1.7	1.5	1.4	1.2	0.9	0.4
Income						
Wages	6.5	5.9	6.1	6.3	4.7	3.7
Total Personal Income	6.0	6.4	6.1	6.4	5.8	4.5
Inflation (CPI)	1.9	2.4	2.7	2.4	4.0	4.1
S & P 500 (Level)	1390	1425	1496	1491	1494	1353
Change from Prior Quarter	7.9	2.6	5.0	-0.4	0.4	-9.5
Change from Prior Year	12.9	11.1	16.7	15.7	2.2	-5.1
Interest Rate (10-yr. Treasuries)	4.6	4.7	4.5	4.1	4.0	3.6

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Yahoo financial.

Economic Analysis, U.S. Real Gross Domestic Product in the quarter ending March 31, 2008, was 2.5 percent over the same quarter a year earlier, the same as in the previous quarter. Nominal Gross Domestic Product and personal income in the quarter that ended March 31, 2008 were 4.7 percent and 4.5 percent higher, respectively, than in the same quarter of 2007. (See table 4-6.) In the quarter ending March 31, 2008, employment was up 0.4 percent, and wage and salary earnings were up 3.7 percent from the prior year.

For guidance, the survey of the economic factors affecting the District's revenue base uses forecasts of the U.S. economy prepared by the Congressional Budget Office (CBO) and the Blue Chip Economic Indicators, along with those of two forecasting services, Global Insight and economy.com, that also make forecasts of the District's economy.

Highlights of the forecasts for the United States economy are:

- *Slower GDP growth.* In real terms, economic growth is forecast by Blue Chip Economic Indicators to decline in FY 2008, and then increase slightly in FY 2009. The real and nominal growth rates forecast by CBO for FY 2008 would represent the lowest in six years. Growth rates in nominal GDP for the U.S. are expected by Blue Chip Economic Indicators to be 4.1 percent in FY 2008 and 4.1 percent again in FY 2009.
- *Slower growth in wages and salaries.* According to the CBO, wage and salary growth will be 4.2 percent in both FY 2008 and FY 2009, compared to 5.9 percent in FY 2007.
- *Inflation will not fall until FY 2009.* According to Blue Chip Economic Indicators, the Consumer Price Index (CPI), is expected to increase 3.8 percent in FY 2008, falling to 2.5 percent in FY 2009. In the second quarter of FY 2008 the CPI increased at a rate of 4.1 percent above the same quarter of FY 2007
- *Interest rates remain low.* The interest rate on 10-year Treasury securities is expected to be below FY 2007's average rate (4.7 percent). According to the Blue Chip Economic Indicators, the rate will be 3.9 percent for FY 2008 and 4.1 percent in FY 2009.

- *Stock market decline.* Neither the Blue Chip Economic Indicators nor CBO provide a stock market forecast. Global Insight expects the stock market to decline in FY 2008 by 4.7 percent, with 4.6 percent growth returning in FY 2009. The Financial Plan adopts the Global Insight estimate of the stock market.
- *Falling corporate profits.* CBO forecasts that the economic profits of corporations will grow by 1.1 percent and 2.7 percent in Fiscal Years 2008 and FY 2009, respectively, following a decline in FY 2007. The revenue impact would tend to lag the period when profits are earned, and CBO forecasts reductions in federal corporate income tax receipts in Fiscal Years 2008, 2009, and 2010.

The District of Columbia Economy

The outlook for the District of Columbia assumes that the District will be adversely affected by the slowdown in economic activity and turbulence in U.S. financial markets. The forecast assumes that the District will experience a brief recession (defined as two successive declines in inflation-adjusted real GDP) and that in measures such as jobs and personal income will be roughly comparable to what happens nationally. The forecast also assumes that there will be no sharp cutback in government spending that affects the D.C. area, and that the slowness already anticipated in the real estate markets does not materially worsen. The growth in output and income measures for the District's economy in FY 2008 and FY 2009 are expected to slow from FY 2007.

The economic assumptions underlying the revenue outlook are provided in Table 4-7. For the most part, these are based on the standard forecast made in April by Global Insight.⁵ These assumptions include:

- *Slower growth in D.C.'s nominal Gross Domestic Product.*⁶ Growth rates in FY 2008 and FY 2009 are projected to be 4.2 percent and 3.8 percent, respectively, somewhat less than the 5.0 percent growth for FY 2007. The slower growth rates in part reflect the trends in the national and regional economies, including

⁵ Global Insight forecast for D.C., April 2008. This is based upon the standard U.S. forecast for April. The forecast is similar to the economy.com low-growth forecast. ORA's methodology for preparing the economic forecast, is explained in ORA's draft briefing note.

⁶ D.C.'s Gross Domestic Product, formerly called Gross State Product, is the value added in production by the labor and property located in the District and is a measure of the gross output of all industries in D.C.

Table 4-7

Estimated Key Variables for the D.C. Economy for the Forecast Period, FY 2006 – FY 2012

	FY 2006 Actual	FY 2007 Actual	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.	FY 2012 Est.
Gross State Product (nominal; billions of \$)	86.55	90.84	94.65	98.29	103.18	108.87	114.63
	6.2%	5.0%	4.2%	3.8%	5.0%	5.5%	5.3%
Personal Income (billions of \$)	33.27	35.39	37.22	38.70	40.55	42.48	44.71
	6.9%	6.3%	5.2%	4.0%	4.8%	4.8%	5.2%
Wages and Salaries of DC Residents (billions of \$)	17.7	18.7	19.6	20.3	21.1	22.0	22.9
	5.9%	6.1%	4.8%	3.5%	4.0%	4.0%	4.3%
Population (thousands)	584.6	587.7	590.5	592.9	595.4	598.0	601.1
	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.5%
Households (thousands)	255.2	256.8	258.3	259.8	261.2	262.7	264.4
	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
At-place Employment (thousands)	686.3	692.6	700.2	703.3	708.2	714.3	721.3
	0.9%	0.9%	1.1%	0.4%	0.7%	0.9%	1.0%
Civilian Labor Force (thousands)	318.4	324.3	327.7	327.7	330.4	332.6	334.7
	0.6%	1.9%	1.0%	0.0%	0.8%	0.7%	0.6%
Resident Employment (thousands)	299.5	305.8	309.0	308.8	311.4	313.5	315.6
	1.6%	2.1%	1.0%	-0.0%	0.8%	0.7%	0.7%
Unemployment Rate (percent)	5.9	5.7	5.7	5.8	5.8	5.7	5.7
Housing Starts	2,405	1,857	1,924	1,533	1,805	2,107	2,307
Housing Stock (thousands)	282.4	284.3	286.5	288.7	290.1	291.9	294.6
Sale of Housing Units	10,800	9,900	7,920	7,128	7,756	8,741	9,256
	-16.3%	-8.3%	-20.0%	-10.0%	8.8%	12.7%	5.9%
Average Housing Price (\$)	573,100	617,500	605,100	593,000	618,800	661,900	703,500
	7.3%	7.7%	-2.0%	-2.0%	4.3%	7.0%	6.3%
Washington Area CPI (% change from prior year)	3.9	3.2	3.8	2.3	2.2	2.2	2.2
Interest Rate on 10-year Treasury Notes (%)	4.8	4.7	3.8	4.1	4.8	5.4	5.4
Change in S&P Index of Common Stock (%)	6.8	14.1	-4.7	4.6	8.7	5.9	6.0

Source: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (April 2008) and Economy.com (April 2008); on forecasts of the national economy prepared by the Congressional Budget Office (January 2008) and Blue Chip Economic Indicators (April 2008); on Bureau of Labor Statistics labor market information from March 2008; on Bureau of Economic Analysis estimates of D.C. personal income (December 2007); on Census Bureau estimates of D.C. population (July 2007); on D.C. housing sales data (March 2008) from the Metropolitan Regional Informational Systems (MRIS), accessed through the Greater Capital Area Association of Realtors (GCAAR); and on D.C. Office of Planning information on housing construction activity (which included occupied units that have been or are being rehabilitated; Spring 2008).

some slowing in government spending that affects the D.C. area. A range of private sector services—professional and business services, education and health, and trade and hospitality—all contribute significantly to the increasing GDP in the District of Columbia.

- *Continued growth in jobs located in D.C.* The number of jobs in the District in FY 2008 is expected to show a net increase of 7,600 (1.1 percent), then increase another 3,100 (0.4

percent) in FY 2009, with most of the gains in the private sector. The gain in FY 2007 was 6,300 jobs (0.9 percent).

- *Continued growth of personal income.*⁷ Growth rates in FY 2008 and FY 2009 are projected to be 5.2 percent and 4.0 percent respectively, compared to 6.3 percent for FY 2007. Increases in the number of households residing in D.C. contribute to the growth in personal income that is occurring.

- *Lower inflation by 2009.* The Financial Plan assumes the D.C. Consumer Price Index will be 3.8 percent in FY 2008 and 2.3 percent in FY 2009. The rate in FY 2007 was 3.2 percent.
- *Declining home sales and prices.* The number of housing sales (the combined total of single family and condominium units) is projected to continue to decline through FY 2009, and

average prices to decrease in FY 2008 and FY 2009 before the market stabilizes.⁸ In FY 2008 the number of housing sales is expected to decrease about 20.0 percent following an 8.3 percent decline in FY 2007. The average price of units sold is expected to decline by 2.0 percent in FY 2008 and another 2.0 percent in FY 2009.

Table 4-8

Percent Change in Wage and Salary Employment in D.C., the Washington Metropolitan Area, and the U.S., CY 2006Q4 – 2008Q1

(Percent change from same calendar year quarter of previous year unless noted)

	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1
Total Employment						
DC	0.8	1.1	0.9	0.9	1.4	1.1
US	1.6	1.3	1.2	1.0	0.9	0.6
Metro Area	1.4	1.0	0.8	0.4	0.8	0.8
Private Sector						
DC	1.5	2.3	1.8	1.5	1.7	1.1
US	1.7	1.4	1.2	1.1	0.9	0.4
Metro Area	1.4	1.1	0.8	0.6	0.7	0.6

Source: Bureau of Labor Statistics.

Table 4-9

D.C. Wage and Salary Employment by Sector in the Quarter Ending March 31, 2008

Sector	Level	Change from one year ago	
		Amount	Percent
Government	230,800	+2,400	+1.1%
Federal Government	190,000	+700	+0.4%
Local Government	40,800	+1,800	+4.5%
Private Sector	465,100	+4,900	+1.1%
Professional and Business	154,400	+2,400	+1.6%
Information and Financial	49,800	-2,300	-4.4%
Education and Health	102,700	+2,200	+2.2%
Trade and Hospitality	76,100	+500	+0.6%
Organizations and Other Services	63,600	+2,100	+3.4%
All Other	18,500	0	+0.0%
Total	695,800	+7,400	+1.1%

Note: Percent changes calculated from un-rounded numbers; detail may not add to totals due to rounding.

Source: Bureau of Labor Statistics.

⁷ Personal income is a measure of before-tax income received by all persons in a state. It is the total of net earnings by place of residence, rental income, personal dividend income, personal interest income, and transfer payments. Wages and salaries are the biggest component of personal income. Health and other employee benefits are also a significant component.

- *Commercial office space.* Sales levels and total value of sales in the commercial real estate market are also expected in FY 2008 and FY 2009 to be below the level of FY 2007.
- *Households and resident employment rise.* In FY 2008 new housing units and associated increases in the number of District households are expected to translate into gains in employed residents as well, but a rise in the unemployment rate results in no gain in employed residents in FY 2009. The Financial Plan assumes estimated households in FY 2008 of 258,300, up 1,500 (0.6 percent) from FY 2007, and 259,800 in FY 2009 (up another 1,500 or 0.6 percent). The unemployment rate is expected to remain at 5.7 percent in FY 2008 and to rise to 5.8 percent in FY 2009. Resident employment is forecast to increase by 1.0 percent in FY 2008 and remain flat in FY 2009.

Employment

As already noted, the forecast of employment growth is 1.1 percent in FY 2008 and 0.4 percent in FY 2009—compared to 0.9 percent in FY 2007. Of the 10,700 increase in employment from FY 2007 through FY 2009, about 76 percent is expected to be in professional, business, education, and health services. About 19 percent of the increase (2,000 jobs) is expected to be in federal and local government employment.

Employment in the District grew quite strongly in the last two quarters of FY 2007 and the first quarter of FY 2008. (See table 4-8.) However, in the quarter ending March 31, 2008, the private sector increase over the same quarter of 2007 slowed to 1.1 percent. Of the 4,900 net increase in private sector employment that occurred in that quarter, professional, business, education and health services accounted for 91.8 percent of the gain. (See table 4-9.)

Table 4-10

Hospitality Sector Indicators for the Quarter Ending March 31, 2008

	Level	Change from one year ago	
		Amount	Percent
Hotel Occupancy Rate (percent)	68.1	-1.2	-1.7%
Hotel Room Rate (\$)	\$204.41	+\$4.67	+2.3%
Amount Spent for Hotel Stays (millions of \$)	\$314.5	-\$7.3	-2.3%

Note: Percent changes calculated from un-rounded numbers.

Source: Smith Travel Research.

Table 4-11

Growth in Wages and Salaries in D.C., the Washington Metropolitan Area, and the U.S., FY 2005 – FY 2007

(Percent change from the prior year)

	FY 2005	FY 2006	FY 2007
Wages and Salaries			
DC			
Earned in DC	5.8	5.0	6.0
Earned by DC Residents	8.7	5.9	6.1
US	5.4	5.8	6.2
Washington Metropolitan Area	7.2	6.0	5.8

Sources: Bureau of Economic Analysis, Personal Income by State. Washington Metropolitan Area estimated by Global Insight.

⁸ In the table, the number of sales and average price of residential real estate is measured by the average selling price of single family and condominium units as reported by Global Insight.

Trade and hospitality are important sources of employment and tax revenue. In the quarter ending March 31, 2008, these sectors added 500 jobs, a 0.6 percent gain (see table 4-9). In the quarter ending March 31, 2008, revenues earned from guests by hotels were down 2.3 percent from a year earlier. (See table 4-10)

Wages and Salaries

Wages and salaries earned in the District of Columbia are expected to grow by 4.8 percent in FY 2008 and 3.5 percent during FY 2009, down from the 6.0 percent increase in FY 2007 (see table 4-11). D.C. growth is expected to be about comparable to the U.S. in FY 2008 and FY 2009. Professional and business services and the federal government will account for about 57 percent of the increase in wages earned in the District of Columbia over the two-year period from FY 2007 to FY 2009.

D.C. Real Estate Markets

As noted earlier, the assessed value of real estate will continue to increase during FY 2008 and FY 2009 because assessments for these years, which incorporate changes in value and new construction that have already occurred, are now substantially complete. By contrast, the value of residential and commercial sales in both FY 2008 and FY 2009 are expected to be lower than the FY 2006 level.

Residential Markets

For FY 2008 the number of residential sales is expected to decline by 20.0 percent from FY 2007, continuing a decline in the number of sales that began in FY 2005. Indeed, the level of sales forecast for FY 2008 is about 60 percent of the peak level reached in FY 2004. The number of sales is expected to decrease further by 10.0 percent in FY 2009, then begin a series of pickups in each of the following years.

The revenue forecast assumes that average prices for residential sales decline for FY 2008 and FY 2009 before turning up in FY 2010. (See table 4-12.) In the longer run, gains in D.C. employment and wages, together with public confidence about safety and other city services, make the D.C. location attractive for households that prefer not to be committed to a daily commute. Homeland security spending, outsourcing of government activities, and other changes to the federal government have all helped to fuel the demand for D.C. homes.

In the quarter ending March 31, 2008, price appreciation in the single family residential market was up 6.1 percent from the same quarter of 2007. Average selling prices of condominium units, also increased by 4.6 percent. (See table 4-13.)

The price appreciation in the single family residential market reflects high demand combined with limited supply. One reason that prices are reported to be declining in the condominium

Table 4-12

D.C. Residential Real Estate Transactions, FY 2005 – FY 2007

	FY 2005	FY 2006	FY 2007
Level			
Sales	9,798	8,227	8,020
Value of Transactions (millions of \$)	\$4,850.0	\$4,295.3	\$4,242.7
Percent Change from Prior Year			
Sales	0.1%	-16.0%	-2.5%
Value of Transactions	19.2%	-11.4%	-1.2%

Note: Data include both single family and condominium units.

Source: Metropolitan Regional Information System (MRIS) accessed through the Greater Capital Area Association of Realtors.

Table 4-13

Single Family and Condominium Home Sales for FY 2008Q2

	Change from one year ago		
	Level	Amount	Percent
Single Family			
Units Sold	735	-267	-26.6%
Average Price	\$680,855	+\$38,978	+6.1%
Median Price	\$556,646	+\$94,742	+20.5%
Total Value of Transactions (millions of \$)	\$500	-\$143	-22.2%
Condominium			
Units Sold	661	-490	-42.6%
Average Price	\$401,893	+\$17,500	+4.6%
Median Price	\$359,090	+25,853	+7.8%
Total Value of Transactions (millions of \$)	\$266	-177	-40.0%

Note: Median price is the weighted average of monthly values.

Source: MRIS, accessed through the Greater Capital Area Association of Realtors.

market is that a significant number of units are under construction. Delta Associates reports that as of March 31, 2008, there were 3,192 condominiums and 3,874 apartment units under construction in the District of Columbia, and 2,959 additional new condominiums and 5,953 additional apartment units likely to be built by some time in CY 2011. However, new residential construction totals do not all represent a net increase in the District's total housing stock due to demolitions and the impact of private actions which combine or subdivide existing units.

Commercial Real Estate Markets

Members of the OCFO Real Estate Advisory Group, which provides advice on real estate market developments that may affect District tax revenue, say that in the spring of 2008 the Washington area commercial market remains strong and attractive to investors from around the world although the overall level of sales is down from the prior year. New buildings are under construction or in the active planning stage, but the amount of office space under construction or renovation decreased somewhat in the first quarter of 2008 compared to the last quarter of 2007. Within the Metropolitan area and the nation, D.C.'s vacancy rates for commercial office space

remain low (see table 4-14), but they did rise slightly in the March 2008 quarter compared to the December 2007 quarter.

In the quarter ending March 31, 2008, the inventory of commercial office space was up by 4.03 million square feet (3.4 percent) from the prior year, and the vacancy rate (including space for sublet) declined to 6.5 percent (low compared to the rest of the nation) from the 7.6 percent level of March 31, 2007. (See table 4-15.) According to Delta Associates, as of March 31, 2008, the number of square feet sold over the prior 12 months (4.80 million square feet) represented a decrease of 41.7 percent from the prior year. The average price per square foot in those transactions fell by 1.5 percent, with the result that the overall value of transactions fell by 42.6 percent. (It should be noted, however, that this office building sales data exclude transfers of economic interest, changes in ownership that do not involve replacing the corporate entity holding the title to the property; there was a significant increase in such economic interest transactions in FY 2007, contributing to a 114 percent increase in Economic Interest Tax collections in FY 2007.)

The District remains a top commercial office market in the nation as a result of a grow-

Table 4-14

D.C. Area Office Vacancy Rates, CY 2006Q1, 2007Q1, 2008Q1

	D.C.	No. Virginia	Suburban MD	Metro Area
March 31, 2006	6.1%	9.1%	8.4%	8.0%
March 31, 2007	7.6%	9.8%	10.2%	9.1%
March 31, 2008	6.5%	11.3%	11.0%	9.7%

Note: Data are for the end of the quarter.

Source: Delta Associates (includes sublet space).

Table 4-15

Commercial Office Space in the District of Columbia, CY 2006Q1, 2007Q1, 2008Q1

(Million square feet unless otherwise indicated)

	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Inventory	114.34	119.72	123.75
Vacancy Rate (no sublet)	5.1%	6.7%	5.8%
Vacancy Rate (with sublet)	6.1%	7.6%	6.5%
Under Construction	7.63	6.19	8.69
Net Increase in Leased Space from Prior Year	+1.48	+3.18	+4.91

Note: Data are for the end of the quarter.

Source: Delta Associates.

Table 4-16

Value of Real Property Transferred or Transfer of Economic Interest in Real Property, CY 2006Q4 – 2008Q1

	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1
Value of Property sold or interest transferred Sales (billions of \$)						
Deed Transfer	2.80	2.06	3.65	3.38	2.37	1.73
Economic Interest	0.20	1.89	0.51	0.34	1.73	0.34
Total	3.00	3.95	4.16	3.72	4.09	2.07
Percent Change from same quarter of Prior Year						
Deed Transfer	-3.4	-37.0	24.8	14.0	-15.4	-16.1
Economic Interest	90.9	1,099.9	903.7	-67.9	770.1	-81.8
Total	-0.1	15.4	39.9	-7.6	36.6	-47.6

Sources: Office of the Chief Financial Officer. Calculated by ORA from Deed Transfer Tax and Economic Interest Tax Collections.

ing office tenant base comprised of the federal government, the legal sector and large associations. This tenant base has been a constant source of growth since 2001 for commercial office space demand and commercial real estate investment. In its March 31, 2008 report on the D.C. office market, however, Delta Associates noted that the increase in D.C. office space rental is expected to lag behind the increase in employment, with the result that the percentage of space that is vacant will rise about 10.7 percent, close to the then average level for the metropolitan area as a whole (about 11.4 percent).

As reflected in Deed Taxes, the amount of property transferred, either by outright transfer of the deed or by transfer of economic interest has been somewhat volatile from quarter to quarter. In the first quarter of CY 2008, however, the total value of property subject either to taxes on outright transfer or on transfer of economic interest was \$2.07 billion, a 47.6 percent drop from the same quarter of 2007. (See table 4-16)

Population and D.C. Labor Market

For the quarter ending March 31, 2008, the District's labor force increased by 6,300 persons compared to the same quarter of 2007. (See table 4-17.) The number of employed residents rose by 3,900 compared to the prior year, and the number of unemployed residents increased by 2,400.

The U.S. Bureau of the Census shows, in a report dated December 2007, that the District's population grew steadily over the past four years. The population in July 2007 was estimated to be 588,292, an increase of 2,833 (0.5 percent) from 2006 and 16,233 (2.8 percent) from the 2000 Census count of 572,059.

The FY 2009 Budget and Financial Plan anticipates that housing construction and renovation, together with improvements in city services and amenities, will continue to attract more households to the District even as the economy slows down.

Table 4-17

Labor Force, Resident Employment, and Unemployment in Quarter Ending March 31, 2008

	Change from one year ago		
	Level	Amount	Percent
Labor Force	329,300	+6,300	2.0
Resident Employment	308,500	+3,900	1.3
Resident Unemployment	20,800	+2,400	13.2
Unemployment Rate	6.3	+0.6	--

Source: Bureau of Labor Statistics.

Table 4-18

D.C. Tax Revenue (including revenue initiatives and before earmarking) and D.C. Personal Income, FY 2004 to FY 2012 (estimated)

(Percent change from prior year)

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.
Tax Revenue	12.4	11.7	6.3	14.1	3.2	5.3	5.2	5.1	5.3
D.C. Personal Income	7.6	9.0	6.9	6.3	5.2	4.0	4.8	4.8	5.2

Note: Tax collections represent cash received; Tax revenue is based on cash collections but also reflects accounting adjustments.

Source: OCFD/OTR, U.S. Bureau of Economic Analysis, OCFD/ORA

Forecasts of Tax Revenue and DC Personal Income are from ORA's May 2008 Revenue Estimate

Longer Term (Fiscal Years 2010-2012)

In looking further ahead to FY 2010 to FY 2012, the consensus among forecasters of the U.S. economy is that the period of slow economic growth will have passed and that gains in employment and wages similar to what occurred in FY 2006 and FY 2007 will return. The outlook for the District of Columbia is similar. Annual gains in Gross State Product and personal income in the District of Columbia are each expected to average about 5.0 percent per year, and close to 6,000 additional jobs will be added each year. Inflation is expected to stay low (CPI increases by 2.2 percent each year), interest rates rise modestly (to a 5.4 percent rate for 10-year Treasury securities), and the stock market grows at a steady pace (a gain of about 20 percent over the 3-year period).

In the years 2010 through 2012, 6,219 new housing starts are anticipated, and 4,600 households will be added. In the FY 2010 to FY 2012

period it is also anticipated that the residential housing market will show signs of recovery, although not returning to the surging prices and sales of the FY 2003 to FY 2005 period.

For the years FY 2010 through FY 2012 tax revenues (before earmarking) are expected to grow at about the same rate as DC Personal Income. All major taxes contribute to the steady growth in revenues over this period.

Revenues

The chapter now turns its focus to District of Columbia revenues. Table 4-19 reports estimated revenue by revenue source for the period FY 2008 to FY 2012, along with actual FY 2007 revenues. Tables 4-36 and 4-37, at the end of this chapter, provide information on year-to-year percentage and absolute changes in revenue.

Figure 4-1 shows the FY 2008 distribution of local revenues net of dedicated taxes by the source of the revenue.

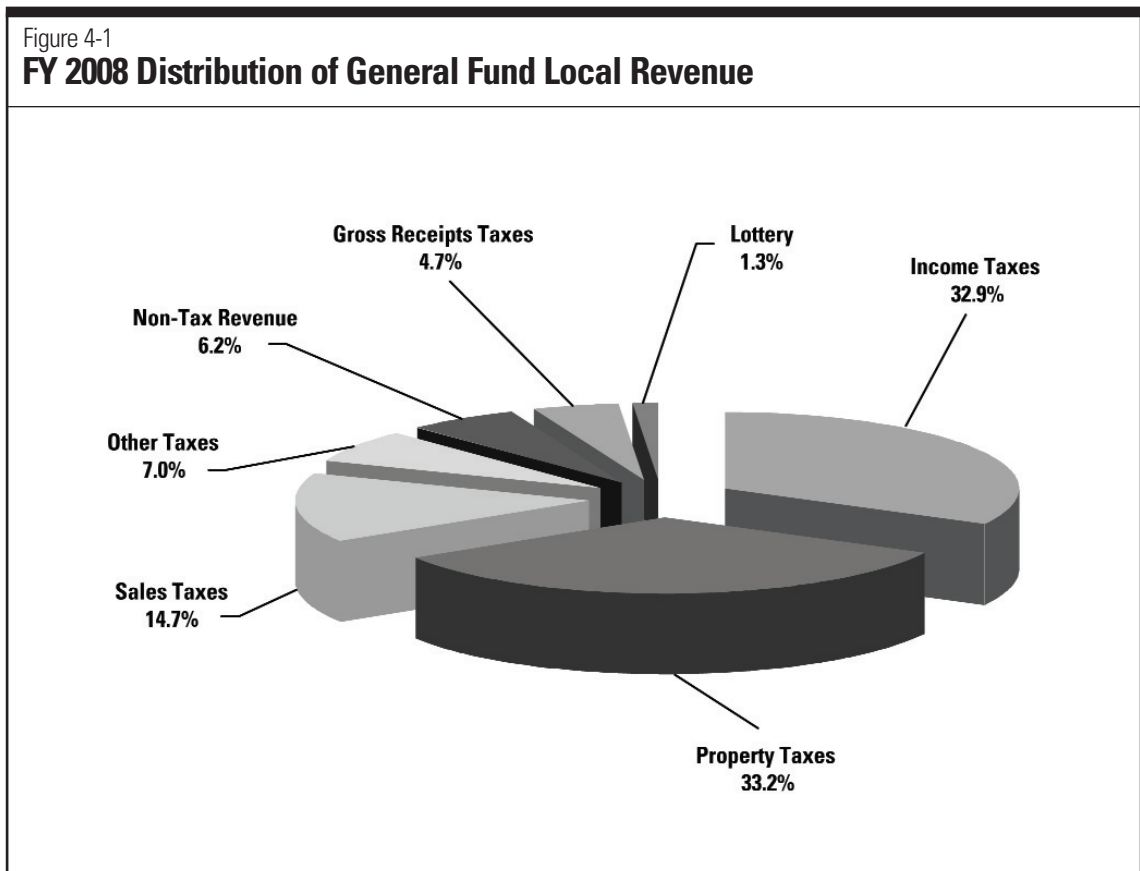


Table 4-19

Operating Revenue by Source, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Property Taxes						
Real Property (gross)	1,448,697	1,715,048	1,856,610	1,992,150	2,124,466	2,261,165
<i>Transfer to TIF Fund</i>	<i>(5,096)</i>	<i>(18,841)</i>	<i>(20,535)</i>	<i>(19,584)</i>	<i>(30,430)</i>	<i>(30,430)</i>
Real Property (net)	1,443,601	1,696,207	1,836,075	1,972,566	2,094,036	2,230,735
Personal Property (gross)	67,395	56,820	58,638	60,515	62,451	64,450
<i>Transfer to Neighborhood Investment Fund</i>	<i>(10,000)</i>	<i>(9,875)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>
Personal Property (net)	57,395	46,945	48,638	50,515	52,451	54,450
Public Space	32,239	25,589	26,280	28,412	27,718	28,467
<i>Transfer to DDOT</i>	<i>(32,239)</i>	<i>(25,589)</i>	<i>(26,280)</i>	<i>(28,412)</i>	<i>(27,718)</i>	<i>(28,467)</i>
Total Property Taxes (net of dedicated taxes)	1,500,996	1,743,152	1,884,713	2,023,081	2,146,487	2,285,185
Sales and Excise Taxes						
General Sales (gross)	959,968	964,768	1,031,907	1,083,122	1,136,143	1,192,425
<i>Convention Center Transfer</i>	<i>(83,312)</i>	<i>(86,728)</i>	<i>(90,197)</i>	<i>(93,985)</i>	<i>(98,027)</i>	<i>(102,242)</i>
<i>Transfer to TIF Fund</i>	<i>(14,205)</i>	<i>(24,192)</i>	<i>(26,346)</i>	<i>(29,592)</i>	<i>(43,645)</i>	<i>(43,645)</i>
<i>Transfer to DDOT (parking tax)</i>	<i>(37,087)</i>	<i>(38,014)</i>	<i>(38,812)</i>	<i>(39,589)</i>	<i>(40,578)</i>	<i>(41,593)</i>
<i>Transfer to Ballpark Fund</i>	<i>(8,275)</i>	<i>(16,077)</i>	<i>(15,152)</i>	<i>(14,917)</i>	<i>(15,111)</i>	<i>(15,520)</i>
<i>Transfer to School Modernization Fund</i>	<i>(100,000)</i>	<i>(100,000)</i>	<i>(106,000)</i>	<i>(112,360)</i>	<i>(119,102)</i>	<i>(130,279)</i>
General Sales (net)	717,089	699,757	755,400	792,679	819,680	859,146
Alcohol	5,150	5,087	5,029	4,972	4,918	4,865
Cigarette	21,205	21,003	20,474	19,959	19,456	18,966
Motor Vehicle	43,681	45,571	47,548	49,611	51,764	54,010
Motor Fuel Tax	26,776	26,938	27,665	28,412	29,179	29,967
<i>Transfer to Highway Trust Fund</i>	<i>(26,776)</i>	<i>(26,938)</i>	<i>(27,665)</i>	<i>(28,412)</i>	<i>(29,179)</i>	<i>(29,967)</i>
Total Sales Taxes (net of dedicated taxes)	787,125	771,418	828,451	867,221	895,818	936,987
Income Taxes						
Individual Income	1,313,826	1,322,237	1,307,865	1,391,873	1,462,143	1,536,383
Corporate Franchise	255,511	255,210	262,641	269,379	290,677	303,411
U. B. Franchise	167,024	151,359	170,440	187,577	204,993	224,612
Total Income Taxes	1,736,361	1,728,805	1,740,947	1,848,829	1,957,813	2,064,406
Gross Receipts Taxes						
Public Utility (gross)	163,792	153,501	153,679	153,828	153,954	154,060
<i>Transfer to Ballpark Fund</i>	<i>(10,503)</i>	<i>(9,424)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>
Public Utility (net)	153,289	144,077	144,133	144,282	144,408	144,514
Toll Telecommunication (gross)	59,071	56,637	56,665	56,685	56,697	56,707
<i>Transfer to Ballpark Fund</i>	<i>(2,285)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>
Toll Telecommunication (net)	56,786	53,472	53,500	53,520	53,532	53,542
Insurance Premiums (gross)	55,016	54,460	54,900	54,964	55,029	55,094
<i>Transfer to Healthy DC Fund</i>	<i>8,100</i>	<i>5,960</i>	<i>6,400</i>	<i>6,464</i>	<i>6,529</i>	<i>6,594</i>
Insurance Premiums (net)	46,916	48,500	48,500	48,500	48,500	48,500

Table 4-19 (continued)

Operating Revenue by Source, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Healthcare Provider Tax	12,393	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(12,393)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>
Baseball Gross Receipts Tax	24,888	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	<i>(24,888)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>
Total Gross Receipts Taxes (net of dedicated taxes)	256,991	246,049	246,133	246,302	246,440	246,556
Other Taxes						
Estate	54,250	67,742	73,188	65,000	65,000	65,000
Deed Recordation (gross)	226,743	177,109	148,046	149,777	156,997	165,146
<i>Transfer to HPTF</i>	<i>(34,734)</i>	<i>(26,566)</i>	<i>(22,207)</i>	<i>(22,467)</i>	<i>(23,550)</i>	<i>(24,772)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(18,075)</i>	<i>(16,282)</i>	<i>(13,610)</i>	<i>(13,766)</i>	<i>(14,433)</i>	<i>(15,182)</i>
Deed Recordation (net)	173,934	134,261	112,229	113,544	119,014	125,192
Deed Transfer (gross)	152,411	126,639	110,455	110,178	114,497	119,203
<i>Transfer to HPTF</i>	<i>(23,998)</i>	<i>(18,996)</i>	<i>(16,568)</i>	<i>(16,527)</i>	<i>(17,175)</i>	<i>(17,880)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(12,071)</i>	<i>(11,354)</i>	<i>(9,903)</i>	<i>(9,878)</i>	<i>(10,265)</i>	<i>(10,687)</i>
Deed Transfer (net)	116,342	96,289	83,984	83,773	87,057	90,635
Economic Interests	64,794	70,000	25,000	16,000	8,000	8,000
Total Other Taxes (net of dedicated taxes)	409,321	368,292	294,401	278,317	279,072	288,827
Tax Revenue Net of Dedicated Taxes	4,690,794	4,857,716	4,994,644	5,263,750	5,525,630	5,821,962
Non-Tax Revenue						
Licenses & Permits	78,283	75,890	76,214	73,642	76,642	73,642
Fines & Forfeits	101,436	99,609	97,514	96,021	94,676	93,465
Charges for Services	52,421	54,983	56,122	53,897	56,274	53,899
Miscellaneous	191,735	97,142	78,718	80,834	82,555	84,249
Total Non-Tax Revenue	423,875	327,624	308,568	304,394	310,147	305,255
Lottery/Interfund Transfer	65,376	70,000	71,000	71,000	71,000	71,000
Revenue Net of Dedicated Taxes	5,180,045	5,255,340	5,374,212	5,639,144	5,906,777	6,198,217
<i>plus Total Dedicated Tax Revenue (see Exhibit C)</i>	<i>431,798</i>	<i>437,412</i>	<i>441,107</i>	<i>455,251</i>	<i>495,734</i>	<i>516,502</i>
less Dedicated Tax Revenue Transferred to Special Purpose (O-Type) Funds:						
Nursing Facility Quality of Care Fund	52,539	30,000	-	-	-	-
Housing Production Trust Fund	12,393	-	-	-	-	-
Comprehensive Housing Task Force Fund	-	-	-	-	-	-
Neighborhood Investment Fund	30,146	-	-	-	-	-
DDOT Unified Fund	10,000	-	-	-	-	-
<i>plus Special Purpose (O-Type) Fund Revenue</i>	<i>-</i>	<i>30,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Revenue	5,925,815	6,113,560	6,268,931	6,543,764	6,844,216	7,162,194

Table 4-19 (continued)

EXHIBIT A: General Fund Components

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue Net of Dedicated Taxes	5,180,045	5,255,340	5,374,212	5,639,144	5,906,777	6,198,217
School Modernization Fund	100,000	100,000	-	-	-	-
Local Fund Revenue	5,280,045	5,355,340	5,374,212	5,639,144	5,906,777	6,198,217
Dedicated Taxes	66,832	142,699	267,551	274,090	283,875	298,626
Nursing Facility Quality of Care Fund	-	11,000	11,000	11,000	11,000	11,000
Housing Production Trust Fund	58,732	45,562	38,775	38,993	40,724	42,652
Comprehensive Housing Task Force Fund	-	27,636	23,513	23,644	24,698	25,869
Neighborhood Investment Fund	-	9,875	10,000	10,000	10,000	10,000
School Modernization Fund	-	-	106,000	112,360	119,102	130,279
Ballpark Fund	-	42,666	41,863	41,628	41,822	42,231
Healthy DC Fund	8,100	5,960	6,400	6,464	6,529	6,594
DDOT Unified Fund, Debt Service, and PAYGO	-	-	30,000	30,000	30,000	30,000
Special Purpose (O-Type) Fund Revenue	366,511	450,807	453,612	449,368	441,706	447,475
General Fund Revenue	5,713,388	5,948,847	6,095,375	6,362,602	6,632,358	6,944,317

Table 4-19 (continued)

EXHIBIT B: Policy Proposals Impacting General Fund Revenue

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Local Fund Revenue	5,280,045	5,355,340	5,374,212	5,639,144	5,906,777	6,198,217
plus Local Fund Revenue Proposals:	-	1,231	188,708	192,508	192,458	204,302
- Eliminate Dedication of Taxes to CHSF (BSA Title II)			23,513	23,644	24,698	25,869
- Increase Class 3 Property Tax Rate (BSA Title II)			7,966	7,568	7,190	6,831
- Emergency Ambulance Service Revenue (BSA Title III)			3,500	3,500	3,500	3,500
- Increase Commercial Premium Tax (BSA Title V)			1,983	1,983	1,983	1,983
- New HMO "Accident and Health" Premium Tax (BSA Title V)			2,473	3,298	3,298	3,298
- HMO Franchise Tax Revenue (BSA Title V)			(3,015)	(3,015)	(3,015)	(3,015)
- Increase Cigarette Tax from \$1/pack to \$2/pack (BSA Title V)			12,530	12,215	11,907	11,607
- DDOT Claims Recovery (BSA Title VI)			(250)	(250)	(250)	(250)
- Increase DC EITC (BSA Title VII)			(5,300)	(5,600)	(5,900)	(6,300)
- Savings from Modifications to Act 17-0272 (commercial property tax relief) (BSA Title VII)			75,521	80,828	86,408	91,386
- Provide a Real Property Tax Abatement for the Constitution Square Project (BSA Title VII)			(500)	(1,200)	(5,300)	-
- Increase Economic Interests Tax Rate from 2.2% to 2.9% (BSA Title VII)			7,955	5,091	2,545	2,545
- De-couple from IRS Code Section 199 (BSA Title VII)			3,382	5,092	6,279	7,743
- College Saving Benefit Plan (L 17-153)		(256)	(299)	(348)	(405)	(471)
- Motor Vehicle Theft Prevention Fund (B 17-138)			(250)	(725)	(1,000)	(1,050)
- OTR Tax Compliance Enforcement			30,000	30,000	30,000	30,000
- Implement a Check Guarantee System			1,300	1,300	1,300	1,300
- Cameras on Street Sweepers			2,456	1,922	1,922	1,922
- Parking Enforcement			14,157	15,543	15,543	15,543
- Convention Center Lease Payment		1,000	2,000	2,000	2,000	2,000
- Newseum PILOT		487	584	661	754	860
- Interest Earnings			9,000	9,000	9,000	9,000
Local Fund Revenue with Policy Proposals	5,280,045	5,356,571	5,562,920	5,831,653	6,099,235	6,402,519
Dedicated Taxes	66,832	142,699	267,551	274,090	283,875	298,626
plus Dedicated Tax Proposals:	0	0	(14,964)	(12,622)	(13,676)	(14,847)
- Eliminate Dedication of Taxes to CHSF (BSA Title II)			(23,513)	(23,644)	(24,698)	(25,869)
- Increase Care First Premium Tax (BSA Title V)			1,129	1,129	1,129	1,129
- New HMO "Accident and Health" Premium Tax (BSA Title V)			7,420	9,893	9,893	9,893
Dedicated Taxes with Policy Proposals	66,832	142,699	252,588	261,468	270,200	283,779

Table 4-19 (continued)

EXHIBIT B: Policy Proposals Impacting General Fund Revenue (continued)

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Special Purpose (O-Type) Fund Revenue	366,511	450,807	453,612	449,368	441,706	447,475
plus Special Purpose Fund Revenue Proposals:	0	430	11,260	12,455	12,010	12,780
- Increase Basic Business License Application Fee and Endorsement Application Fee (BSA Title II)			2,150	2,950	2,150	2,950
- New General Business License Fee and New General Contractor Endorsement Fee (BSA Title II)			2,530	2,450	2,530	2,450
- Increase Premium Tax Rates for Captive Insurance Companies (BSA Title II)		430	430	430	430	430
- DDOT Claims Recovery (BSA Title VI)			250	250	250	250
- Motor Vehicle Theft Prevention Fund (B 17-138)			250	725	1,000	1,050
- DDOT: Establish Public Inconvenience Fee Through Rulemaking			3,000	3,000	3,000	3,000
- DDOT: Increase Excavation/Occupancy Permit Fees Through Rulemaking			1,150	1,150	1,150	1,150
- DDOT: Increase Truck Tag Permit Fees Through Rulemaking			1,000	1,000	1,000	1,000
- DDOT: Establish Utility Marking Service Fees Through Rulemaking			500	500	500	500
Special Purpose Fund Revenue with Policy Proposals	366,511	451,237	464,872	461,823	453,716	460,255
General Fund Revenue with Policy Proposals	5,713,388	5,950,508	6,280,379	6,554,944	6,823,151	7,146,553

Table 4-19 (continued)

EXHIBIT C: Dedicated Tax Revenues

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Convention Center						
<i>Sales Tax</i>	83,312	86,728	90,197	93,985	98,027	102,242
Tax Increment Financing						
<i>Real Property Tax</i>	5,096	18,841	20,535	19,584	30,430	30,430
<i>Sales Tax</i>	14,205	24,192	26,346	29,592	43,645	43,645
Ballpark Fund						
<i>Sales Tax</i>	8,275	16,077	15,152	14,917	15,111	15,520
<i>Public Utility Tax</i>	10,503	9,424	9,546	9,546	9,546	9,546
<i>Toll Telecommunications Tax</i>	2,285	3,165	3,165	3,165	3,165	3,165
<i>Baseball Gross Receipts Tax</i>	24,888	14,000	14,000	14,000	14,000	14,000
Highway Trust Fund						
<i>Motor Fuel Tax</i>	26,776	26,938	27,665	28,412	29,179	29,967
DDOT Unified Fund and Highway Trust Fund						
<i>Parking Tax</i>	37,087	38,014	38,812	39,589	40,578	41,593
School Modernization Fund						
<i>Sales Tax</i>	100,000	100,000	106,000	112,360	119,102	130,279
Housing Production Trust Fund						
<i>Deed Tax</i>	58,732	45,562	38,775	38,993	40,724	42,652
Comprehensive Housing Task Force Fund						
<i>Deed Tax</i>	30,146	27,636	23,513	23,644	24,698	25,869
Neighborhood Investment Fund						
<i>Personal Property Tax</i>	10,000	9,875	10,000	10,000	10,000	10,000
Nursing Facility Quality of Care Fund						
<i>Healthcare Provider Tax</i>	12,393	11,000	11,000	11,000	11,000	11,000
Healthy DC Fund						
<i>Insurance Premiums</i>	8,100	5,960	6,400	6,464	6,529	6,594
Total Dedicated Tax Revenue	431,798	437,412	441,107	455,251	495,734	516,502
Policy Proposals Affecting Dedicated Tax Revenue	0	0	(14,964)	(12,622)	(13,676)	(14,847)
<i>Eliminate Dedication of Taxes to CHSF (BSA Title II)</i>	-	-	(23,513)	(23,644)	(24,698)	(25,869)
<i>Increase Care First Premium Tax (BSA Title V)</i>	-	-	1,129	1,129	1,129	1,129
<i>New HMO "Accident and Health" Premium Tax (BSA Title V)</i>	-	-	7,420	9,893	9,893	9,893
Total Dedicated Tax Revenue with Policy Proposals	431,798	437,412	426,143	442,630	482,058	501,655

Table 4-19 (continued)

EXHIBIT D: Summary of General Fund and Non-General Fund Revenue Sources with Policy Proposals

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenue Net of Dedicated Taxes	5,180,045	5,255,340	5,374,212	5,639,144	5,906,777	6,198,217
<i>plus</i> Local Fund Revenue Policy Proposals	-	1,231	188,708	192,508	192,458	204,302
<i>plus</i> Total Dedicated Tax Revenue with Policy Proposals	431,798	437,412	426,143	442,630	482,058	501,655
less Dedicated Tax Revenue Transferred to Special Purpose (O-Type) Funds*	52,539	30,000	-	-	-	-
Nursing Facility Quality of Care Fund	12,393	-	-	-	-	-
Housing Production Trust Fund	-	-	-	-	-	-
Comprehensive Housing Task Force Fund	30,146	-	-	-	-	-
Neighborhood Investment Fund	10,000	-	-	-	-	-
DDOT Unified Fund	-	30,000	-	-	-	-
<i>plus</i> Special Purpose (O-Type) Revenue with Policy Proposals	366,511	451,237	464,872	461,823	453,716	460,255
Total Revenue with Policy Proposals	5,925,815	6,115,221	6,453,935	6,736,105	7,035,009	7,364,429

* Dedicated taxes currently classified as Special Purpose Fund revenue.

Table 4-19 (continued)

EXHIBIT E: Gross Tax Revenue Before Policy Proposals

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Tax Revenue Net of Dedicated Taxes	4,690,794	4,857,716	4,994,644	5,263,750	5,525,630	5,821,962
<i>plus</i> Dedicated Tax Revenue (see Exhibit C)	431,798	437,412	441,107	455,251	495,734	516,502
Gross Tax Revenue (Before Transfer of Dedicated Taxes)	5,122,592	5,295,129	5,435,751	5,719,002	6,021,364	6,338,464

Specific Revenue Sources

Property Taxes

Real Property Tax

Real Property in the District

The value of all real property in the District in 2007 was \$182.6 billion, up 15.4 percent from \$158.2 billion in 2006. However, the District of Columbia differs from most other major cities around the country because of the exceptionally large proportion of real property that is exempt from paying the District's real property tax - roughly 57 percent of the city's land area. In 2007, the value of all exempt property, 32 percent of all property value, had a total value of \$57.7 billion. Tax-exempt properties primarily include those owned by the federal government, as well as properties owned by foreign governments, non-profit organizations, educational institutions, and the District government.

The District divides all taxable properties into three separate tax classes depending on the use of the real property. The three real property classes in the District are residential (Class 1), commercial (Class 2) and vacant/abandoned (Class 3). The District taxes real property based on 100 percent of assessed value and taxes each class at a different rate. The District's total real property tax base had an assessed value of \$124.9 billion in 2007. Taxable residential value, 40.1 percent of all property value in the District, amounted to \$73.1 billion in 2007. Taxable nonresidential value (commercial and vacant/abandoned), 28.3 percent of all property value, amounted to \$51.7 billion.

Continuously soaring assessment values throughout the city between years 2002 and 2008 have had the potential of imposing a considerable and onerous financial burden on District property owners. However, numerous legislative remedies have been implemented to prevent such an outcome for property owners, particularly homeowners. Most notably are the "Residential Property Tax Rate and Cap Reduction Act of 2005", "Calculated Residential Property Tax Rate

Establishment Act of 2005", and the "Homestead Deduction Increase Act of 2007".

The "Residential Property Tax Rate and Cap Reduction Act of 2005" stipulated that beginning in FY 2006 an assessment cap of 10 percent applied to individual owner-occupied properties would generally preclude the annual property taxes for District homeowners from increasing more than 10 percent annually. When a property assessment cap is applied to a property's tax bill, the assessed value (the estimated full market value determined by the Office of Tax and Revenue) is not affected in any way. However, the assessment cap requires OTR to limit the annual growth in the taxable assessment portion of the total assessed value for eligible homesteads, which in turn limits the annual tax liability for affected properties.

The "Calculated Residential Property Tax Rate Establishment Act of 2005" limits the estimated amount of total real property taxes collected from all residential properties by limiting the annual growth in total real property taxes from all owner-occupied and non owner-occupied residential properties. If, just before the start of the fiscal year, it appears that actual revenue will exceed the targeted growth amount, the residential tax rate is to be lowered to achieve the statutorily specified revenue amount. Thus, while the "Residential Property Tax Rate and Cap Reduction Act of 2005" limits the growth in the tax liability of individual owner-occupied properties to 10 percent annually, the "Calculated Residential Property Tax Rate Establishment Act of 2005" limits the total property tax revenue from all residential properties (owner-occupied and non owner-occupied) to citywide specified amounts.

The "Homestead Deduction Increase Act of 2007" increased the annual homestead deduction from \$60,000 to \$64,000 for FY 2008 and beginning in FY 2009 the homestead deduction amount will be increased annually by a "cost-of living adjustment". The adjustment will correspond to the annual increase in the Washington area's Consumer Price Index as recorded by the U.S. Department of Labor.

Tax Rates

The District's real property tax system divides taxable properties into three separate tax classes, and each class is taxed at a different rate. (See table 4-20.) Class 1 properties are residential properties (owner-occupied and non owner-occupied), of which there are approximately 160,000. The tax rate for these properties was lowered from \$0.88 per \$100 of assessed value in FY 2007 to \$0.85 per \$100 of assessed value in FY 2008 via the "Calculated Residential Property Tax Rate Establishment Act of 2005". This legislation limited the growth in total real property taxes from all residential properties to 8 percent in FY 2008. In September 2007 it was estimated that the growth in total Class 1 real property tax revenue would be 12.5 percent (even after the application of the 10 percent property assessment cap and other relevant tax relief). Subsequently, to limit Class 1 real property tax revenue growth to 8 percent, the CFO calculated the FY 2008 tax rate to be \$0.85 per \$100 of assessed value. This legislation also limits the growth in residential real property taxes to 7 percent in FY 2009 and every year thereafter. However, it was estimated (as of February 2008) that the growth in residential real property taxes will not exceed 7 percent in FY 2009. Therefore, it is not expected that an additional tax rate reduction will occur for FY 2009.

Class 2 properties are commercial properties, of which there are approximately 9,000. In FY 2008, these properties were all taxed at the commercial rate of \$1.85 per \$100 of assessed value. However, in January 2008 elected officials enacted the "Small Business Commercial Property Tax Relief Act of 2007". This legislation stipulated that if projected growth in real property tax revenue

from Class 2 properties in FY 2009, as of September 2008, exceeds real property tax revenue from Class 2 properties in FY 2008 by 15.3 percent, this potential excess revenue is to be used to finance a tax rate reduction for the first \$3 million in assessed value for Class 2 properties. The Class 2 tax rate for the assessed valued greater than \$3 million is to remain \$1.85 per \$100 of assessed value. Furthermore, beginning in 2010 the legislation limits the growth in total Class 2 revenue to 10 percent annually. If the growth in projected revenue exceeds this threshold, this potential excess revenue is to be used to finance a further tax rate reduction for the first \$3 million in assessed value for Class 2 properties so as to limit total growth in total Class 2 revenue to 10 percent annually. In essence, this legislation potentially creates a split tax rate structure for Class 2 properties where the potential lower rate is calculated annually to limit the growth in total revenue from Class 2 properties to specified amounts. In February 2008, it was estimated that the growth in real property tax revenue from Class 2 properties for FY 2009 would be 15.5 percent. This is \$95.7 million over the legislatively allowed amount. Therefore, the Class 2 tax rate for first \$3 million in assessed value for Class 2 properties was estimated to be \$0.91 per \$100 of assessed value and the tax rate for assessed valued greater than \$3 million is to remain \$1.85 per \$100 of assessed value.

Even as the Class 2 taxable assessment base continued to grow robustly in 2008 and 2009, the growth in the city's sales, individual income and business income tax collections began to weaken throughout 2008. This development adversely and significantly affected total estimated tax revenue for FY 2009. Consequently, the City Council proposed in the "FY 2009 Budget

Table 4-20

Real Property Tax Classes and Rates for FY 2009

Real Property Tax Class	Tax Rate
Class 1 (Residential)	\$0.85 per \$100 of assessed value
Class 2 (Commercial)	a) \$1.65 per \$100 of assessed value for the first \$3 million in assessed value, and b) \$1.85 per \$100 of assessed value for assessed value in excess of \$3 million.
Class 3 (Vacant/Abandoned)	\$10.00 per \$100 of assessed value

Support Act of 2008” to modify the tax relief legislation passed earlier in the year so that the Class 2 tax rate for first \$3 million in assessed value for Class 2 properties in FY 2009 would be \$1.65 per \$100 of assessed value and the tax rate for assessed valued greater than \$3 million is to remain \$1.85 per \$100 of assessed value. And while this proposal still limits the growth in total Class 2 revenue to 10 percent annually beginning in 2010, the change in proposed tax rates for FY 2009 would provide approximately \$20 million in tax relief instead of the \$95.7 million in FY 2009. The measure was intended to take into account slower expected growth in the city’s other major sources of tax revenue in 2008 and 2009.

Class 3 properties are vacant and/or abandoned properties, of which there are approximately 2,500. These properties are taxed at a rate of \$5.00 per \$100 of assessed value. The significantly higher Class 3 tax rate is intended to prevent the proliferation of such properties by penalizing the owners of vacant and abandoned properties with a punitively high tax rate. However, in response to the seemingly growing number of complaints from residents in numerous neighborhoods in 2007, elected officials enacted the “Abatement of Nuisance Properties and Tenant Receivership Amendment Act of 2008”. This legislation gives the Mayor even greater authority to abate these nuisance properties. Among the additional powers given to the Mayor to more effectively deal with this issue is the proposed (“Nuisance Properties Abatement Act Implementation Act of 2008”) increase in the tax rate on Class 3 properties to an even higher rate of \$10 per \$100 of assessed value effective for FY 2009.

Revenue

Real property tax revenue for any given year is based on market conditions and property assessments made by OTR two years prior. For example, FY 2008 real property tax revenue is based on 2008 assessment notices that were mailed to property owners in March 2007 but reflect actual market conditions in 2006. After property owners receive their property assessment notices, owners are afforded the opportunity to contest their assessment value, if they chose to, before their tax payment is due in FY 2008.

Considering that a phenomenal number of property sales, at ever increasing sale prices, took place between the years 2002 and 2005, 2006 was the year when property market dynamics started to change significantly. On the residential side, 2006 was the first time in recent years in which the number of sales of both single-family homes and condominiums declined relative to the preceding year. Home sales in these two segments of the residential market (single-family homes and condominiums) declined 14.9 percent relative to the preceding year. The median sales price for both single-family homes and condominiums between 2002 and 2005 grew in excess of 15 percent annually. However, in 2006 the median sales price for single-family homes grew only 1.8 percent and the median sales price for condominiums declined 5.6 percent. The median sales price in 2007 for single-family homes grew 6.0 percent, but the median sales price for condominiums declined by an additional 1.2 percent. On the commercial side of the market, the number of square feet of quality commercial office space sold increased 20.1 percent annually on average between 2002 and 2005. However, the number of square feet sold in 2006 decreased by 14.9 percent and by an additional 24.1 percent in 2007. The average price of quality commercial office buildings increased 14.2 percent annually between 2002 and 2005. However, the average sale price for commercial office buildings increased by only 1.8 percent in 2006 and by 4.9 percent in 2007. In tandem, these developments in the property marketplace are now being considered to be the onset of a significant “cooling off” phase that resulted in a marked decrease in the rate of appreciation in the property tax base in 2006 and 2007 and the subsequent slowing of growth of real property tax revenue beginning in FY 2008 and FY 2009.

The average annual real property tax revenue growth between FYs 2002 and 2007 was 14.4 percent. However, the annual growth rate in real property tax revenue is expected to decline gradually from 18.4 percent in 2008 to 6.4 percent in 2012. This amounts to an expected average annual revenue growth rate of 9.3 percent between FYs 2007 and 2012. This general pattern of annual average growth rates in real prop-

Table 4-21

Property Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Real Real Property (gross)	1,448,697	1,715,048	1,856,610	1,992,150	2,124,466	2,261,165
<i>Transfer to TIF</i>	<i>(5,096)</i>	<i>(18,841)</i>	<i>(20,535)</i>	<i>(19,584)</i>	<i>(30,430)</i>	<i>(30,430)</i>
Real Property (net)	1,443,601	1,696,207	1,836,075	1,972,566	2,094,036	2,230,735
Personal Property (gross)	67,395	56,820	58,638	60,515	62,451	64,450
<i>Transfer to Neighborhood Investment Fund</i>	<i>(10,000)</i>	<i>(9,875)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>
Personal Property (net)	57,395	46,945	48,638	50,515	52,451	54,450
Public Space	32,239	25,589	26,280	28,412	27,718	28,467
<i>Transfer to DDOT</i>	<i>(32,239)</i>	<i>(25,589)</i>	<i>(26,280)</i>	<i>(28,412)</i>	<i>(27,718)</i>	<i>(28,467)</i>
Total Property Taxes	1,500,996	1,743,152	1,884,713	2,023,081	2,146,487	2,285,185

erty revenue for the 11 years between FY 2002 and FY 2012 underscores two important points. First, the District experienced an enormous degree of property development and assessment growth over the FY 2002 to FY 2007 period, and the extraordinary expansionary phase of the local real estate cycle that has taken root in all parts of the city began to wind down in FYs 2006 and 2007. Second, even though the extreme robustness in property development and property assessment growth is expected to be much abated throughout the city, the fundamentals of the local real estate market remain strong and intact. These fundamentals include continued growth in the number of new jobs, population, and households, as well as a growing list of entertainment/retail outlets and other attractive amenities throughout the city. Just as importantly there exists an incredibly limited supply of developable land but continued strong demand for property ownership (at justifiable prices). While real property tax revenue is expected to grow at a relatively subdued overall growth rate over the next several years, the average annual growth rate of 9.3 percent may still be considered robust with all things considered.

Many real property tax relief initiatives have been implemented since 2002 that have abated the overall growth in total real property tax revenue. Nonetheless, the growing importance of real property tax revenue as the major revenue source to the Local Fund is not without significance. In FY 2007

real property tax revenue was the largest single source of revenue (27.4 percent) to the Local Revenue Fund. This marked the first time since the early 1990s—the last time the local real estate market was extremely robust—that revenue from the real property tax surpassed total individual income tax revenue as the major source of tax revenue to the District government. While real property tax revenue as a share of total Local Fund revenue was 20.8 percent in FY 2002, the share is expected to increase from 32.2 in 2008 to 36.0 percent in 2012. These results stem from the fact that the city's entire 2007 property tax base has almost tripled in value since 1997, presumably due the aforementioned strong fundamentals and other favorable market dynamics that have been in play over the past decade. This overall trend is expected to continue in the years to come, albeit at a somewhat reduced rate. Actual FY 2007 and projected FY 2008 to FY 2012 revenue from the real property tax are shown in table 4-21.

General Obligation Bond - Debt Service

Each year the District dedicates a percentage of its real property tax collections to pay off the principal and interest on its General Obligation Bonds. For FY 2008, the percentage of real property tax collections dedicated to the repayment of principal and interest on the District's General Obligation Bonds is 32 percent.

Personal Property Tax

The District's personal property tax is levied on the depreciated value of all tangible personal property used in a trade or business, including computers, vehicles, plant and equipment. Inventories held for sale are excluded from the tax base. The strength of the District's economy in recent years has resulted in greater investment in personal property used for commercial purposes.

In January 2008, elected officials enacted the "Small Business Commercial Property Tax Relief Act of 2007" in efforts to provide small businesses with more comprehensive tax relief that is beyond the scope of the real property tax. More specifically, this legislation increases the tangible personal property tax exemption amount from \$50,000 to \$225,000 beginning in FY 2008. In FY 2007, gross total personal property tax collections totaled \$67.4 million (see table 4-21), a 2.9 percent increase over FY 2006 collections of \$65.5 million. Based on national and regional economic indicators that suggest that while economic growth will continue over the next several years, this growth is expected to occur at a slower annual rate. Therefore, gross collections in FY 2008 will decline to \$56.8 million due the increased exemption level that takes effect in FY 2008. But, annual growth in collections is expected to resume in FY 2009 but at about 3.2 percent per annum for FYs 2009 to 2012.

In 2004 District legislation created a Neighborhood Investment Fund (NIF) and a Neighborhood Investment Program that dedicates a maximum of \$10 million annually from personal property tax revenue to pay for a variety of community revitalization projects, including commercial, residential, and civic uses for twelve priority neighborhoods. In FY 2007, approximately \$10.0 million of personal property tax revenue was diverted to the NIF, and it is estimated that a similar amount will go to the NIF in FY 2008. In FYs 2009 through 2012, the maximum \$10 million amount is projected to be dedicated to the NIF. (See table 4-21.)

Public Space Rental

There are three categories of public space rentals: sidewalks/surfaces, vaults and fuel tanks. Public space rental of sidewalks/surfaces includes

enclosed cafes, unenclosed cafes, and merchandise display areas (including used car lots). Vaults are underground areas that extend wider than an owner's property to spaces beneath the surface of public real property. For public space rental purposes, fuel oil tanks are areas used for tanks that hold heating fuel.

In FY 2007, revenue from public space rentals amounted to \$32.2 million (see table 4-21), a 45.2 percent increase from FY 2006. This strong surge in revenue in FY 2007 was a result of fee rate increases and accumulated billing in FY 2007. The "Public Space Rental Fees Amendment Act of 2006" increased rental rates by 20 percent beginning in FY 2006. However, due to administrative complications, the additional levy due to the increased fee rate for 2006 was not billed until 2007. Thus, actual 2007 revenue was higher than in 2006 not only because of the fee rate increase but also because of the additional levy for 2006 that was not billed to fee payers until 2007. Beginning in FY 2008, the revenue from this source is expected to stabilize and approximate its trend growth rate of about one percent per annum to FY 2012.

The "District Department of Transportation Unified Fund Amendment Act of 2007" requires that all revenue from the public space rentals be deposited annually into the District Department of Transportation Unified Fund. Although this tax is expected to produce over \$26 million each year for the foreseeable future, the revenue will no longer be available to the General Fund. It is planned to be used for local road construction and maintenance and related debt servicing.

Sales and Excise Taxes

General Sales and Use Tax

Revenue from the District's sales and use tax is collected using a five-tier structure. Sales of tangible personal property and certain specified services are taxed at 5.75 percent. Sales of alcoholic beverages for consumption outside the premises are taxed at 9 percent. Sales of food and drink for immediate consumption, the rental or leasing of motor vehicles and sales of prepaid phone cards are taxed at 10 percent (with one percent supporting the Convention Center Authority).

Table 4-22

Estimated Sales Tax Base and Payments by Tax Type, FY 2007

(\$ millions)

	Retail	Liquor	Restaurant	Parking	Hotel	Transfer	Total
Base	6,502.5	267.6	3,089.4	384.6	1,427.1	-	11,671.2
Rate	5.75%	9%	10%	12%	14.5%		
Collections	373.9	24.1	308.9	46.2	206.9	-	960.0
Convention Center Transfer	-	-	26.9		56.4	-	83.3
TIF Transfer	4.3	0.3	2.8	4.2	2.7	-	14.2
Ballpark Transfer	-	-	8.0	0.3	-	-	8.3
Parking Tax Transfer	-	-	-	37.1	-	-	37.1
School Modernization Fund Transfer	-	-	-	-	-	100.0	100.0
Local Fund	369.6	23.8	271.3	4.5	147.8	(100.0)	717.1

Parking and storing of vehicles are taxed at 12 percent. Transient accommodations are taxed at 14.5 percent (with 4.45 percent supporting the Convention Center Authority).

The multiplicity of rates is intended to accomplish several goals, including revenue generation from visitors to the District and supporting the hospitality industry via the Convention Center transfer. The multiplicity of rates, with special exemptions provided in each category, complicates the administration of sales tax for the Office of Tax and Revenue and adds to compliance costs for businesses such as hotels and food stores, where transactions may involve several tax categories.

Revenue collected under the sales and use tax in FY 2007 was \$960.0 million (see table 4-22), gross of the Convention Center transfer of

\$83.3 million, a TIF transfer of \$14.2 million, a Ballpark Fund transfer of \$8.3 million, a transfer to DDOT of \$37.1 million, and a transfer to the School Modernization Fund of \$100 million. In FY 2008 net sales and use tax collections are projected to contribute 13.3 percent of total local fund revenue net of dedicated taxes. This amount can be compared to sales and use taxes comprising 13.8 percent of total local fund revenue net of dedicated taxes in FY 2007.

D. C. personal income grew by 6.3 percent in FY 2007 and is expected to increase at a slower rate of 5.2 percent for FY 2008. If personal income on the national level is similar to that of the District, individuals will have less personal income to spend on vacations. This would likely result in a slowing of the growth rate of tourism spending in the

Table 4-23

General Sales and Use Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
General Sales and Use	959,968	964,768	1,031,907	1,083,122	1,136,143	1,192,425
<i>Convention Center Transfer</i>	<i>(83,312)</i>	<i>(86,728)</i>	<i>(90,197)</i>	<i>(93,985)</i>	<i>(98,027)</i>	<i>(102,242)</i>
<i>Transfer to TIF</i>	<i>(14,205)</i>	<i>(24,192)</i>	<i>(26,346)</i>	<i>(29,592)</i>	<i>(43,645)</i>	<i>(43,645)</i>
<i>Transfer to DDOT Unified Fund (parking tax)</i>	<i>(37,087)</i>	<i>(38,014)</i>	<i>(38,812)</i>	<i>(39,589)</i>	<i>(40,578)</i>	<i>(41,593)</i>
<i>Transfer to Ballpark Fund</i>	<i>(8,275)</i>	<i>(16,077)</i>	<i>(15,152)</i>	<i>(14,917)</i>	<i>(15,111)</i>	<i>(15,520)</i>
<i>Transfer to School Modernization Fund</i>	<i>(100,000)</i>	<i>(100,000)</i>	<i>(106,000)</i>	<i>(112,360)</i>	<i>(119,102)</i>	<i>(130,279)</i>
General Sales and Use (net)	717,089	699,757	755,400	792,679	819,680	859,146

District. We estimate sales and use tax revenues in FY 2008 of \$699.8 million (see table 4-23), net of the Convention Center Transfer of \$86.7 million, a TIF transfer of \$24.2 million, a DDOT Unified Fund (parking tax) transfer of \$38.0 million, a Ballpark Fund transfer of \$16.1 million, and the School Modernization Fund transfer of \$100.0 million. Sales tax revenue net of dedicated taxes is projected to grow at an annual average rate of 4.4 percent for FY 2009 through FY 2012. We are expecting continuous positive growth from the hospitality industry, which will contribute to sales tax revenue for the District over the next five years.

Convention Center Transfer

The convention center transfer in FY 2008 is estimated to be 4.1 percent higher than the transfer in FY 2007. During the period FY 2009 to FY 2012, the convention center transfer is expected to grow at an annual average rate of 4.3 percent.

Sales Tax TIF Transfer

The District utilizes an economic development tool called Tax Increment Financing (TIF) to assist in financing economic development projects. TIF allows the incremental future revenue stream from a development project to be pledged to pay back bonds issued to help finance the development. In FY 2006, \$11.6 million in sales tax revenue was transferred to the TIF program. In FY 2007, \$14.2 million in sales tax revenue was transferred to the TIF program. In FY 2008, the transfer is expected to be \$24.2 million. In FY 2009 the estimated transfer is \$26.3 million. The transfer is projected to be \$43.6 million in FY 2011 and 2012.

Parking Tax Transfer

As part of the FY 2006 budget, the parking tax revenue stream was transferred out of the general fund to the Department of Transportation to

fund capital expenditures. In FY 2006, the parking tax revenue was \$33.6 million. In FY 2007, parking tax revenue was \$37.1 million. In FY 2008 the transfer to the Department of Transportation is estimated to be \$38.0 million, \$1.0 million (2.5 percent) above FY 2007. Over the FY 2009-FY 2012 period, the parking tax transfer is projected to grow at an annual average rate of 2.3 percent.

Transfer to Ballpark Fund

Stadium related sales tax streams are dedicated to the Ballpark Fund to pay the debt service on the baseball stadium revenue bonds. These revenue streams include taxes on tickets sold, taxes on parking at the stadium, taxes on stadium concessions and taxes on food and beverages sold in the stadium. In FY 2007, \$8.3 million was transferred to the Ballpark Fund. In FY 2008, \$16.1 million is expected to be transferred to the Ballpark Fund. This is an \$7.8 million (94.3 percent) increase over the amount of revenue transferred in FY 2007. The transfer is projected to remain at approximately \$15 million per year over the FY 2009 to FY 2012 period. For more information on this revenue transfer, see the separate section on the Ballpark Fund that appears later in this chapter.

Transfer to School Modernization Fund

In FY 2006, the District enacted the "School Modernization Financing Act of 2006" which established the Public School Capital Improvement Fund for the purpose of funding capital improvements throughout the District of Columbia school system. In FY 2007 \$100 million of sales tax revenue was to be transferred to this fund. In fiscal years 2008-2011, \$100.0 million, \$106.0 million, \$112.4 million, and

Table 4-24

Sales Tax Revenue for the Convention Center Fund, Fiscal Years 2007-2012

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Restaurant Sales Tax	26,901	28,004	29,124	30,347	31,652	33,013
Hotel Sales Tax	56,411	58,724	61,073	63,638	66,375	69,229
Total	83,312	86,728	90,197	93,985	98,027	102,242

Table 4-25

Selective Sales and Excise Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Alcoholic Beverages	5,150	5,087	5,029	4,972	4,918	4,865
Cigarette	21,205	21,003	20,474	19,959	19,456	18,966
Motor Vehicle Excise	43,681	45,571	47,548	49,611	51,764	54,010
Total Selective Sales and Excise	70,036	71,661	73,051	74,542	76,138	77,841

\$119.1 million, respectively, will be transferred to the fund. Beginning in FY 2012, the amount of funds transferred to the Public School Capital Improvement Fund will be indexed based on the RSMMeans Construction Cost Index for Washington, DC.

Transfer to the Verizon Center

Effective March 2008, in order to service a loan to renovate the Verizon Center at Gallery Place, merchandise and tickets for events at the Verizon Center will be subject to a tax of 10 percent (compared to the prior rate of 5.75 percent). The revenue collected from the increased rate (10 percent less 5.75 percent or 4.25 percent) will be placed into a separate fund and used to make principal and interest payments on the loan.

Selective Sales and Use Taxes

In addition to the multi-rate general sales and use tax, the District imposes excise taxes on alcoholic beverages, cigarettes, motor vehicles, and motor fuel. The motor fuel tax is deposited directly to a special account (the Highway Trust Fund) to match federal funds for the construction, repair and management of eligible District roadways. As a result, motor fuel tax revenue is not considered part of the General Fund for budgetary purposes.

Alcoholic Beverage Tax

The alcoholic beverage tax is levied on wholesale sales of beer, wine, and liquor in the District. The tax rates vary by type of product. Beer is taxed at \$2.71 per 31 gallon barrel; light wine (14 percent alcohol or less) is taxed at \$0.30 per gallon; heavy wine (over 14 percent alcohol) is taxed at \$0.40 per gallon; champagne and sparkling wines are taxed at \$0.45 per gallon; and spirits are taxed at \$1.50 per gallon.

After a peak in the first half of FY 2004, revenue collected from the alcoholic beverage tax has declined at a moderate pace. There has been no change in the tax rate since 1990. This suggests the change in revenue is directly linked to consumption patterns. If individuals are consuming as much alcohol as before, they are buying less from District retailers. Alcohol tax collections are projected to be \$5.1 million and \$5.0 million in FY 2008 and FY 2009, respectively. (See table 4-25.) Alcohol tax collections are expected to decrease slightly throughout the FY 2009 through FY 2012 projection period because alcohol purchased in the District is expected to continue to decrease moderately.

Cigarette Tax

The cigarette tax is levied on the sale or possession of all cigarettes in the District with the exception of sales to or by the United States or the District government or their instrumentalities (e.g., the military and Congress). Cigarette consumption has been declining in recent years and is expected to continue declining. An increase in wholesale prices (as a result of the settlement between tobacco companies and states and the District of Columbia), an increase in taxes on cigarettes, anti-smoking efforts, and a greater awareness of health risks are likely factors contributing to this decline. Revenue collected from the cigarette tax in FY 2007 was approximately \$21.2 million. Revenues are estimated to be slightly lower in FY 2008 (\$21.0 million) and to fall further in FY 2009 (to \$20.5 million). We project revenue to decline slightly between FY 2009 and FY 2012. (See table 4-25.)

Motor Vehicle Excise Tax

The motor vehicle excise tax is imposed on the issuance of every original and subsequent certificate of title on motor vehicles and trailers. The tax is 6 percent of fair market value for vehicles 3,499 pounds or less, 7 percent of fair market value for vehicles 3,500 pounds to 4,999 pounds, and 8 percent for vehicles weighing more than 5,000 pounds. The 8 percent rate was introduced in April 2005. Collections from motor vehicle excise taxes totaled \$43.7 million in FY 2007, a 2.6 percent increase in collections over FY 2006 collections.

The District’s Department of Motor Vehicles (DMV) has reported that major improvements in the administration of imposing the excise tax on all newly titled vehicles were made in FY 2005. The Department has programmed computers to ensure the application of the correct excise tax rate on the Fair Market Valuation. Administrative improvements may have contributed to the increase in collections noted since FY 2005. Another possible factor behind the increase in collections is the increase in rates on popular larger vehicles. Collections are projected to increase by an annual average growth rate of 4.3 percent between FY 2009 and FY 2012. (See table 4-25.) The strong growth rate expected is due to a combination of continued growth in the numbers of cars sold, the price of cars sold, and the percentage of cars sold that are in the heavier category.

Income Taxes

The individual income tax, the corporate franchise tax, and the unincorporated business franchise tax are significant sources of District revenue. In FY 2007, these taxes accounted for 33.5

percent of local source revenue. Actual FY 2007 revenue from these sources is shown in Table 4-26. This table also shows projected revenue from each of these taxes for the period FY 2008 through FY 2012.

**Individual Income Tax
Base and Rate**

The individual income tax base consists of the income of individuals who maintain a permanent residence in the District at any time during the tax year and individuals who maintain a residence for a total of 183 or more days during the tax year. The District’s tax base also includes the income of individuals who were members of the armed forces and listed the District as their home of record for either a part of or the full taxable year, as well as the spouse of an exempt military person or of any other exempt person such as a nonresident presidential appointee or an elected official. Those individuals that are exempt from income tax in the District (and as such whose income is not included in the tax base) include elected officials of the federal government, presidential appointees subject to confirmation by the U.S. Senate, United States Supreme Court justices who are not domiciled in the District, employees of legislative staffs who are residents of the state of their elected official, and, of great importance, all persons who are employed in the District but live outside of the District.

The individual income tax accounted for 25.2 percent of total local source revenue in FY 2007. Table 4-27 reports the tax rates and brackets scheduled to be applied to net taxable income (NTI) across the planning period. The current tax rate is 4 percent for NTI up to \$10,000. For

Table 4-26
Income Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Individual Income	1,313,826	1,322,237	1,307,865	1,391,873	1,462,143	1,536,383
Corporate Franchise	255,511	255,210	262,641	269,379	290,677	303,411
U.B. Franchise	167,024	151,359	170,440	187,577	204,993	224,612
Total Income Taxes	1,736,361	1,728,805	1,740,947	1,848,829	1,957,813	2,064,406

Table 4-27

Income Tax Rates, Fiscal Years 2007-2012

Net Taxable Income	FY 2007 to FY 2012
\$0 - \$10,000	4.0%
\$10,001 - \$40,000	6.0%
Greater than \$40,000	8.5%

NTI between \$10,001 and \$40,000, the marginal tax rate is 6 percent, while a marginal rate of 8.5 percent is applicable for NTI greater than \$40,000. Because marginal tax rates increase as income rises, table 4-27 suggests that the District has a progressive tax system.

Effective January 2008 the standard deduction and personal exemption amounts increased. The deduction amount increased from \$2,500 (\$1,250 for married filing separate) to \$4,000 (\$2,000 for married filing separate). The personal exemption increased from \$1,500 to \$1,675. Beginning in January 2009, these two items will be adjusted annually for inflation.

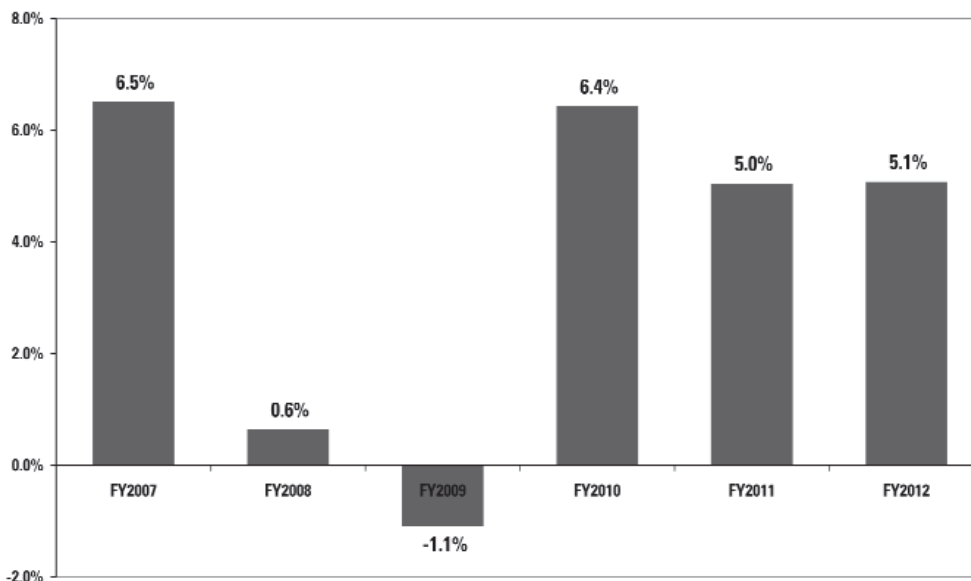
FY 2007

In FY 2007, individual income tax revenue grew by 6.5 percent, which is slightly more than the 6.3 percent growth rate that was experienced in FY 2006, but less than the 11.3 percent growth rate in FY 2005. The earnings of District residents increased by 5.8 percent in FY 2007, which is a slight increase over the 5.7 percent growth rate in FY 2006 and less than the 9.3 percent growth rate in FY 2005. The wages and salaries of the District’s residents increased by 6.1 percent in FY 2007, an increase over the 5.9 percent rate of growth in FY 2006, but less than FY 2005’s 8.7 percent growth rate. The withholding component of the individual income tax, which is tied directly to wages and salaries, grew by 0.4 percent in FY 2007; this was lower than the 5.6 percent growth that was experienced in FY 2006 and the 4.9 percent growth rate in FY 2005. The reduction in the city’s individual income tax rates contributed to the slowed growth in the withholding component.

The declarations component (also called estimated payments) of total revenue from individual income increased by approximately 20 percent in FY 2007; this was larger than the 11 per-

Figure 4-2

Individual Income Tax Revenue Growth Rate for FY 2007 and Estimated Growth Rates for FY 2008 to FY 2012)



cent and 15 percent growth rates in FY 2006 and FY 2005, respectively. Relative to FY 2005 and FY 2006, the stock market experienced double digit growth in FY 2007 (14.1 percent in FY 2007 versus 6.8 in FY 2006 and 7.8 percent in FY 2005). The behavior of the declarations component of the individual income tax is tied to the behavior of the stock market, so that faster growth in declarations in FY 2007 was assisted by the stronger growth in the stock market.

FY 2008-FY 2012

In FY 2008 the District anticipates \$1,322 million in individual income tax revenue; which is 0.6 percent growth over FY 2007 revenue. In FY 2009 it is anticipated that there would be a decline of 1.1 percent growth in individual income tax revenue resulting in revenue of \$1,308 million. In FY 2010 it is projected that revenue would be \$1,392 million (6.4 percent increase), while in FY 2011 and FY 2012 revenue is projected to be \$1,462 million (5.0 percent increase) and \$1,536 million (5.1 percent increase), respectively. Figure 4-2 shows the anticipated growth rates.

As uncertainty about the regional and national economies persists, the District anticipates that revenue from the individual income tax would be affected. Based on forecasts from Global Insight and Economy.com, it is expected that there would be a downturn in the stock market in FY 2008; the stock market is expected to experience a decline of 4.7 percent in FY 2008 before rebounding in FY 2009 with a 4.6 percent growth rate. Because of the uncertainty in the stock market, the behavior of individual income tax revenue continues to be a source of volatility in the city's revenue. Based on employment data from the Bureau of Labor Statistics (BLS), resident employment is expected to experience one percent growth in FY 2008. In FY 2009 resident employment is not expected to grow. It is expected to decline approximately 0.1 percent. In FY 2010 through FY 2012 it is expected that resident employment would have a growth rate of slightly less than one percent each year. In addition, there is the expectation that the wages and salaries of District residents would experience slower growth in FY 2008 (4.8 percent) and FY 2009 (3.5 per-

cent) relative to FY 2007 (6.1 percent). In FY 2010 through FY 2012, wages earned by District residents are expected to grow approximately 4 percent each year. Changes in the growth rate of wages impacts the performance of individual income tax revenue.

Corporate Franchise and Unincorporated Business Franchise Taxes

The District's franchise tax is imposed on all corporations and unincorporated businesses having nexus in the District of Columbia. The tax liability is determined by multiplying the rate of 9.975 percent (9.5 percent rate plus a surtax of 5 percent of the base rate) by the net taxable business income that is apportioned to the District of Columbia. Business income is apportioned to the District of Columbia based on a three-factor formula—sales, payroll, and property—with each factor weighted equally. When this apportionment formula does not fairly represent the extent of the taxpayer's business activities in the District, that taxpayer may petition for (or the Office of Tax and Revenue may require) consideration of a different formula.

Corporate Franchise

Corporate franchise tax revenue as a share of total local fund revenues has declined as a percentage of total revenues. Corporations have increasingly used tax planning to lower their taxable income. As a result, many corporations, regardless of the amount of their gross profits, have only a minimum tax liability. This situation exists nationwide. Some state taxing authorities have attempted to disallow specific types of deductions through the courts (for example: *Geoffrey, Inc. v. South Carolina Tax Commission*). The District watches these cases with interest in order to benefit from legal events and interpretations that may help to improve corporate franchise tax collections.

Corporate franchise tax revenue is a small share of total revenues both because a large number of corporate franchise taxpayers pay the minimum tax liability and because the minimum tax liability is \$100. The minimum amount is unchanged since 1983. If the minimum tax had grown with inflation since 1983, the minimum

tax amount would be about \$200. Growth rates of net incomes and taxes from them since 1983 are not reflected in minimum tax payments. Over the years, other categories of tax collections have therefore shown more growth when compared to the growth of corporate franchise tax collections. In 2004 approximately 65 percent of the District's corporate franchise taxpayers paid the minimum tax, and approximately 51 percent of unincorporated business taxpayers paid the minimum.

The District estimates approximately \$262.6 million of corporate franchise tax revenue in FY 2009 (see table 4-26), a 2.9 percent increase over the \$255.2 million estimate for FY 2008. We project annual average growth of approximately 4.9 percent from FY 2009 to FY 2012.

Unincorporated Business Franchise

Income from unincorporated businesses with annual gross receipts of \$12,000 or less is excluded from the tax base. Also excluded from the tax base is income from nonresident-owned unincorporated businesses that provide professional services (e.g. law firms). For taxable unincorporated businesses, owners are allowed a 30 percent salary allowance along with a \$5,000 exemption. When 80 percent or more of the entity's income is derived from personal services, the unincorporated business income is taxed under the individual income tax if owners are District residents.

The District estimates approximately \$170.4 million in unincorporated business franchise tax revenue in FY 2009 (see table 4-26), a 12.6 percent increase over the FY 2008 revenue estimate of \$151.4 million. We project average annual growth of approximately 9.6 percent between FY 2009 and FY 2012.

Many of the District's unincorporated business tax filers who pay taxes on unincorporated business income are private consultants. As a result of increased federal contracting related to Homeland Security projects, we anticipate growth from this sector of unincorporated business filers to remain strong.

Real estate investors also pay the unincorporated business tax. Collections from this revenue source, which are based on profits from unincorporated businesses located in the District, are linked to factors such as personal income growth,

the local commercial real estate sector, and collections in the transfer and recordation taxes. In FY 2003 and FY 2004 the real estate market in the District saw real estate investors' profits substantially increase from sales and leases of commercial and residential property. As a result, there was strong growth in unincorporated business collections between FY 2003 and FY 2007. Compared to that period, the real estate market in the coming FY 2009 to FY 2012 period is expected to be much less robust. Collections from the sector will reflect the decrease.

In March 2006, a Superior Court decision on the franchise taxes of a D.C. unincorporated business owned by non-residents was given in the case of *Bender, et. al. v. the District of Columbia*. The Superior Court decision went against the District, which filed an appeal. In August 2006, the D.C. Court of Appeals ruled in favor of the District. The decision of the D.C. Court of Appeals holds that the District's unincorporated business franchise tax applies to a nonresident partner's share of a real estate partnership's net income if that income is derived from the operation of an unincorporated business within the District. The appeals court also held that such a tax does not violate the D.C. Home Rule Charter's prohibition against imposing a tax on the personal income of nonresidents. In February 2007, the United States Supreme Court let stand the D.C. Court of Appeals ruling in favor of the District in the case of *the District of Columbia v. Bender*.

Gross Receipts Taxes

Taxes in this category include: a tax on the gross receipts of public utilities and toll telecommunications companies operating in the District (the rate is 10 percent for residential use and 11 percent for non-residential use where 1 percent of the 11 percent is dedicated to financing the new baseball stadium), a tax of 1.7 percent on the gross receipts of insurance companies, a tax of 6 percent of net resident revenue on each nursing facility in the District of Columbia.

Table 4-28 shows actual revenue in FY 2007, estimates for FY 2008 and FY 2009 and projected revenue from public utilities, toll telecommunications and insurance premiums for fiscal years 2010 through 2012.

Table 4-28

Gross Receipts Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Public Utility (gross)	163,792	153,501	153,679	153,828	153,954	154,060
<i>Transfer to Ballpark Fund</i>	<i>(10,503)</i>	<i>(9,424)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>
Public Utility (net)	153,289	144,077	144,133	144,282	144,408	144,514
Toll Telecommunication (gross)	59,071	56,637	56,665	56,685	56,697	56,707
<i>Transfer to Ballpark Fund</i>	<i>(2,285)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>
Toll Telecommunication (net)	56,786	53,472	53,500	53,520	53,532	53,542
Insurance Premiums (gross)	55,016	54,460	54,900	54,964	55,029	55,094
<i>Transfer to Healthy DC Fund</i>	<i>(8,100)</i>	<i>(5,960)</i>	<i>(6,400)</i>	<i>(6,464)</i>	<i>(6,529)</i>	<i>(6,594)</i>
Insurance Premiums (net)	46,916	48,500	48,500	48,500	48,500	48,500
Healthcare Provider Tax	12,393	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(12,393)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>	<i>(11,000)</i>
Baseball Gross Receipts Tax	24,888	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	<i>(24,888)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>	<i>(14,000)</i>
Total Gross Receipts Taxes	256,991	246,049	246,133	246,302	246,440	246,556

Public Utility Taxes

The public utility tax is imposed on the gross receipts of gas, electric, and local telephone, television, and radio companies. Washington Gas and Pepco are the leading suppliers of natural gas and electricity to customers in the Washington area. As a result of electricity deregulation, Pepco has lost some of its market share, but remains the dominant electricity distributor. In the District, electricity is used more to cool and natural gas is used more to heat buildings. Cold winters tend to result in an increase in collections from Washington Gas and hot, humid summers tend to result in higher collections from Pepco.

In FY 2000, as part of the process of deregulation of the electricity market and Pepco's transformation from an electric power producer to an electric power distribution company, the District replaced the gross receipts tax imposed on electric utilities with a unit tax on electricity distribution companies. This "distribution" tax revenue is included with the city's gross receipts tax collections. The tax is imposed on electricity distributors who operate in the District. The tax rate was \$0.007 per kilowatt-hour. This rate was equivalent to the gross receipts tax at the time of conversion. Effective

January 1, 2003, the rate was changed to \$0.0077 per kilowatt-hour for non-residential customers.

In FY 2006, the tax structure on natural gas was changed from a rate on the gross receipts to a charge based on the amount used. For residential users, the tax per therm of natural gas was \$0.0703 from 12/02/05 to 9/28/06 and \$0.0707 after 09/29/06. For non-residential users, the tax per therm of natural gas was \$0.0703 from 12/02/05 to 9/28/06 and \$0.0707 plus \$0.00707 from 09/29/06. The current charge for heating oil is \$0.17 per gallon and \$0.187 per gallon for residential and nonresidential customers respectively. For electricity, natural gas and heating oil, the additional surcharge on nonresidential customers is dedicated to funding the baseball stadium.

Because of the current tax structure, the tax collected is closely related to energy use. Therefore tax collections from electricity, natural gas and heating are more closely linked to weather extremes rather than to the fuel cost. During the forecast period, we assume average weather patterns.

We estimate gross revenue from public utilities taxes (before the transfer for baseball stadium funding is taken) to be \$153.5 million in FY

2008 and \$153.7 million in FY 2009. Gross revenue from public utility taxes is estimated to increase by an average of 0.1 percent a year from FY 2009 through FY 2012.

Toll Telecommunication Taxes

The toll telecommunications tax is levied on the gross receipts of long distance and wireless telecommunications companies.

Effective August 2002, the District enacted legislation to conform to the federal “Mobile Telecommunications Sourcing Act” (MTSA). The legislation simplifies the billing process and ensures that calls from mobile phones are exempt from multiple taxation. The legislation defines and designates a user’s place of primary use (PPU) as either the user’s residence or business address. The District both lost and gained revenue as a result. Some cell phone users, who use their cell phones in the District and thus used to pay D.C. taxes on their long distance calls, selected the District as their PPU and some cell phone users selected other jurisdictions.

In recent years the telecommunications industry has faced challenges. Changes in regulation, over capacity of lines, and stiff competition to long distance providers (such as AT&T, MCI, Sprint) by local telephone companies such as Verizon are among these challenges. Long distance providers are also suffering because of the growth of the wireless telephone industry. Most wireless telephone companies now include inexpensive long-distance calling plans as a standard feature. The technological advancement known as Voice Over Internet Protocol (VOIP) is another challenge to traditional long distance/overseas telephone service providers. VOIP providers allow users with a high speed internet connection to make telephone calls from their computer to another telephone anywhere in the world. This service is normally provided at a flat rate for unlimited use.

We estimate gross revenue from the Toll Telecommunications tax (before the 1 percent transfer for baseball stadium funding) to be \$56.6 million in FY 2008 and \$56.7 million in FY 2009. We project gross revenue to remain at \$56.7 million from FY 2010 to FY 2012.

Insurance Premiums Tax

The District’s insurance premiums tax rate is 1.7 percent of gross premium receipts. Annuities are tax-exempt. The insurance premiums tax is levied on insurance policies taken out by District residents as well as on property that is registered in the District, regardless of where the policies are written or initiated. Approximately 50 percent of the revenue from the insurance premiums tax comes from life insurance policies, with a combination of other premiums (including business, health, property and motor vehicle) making up the other half. After September 11, 2001 and the Atlantic Ocean hurricane season of 2005, insurance rates increased. Following 2001, insurers either substantially increased the price for terrorism coverage or dropped the coverage completely. However, District regulators reached an agreement that capped premium increases for terrorism coverage at 24 percent.

In FY 2007, revenue collected from insurance premium tax was \$55.0 million. Collections from taxes on insurance premiums are estimated to be \$48.5 million in FY 2008 (after the transfer of insurance premium taxes to the Healthy DC Fund) and to remain at that level through FY 2012, unless there is an external jolt to the insurance industry.

Healthcare Provider Tax

The healthcare provider tax imposes a 6 percent tax on the District’s nursing homes. The legislation was passed during 2004. The tax is estimated to generate \$11 million in general fund revenue from FY 2009 through FY 2012. All of the funds raised are designated to go to the Nursing Facility Quality of Care Fund.

Other Taxes

Deed Recordation and Deed Transfer Taxes

While the real property tax is an annual tax on the value of all existing taxable properties in the District, deed taxes are levied only when taxable properties are sold or transferred. More specifically, the deed recordation tax is imposed on the recording of all deeds to real estate in the District, and the deed transfer tax is imposed on each

transfer of real property at the time the deed is submitted for recordation. The deed recordation tax must also be paid on the increased value when commercial property is refinanced.

The “Deed Transfer and Recordation Clarification Act of 2006” increased both the deed recordation and deed transfer tax rates from 1.1 percent to 1.45 percent effective October 1, 2006. However, both the deed recordation and deed transfer tax rates for residential property transfers with a total consideration of less than \$400,000 remain 1.1 percent.

In light of recent deed tax rate changes, the following analysis of deed tax trends uses normalized deed tax collection data. Normalized deed tax data transforms all deed tax revenue, regardless of the effective tax rate, into tax revenue as if it was taxed at a 1.1 percent tax rate. This method nullifies the effect of the two tax rate changes in recent years in order to extract and better understand the underlying economic activity that is reflected by deed tax collections.

There are three general component sources of deed tax revenue: commercial property sales, residential property sales and refinancing of commercial property. In FY 2007, it is estimated that the commercial sales sector accounted for 44.7 percent of deed tax collections, the housing sector accounted for 35.6 percent, and the commercial refinancing sector accounted for 19.8 percent. Refinancing activity is measured by the difference between deed recordation and deed transfer taxes. Deed tax revenue from commercial property sales was 26.6 percent lower in FY 2007 than in FY 2006, while deed tax revenue from residential property sales was down 2.4 percent and commercial refinancing down 16.3 percent. As stated earlier, the city’s real estate market for calendar years 2001 to 2005 was spectacular in terms of the number of sales and continuously increasing sale prices. But 2006 was the year in which the market began to soften in terms of the number of property sales and the average sale price for certain types of properties. This softness in the market continued in 2007, particularly in the commercial sales sector.

Using normalized deed tax data, deed recordation tax revenue grew by 3.9 percent in FY 2006, and deed transfer tax revenue declined by

9.7 percent in FY 2006. However, deed recordation tax revenue in FY 2007 declined by 11.6 percent over revenue in FY 2006, and deed transfer tax collections declined by 10.8 percent in FY 2007 over FY 2006. Clearly, the market began a transition in FY 2006 that adversely affected deed tax collections, and the trend continued in FY 2007. It appears that for this two year period many potential buyers of property have begun to shy away from rapidly escalating average sale prices. This, in turn, forced sellers of property to lower their expectations for sale prices and rates of return. This adjustment period is likely to continue through the end of FY 2009. It is expected that baseline deed recordation activity (prior to FY 2007 fiscal policy changes) will decline 21.9 percent in FY 2008 and 16.4 percent in FY 2009. But baseline deed recordation collections are expected to grow 1.2 percent in FY 2010. Baseline deed transfer activity (prior to FY 2007 fiscal policy changes) is expected to decline 16.9 percent, 12.8 percent and 0.3 percent in FYs 2008, 2009 and 2010, respectively.

Even though the annual revenue forecast for the deed taxes (and the related real property tax) for FYs 2008 to 2012 may suggest a relative declining property market, the underlining market fundamentals are strong nonetheless. These fundamentals include continued growth in the number of new jobs, population, households, as well as a growing list of entertainment/retail outlets and other attractive amenities throughout the city. And just as importantly, there exist an incredibly limited supply of developable land but continued strong demand for property ownership (at justifiable prices). With respect to the acute shortage of developable land in the District of Columbia, it has been easier (more cost effective) to increase the supply of condominium units in the city than to increase the supply of both large office buildings and single family homes. Thus, while there has been a decrease in median condominium sale prices in 2006 and 2007, there have been modest increases in the sales prices of large office buildings and single family homes during the same time period. These increases in sales prices should be seen in the context of corresponding significant decreases in the number of sales in these same two sec-

tors. In short, the local real estate market of 2006 and 2007 has responded to the frenzied real estate market of years 2002 to 2005 by demanding lower sale prices in 2006 and 2007 in the condominium sector in the context of an increasing supply, but by engaging in a significantly fewer number of sales in the large office building and single family home sectors in the context of an extremely limited supply of available developable land. In all cases, however, the value of total sale transactions in the condominium, large office buildings and single family home sectors has declined in 2006 and 2007.

In retrospect, it appears that real estate market of years 2002 to 2007 may have been subject to what is characterized as a market bubble. A market bubble is said to exist when asset prices are driven well above their intrinsic value. Often, the end of a bubble is marked by sharp, sometimes disruptive, price declines as buyers/investors conclude assets are overvalued. The subprime mortgage and the subsequent corporate credit crises that began in 2007 suggest that the frenzied market activity of years 2002 to 2005 was fueled in part by historically low interest rates, excessively lax (debt) lending standards, and scores of exuberant real estate investors that inappropriately assessed the downside risks of certain real estate investments. The subsequent

market softening that began in 2006, which is likely to continue until 2009, can be considered a transition from a phase of frenzied market activity to a more balanced and disciplined phase (i.e. a market correction).

The deed taxes have also been subject to major legislative changes in recent years. The “Housing Production Trust Fund Second Amendment Act of 2002” requires that 15 percent of the District's deed recordation and transfer tax revenue be transferred to the Housing Production Trust Fund annually. The Housing Production Trust Fund provides funds for the acquisition, construction and rehabilitation of affordable multifamily housing projects. Funds dedicated to housing production are projected to be \$45.6 million in FY 2008 and \$38.8 million in FY 2009. The “Fiscal Year 2007 Budget Support Act of 2006” established the Comprehensive Housing Task Force Fund. This fund will support a number of affordable housing initiatives including rent supplements, work force housing and energy assistance. The funding source for this fund is a 39.93 percent portion of the increase in the deed transfer and recordation tax rates from 1.1 percent to 1.45 percent. Funds newly dedicated to this task force fund are projected to be \$27.6 million in FY 2008 and \$23.5 million in FY 2009.

Table 4-29

Other Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Estate	54,250	67,742	73,188	65,000	65,000	65,000
Deed Recordation (gross)	226,743	177,109	148,046	149,777	156,997	165,146
<i>Transfer to HPTF</i>	<i>(34,734)</i>	<i>(26,566)</i>	<i>(22,207)</i>	<i>(22,467)</i>	<i>(23,550)</i>	<i>(24,772)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(18,075)</i>	<i>(16,282)</i>	<i>(13,610)</i>	<i>(13,766)</i>	<i>(14,433)</i>	<i>(15,182)</i>
Deed Recordation (net)	173,934	134,261	112,229	113,544	119,014	125,192
Deed Transfer (gross)	152,411	126,639	110,455	110,178	114,497	119,203
<i>Transfer to HPTF</i>	<i>(23,998)</i>	<i>(18,996)</i>	<i>(16,568)</i>	<i>(16,527)</i>	<i>(17,175)</i>	<i>(17,880)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(12,071)</i>	<i>(11,354)</i>	<i>(9,903)</i>	<i>(9,878)</i>	<i>(10,265)</i>	<i>(10,687)</i>
Deed Transfer (net)	116,342	96,289	83,984	83,773	87,057	90,635
Economic Interests	64,794	70,000	25,000	16,000	8,000	8,000
Total Other Taxes	409,321	368,292	294,401	278,317	279,072	288,827

As a result of the rate hike for the deed taxes, and the dedication of a portion of annual deed tax revenue, net deed recordation tax revenue expected to go to the General Fund is estimated to be \$134.3 million in 2008 and \$112.2 million in 2009. (See table 4-29.) This is a 22.8 percent decrease in net revenue to the General Fund in FY 2008 and a 16.4 percent decrease in FY 2009. Net deed transfer revenue expected to go to the General Fund is estimated to be \$96.3 million in 2008 and \$84.0 million in 2009. This is a 17.2 percent decrease in net revenue to the General Fund in FY 2007 and a 12.8 percent decrease in FY 2009.

Economic Interests Tax

The economic interest transfer tax is triggered by the sale of a controlling interest in a business entity that includes one or two of the following elements: 1) 80 percent or more of the assets of the entity consist of real property located in the District of Columbia; or 2) more than 50 percent of the gross receipts of the entity are derived from ownership or disposition of real property in the District. In FY 2008, if either of these two elements was present, then the tax rate was 2.2 percent of the consideration. This tax is generally paid by real estate investment trusts and similar partnerships.

Economic interest transfers are normally very large and infrequent. It is difficult to predict when business entities that are subject to the economic interest tax will sell their ownership interest instead of just selling the property. But, by examining the trends of recent years, it can be determined that the increase in revenue from this source is correlated with the overall robustness of the commercial real estate market.

Between 1990, the year this tax was first enacted, and 2005, the annual revenue from that tax did not exceed \$17 million. But because of the extremely robust activity in the city's commercial real estate sector in 2006 and 2007, the revenue from transactions subject to the economic interest tax reached \$30.3 million in FY 2006 and a record level of \$64.8 million in FY 2007. Additionally, for the first three months of FY 2008, cash collections for this revenue source amounted to \$38.0 million.

This appears to be a combination of 1) the residual effects of the peaking of the commercial real estate market in 2007; 2) the preference of owners of large commercial buildings to transfer economic (ownership) interests instead of formally transferring the deed of property between buyers and sellers of large commercial assets; and 3) the continued sales of large portfolios of many large commercial buildings. The "FY 2009 Budget Support Act of 2008" increased the tax rate for this tax from 2.2 percent to 2.9 percent beginning in FY 2009. It is expected that total revenue from economic interest transfers will total \$92.3 million in FY 2008. But given the slowing commercial real estate market and the high degree of volatility and unpredictability in annual collections for this tax, it is expected that the District will receive \$25.0 million in economic interest tax collections in 2009, \$16.0 million in FYs 2009 and \$8.0 million annually in both FYs 2011 and 2012.

The Estate Tax

Prior to 2002, the District of Columbia piggy-backed on the federal estate tax system, using the federal "state death tax credit" as the starting point for the District's estate tax computation. Under this system, District taxpayers received a dollar-for-dollar credit against their federal estate tax payments for any estate tax due to the District of Columbia. District estate taxes, therefore, imposed no additional burden on decedent estates and did not increase the total estate tax payment beyond what would have been paid under federal law. This revenue-sharing approach provided for a system of uniformity across all states and the District of Columbia in the collection of death taxes. It resulted in minimal estate tax administration on the part of the District and minimized the impacts of "death shopping" to reduce estate taxes at death.

The federal "Economic Growth and Tax Relief Reconciliation Act" (EGTRRA) of 2001 changed this situation. This legislation gradually eliminates the federal estate tax over the next several years, with full repeal taking effect in year 2010. However, the estate tax elimination is only temporary with the full estate tax scheduled to return in 2011. The major aspects of the EGTRRA legislation are:

- Lowered tax rates for the largest estates;
- Raised the current exemption level from \$1.5 million to \$2 million in 2006, and further to \$3.5 million in 2009; and
- Eliminated the state credit.

District law, however, stipulates that existing District estate tax laws are automatically decoupled from the recent and forthcoming federal estate tax law changes. For example, while the federal threshold was \$2 million in FYs 2006 and 2007 the District threshold was \$1 million. Furthermore, when the federal threshold is raised to \$3.5 million in FY 2009, the District threshold will remain \$1 million. Hence, some District estate tax payers may be required to file and pay District estate taxes even when no federal filing or tax is due. This divergence in thresholds for the District and federal estate taxes increases the complexity for applicable District tax payers and is more likely to adversely affect collections in terms of tax compliance.

From the Government of the District of Columbia's perspective, it is important to note that the current estate tax is primarily a federal tax that is overwhelmingly governed by complex federal regulations. The federal estate tax return takes at least nine months to complete and practically compels affected decedent estates to hire lawyers to ensure compliance. Also, federal estate tax forms must be filled-out completely in order to calculate District estate tax liability, even when no federal estate tax is due but District estate tax is due. Essentially, the District does not have a stand-alone estate tax structure. District estate tax legislation is a diminutive appendage to a complicated set of unwieldy federal rules and regulations. Therefore, no District legislative action, short of creating an entirely stand-alone estate tax system, will completely offset the adverse effects of EGTRRA, which is estimated to adversely affect estate tax revenues at the federal and District levels annually.

Notwithstanding the current status of federal legislation and District legislation and its interplay, there is evidence that many wealthy District residents, potentially subject to the estate tax, have significantly enhanced their wealth positions in recent years (possibly through the stock

markets and/or real estate related developments). And while District estate tax revenue between years 1995 and 2006 amounted to an average of approximately \$30 million a year, enormous equity and asset appreciation for the city's wealthiest residents is believed to have been a factor in \$30.1 million being collected in FY 2006 and \$54.3 being collected in FY 2007. It is expected that total revenue from the estate tax will total \$73.2 million in FY 2009. In FYs 2010 to 2012 annual revenue is expected to amount to \$65 million annually. (See table 4-29.)

Non-Tax Revenues

General Purpose Non-Tax Revenues

Total general purpose non-tax collections are projected to be \$327.6 million in FY 2008. (See table 4-30.) This is \$96.3 million or 22.7 percent less than FY 2007 non-tax revenue collections. Factors contributing to this decrease in general purpose non-tax revenue in FY 2008 include the following:

- Collections from licenses and permits are projected to be 3.1 percent lower than FY 2007 revenue collections.
- Collections from fines and forfeitures are expected to be 1.8 percent lower in FY 2008 than in FY 2007.
- Collections from charges for services are expected to be 4.9 percent higher in FY 2008 than in FY 2007.
- Collections from miscellaneous revenues are estimated to be 49.3 percent lower in FY 2008 than in FY 2007, primarily due to a \$36.2 million decline in interest income, an \$11 million decline in unclaimed property, and a \$36.4 million decline in other revenue.

For FY 2009, total general purpose non-tax collections are expected to be \$308.6 million (see table 4-30), which is down \$19.1 million (5.8 percent) from FY 2008. Contributing factors to this decrease in general purpose non-tax revenue in FY 2009 include:

- Collections from licenses and permits are expected to be only slightly higher than in FY 2008.

Table 4-30

General Purpose Non-Tax Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Licenses & Permits	78,283	75,890	76,214	73,642	76,642	73,642
Fines & Forfeitures	101,436	99,609	97,514	96,021	94,676	93,465
Charges for Services	52,421	54,983	56,122	53,897	56,274	53,899
Miscellaneous	191,735	97,142	78,718	80,834	82,555	84,249
Total General Purpose Non-Tax Revenue	423,875	327,624	308,568	304,394	310,147	305,255

Note: Table 4-40 (at the end of this chapter) provides a detailed listing of non-tax revenue by source.

- A 2.1 percent decrease in fines and forfeitures is expected in FY 2009. This decrease is due to an expected decrease in photo radar enforcement fines of \$1.4 million.
- A 19.0 percent decrease in miscellaneous revenue is expected in FY 2009 from FY 2008. This is due to an expected decrease in interest income (\$21.8 million or a 46.5 percent decrease).
- Revenue from charges for services is expected to increase by 2.1 percent in FY 2009. This is due to an expected increase in corporate recordation fees (\$1.7 million or a 23.5 percent increase).

Special Purpose Non-Tax Revenue

Special purpose non-tax revenues, often times referred to as O-Type or Other revenues, are funds generated from fees, fines, assessments, or reimbursements that are dedicated to the District agency that collects the revenues to cover the cost of performing the function. The “dedication” of the revenue to the collecting agency is what distinguishes this revenue from the general-purpose non-tax revenues. The legislation that creates the fee, fine or assessment must stipulate its purpose-designation and must also state whether any unspent funds are to retain designation at the conclusion of the fiscal year or revert to general-purpose funds. Unspent revenue in certain funds cannot revert to general purpose funds. Dedicated revenues limit the use of the District's General Fund revenue by earmarking a portion of the revenue for special purposes. Prior to FY 2002 dedicated non-tax revenues were not considered local revenues and as such were

reported differently in the Comprehensive Annual Financial Report (CAFR) and reported with the District's federal and private grants in the Financial Plan.

In FY 2009 the District is anticipating \$453.6 million in revenue and use of fund balance of \$79.3 million for a total of \$533.0 million to cover the cost of performing the functions associated with these resources. The use of fund balance is a one-time revenue source and as such is not projected for future years. Table 4-41 (at the end of this chapter) shows the dedicated non-tax revenue by agency and fund.

Special Funds

The District operates several special funds financed by tax revenues. These revenues are not available to the General Fund and the Appropriated Budget.

Convention Center Fund. Beginning in FY 1999, the formula financing the Convention Center Fund includes only sales tax revenue from hotels, restaurants, rental vehicles, and sale of prepaid phone cards. Prior to FY 1999, revenues from a 5 percent surtax on franchise taxes and a \$1.50 tax on each hotel room-night were dedicated to the Convention Center Fund. These funding sources were eliminated and replaced by a larger share of the hotel sales tax dedicated to that purpose. The hotel tax rate is 14.5 percent—a 4.45 percent rate dedicated to the Convention Center Fund and a 10.05 percent rate to the District's General Fund. The 10 percent restaurant sales tax is divided so that a 1 percent rate is dedicated to the Convention Center Fund and a 9 percent rate to the General Fund.

Highway Trust Fund. The motor fuel tax is assessed at \$0.20 per gallon and is levied on fuel wholesalers. Motor vehicle fuel tax revenue is deposited directly into a special account, the Highway Trust Fund, and is not General Fund revenue. The Highway Trust Fund uses both local-source and federal matching funds to construct, repair and manage eligible District roads and bridges. Approximately 400 of the 1,020 miles (or 39.2 percent) of streets and highways, as well as 229 bridges in the District, are eligible for federal aid.

Nationally, the growth in fuel consumption has been modest. However, the growth rates have fluctuated from year to year. Fuel consumption across the nation grew 0.55 percent in 2005, 0.98 percent in 2006, and 0.54 percent in 2007. Locally, District annual fuel tax collections have also been fluctuating but between positive and negative growth in recent years. For example, FY 2004 collections declined 1.2 percent while FY 2005 collections increased 4.2 percent. Also, FY 2006 collections decreased 12.5 percent but FY 2007 collections increased 10.6 percent.

Although the exact cause for the fluctuation in local fuel tax collections on the local level is not known, it is believed to be trending upward overall. And just as the Energy Information Agency is forecasting growth nationally to be 0.8 percent in 2008 and 1.0 percent in 2009, the forecast model for local collections predicts that annual fuel consumption demanded of District fuel retailers will grow at an average rate of 0.23 percent annually beginning in 2008. Thus, District fuel tax cash collections for FYs 2008 and 2009 are expected to be \$26.9 million and \$27.7 million, respectively.

Beginning in FY 2007, the following additional revenue sources were dedicated to the Highway Trust Fund:

- The incremental revenue from a 20 percent increase in the right-of-way fees paid by utility companies.
- The incremental revenue from a 20 percent increase in the public space rental fees paid on underground vaults.
- The incremental revenue from charging cable companies 20 percent of the revised right-of-way fee rates paid by utility companies.

Ballpark Fund. The “Ballpark Omnibus Financing and Revenue Act of 2004” (the “Ballpark Act”) provides for the creation of a Ballpark Revenue Fund, into which the Chief Financial Officer of the District (the “CFO”) is required to deposit “all receipts from those fees and taxes specifically identified by any provision of District of Columbia law to be paid into the fund and any rent paid pursuant to a lease of the ballpark.” Those fees and taxes are described below (see table 4-32), and include the Ballpark Fee, utility taxes, stadium revenue and rent. The Ballpark Revenue Fund will be established within the District’s General Fund, and will be pledged to pay debt service on the District’s baseball stadium revenue bonds (the “Baseball Stadium Bonds”).

The Ballpark Fee is a gross receipts fee that is levied on businesses within the District with over \$5 million in gross receipts. (See table 4-33 for the fee schedule.) On or before December 1 of each year, the CFO is required to compute the amount of the Ballpark Fee collected in the prior fiscal year and the amount estimated to be collected in the current fiscal year. If the estimate for the current fiscal year is less than \$14 million, the CFO must calculate an adjustment of the schedule to provide for an estimated receipt of \$14 million in the next fiscal year. This adjusted schedule will then take effect on the following October 1. The fees are due in a single payment

Table 4-31

Motor Fuel Tax Dedicated to the Highway Trust Fund, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Motor Fuel Tax	26,776	26,938	27,665	28,412	29,179	29,967

Table 4-32

Ballpark Fund Revenue, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Ballpark Fee	24,888	14,000	14,000	14,000	14,000	14,000
Utility Taxes Dedicated to Ballpark	12,788	12,589	12,711	12,711	12,711	12,711
Stadium Revenue	8,275	16,077	15,152	14,917	15,111	15,520
Rent Payment*	0	3,500	3,750	4,000	4,500	5,000
Total Ballpark Fund Revenue	45,951	46,166	45,613	45,628	46,322	47,231

* Rent payments paid by the team in FY 2005, FY 2006, and FY 2007 were not deposited into the Ballpark Revenue Fund. The rent payments were deposited with the District of Columbia Sports and Entertainment Commission for the operations at RFK Stadium

on June 15th annually. The District expects to receive about \$14 million annually from the Ballpark Fee.

The District collects a fee of 11 percent of the gross receipts from sales for nonresidential customers of telephone companies, television and radio broadcasting companies. 1 percent of the 11 percent is deposited into the Ballpark Revenue Fund to be used for debt service on the Baseball Stadium Bonds. In FY 2000 the tax structure on electricity distribution was changed. In FY 2006, the tax structure on natural gas and heating oil was changed. Currently in addition to 1 percent of the gross receipts of nonresidential customers' telephone, cable and radio subscription bills, the District collects and deposits to the Ballpark Revenue Fund a tax of \$0.0007 for each kilowatt-hour of electricity delivered to non residential end-users in the District of Columbia, \$0.00707 per therm of natural gas, and \$0.017 per gallon of heating oil. Taxes are remitted to the District monthly. The District expects to receive about \$12.6 million in FY 2008 and \$12.7 million in FY 2009 from these utility taxes.

The stadium-related sales tax streams include:

- Taxes on tickets sold. In addition to the 5.75 percent generally applicable tax, there is an additional 4.25 percent Stadium-specific tax.
- Taxes on parking at the stadium for baseball games. This tax is a 12 percent generally applicable tax.

- Taxes on stadium concessions (excluding food and beverages). In addition to the 5.75 percent generally applicable tax, there is an additional 4.25 percent Stadium-specific tax.
- Taxes on food and beverages sold in the stadium. This tax is a 10 percent generally applicable tax, less one-tenth that must be transferred to the Washington Convention Center Authority Fund for payment of debt service on Washington Convention Center bonds.

The District expects to receive about \$16.1 million in FY 2008 and \$15.2 million in FY 2009 from these stadium-related sales taxes.

The stadium rent payment amount is based on a schedule of payments agreed upon in the Baseball Stadium Agreement signed by the team, the Mayor, and the District of Columbia Sports and Entertainment Commission on September 29, 2004. The payments in FY 2005 through FY 2007 were not deposited in the Ballpark Revenue Fund. Those rent payments were to be deposited with the District of Columbia Sports and Entertainment Commission for the operations at RFK Stadium.

Neighborhood Investment Fund. In 2004, District legislation created a Neighborhood Investment Fund and a Neighborhood Investment Program which dedicates approximately \$10 million annually from personal property tax revenue to pay for a variety of communi-

Table 4-33

Ballpark Fee Schedule

Gross Receipts	Fee	Approximate Number of Feepayers in FY 2007
\$5,000,000 - \$8,000,000	\$5,500	503
\$8,000,001 - \$12,000,000	\$10,800	326
\$12,000,001 - \$16,000,000	\$14,000	234
Greater than \$16,000,000	\$16,500	732

ty revitalization development purposes, including commercial, residential, and civic uses for twelve priority neighborhoods. (See table 4-34.)

Housing Production Trust Fund. The “Housing Production Trust Fund Second Amendment Act of 2002” requires that 15 percent of the District’s deed recordation and transfer tax revenue be transferred to the Housing Production Trust Fund annually. The Housing Production Trust Fund provides funds for the acquisition, construction and rehabilitation of affordable multifamily housing projects. Funds newly dedicated to housing production will be \$45.6 million in FY 2008 and \$38.8 million in FY 2009. (See table 4-35.)

Comprehensive Housing Task Force Fund. The “Fiscal Year 2007 Budget Support Act of 2006” established the Comprehensive Housing Task Force Fund and increased the deed tax rates from 1.1 percent to 1.45 percent beginning in FY 2007. A portion of the increase in the deed tax revenue that comes from the increase in the deed tax rates is the funding source for this fund. This fund will support a number of affordable

housing initiatives including rent supplements, workforce housing and energy assistance. The estimated amount being transferred to the fund is \$27.6 million in FY 2008 and \$23.5 million in FY 2009. (See table 4-35.)

School Modernization Fund. In FY 2006, the District enacted the “School Modernization Financing Act of 2006” which established the Public School Capital Improvement Fund for the purpose of funding capital improvements throughout the District of Columbia school system. In FY 2007 \$100 million of sales tax revenue was to be transferred to this fund. In fiscal years 2008-2011, \$100.0 million, \$106.0 million, \$112.4 million, and \$119.1 million, respectively, will be transferred to the fund. Beginning in FY 2012, the amount of funds transferred to the Public School Capital Improvement Fund will be indexed based on the RSMMeans Construction Cost Index for Washington, DC. (See table 4-23 for the amount of sales tax transferred to the Public Capital Improvement Fund in each year of the Financial Plan.)

Table 4-34

Neighborhood Investment Fund, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Personal Property Tax	10,000	9,875	10,000	10,000	10,000	10,000

Table 4-35

Estimated Deed Tax Receipts Transferred to the Housing Production Trust Fund and the Comprehensive Housing Task Force Fund, Fiscal Years 2007-2012

(\$ thousands)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Total Deed Tax Receipts Transferred to HPTF	58,732	45,562	38,775	38,993	40,724	42,652
Total Deed Tax Receipts Transferred to CHTF	30,146	27,636	23,513	23,644	24,698	25,869
Total	88,878	73,198	62,288	62,638	65,422	68,522

Policy Proposals and Other Revenue Enhancements

A number of policy proposals and other revenue-affecting actions would affect District of Columbia Local and Special Purpose revenue beginning in FY 2009.

The following proposals would affect the District's revenue for the Local Fund component of the General Fund.

- Provide that deed recordation and transfer taxes dedicated under current law to the Comprehensive Housing Strategy Fund be deposited in the General Fund after fiscal year 2008. This proposal is estimated to increase Local Fund revenue by \$23.5 million in FY 2009; it would also reduce the amount of tax revenue that would be dedicated to the Comprehensive Housing Strategy Fund by the same amount.
- Increase the Class 3 property tax rate from \$5 to \$10 per \$100 of assessed value. This proposal is estimated to increase property tax revenue by \$8.0 million in FY 2009.
- This proposal would repeal the rules (55 DCR 4373, adopted April 18, 2008) that increased emergency ambulance services fees. Repeal would restore the ambulance fees that were in place before the rulemaking. The proposal would also require the Mayor to explore all reasonable options for billing Medicaid and Medicare for the costs of ambulance services. If \$3.5 million could not be raised from vigorous Medicaid and Medicare billing, the Mayor would be required to issue rules, effective October 1, 2008, to increase ambulance fees to an amount sufficient to raise up to \$3.5 million in revenue in fiscal year 2009.
- Increase the health insurance commercial premium tax. The proposed subtitle would amend D.C. Code § 47-2608(a) to increase the tax rate on all companies which issue contracts of insurance against accident and loss of health from 1.7 percent to 2.0 percent of policy and membership fees and net premium receipts or consideration received in such calendar year on all accident and loss of health policies or contracts in the District of Columbia. This tax would be in lieu of all other taxes except: taxes upon real estate; and fees and charges provided for by insurance laws of the District including amendments made to such laws by this chapter. This proposal is estimated to raise revenue by approximately \$2.0 million in FY 2009.
- New HMO "accident and health" premium tax. The proposed subtitle would amend D.C. Code § 31-3401 et seq. to require, effective January 1, 2009, all health maintenance organizations (HMOs) to pay to the District of Columbia, for each calendar year, a sum of money as taxes equal to 2.0 percent of their policy and membership fees and net premium receipts or consideration received in such calendar year. Excluded from this taxable amount would be fees, receipts, or consideration received pursuant to the District Medicaid program, the District of Columbia HealthCare Alliance, any federal employee

health benefit program or Medicare, on all policies or contracts in the District of Columbia. Such tax would be in lieu of all other taxes except: Taxes upon real estate; and Fees and charges provided for pursuant to the Health Maintenance Organization Act of 1996. Twenty-five percent of the revenue raised from this proposal would be directed to the Local Fund component of the General Fund. This is estimated to increase FY 2009 revenue by \$2.5 million.

- As a result of the new HMO “accident and health” premium tax, franchise tax revenue currently paid by HMOs would decrease by \$3.0 million in FY 2009 because HMOs would be exempt from this tax and would pay the new premium tax in lieu of a franchise tax.
- Increase the cigarette tax from \$1 per pack to \$2 per pack. The proposed subtitle would amend D.C. Code § 47-2402(a) to increase the cigarette tax from \$0.05 to \$0.10 per cigarette, effectively increasing the cigarette tax from \$1.00 to \$2.00 for each pack of 20 cigarettes. This would raise Local Fund revenues by approximately \$12.5 million in FY 2009.
- Increase the District’s Earned Income Tax Credit from 35 percent to 40 percent of the federal benefit. This proposal is estimated to reduce income tax revenue by \$5.3 million in FY 2009.
- Repeal Act 17-0272 and reduce the property tax rate for Class 2 properties. The components of this proposal are estimated to increase property tax revenue by a total of \$75.5 million in FY 2009. The “FY 2009 Budget Support Act of 2008” would modify the tax relief legislation passed earlier in the year so that the Class 2 tax rate for first \$3 million in assessed value for Class 2 properties in FY 2009 would be \$1.65 per \$100 of assessed value and the tax rate for assessed valued greater than \$3 million would remain \$1.85 per \$100 of assessed value.
- The Constitution Square Economic Development Act of 2007 provides a real property tax abatement to “CS Master V, LLC”, the developer for the Constitution Square Project, which is located on Lot 160

in Square 771. The legislation provides an exemption from real property tax increases above the projected average growth in the District-wide real property tax revenue for the FY 2008 through FY 2011 period. The owners of the property will continue to pay the amount of Tax Year 2008 real property taxes adjusted annually for the projected growth in real property tax revenues for the District as a whole. This legislation is estimated to reduce real property tax revenue by \$500,000 in FY 2009.

- Increase the tax rate on sales of economic interests in real property from 2.2 percent to 2.9 percent. Current District law imposes a deed recordation tax of 1.45 percent on transfers of properties valued at \$400,000 or more, and a deed transfer tax at the same rate, for a combined total tax of 2.9 percent. (The sum of recordation and transfer tax rates for properties valued at less than \$400,000 is 2.2 percent.) Sales of economic interests do not trigger deed recordations or transfers. They are currently taxed at 2.2 percent. The proposal (The Economic Interest Tax Amendment Act of 2008) would change the tax rate on sales of economic interests in real property from 2.2 percent to 2.9 percent, corresponding to the combined rate on deed recordations and transfers for properties valued at more than \$400,000. The proposal would raise District revenue by \$8.0 million in FY 2009.
- De-couple from Internal Revenue Code Section 199. This section allows corporations to reduce their taxable net incomes by 9 percent of that portion of their business arising from manufacturing, food processing, software development, filmmaking, mineral and oil extraction, publishing, wholesale trade, or construction. Under current DC law, this deduction reduces the net income subject to the corporate franchise tax, even if the qualifying activity occurs outside the District. The revenue loss estimated for DC is \$3.4 for FY 2009. This DC tax loss could approach \$5.1 million in FY 2012. De-coupling would prevent those revenue losses and follows the decisions of 18 states, including Maryland.

- The College Savings Program Increased Tax Benefit Act of 2007 would amend DC Code § 47-4509 to increase the maximum allowable income tax deduction from contributions to the District of Columbia College Savings Program from \$3,000 to \$4,000 per year. The increased deduction is estimated to reduce revenue by \$299,000 in FY 2009.
 - The Motor Vehicle Theft Prevention Act of 2007 established a Motor Vehicle Theft Prevention Fund. This fund will receive the fines and penalties assessed for failure to have motor vehicle insurance. Since the fines and penalties currently go to the Local Fund component of the General Fund, this legislation diverts this revenue from the General Fund to the new Motor Vehicle Theft Prevention Fund, which is a Special Purpose Revenue fund. Consequently, the “lost” revenue (\$250,000 in FY 2009) is a revenue-reducing item for the Local Fund component of the General Fund.
 - Increase OTR enforcement activities to bring about increased taxpayer compliance. OTR estimates that \$30 million will be added to Local Fund revenue in FY 2009 from this increased enforcement.
 - Implement a Check Guarantee system that would guarantee the payment of all checks presented to the District upon submission of the check. It is estimated that \$1.3 million will be added to the District’s Local Fund revenue because of this system.
 - Street sweepers will be equipped with traffic enforcement cameras that will photograph the license plate numbers of vehicles illegally parked in marked street cleaning zones. This initiative is estimated to raise approximately \$2.5 million in FY 2009.
 - Beginning October 1, 2009 the Department of Motor Vehicles (DMV) will add 43 trained Parking Control Officers (PCO) and 18 Registration of Out-of-State Automobile (ROSA) enforcement officers to its traffic enforcement staff. PCO’s enforce laws and regulations relating to traffic fines, booting fees, towing fees, and impound fees and abandoned property sales revenue. ROSA officers enforce the failure of owners of motor vehicles to properly register their motor vehicles in the District of Columbia (and who are thereby driving in DC with out-of-state license plates and registrations). This initiative is estimated to raise \$14.2 million in FY 2009.
 - In mid-year FY 2008, the District of Columbia began collecting lease payments on the Old Convention Center site. It is estimated that the payments will equal \$1 million in FY 2008 and \$2 million in each year of the FY 2009 to FY 2012 financial period. As these lease payments were never included in the DMPED projections of non-tax revenues, they are included as revenue enhancements in Table 4-19.
 - As with the Convention Center lease payments, Newseum PILOT payments were never included by DMPED in projections of FY 2009 revenues. As such, we include estimated Newseum PILOT payments as revenue enhancements in Table 4-19. It is estimated that the payments will equal \$487,000 in FY 2008 and \$584,000 in FY 2009.
 - The Mayor’s FY 2009 budget that was sent to the Council in March assumed a curtailment of the city’s short term borrowing program. The revenue estimate underlying the Mayor’s budget reduced the estimate of revenue from interest income accordingly. As a result of the Council’s reinstatement of the District’s short-term borrowing program there will be \$9.0 million in additional revenue from interest earnings in FY 2009.
- The following proposals would affect the District’s revenue for the Dedicated Taxes component of the General Fund.
- Provide that deed recordation and transfer taxes dedicated under current law to the Comprehensive Housing Strategy Fund be deposited in the General Fund after fiscal year 2008. This proposal is estimated to increase Local Fund revenue by \$23.5 million in FY 2009; it would also reduce the amount of tax revenue that would be dedicated to the Comprehensive Housing Strategy Fund by the same amount.
 - Increase CareFirst, Inc. premium tax. The proposed subtitle would amend D.C. Code § 47-2608(a) to increase the tax rate on all companies which issue contracts of insur-

ance against accident and loss of health from 1.7 percent to 2.0 percent of policy and membership fees and net premium receipts or consideration received in such calendar year on all accident and loss of health policies or contracts in the District of Columbia. This tax would be in lieu of all other taxes except: taxes upon real estate; and fees and charges provided for by insurance laws of the District including amendments made to such laws by this chapter. The premium tax increase paid by CareFirst is to be directed to the Healthy DC Fund, which is where the tax revenues currently go, and is estimated to raise revenue by approximately \$1.1 million in FY 2009.

- New HMO “accident and health” premium tax. The proposed subtitle would amend D.C. Code § 31-3401 et seq. to require, effective January 1, 2009, all health maintenance organizations (HMOs) to pay to the District of Columbia, for each calendar year, a sum of money as taxes equal to 2.0 percent of their policy and membership fees and net premium receipts or consideration received in such calendar year. Excluded from this taxable amount would be fees, receipts, or consideration received pursuant to the District Medicaid program, the District of Columbia HealthCare Alliance, any federal employee health benefit program or Medicare, on all policies or contracts in the District of Columbia. Such tax would be in lieu of all other taxes except: Taxes upon real estate; and Fees and charges provided for pursuant to the Health Maintenance Organization Act of 1996. Seventy-five percent of the revenue raised from this proposal would be dedicated to the Healthy DC Fund. This is estimated to increase FY 2009 revenue by \$7.4 million.

Proposals affecting the District’s revenue for the Special Purpose Revenue component of the General Fund consist of:

- Increase the Basic Business License application fee and the license renewal fee, and increase any associated endorsement applica-

tion fees for both new and renewal applications. An estimated \$2.2 million would result from these fee increases in FY 2009 and would go into the Department of Consumer and Regulatory Affairs’ “Basic Business License Fund.” Under the proposal, BBL application fees would increase from \$35 to \$70 for new licenses and from \$20 to \$70 for a renewal. The proposed subtitle would also raise any associated endorsement fees from \$10 for a new application and \$5 for a renewal application to \$25 for all endorsement applications.

- Establish a new General Business License fee and a new General Contractor/Construction Manager License fee. The estimated \$2.5 million of revenue resulting from these new fees would go into a Department of Consumer and Regulatory Affairs Special Purpose Revenue fund in FY 2009. The biennial fee for a General Business License would be \$200 under this proposal and the biennial fee for a General Contractor/Construction Manager License would be \$500.
- Increase premium tax rates on captive insurance companies organized as risk retention groups. For FY 2009, it is estimated that \$430,000 of revenue would result and would go to a Special Purpose Revenue Fund within the Department of Insurance, Securities and Banking. The current rate schedule is: a rate of 0.25 percent on the first \$25 million of net direct premiums, a rate of 0.15 percent on the next \$25 million of net direct premiums, and a rate of 0.05 percent on each additional dollar of net direct premiums. The proposed rate schedule is: a rate of 0.38 percent on the first \$20 million of net direct premiums, a rate of 0.25 percent on the next \$20 million of net direct premiums, and a rate of 0.18 percent on each additional dollar of net direct premiums.
- Establish an enhanced claims recovery program to better recover the cost of damages to DDOT property. DDOT estimates that \$250,000 of Special Purpose revenue would be raised in FY 2009 from this program, which would go to DDOT’s “Unified Fund.”

- The Motor Vehicle Theft Prevention Act of 2007 established a Motor Vehicle Theft Prevention Fund. As described above, this fund will receive payments from fines and penalties for failure to have motor vehicle insurance. In FY 2009 \$250,000 of revenue is estimated for this new Special Purpose Revenue Fund.

Additional proposals affecting DDOT's Special Purpose Fund revenue would be implemented through rulemaking. The revenue resulting from these proposals would be directed to DDOT's "Unified Fund."

- Establish a new initiative to charge a "public inconvenience fee" to private developers for their use of public space while constructing their facilities (\$3.0 million of revenue in FY 2009). Under this proposal, fees would differ based on: duration (number of days), area (e.g., Central Business District, non-CBD residential and commercial), and amount (square footage) and type of public space being used (e.g., parking lane, 1st travel lane, 2nd travel lane, alley, sidewalk).
- Increase excavation and occupancy permit fees (\$1.2 million of revenue in FY09). For example, under this proposal, excavation permit fees would increase from \$85 to \$135 for a manhole installation, from \$24 to \$50 for a utility service connection, from \$85/200 ft. to \$135/150 ft. for a linear excavation conduit, and from \$7 to \$50 for a permit renewal.
- Increase truck tag permit fees (\$1.0 million of revenue in FY 2009). Under this proposal, fees would increase from \$19 to \$30 for a single trip permit, from \$36 to \$50 for a round trip permit, from \$85 to \$340 for a tractor trailer annual tag/permit, from \$85 to \$340 for a truck crane annual tag/permit, and from \$1,193 to \$1,800 for a dump, cement trash truck annual weight tag/permit.
- Establish a utility marking fee (\$500,000 of revenue in FY 2009) to recover a portion of the costs to DDOT to mark its facilities located in the right-of-way (e.g., conduit for traffic signals and streetlights). Currently, DDOT does not recover any of the costs from parties permitted

to excavate unlike utilities (e.g., PEPCO, Washington Gas, and Verizon) which recover their cost for marking their facilities by billing the customer permitted to excavate.

Procedures for Estimating Revenue

The process of estimating revenue begins a year in advance. The estimates for FY 2009, for instance, began in September 2007. Every September we issue a revenue call to all agencies requesting reports and projections on the amount of user fees, fines, and other types of non-tax income agencies expect to generate.

Economic forecasting assumptions for the District are received from two nationally known economic analysis and forecasting firms, Global Insight, Inc. (formerly DRI-WEFA) and Economy.com, in late summer or late fall. These assumptions help us build the base for growth over the forecast horizon.

During the late summer and throughout the fall, analysts maintain contact with people throughout the District government who are knowledgeable of the collection of all tax and non-tax revenues. This includes the Office of Tax and Revenue and agencies that have user fees or that impose fines. This gives us a good feel for progress in meeting the current year's goals and for understanding likely trends in the near future.

Analysts follow the year-end closing to be aware of accounting issues that might affect revenues – for instance, changes in accounts receivable or reserves that might impact revenue numbers.

Three advisory groups help us understand the economy:

- The first, a technical advisory group, is composed of experts in revenue forecasting. Membership includes representatives from the Congressional Budget Office (CBO), the Richmond Federal Reserve, the Commonwealth of Virginia, the State of Maryland, and other jurisdictions and related organizations.
- The second advisory group, composed of knowledgeable local business representatives, advises us about current economic trends and helps us understand where the private sector thinks things are heading. Members of this group represent the hotel and tourism

industry, real estate and housing, banking and finance, neighborhood groups, downtown development interests, the education sector, and other interests.

- The third advisory group is focused on the District's real property market. The real property tax is the District's single largest individual tax and generates about a third of non-dedicated general fund revenue. In addition, the property market functions differently compared to other parts of the District economy. As such, consultation with experts in the real property field is a critical step in the revenue estimating process. This group includes developers, realtors, academics and mortgage finance experts.

Updated economic assumptions are received from forecasting firms in January. This allows us to fine-tune our projections based on the most recent data available before the final forecasts are released.

At the end of January, CBO releases its Winter Report. This provides recent and valuable guidance on where the national economy is expected to go over the next ten years. As the national economy has a great deal of impact on the D.C. economy, this report is a valuable tool in the final stages of the revenue estimation process.

Subsequent steps in revenue estimating are part technical and part investigative. The technical part of revenue estimating involves using econometric methods to find statistically valid models that replicate past collections and project confidence intervals for future collections. The models use explanatory variables to account for revenue collections over time relying on relationships between (a) the money collected by the District in a given tax type, and (b) economic variables that track the underlying tax base. For example, in the unincorporated business tax, one model shows a strong lagged relationship between employment in construction and activity in the real estate market (as measured by collections in the transfer tax). This makes sense given that much of the activity that is taxed by the unincorporated business franchise tax is in the real estate and construction segments of the D.C. economy. The economic forecasting variables are used directly in these methodologies.

The rest of the process is where the investigating comes into play. The next step is to incorporate the revenue impact of legislation and additional factors that cannot be captured by econometric models. For instance, when we were developing revenue projections prior to the opening of the new convention center we knew there would be an impact in the amount of revenue generated by the sales tax, particularly at the restaurant and hotel sales tax rates. No econometric model can capture this impact. However, an estimate of the impact must be included in our revenue projections.

The final step is to run a reality check on the numbers produced. To do this, we compare the projected trends with those of the Congressional Budget Office and neighboring jurisdictions. If our projections are substantially different for individual income tax collections than what CBO is projecting, for example, we need to explain the difference. This helps ensure that our understanding and knowledge of the fundamentals of a tax type are consistent with those of other professionals in the field. The pattern of changes over the projection horizon is also scrutinized in this phase of the process. A dramatic jump or drop from one period to the next needs to be understood.

For the FY 2003 estimates, we contracted with KPMG to review our data and estimating methodologies, determine whether the methodologies are correctly implemented, and recommend changes where they find areas of weakness. Overall, they concluded that ORA uses sound methodologies and implements them competently. They also found that the greatest cause of uncertainty in the estimates is the quality of the data.

Additional Information on D.C. Revenues

Table 4-36 through 4-41 provide additional detail on what the District taxes and collects, at what rates, and how much revenue these taxes and non-tax revenues yield.

Table 4-36

Percentage Changes in General Fund Local Revenue by Source

(percentage changes from prior fiscal year)

	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Proj.	FY 2011 Proj.	FY 2012 Proj.
Revenue Source						
Real Property (gross)	25.6%	18.4%	8.3%	7.3%	6.6%	6.4%
<i>Transfer to TIF</i>	208.5%	269.7%	9.0%	-4.6%	55.4%	0.0%
Real Property (net)	25.3%	17.5%	8.2%	7.4%	6.2%	6.5%
Personal Property (gross)	2.9%	-15.7%	3.2%	3.2%	3.2%	3.2%
<i>Transfer to Neighborhood Investment Fund</i>	0.3%	-1.3%	1.3%	0.0%	0.0%	0.0%
Personal Property (net)	3.3%	-18.2%	3.6%	3.9%	3.8%	3.8%
Public Space (gross)	45.2%	-20.6%	2.7%	8.1%	-2.4%	2.7%
<i>Transfer to DDOT</i>	45.2%	-20.6%	2.7%	8.1%	-2.4%	2.7%
Total Property	24.3%	16.1%	8.1%	7.3%	6.1%	6.5%
General Sales (gross)	5.6%	0.5%	7.0%	5.0%	4.9%	5.0%
<i>Convention Center Transfer</i>	4.5%	4.1%	4.0%	4.2%	4.3%	4.3%
<i>Transfer to TIF</i>	22.9%	70.3%	8.9%	12.3%	47.5%	0.0%
<i>Transfer to DDOT Unified Fund (parking tax)</i>	10.4%	2.5%	2.1%	2.0%	2.5%	2.5%
<i>Transfer to Ballpark Fund</i>	-4.5%	94.3%	-5.8%	-1.6%	1.3%	2.7%
<i>Transfer to School Modernization Fund</i>	NA	0.0%	6.0%	6.0%	6.0%	9.4%
General Sales (net)	-7.5%	-2.4%	8.0%	4.9%	3.4%	4.8%
Alcohol	1.6%	-1.2%	-1.1%	-1.1%	-1.1%	-1.1%
Cigarette	-7.8%	-1.0%	-2.5%	-2.5%	-2.5%	-2.5%
Motor Vehicle	2.6%	4.3%	4.3%	4.3%	4.3%	4.3%
Motor Fuel Tax	7.3%	0.6%	2.7%	2.7%	2.7%	2.7%
<i>Transfer to Highway Trust Fund</i>	7.3%	0.6%	2.7%	2.7%	2.7%	2.7%
Total Sales	-7.0%	-2.0%	7.4%	4.7%	3.3%	4.6%
Individual Income	6.5%	0.6%	-1.1%	6.4%	5.0%	5.1%
Corporation Franchise	18.7%	-0.1%	2.9%	2.6%	7.9%	4.4%
U. B. Franchise	17.1%	-9.4%	12.6%	10.1%	9.3%	9.6%
Total Income	9.1%	-0.4%	0.7%	6.2%	5.9%	5.4%

Table 4-36 (continued)

Percentage Changes in General Fund Local Revenue by Source

(percentage changes from prior fiscal year)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Proj.	FY 2011 Proj.	FY 2012 Proj.
Public Utility (gross)	5.6%	-6.3%	0.1%	0.1%	0.1%	0.1%
<i>Transfer to Ballpark Fund</i>	1.4%	-10.3%	1.3%	0.0%	0.0%	0.0%
Public Utility (net)	5.9%	-6.0%	0.0%	0.1%	0.1%	0.1%
Toll Telecommunication (gross)	4.3%	-4.1%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	11.2%	38.5%	0.0%	0.0%	0.0%	0.0%
Toll Telecommunication (net)	4.1%	-5.8%	0.1%	0.0%	0.0%	0.0%
Insurance Premiums (gross)	6.8%	-1.0%	0.8%	0.1%	0.1%	0.1%
<i>Transfer to Healthy DC Fund</i>	NA	-26.4%	7.4%	1.0%	1.0%	1.0%
Insurance Premiums (net)	-8.9%	3.4%	0.0%	0.0%	0.0%	0.0%
Healthcare Provider Tax	36.1%	-11.2%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Nursing Facility Quality of Care Fund</i>	36.1%	-11.2%	0.0%	0.0%	0.0%	0.0%
Baseball Gross Receipts Tax	56.0%	-43.7%	0.0%	0.0%	0.0%	0.0%
<i>Transfer to Ballpark Fund</i>	56.0%	-43.7%	0.0%	0.0%	0.0%	0.0%
Total Gross Receipts	2.4%	-4.3%	0.0%	0.1%	0.1%	0.0%
Estate	80.1%	24.9%	8.0%	-11.2%	0.0%	0.0%
Deed Recordation (gross)	14.8%	-21.9%	-16.4%	1.2%	4.8%	5.2%
<i>Transfer to HPTF</i>	21.9%	-23.5%	-16.4%	1.2%	4.8%	5.2%
<i>Transfer to Comp. Housing Strategy Fund</i>	NA	-9.9%	-16.4%	1.1%	4.8%	5.2%
Deed Recordation (net)	2.9%	-22.8%	-16.4%	1.2%	4.8%	5.2%
Deed Transfer (gross)	14.9%	-16.9%	-12.8%	-0.3%	3.9%	4.1%
<i>Transfer to HPTF</i>	25.6%	-20.8%	-12.8%	-0.3%	3.9%	4.1%
<i>Transfer to Comp. Housing Strategy Fund</i>	NA	-5.9%	-12.8%	-0.2%	3.9%	4.1%
Deed Transfer (net)	2.5%	-17.2%	-12.8%	-0.3%	3.9%	4.1%
Economic Interests	114.0%	8.0%	-64.3%	-36.0%	-50.0%	0.0%
Total Other Taxes	19.4%	-10.0%	-20.1%	-5.5%	0.3%	3.5%
TOTAL TAXES	10.7%	3.6%	2.8%	5.4%	5.0%	5.4%
Licenses & Permits	8.4%	-3.1%	0.4%	-3.4%	4.1%	-3.9%
Fines & Forfeits	-9.8%	-1.8%	-2.1%	-1.5%	-1.4%	-1.3%
Charges for Services	10.0%	4.9%	2.1%	-4.0%	4.4%	-4.2%
Miscellaneous Revenue	47.9%	-49.3%	-19.0%	2.7%	2.1%	2.1%
TOTAL NON-TAX	17.1%	-22.7%	-5.8%	-1.4%	1.9%	-1.6%
Lottery	-11.4%	7.1%	1.4%	0.0%	0.0%	0.0%
TOTAL LOCAL FUND REVENUE	10.8%	1.5%	2.3%	4.9%	4.7%	4.9%

Table 4-37

Changes in General Fund Local Revenue by Source

(\$ thousands change from prior FY)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Real Property (gross)	294,902	266,351	141,562	135,540	132,316	136,699
<i>Transfer to TIF</i>	<i>(3,444)</i>	<i>(13,745)</i>	<i>(1,694)</i>	<i>951</i>	<i>(10,846)</i>	-
Real Property (net)	291,458	252,606	139,868	136,491	121,470	136,699
Personal Property (gross)	1,881	(10,575)	1,818	1,877	1,936	1,999
<i>Transfer to Neighborhood Investment Fund</i>	<i>(34)</i>	<i>125</i>	<i>(125)</i>	-	-	-
Personal Property (net)	1,847	(10,450)	1,693	1,877	1,936	1,999
Public Space (gross)	10,033	(6,650)	691	2,132	(694)	749
<i>Transfer to DDOT</i>	<i>(10,033)</i>	<i>6,650</i>	<i>(691)</i>	<i>(2,132)</i>	<i>694</i>	<i>(749)</i>
Total Property	293,305	242,156	141,561	138,368	123,406	138,698
General Sales (gross)	51,084	4,800	67,139	51,215	53,021	56,282
<i>Convention Center Transfer</i>	<i>(3,606)</i>	<i>(3,416)</i>	<i>(3,469)</i>	<i>(3,788)</i>	<i>(4,042)</i>	<i>(4,215)</i>
<i>Transfer to TIF</i>	<i>(2,643)</i>	<i>(9,987)</i>	<i>(2,155)</i>	<i>(3,246)</i>	<i>(14,052)</i>	-
<i>Transfer to DDOT Unified Fund (parking tax)</i>	<i>(3,501)</i>	<i>(927)</i>	<i>(798)</i>	<i>(777)</i>	<i>(989)</i>	<i>(1,015)</i>
<i>Transfer to Ballpark Fund</i>	<i>389</i>	<i>(7,802)</i>	<i>925</i>	<i>235</i>	<i>(194)</i>	<i>(409)</i>
<i>Transfer to School Modernization Fund</i>	<i>(100,000)</i>	-	<i>(6,000)</i>	<i>(6,360)</i>	<i>(6,742)</i>	<i>(11,177)</i>
General Sales (net)	(58,277)	(17,332)	55,642	37,279	27,001	39,466
Alcohol	80	(63)	(58)	(57)	(54)	(53)
Cigarette	(1,788)	(202)	(529)	(515)	(503)	(490)
Motor Vehicle	1,118	1,890	1,977	2,063	2,153	2,246
Motor Fuel Tax	1,816	162	727	747	767	788
<i>Transfer to Highway Trust Fund</i>	<i>(1,816)</i>	<i>(162)</i>	<i>(727)</i>	<i>(747)</i>	<i>(767)</i>	<i>(788)</i>
Total Sales	(58,867)	(15,707)	57,032	38,770	28,597	41,169
Individual Income	80,224	8,411	(14,372)	84,008	70,270	74,240
Corporation Franchise	40,228	(301)	7,432	6,738	21,298	12,734
U. B. Franchise	24,426	(15,665)	19,081	17,137	17,416	19,619
Total Income	144,878	(7,556)	12,141	107,882	108,984	106,593

Table 4-37 (continued)

Changes in General Fund Local Revenue by Source

(\$ thousands change from prior FY)

Revenue Source	FY 2007 Actual	FY 2008 Revised	FY 2009 Original	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected
Public Utility (gross)	8,635	(10,291)	178	149	126	106
<i>Transfer to Ballpark Fund</i>	<i>(147)</i>	<i>1,079</i>	<i>(122)</i>	-	-	-
Public Utility (net)	8,488	(9,212)	56	149	126	106
Toll Telecommunication (gross)	2,460	(2,434)	28	20	12	10
<i>Transfer to Ballpark Fund</i>	<i>(230)</i>	<i>(880)</i>	-	-	-	-
Toll Telecommunication (net)	2,230	(3,314)	28	20	12	10
Insurance Premiums (gross)	3,521	(556)	440	64	65	65
<i>Transfer to Healthy DC Fund</i>	<i>8,100</i>	<i>(2,140)</i>	<i>440</i>	<i>64</i>	<i>65</i>	<i>65</i>
Insurance Premiums (net)	(4,579)	1,584	-	-	-	-
Healthcare Provider Tax	3,286	(1,393)	-	-	-	-
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(3,286)</i>	<i>1,393</i>	-	-	-	-
Baseball Gross Receipts Tax	8,936	(10,888)	-	-	-	-
<i>Transfer to Ballpark Fund</i>	<i>(8,936)</i>	<i>10,888</i>	-	-	-	-
Total Gross Receipts	6,139	(10,942)	84	169	138	116
Estate	24,125	13,492	5,446	(8,188)	-	-
Deed Recordation (gross)	29,215	(49,634)	(29,063)	1,731	7,220	8,149
<i>Transfer to HPTF</i>	<i>(6,230)</i>	<i>8,168</i>	<i>4,359</i>	<i>(260)</i>	<i>(1,083)</i>	<i>(1,222)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(18,075)</i>	<i>1,793</i>	<i>2,672</i>	<i>(156)</i>	<i>(667)</i>	<i>(749)</i>
Deed Recordation (net)	4,910	(39,673)	(22,032)	1,315	5,470	6,178
Deed Transfer (gross)	19,796	(25,772)	(16,184)	(277)	4,319	4,706
<i>Transfer to HPTF</i>	<i>(4,892)</i>	<i>5,002</i>	<i>2,428</i>	<i>42</i>	<i>(648)</i>	<i>(706)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>	<i>(12,071)</i>	<i>717</i>	<i>1,451</i>	<i>25</i>	<i>(387)</i>	<i>(422)</i>
Deed Transfer (net)	2,833	(20,053)	(12,305)	(211)	3,284	3,578
Economic Interests	34,520	5,206	(45,000)	(9,000)	(8,000)	-
Total Other Taxes	66,389	(41,029)	(73,891)	(16,083)	754	9,756
TOTAL TAXES	451,844	166,922	136,928	269,106	261,880	300,362
Licenses & Permits	6,099	(2,393)	324	(2,572)	3,000	(3,000)
Fines & Forfeits	(11,020)	(1,827)	(2,095)	(1,493)	(1,345)	(1,211)
Charges for Services	4,775	2,562	1,139	(2,225)	2,377	(2,375)
Miscellaneous Revenue	62,070	(94,593)	(18,424)	2,116	1,721	1,694
TOTAL NON-TAX	61,924	(96,251)	(19,056)	(4,174)	5,753	(4,892)
Lottery	(8,424)	4,624	1,000	-	-	-
TOTAL LOCAL FUND REVENUE	505,344	75,295	118,872	264,932	267,633	291,440

Summary of Major Taxes in the District of Columbia, Fiscal Year 2008

PART A—GENERAL FUND TAXES

TAX	DESCRIPTION OF WHAT IS TAXED	RATE	FY 2007 ACTUAL REVENUE (\$ in thousands)
REAL PROPERTY TAX	All real property, unless expressly exempted, is subject to the real property tax and is assessed at 100% of market value. With the property tax year beginning October 1, 2002, the District of Columbia increased the number of property classes from two to the following three classifications of property: Class I—improved residential real property that is occupied and is used exclusively for nontransient residential dwelling purposes; Class II—commercial property; Class III—unimproved or abandoned property. The District's Real Property Tax Year is October 1 through September 30. <i>D.C. Code Citation: Title 47, Chapter 7 - 14.</i>	Property Class Tax Per \$100 of Value Class I \$0.88/1 Class II \$1.85 Class III \$5.00 For owner occupied residential real property, the first \$60,000 of Assessed Value is exempt from the tax.	\$1,443,601(a)
PERSONAL PROPERTY TAX	All tangible property, except inventories, used or available for use in a trade or business. <i>D.C. Code Citation: Title 47, Chapter 15-17.</i>	\$3.40 per \$100 of assessed value <i>Note: As of July 31, 2000, both an accelerated depreciation schedule for computer equipment; and a \$50,000 taxable value threshold on personal property are adopted.</i>	\$57,395(b)
PUBLIC SPACE RENTAL	Commercial use of publicly owned property between the property line and the street. <i>D.C. Code Citation: Title 7, Chapter 10.</i>	Various rates for the following: Vault, Sidewalk (Enclosed and Unenclosed cafes), Surface, and Fuel Oil Tank <i>Note: All revenue dedicated to DDOT as Special Purpose Revenue</i>	\$0
SALES AND USE TAX	All tangible personal property and certain selected services, sold or rented to businesses or individuals at retail in the District. Groceries, prescription and non-prescription drugs, and residential utility services are among those items exempt from the sales tax. The use tax is imposed at the same rate as the sales tax rate on purchases made outside the District and then brought into the District to be used, stored or consumed, providing that the purchaser has not paid the sales tax on the purchases to another jurisdiction. <i>D.C. Code Citation: Title 47, Chapters 20 and 22.</i>	A five-tier rate structure is presently in effect: 5.75% General rate for tangible personal property and selected services, 9% Liquor sold for off the premises consumption 10% Restaurant meals, liquor for consumption on the premises, rental vehicles 12% Parking motor vehicles in commercial lots 14.5% Transient accommodations <i>Note: The following portions of the sales tax go to the Convention Center Fund: 1% of sales tax from restaurant meals, etc., and 4.45% of transient accommodations. Sales tax on internet access is eliminated. In addition, the 12% tax on parking in commercial lots will be dedicated to DDOT. Note: Tobacco products used for smoking, chewing, or as snuff, made in whole or in part with tobacco, except for cigarettes, premium cigars, and pipe leaf tobacco products, are now taxed at the 12% rate rather than the 5.75% rate.</i>	\$717,089 (c)

ALCOHOLIC BEVERAGE TAX	Alcoholic beverages manufactured by a holder of a manufacturer's license and beverages brought into D.C. by the holder of a wholesaler's or a retailer's license. <i>D.C. Code Citation: Title 25, Chapter 1.</i>	Beer –\$2.79 per 31 gallon barrel Light wine <14% alcohol – 30¢ per gal Heavy wine >14% alcohol – 40¢ per gal Champagne/sparkling wine- 45¢ per gal Spirits – \$1.50 per gallon	\$5,150
CIGARETTE TAX	The sale or possession of cigarettes in the District. Cigarettes sold to the military and to Federal Government are exempt. <i>D.C. Code Citation: Title 47, Chapter 24.</i>	\$1.00 per package of twenty cigarettes	\$21,205
MOTOR VEHICLE EXCISE TAX	Issuance of every original and subsequent certificate of title on motor vehicles and trailers. <i>D.C. Code Citation: Title 50, Chapter 22.</i>	Based on manufacturer's shipping weight 6% of fair market value-3, 499 lbs or less 7% of fair market value-3, 500 lbs to 4,999 lbs 8% of fair market value-over 5,000 lbs	\$43,681
INDIVIDUAL INCOME TAX	The taxable income of an individual who is domiciled in the District at any time during the tax year, or who maintains an abode in the District for 183 or more days during the year. <i>D.C. Code Citation: Title 47, Chapter 18</i>	For Calendar Year 2008: Taxable Income Tax Rate First \$10,000 4.0% Over \$10,000, but Not over \$40,000 \$400 + 6.0% of excess over \$10,000 Over \$40,000 \$2,200 + 8.5% of Excess over \$40,000	\$1,313,826
CORPORATE FRANCHISE TAX	Net income of corporations having nexus in the District. All corporations engaging in a trade, business or profession in the District of Columbia must register. <i>D.C. Code Citation: Title 47, chapter 18.</i>	The franchise tax rate is 9.975 percent of taxable income, a 9.5 percent rate plus a surtax equal to 5 percent of the base rate.	\$255,511
U. B. FRANCHISE TAX	Net income of unincorporated businesses with gross receipts over \$12,000. A 30% salary allowance for owners and a \$5,000 exemption are deductible from net income to arrive at taxable income. A business is exempt if more than 80% of gross income is derived from personal services rendered by the members of the entity and capital is not a material income-producing factor. A trade, business or professional organization which by law, customs or ethics cannot be incorporated is exempt. <i>D.C. Code Citation: Title 47, chapter 18.</i>	The franchise tax rate is 9.975 percent of taxable income, a 9.5 percent rate plus a surtax equal to 5 percent of the base rate.	\$ 167,024
PUBLIC UTILITY TAX	Gross receipts of gas, electric, heating oil and local television, radio, and telephone companies. <i>D.C. Code Citation: Title 47, Chapter 25</i>	Television, radio and telephone companies: Gross receipts taxed at 10% (residential) and 11% (non-residential). Heating oil utilities: Tax rate is \$0.17 per gallon (residential) and \$0.187 per gallon (non-residential). Natural gas utilities: Tax rate is \$0.0707 per therm (residential) and \$0.07777 per therm (non-residential). Electric distribution utilities: Tax rate is \$0.0070 per kilowatt hour (residential) and \$0.0077 per kilowatt hour (non-residential). <i>Note: The additional surcharge on non-residential customers is dedicated to funding the baseball stadium.</i>	\$153,289(d)
TOLL TELECOMMUNICATIONS TAX	Gross receipts of companies providing toll telecommunication service in the District., including wireless telecommunication providers. <i>D.C. Code Citation: Title 47, Chapter 38.</i>	10% of gross charges - residential 11% of gross charges – non-residential <i>Note: 1% of non-residential is dedicated to financing construction of new baseball stadium.</i>	\$56,786 (d)

INSURANCE PREMIUMS TAX	Gross insurance premiums received on risks in the District, less premiums received for reinsurance assumed, returned premiums and dividends paid to policyholders. The tax is in lieu of all other taxes except real estate taxes and fees provided for by the District's insurance law. <i>D.C. Code Citation: Title 35; Title 47, Chapter 26.</i>	1.7% on policy and membership fees and net premium receipts	\$55,016
ESTATE TAX	The estate of every decedent dying while a resident of the District, and on the estate of every nonresident decedent owning property and having a taxable situs in the District at the time of his or her death. <i>D.C. Code Citation: Title 47, Chapter 19.</i>	Tax due is determined by using the DC Estate Tax Computation Worksheet after computing the exempted amounts..	\$54,250
DEED RECORDATION TAX	The recording of all deeds to real estate in the District. The basis of the tax is the value of consideration given for the property. Where there is no consideration or where the consideration is nominal, the tax is imposed on the basis of the fair market value of the property. <i>D.C. Code Citation: Title 42, Chapter 11.</i>	1.45% of consideration or fair market value <i>Note: For residential properties under \$400,000 the rate is 1.1%</i> <i>Note: 15% of deed recordation tax is deposited into the Housing Production Trust Fund.</i> <i>Note: 39.93% of the revenue resulting from the increase in the deed recordation tax from 1.1% to 1.45% is deposited into the Comprehensive Housing Strategy Fund.</i>	\$173,934 (e)
DEED TRANSFER TAX	Each transfer of real property at the time the deed is submitted for recordation. The tax is based upon the consideration paid for the transfer. Where there is no consideration or where the amount is nominal, the basis of the transfer tax is the fair market value of the property conveyed. <i>D.C. Code Citation: Title 47, Chapter 9.</i>	1.45% of consideration or fair market value <i>Note: For residential properties under \$400,000 the rate is 1.1%</i> <i>Note: 15% of real estate transfer tax is deposited into the Housing Production Trust Fund.</i> <i>Note: 39.93% of the revenue resulting from the increase in the deed transfer tax from 1.1% to 1.45% is deposited into the Comprehensive Housing Strategy Fund.</i>	\$116,342 (e)
ECONOMIC INTEREST TAX	The economic interest transfer tax is triggered by either one of the following two (2) elements: 1) 80% or more of the assets of the entity consist of real property located in the District of Columbia; or 2) more than 50% of the controlling interest of the corporation is being transferred. The consideration is what is paid for the interest being transferred. If there is no tangible consideration, then the tax basis will be the assessed value of the property owned by the corporation. <i>D.C. Code Citation: Title 42, Chapter 11.</i>	2.2% of consideration or fair market value	\$64,794
TOTAL GENERAL FUND TAXES:			\$4,698,894 (a) (b) (c) (d) (e)

PART B—OTHER SELECTED TAXES

TAX	DESCRIPTION OF WHAT IS TAXED	RATE	FY 2007 REVENUE
MOTOR VEHICLE FUEL TAX	Every importer of motor fuels including gasoline, diesel fuel, benzol, benzene, naphtha, kerosene, heating oils, all liquefied petroleum gases and all combustible gases and liquids suitable for the generation of power for the propulsion of motor vehicles. <i>D.C. Code Citation: Title 47, Chapter 23</i>	20 cents per gallon (entire tax dedicated to Highway Trust Fund)	\$26,776

Source of General Fund Revenue amounts: Government of the District of Columbia Comprehensive Annual Financial Report, Year Ended September 30, 2006.

- Notes:**
- (a) Amount is net of transfers to TIF.
 - (b) Amount is net of transfers to Neighborhood Investment Fund.
 - (c) Amount is net of transfers to the Convention Center Fund, Ballpark Fund, DDOT Unified Fund, TIF, and School Modernization Fund.
 - (d) Amount is net of transfers to the Ballpark Fund.
 - (e) Amount is net of transfers to the Housing Production Trust Fund and the Comprehensive Housing Strategy Fund.

Table 4-39

Local General Fund Revenues, FY1997-FY2007

(\$ thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Real Property	617,694	616,935	597,566	610,896	633,172	726,014	822,845	947,690	1,058,100 (a)	1,152,143 (a)	1,443,601 (a)
Personal Property	60,392	68,475	73,928	70,133	64,144	65,208	67,294	63,558	62,068 (b)	55,548 (b)	57,395 (b)
Public Space	9,513	10,030	8,056	11,752	10,107	12,167	11,749	16,728	15,628	0 (c)	0 (c)
Total Property	687,599	695,440	679,550	692,781	707,423	803,389	901,888	1,027,976	1,135,796	1,207,691	1,500,996
General Sales and Use	482,354	557,081	541,573 (d)	585,688 (d)	617,217 (d)	612,354 (d)	631,465 (d)	671,017 (d)	768,308 (e)	775,366 (f)	717,089 (g)
Alcohol	5,460	4,702	4,821	4,779	4,743	4,721	4,619	5,090	5,051	5,070	5,150
Cigarette	18,946	17,592	17,107	17,177	16,329	17,189	21,344	20,765	22,336	22,993	21,205
Motor Vehicle Excise	30,271	29,838	31,329	36,693	38,825	34,573	37,066	40,437	42,380	42,563	43,681
Hotel Occupancy	3,806	9,287	(26)	0	25	0	0	0	0	0	0
Total Selective Sales	58,483	57,501	53,231	58,649	59,922	56,483	63,029	66,292	69,767	70,626	70,036
Individual Income	753,475	861,505	952,156	1,077,346	1,098,188	949,175	928,968	1,042,309	1,160,074	1,233,602	1,313,826
Corporate Franchise	144,563	174,729	163,699	190,594	233,237	142,647	156,777	168,353	195,492	215,283	255,511
Unincorporated Business Franchise	38,942	46,868	53,896	70,624	68,812	68,602	81,707	88,347	116,866	142,598	167,024
Total Income	936,980	1,083,102	1,169,751	1,338,564	1,400,237	1,160,424	1,167,452	1,299,009	1,472,432	1,591,483	1,736,361
Insurance Premiums	42,625	37,096	26,944	30,882	33,356	35,502	41,281	47,452	48,888	51,495	55,016
Public Utility	141,901	141,069	128,472	132,849	149,125	140,931	166,743	169,494	166,039 (h)	144,801 (h)	153,289 (h)
Toll Telecommunication	52,994	56,732	51,874	48,280	51,259	55,353	53,324	54,951	54,576 (h)	54,556 (h)	56,786 (h)
Health Care Provider Fee	(8,278)	1,740	0	0	0	0	0	0	0	0	0
Total Gross Receipts	229,242	236,637	207,290	212,011	233,740	231,786	261,348	271,897	269,503	250,852	265,091

Table 4-39 (continued)

Local General Fund Revenues, FY1997-FY2007

(\$ thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Estate	27,314	32,256	26,247	35,992	51,072	125,889	29,944	26,466	29,257	30,125	54,250
Deed Recordation	30,821	53,863	70,398	60,418	75,936	89,951	134,262	164,522 (i)	161,541 (i)	169,024 (i)	173,934 (j)
Deed Transfer	27,162	42,597	47,001	44,660	62,086	62,228	99,052	121,747 (i)	124,890 (i)	113,509 (i)	116,342 (j)
Economic Interests	10,081	11,166	3,687	540	1,640	5,078	4,934	16,269	10,593	30,274	64,794
Total Other Taxes	95,378	139,882	147,333	141,610	190,734	283,146	268,192	329,004	326,281	342,932	409,321
TOTAL TAX REVENUES	2,490,036	2,773,561	2,798,728	3,029,303	3,209,273	3,147,582	3,293,374	3,665,195	4,042,087	4,238,950	4,698,894
Business Licenses & Permits	28,268	31,050	28,607	24,969	21,767	29,875	35,195	35,471	47,936	42,443	49,848
Non-Business Licenses & Permits	17,221	17,073	17,927	18,785	19,627	20,320	24,566	26,034	26,074	29,741	28,435
Total Licenses & Permits	45,489	48,123	46,534	43,754	41,394	50,195	59,761	61,505	74,010	72,184	78,283
Total Fines and Forfeitures	51,664	53,177	47,688	53,216	57,052	86,539	88,455	99,478	108,012	112,456	101,436
Total Charges for Services	43,810	34,752	31,055	37,257	63,938	55,472	65,736	53,705	51,344	47,646	52,421
Interest Income	18,599	32,478	27,542	12,779	33,317	9,645	9,906	7,890	26,052	52,628	82,954
Other	52,320	66,658	59,198	89,379	106,983	70,908	79,999	101,121	93,009	77,037	108,781
Tobacco Settlement	0	0	0	16,049	13,289	0	0	0	0	0	0
Total Miscellaneous	70,919	99,136	86,740	118,207	153,589	80,553	89,905	109,011	119,061	129,665	191,735
Lottery Transfer	69,200	81,300	64,225	69,450	84,000	63,000	72,050	73,500	71,450	73,800	65,376
TOTAL NON-TAX REVENUES	281,082	316,488	276,242	321,884	399,973	335,759	375,907	397,199	423,877	435,751	489,251
TOTAL TAX & NON-TAX REVENUES	2,771,118	3,090,049	3,074,970	3,351,187	3,609,246	3,483,341	3,669,281	4,062,394	4,465,964	4,674,701	5,188,145

- Notes:** (a) Amount excludes transfer to Tax Increment Financing.
(b) Amount excludes transfer to Neighborhood Investment Fund.
(c) Beginning in FY 2006, all public space rental revenue is transferred to DDOT Operating Fund.
(d) Amount excludes transfer to the Convention Center Fund.
(e) Amount excludes transfers to the Convention Center Fund, the Ballpark Fund, and Tax Increment Financing.
(f) Amount excludes transfers to the Convention Center Fund, the Ballpark Fund, Tax Increment Financing, and DDOT Operating Fund.
(g) Amount excludes transfers to the Convention Center Fund, the Ballpark Fund, Tax Increment Financing, DDOT Operating Fund, and School Modernization Fund.
(h) Amount excludes transfer to the Ballpark Fund.
(i) Amount excludes transfer to the Housing Production Trust Fund.
(j) Amount excludes transfer to the Housing Production Trust Fund and Comprehensive Housing Strategy Fund.

Table 4-40

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2007-2009

(\$ thousands)

Comp. Obj. Code	Agency	Object Title	FY 2007 Actual	FY 2008 Revised	FY 2009 Projected
BUSINESS LICENSES AND PERMITS					
3001	SR0	INSURANCE LICENSE	13,581	9,600	12,700
3002	DH0	ELECTRICAL PERMIT	2	2	2
3006	TC0	HACKERS LICENSE	364	370	434
3007	SR0	SECURITY BROKER DEALER LICENSE	4,236	4,300	1,887
3007	SR0	SECURITIES REGISTRATION FEES	8,223	9,042	9,000
3010	SR0	INVESTMENT ADVISORS LICENSE	465	448	450
3010	TC0	OTHER BUSINESS LICENSE	89	80	80
3011	KA0	OTHER BUSINESS LICENSE & PERMIT	-	10	10
3012	CR0	BUILDING STRUCTURES & EQUIPMENT	12,982	11,500	11,500
3013	CR0	CERTIFICATE OF OCCUPANCY	336	350	350
3014	CR0	REFRIGERATION & PLUMBING PERMIT	2,871	2,800	2,800
3015	CR0	ELECTRICAL PERMIT	5,959	5,000	5,000
3016	CR0	PUBLIC SPACE EXCAVATION PERMIT	-	10	10
3021	ATO	VENDOR BONDS (NET OF REFUNDS)	733	733	733
3021	JF0	DCMAP MILLAGE FEES (GENERAL)	-	80	-
3023	RM0	OTHER LICENSE FEES	7	10	10
3041	KV0	CHARTER BUS TRIP PERMIT	-	973	973
TOTAL BUSINESS LICENSES AND PERMITS			49,848	45,308	45,939
NONBUSINESS LICENSES & PERMITS					
3100	TC0	HACK & LIMO LICENSES TEST	-	-	5
3101	KV0	DRIVERS LICENSE	4,373	4,000	4,000
3105	KV0	CANCEL ROAD TEST FEE	55	50	50
3106	KV0	CHANGE OF ADDRESS FEE	2	3	3
3110	FA0	BIKE REGISTRATION	8	-	-
3120	FA0	BOAT REGISTRATION	216	185	185
3140	KV0	RECIPROCITY PERMIT	472	500	500
3144	KV0	DIGIT CERTIFICATE FEE	17	17	19
3145	KV0	PERSONALIZED TAGS	87	85	85
3147	KV0	DCTC ISSUANCES	289	280	280
3148	KV0	TEMPORARY TAGS	19	25	25
3149	KV0	TRANSFER OF TAGS	41	48	48
3150	KV0	VEHICLE REGISTRATION	22,782	25,315	25,000
3152	KV0	OUT OF STATE REGISTRATION FEE	49	49	50
3160	KV0	ASSOCIATED FEE FOR ONE YEAR	25	25	25
TOTAL NONBUSINESS LICENSES & PERMITS			28,435	30,582	30,275
TOTAL LICENSES & PERMITS			78,283	75,890	76,214
FINES & FORFEITURES					
5000	TC0	HACKERS FINES	11	11	11
5010	FA0	TRAFFIC FINES-RED LIGHT CAMERAS	3,879	2,200	1,980
5010	KV0	TRAFFIC FINES-RSC 1501	81,058	80,000	80,000
5011	FA0	PHOTO RADAR ENFORCEMENT	13,328	14,405	12,965
5020	KTO	SALE OF ABANDONED PROPERTY	1,708	1,591	1,500
5030	KTO	BOOTING FEES	265	540	400
5040	KTO	TOWING FEES-RSC 1505	180	250	200
5050	KTO	IMPOUNDMENT FEES-RSC 1506	296	400	350
5060	FA0	FINES AND FORFEITURES-OTHER	-	108	-
5060	LQ0	FINES AND FORFEITURES-OTHER	368	104	108
5060	SR0	FINES AND FORFEITURES-OTHER	343	-	-
TOTAL FINES & FORFEITURES			101,436	99,609	97,514

Table 4-40 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2007-2009

(\$ thousands)

Comp. Obj. Code	Agency	Object Title	FY 2007 Actual	FY 2008 Revised	FY 2009 Projected
MISCELLANEOUS					
5300	LA0	WASA - P.I.L.O.T.	12,414	13,097	14,210
5600	ATO	INTEREST INCOME	82,954	46,750	25,000
5600	BK0	INTEREST INCOME	6	5	5
5700	ATO	UNCLAIMED PROPERTY	37,953	26,939	29,273
6100	AM0	SALE OF SURPLUS PROP	436	436	436
6103	AA0	REIMBURSEMENTS	4	-	-
6103	AS0	REIMBURSEMENTS	153	150	150
6103	RM0	REIMBURSEMENTS	2	1	1
6106	AA0	OTHER REVENUES	5	-	-
6106	ATO	OTHER REVENUES	439	-	-
6106	B00	OTHER REVENUES	49	50	-
6106	FA0	OTHER REVENUES	333	300	300
6106	F00	OTHER REVENUES	168	150	150
6106	FLO	OTHER REVENUES	194	99	99
6106	KTO	OTHER REVENUES	215	215	215
6106	B00	OTHER REVENUES	49	50	45
6106	BJ0	OTHER REVENUE (OFF OF ZONING APPL FEES)	1,356	500	500
6106	BND	OTHER REVENUES	130	100	100
6106	CB0	OTHER REVENUES	348	300	300
6106	CJO	OTHER REVENUES	4	-	-
6106	CR0	OTHER REVENUES	168	150	150
6106	FLO	OTHER REVENUES	2	2	2
6106	SR0	OTHER REVENUES	200	200	200
6106	PO0	OTHER REVENUES	6	6	-
6106	RM0	OTHER REVENUES	7	7	6
6107	CR0	CIVIL INFRACTIONS	714	400	400
6107	KTO	OTHER REVENUE-FLEET AUTO AUCTION	37	25	25
6108	DH0	COCOT REGISTRATION	17	15	15
6109	KTO	OTHER REVENUE-CONTRACT BIDS	38	30	30
6111	9AT	OTHER REVENUE	38,366	1,950	1,921
6111	ATO	OTHER REVENUE-ROD COPY & SUBSCRIPS	7,286	45	45
6111	ATO	OTHER REVENUE-MISCELLANEOUS	35	30	-
6111	AM0	OTHER REVENUE	3,438	1,100	1,100
6111	AS0	OTHER REVENUE	215	-	-
6111	CE0	OTHER REVENUE	215	-	-
6111	CF0	OTHER REVENUE	1	-	-
6111	DB0	APP CHARGES-OTHER SERVICES	488	-	-
6111	FA0	OTHER REVENUE	37	25	25
6111	F00	OTHER REVENUE	13	6	6
6111	GA0	OTHER REVENUE	74	-	-
6111	G00	OTHER REVENUE	207	-	-
6111	KGO	OTHER REVENUE	2	-	-
6112	KGO	FREEDOM OF INFORMATION	2	-	-
6118	HCO	PRIOR YEAR COST RECOVERY	2,945	4,000	4,000
9200	RM0	MISCELLANEOUS OTHER REVENUE	6	5	5
9205	RM0	SODA COMMISSIONS	4	4	4
TOTAL MISCELLANEOUS			191,735	97,142	78,718

Table 4-40 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2007-2009

(\$ thousands)

Comp. Obj. Code	Agency	Object Title	FY 2007 Actual	FY 2008 Revised	FY 2009 Projected
CHARGES FOR SERVICES					
3200	DHO	TELECO REGISTRATION	4	10	10
3201	CRO	HOME OCCUPATION LICENSE	27	30	30
3202	CRO	BOILER INSPECTION PERMITS	99	100	100
3204	CRO	ELEVATOR INSPECTION	11	15	15
3206	FAO	FINGERPRINTS, PHOTOS	371	375	375
3207	CRO	OTHER SERVICE CHARGES	13	-	-
3207	DHO	OTHER SERVICE CHARGES	185	100	100
3207	FLO	OTHER SERVICE CHARGES - OTHER	41	80	80
3207	CRO	REINSTATEMENT FEE/INSURANCE LAPSE FEES	9	-	-
3255	KVO	REINSTATEMENT FEE/INSURANCE LAPSE FEES	4,027	4,500	4,750
3208	CRO	REPRODUCTION OF REPORTS	10	20	20
3208	FAO	REPRODUCTION OF REPORTS	20	-	-
3208	KVO	REPRODUCTION OF REPORTS	1,970	2,000	2,000
3208	TCO	REPRODUCTION OF REPORTS	2	-	-
3208	RMO	MEDICAL RECORDS FEES	6	-	-
3209	FBO	EMERGENCY AMBULANCE FEES	13,665	18,922	17,418
3210	FAO	TRANSCRIPT OF RECORDS	497	260	439
3210	ATO	TAX CERTIFICATES	159	158	158
3211	ATO	FIREARM USER FEE	19	19	19
3211	FAO	FIREARM USER FEE	363	342	342
3214	KVO	MOTOR VEHICLE INSPECTION	3,484	4,000	4,000
3215	KVO	VEHICLE TITLES RSC 1259	2,011	2,000	2,500
3216	KTO	SOLID WASTE DISPOSAL FEES	1,500	1,500	1,500
3217	KVO	RE-INSPECTION FEE	172	175	175
3219	CRO	WHARVES AND MARKETS	484	300	300
3220	CRO	SURVEYOR FEES	482	425	425
3221	ATO	DEED RECORDATION FEES	7,823	8,156	8,156
3221	KVO	RECORDATION FEE (RSC 1275)	648	550	550
3222	CRO	CORP RECORDATION	9,039	7,286	9,000
3223	KVO	PARKING FEES/PERMITS RSC 1314	1,592	1,550	1,550
3227	CRO	CONDO/COOP CERTIFICATE	14	30	30
3228	CRO	CONDO REGISTRATION	118	100	100
3234	KAO	OTHER SERVICE CHARGES-OTHER	2	2	2
3238	CRO	NUISANCE ABATEMENT RECOVERIES	57	-	-
3320	ATO	OTHER REVENUE-RENTALS	50	983	983
3320	RMO	TOWER FEES	34	34	34
3310	SRO	INVESTMENT ADVISORS ACT	16	215	215
4601	ICO	IDCR	3,397	746	746
TOTAL CHARGES FOR SERVICES			52,421	54,983	56,122
TOTAL NON TAX REVENUE			423,875	327,624	308,568
OTHER FINANCING SOURCES					
6104	DCO	LOTTERY TRANSFER	65,376	70,000	71,000
TOTAL OTHER FINANCING SOURCES			65,376	70,000	71,000

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source: May 2008 Certifications

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
A. Governmental Direction and Support										
Office of Property Management (AM0)	3,736,523	6,156,016	3,471,995	9,628,011	8,437,461	91,505	8,528,966	9,225,775	10,148,353	10,760,038
1150 Utility Payments for Non-DC Agencies	173,023	0	0	0	0	0	0	0	0	0
1450 Parking Fees	0	512,000	0	512,000	554,318	0	554,318	554,318	609,750	744,505
1459 Rent	3,471,995	5,644,016	3,471,995	9,116,011	7,883,143	0	7,883,143	8,671,457	9,538,603	10,015,533
1460 Eastern Market Enterprise Fund	91,505	0	0	0	0	91,505	91,505	0	0	0
Office of Finance and Resource Management (AS0)	677,032	0	0	0	0	0	0	0	0	0
1150 Utilities Payment for Non-DC Agencies	677,032	0	0	0	0	0	0	0	0	0
Office of the Chief Financial Officer (AT0)	13,492,387	38,687,238	6,448,496	45,135,734	50,611,230	1,929,281	52,540,511	39,651,164	32,091,453	32,133,152
0602 Payroll Service Fees	0	350,000	0	350,000	300,000	0	300,000	300,000	300,000	300,000
0603 Service Contracts	0	1,050,000	0	1,050,000	1,050,000	0	1,050,000	1,050,000	1,050,000	1,050,000
0605 Dishonored Check Fees	0	630,000	0	630,000	498,992	0	498,992	500,000	500,000	500,000
0606 Recorder of Deeds Surcharge	6,533,932	1,600,000	2,448,496	4,048,496	1,600,000	1,068,454	2,688,454	1,600,000	1,600,000	1,600,000
0607 Miscellaneous Revenue	0	80,000	0	80,000	85,000	0	85,000	85,000	85,000	85,000
0610 Bank Fees	203,053	6,180,000	0	6,180,000	6,180,000	0	6,180,000	6,180,000	6,180,000	6,180,000
0611 Tax Collection Fees	0	17,000,000	0	17,000,000	29,600,000	0	29,600,000	17,600,000	10,000,000	10,000,000
0613 Unclaimed Property Contingency Func	0	3,535,058	0	3,535,058	3,535,058	0	3,535,058	3,535,058	3,535,058	3,535,058
0614 Defined Contribution Plan Administration	0	150,000	0	150,000	150,000	0	150,000	150,000	150,000	150,000
0617 Baseball Financing Review Func	80,000	0	0	0	0	0	0	0	0	0
0618 Compliance and Real Property Tax Admin. Func	6,675,403	7,000,000	4,000,000	11,000,000	6,500,000	860,827	7,360,827	7,500,000	7,500,000	7,500,000
0619 DC Lottery Reimbursement	0	1,112,180	0	1,112,180	1,112,180	0	1,112,180	1,151,106	1,191,395	1,233,094
Office of the Secretary (BA0)	0	415,901	0	415,901	561,727	0	561,727	600,000	600,000	600,000
1243 Distribution Fees	0	415,901	0	415,901	561,727	0	561,727	600,000	600,000	600,000
D.C. Department of Human Resources (BE0)	0	590,358	0	590,358	406,000	0	406,000	406,000	406,000	406,000
0615 Defined Benefits Retirement Program	0	508,398	0	508,398	219,709	0	219,709	219,709	219,709	219,709
1555 Reimbursables from Other Governments	0	81,960	0	81,960	186,291	0	186,291	186,291	186,291	186,291
Office of the Attorney General (CB0)	8,791,489	3,829,868	1,835,198	5,665,066	4,298,700	1,858,855	6,157,555	4,298,700	4,298,700	4,298,700
0601 Driving Under the Influence (DUI) Fund	0	105,346	0	105,346	87,172	0	87,172	87,172	87,172	87,172
0602 Anti-Trust Fund	660,260	390,852	0	390,852	390,852	153,788	544,640	390,852	390,852	390,852
0603 Child Support - TANF/AFDC Collections	4,418,871	2,747,422	1,458,822	4,206,244	2,747,422	1,705,067	4,452,489	2,747,422	2,747,422	2,747,422
0604 Child Support - Reimbursements & Fees	141,186	0	0	0	0	0	0	0	0	0
0605 Child Support - Interest Income	343,854	0	0	0	0	0	0	0	0	0
0606 Child Support - Title IVD Incentive Fees	107,141	0	0	0	0	0	0	0	0	0
0611 Consumer Protection Fund	1,856,887	486,248	0	486,248	616,695	0	616,695	616,695	616,695	616,695
0612 Anti-Fraud Fund	1,263,310	100,000	376,376	476,376	456,559	0	456,559	456,559	456,559	456,559
Office of Contracting and Procurement (P00)	1,006,534	780,127	0	780,127	1,028,187	0	1,028,187	1,203,187	1,389,437	1,588,625
4010 D.C. Surplus Personal Property Sales Oper.	369,452	292,797	0	292,797	500,000	0	500,000	575,000	661,250	760,438
6102 D.C. Supply Schedule Sales Discount/Operat	637,082	487,330	0	487,330	528,187	0	528,187	628,187	728,187	828,187
Office of the Chief Technology Officer (T00)	223,290	408,736	33,400	442,136	525,000	0	525,000	525,000	525,000	525,000
0601 Tech City	223,290	0	0	0	0	0	0	0	0	0
1200 SERVUS Support	0	408,736	33,400	442,136	525,000	0	525,000	525,000	525,000	525,000
Sub-total: Governmental Direction and Support	27,927,255	50,868,244	11,789,089	62,657,333	65,868,306	3,879,641	69,747,947	55,909,826	49,458,943	50,311,515

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
B. Economic Development and Regulation										
Office of Planning (BD0)	47,123	15,000	0	15,000	15,000	0	15,000	15,000	15,000	15,000
2001 Historic Landmark & Historic District Filing Fees	47,123	15,000	0	15,000	15,000	0	15,000	15,000	15,000	15,000
Commission on the Arts and Humanities (BX0)	273,173	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
0600 Special Purpose Revenue	132,242	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
0610 Arts & Humanities Ent Fund; Party Animals Rev	140,661	0	0	0	0	0	0	0	0	0
6010 Arts and Technology Fund	271	0	0	0	0	0	0	0	0	0
Department of Employment Services (CF0)	32,734,114	32,151,166	0	32,151,166	35,124,132	0	35,124,132	30,799,366	29,419,366	29,419,366
0600 Special Purpose Revenue Fund	1,433,379	0	0	0	0	0	0	0	0	0
0610 Workers' Compensation - Special Fund	8,246,678	7,000,000	0	7,000,000	7,000,000	0	7,000,000	7,000,000	7,000,000	7,000,000
0611 Workers' Compensation - Administration Func	12,835,631	17,551,166	0	17,551,166	17,725,676	0	17,725,676	17,551,166	17,551,166	17,551,166
0612 UI Interest/Penalties	1,065,667	600,000	0	600,000	868,792	0	868,792	868,200	868,200	868,200
0623 DOES Relocation Fund	590,963	0	0	0	0	0	0	0	0	0
0624 UI Administrative Assessment Tax	8,561,795	7,000,000	0	7,000,000	9,529,664	0	9,529,664	5,380,000	4,000,000	4,000,000
Office of the Tenant Advocate (CQ0)	2,601,446	800,000	350,000	1,150,000	750,000	977,096	1,727,096	750,000	750,000	750,000
6005 Condo Conversion	2,601,446	800,000	350,000	1,150,000	750,000	977,096	1,727,096	750,000	750,000	750,000
Dept. of Consumer and Regulatory Affairs (CR0)	13,520,763	15,616,019	629,959	16,245,978	14,101,338	3,737,024	17,838,362	15,490,000	13,960,264	15,490,000
6006 Nuisance Abatement	5,708,893	5,500,000	0	5,500,000	4,000,000	1,976,077	5,976,077	5,500,000	4,000,000	5,500,000
6008 Real Estate Guarantee and Education Fund	3,252,618	612,637	0	612,637	1,900,000	0	1,900,000	800,000	1,900,000	600,000
6009 Real Estate Appraisal Fee	0	142,000	0	142,000	60,000	0	60,000	140,000	60,000	140,000
6010 OPLA Special Account	1,362,684	2,098,382	0	2,098,382	1,500,000	305,725	1,805,725	2,000,000	1,635,264	2,000,000
6011 Special Events Revolving	0	30,000	0	30,000	30,000	0	30,000	30,000	30,000	30,000
6012 Boxing Commission Revolving Account	0	70,000	0	70,000	75,000	0	75,000	70,000	60,000	70,000
6013 Basic Business License Func	841,018	5,500,000	0	5,500,000	5,000,000	841,018	5,841,018	5,500,000	5,000,000	5,500,000
6014 Fire Protection Special Revolving	0	100,000	0	100,000	100,000	0	100,000	100,000	100,000	100,000
6020 Board of Engineers Fund	1,131,397	563,000	0	563,000	120,000	20,000	140,000	550,000	175,000	550,000
6025 Construction/Zoning Compliance Mgmt. Func	1,224,163	1,000,000	629,959	1,629,959	1,316,338	584,204	1,910,542	1,000,000	1,000,000	1,000,000
Office of Cable TV and Telecommunications (CT0)	6,075,702	5,400,000	1,641,367	7,041,367	5,800,000	1,289,429	7,089,429	6,750,000	7,000,000	7,010,000
0600 Cable Franchise Fees	6,075,702	5,400,000	1,641,367	7,041,367	5,800,000	1,289,429	7,089,429	6,750,000	7,000,000	7,010,000
Dept. of Housing and Community Development (DB0)	24,679,627	8,671,920	18,789,152	27,461,072	4,645,675	962,463	5,608,138	9,391,692	9,391,692	9,391,692
0602 Home Purchase Assistance Program Repayment	17,508,515	6,309,707	14,603,438	20,913,145	1,832,308	0	1,832,308	6,817,871	6,817,871	6,817,871
0603 Land Acquisition for Housing Dev. Opportunities	3,043,096	416,000	2,278,823	2,694,823	200,000	422,585	622,585	274,312	274,312	274,312
0604 Senior Citizens Home Repair	77,258	0	0	0	0	0	0	0	0	0
0605 Multi-Family/ Rehabilitation Repayment	3,430,606	378,920	1,826,617	2,205,537	500,000	0	500,000	450,000	450,000	450,000
0607 Low Income Housing Tax Credit Program	80,274	849,509	80,274	929,783	849,509	0	849,509	849,509	849,509	849,509
0623 Home Again Revolving Fund	539,878	671,784	0	671,784	500,000	539,878	1,039,878	500,000	500,000	500,000
1980 Portal Site	0	46,000	0	46,000	500,000	0	500,000	500,000	500,000	500,000
C606 Intra-District Funding from CR0 600E	0	0	0	0	263,858	0	263,858	0	0	0
Public Service Commission (DH0)	0	8,645,124	0	8,645,124	9,790,266	0	9,790,266	9,721,039	9,721,039	9,721,039
0631 Operating - Utility Assessment	0	8,645,124	0	8,645,124	9,790,266	0	9,790,266	9,721,039	9,721,039	9,721,039
Office of the People's Counsel (DJ0)	73,467	4,883,003	0	4,883,003	5,024,793	0	5,024,793	4,995,330	4,995,330	4,995,330
0631 Advocate for Consumers	73,467	4,883,003	0	4,883,003	5,024,793	0	5,024,793	4,995,330	4,995,330	4,995,330

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
B. Economic Development and Regulation (continued)										
Office of the Deputy Mayor for Econ. Develop. (E80)	6,668,124	27,250,000	82,084	27,332,084	29,015,664	5,744,633	34,760,297	29,016,078	29,016,078	29,016,078
0609 Industrial Revenue Bond Program	5,534,063	2,250,000	82,084	2,332,084	2,376,586	3,744,633	6,121,219	2,377,000	2,377,000	2,377,000
0626 AWC Integration	164,466	0	0	0	0	0	0	0	0	0
0632 AWC & NCRC Development (ED Special Account)	0	0	0	0	3,639,078	2,000,000	5,639,078	3,639,078	3,639,078	3,639,078
0635 Comprehensive Housing Task Force	914,535	0	0	0	0	0	0	0	0	0
2002 Revolving Loan Fund (2467)	53,000	0	0	0	0	0	0	0	0	0
2003 Capital City Part (2579)	2,060	25,000,000	0	25,000,000	23,000,000	0	23,000,000	23,000,000	23,000,000	23,000,000
Dept. of Small and Local Business Development (EN0)	397,599	0	0	0	0	0	0	0	0	0
0622 Commercial Trust Fund	397,599	0	0	0	0	0	0	0	0	0
Alcoholic Beverage Regulation Administration (LQ0)	5,687,366	4,220,056	500,966	4,721,022	3,700,000	2,547,142	6,247,142	4,500,000	3,700,000	4,500,000
6017 ABC Import and Class License Fees	5,565,372	4,220,056	500,966	4,721,022	3,700,000	2,547,142	6,247,142	4,500,000	3,700,000	4,500,000
6018 ABC Keg Registration Fees	121,994	0	0	0	0	0	0	0	0	0
Dept. of Insurance, Securities and Banking (SR0)	982,209	28,120,000	0	28,120,000	28,324,440	0	28,324,440	29,169,600	29,169,599	30,044,688
0615 Junior Supersavers Club	9,000	0	0	0	0	0	0	0	0	0
2100 HMO Assessment Fee	225,348	1,100,000	0	1,100,000	1,104,440	0	1,104,440	1,133,000	1,133,000	1,166,990
2200 Insurance Assessment Fee	608,384	9,000,000	0	9,000,000	9,000,000	0	9,000,000	9,270,000	9,270,000	9,548,100
2300 Securities/ Broker Dealer Licenses Fees	0	4,500,000	0	4,500,000	4,500,000	0	4,500,000	4,635,000	4,635,000	4,774,050
2492 State Filings	139,477	0	0	0	0	0	0	0	0	0
2500 Investment Advisors Licenses	0	340,000	0	340,000	340,000	0	340,000	350,200	350,200	360,706
2600 Securities Registration Fees	0	7,760,000	0	7,760,000	7,760,000	0	7,760,000	7,992,800	7,992,800	8,232,584
2800 Captive Insurance	0	2,620,000	0	2,620,000	2,620,000	0	2,620,000	2,698,600	2,698,599	2,779,558
2900 Banking Trust Fund	0	2,800,000	0	2,800,000	3,000,000	0	3,000,000	3,090,000	3,090,000	3,182,700
Sub-total: Economic Development and Regulation	93,740,713	136,172,288	21,993,528	158,165,816	136,691,308	15,257,787	151,949,095	140,998,105	137,538,368	140,753,193

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
C. Public Safety and Justice										
Metropolitan Police Department (FA0)	1,302,290	12,939,508	355,414	13,294,922	12,695,000	175,000	12,870,000	12,695,000	12,720,000	12,720,000
1431 Data Processing	0	50,000	0	50,000	50,000	0	50,000	50,000	50,000	50,000
1555 Reimbursable from Other Governments	0	650,000	0	650,000	650,000	0	650,000	650,000	650,000	650,000
1607 Sale of Unclaimed Property	370,554	392,106	250,000	642,106	350,000	100,000	450,000	350,000	375,000	375,000
1614 Miscellaneous Reimbursements	0	2,700,000	0	2,700,000	2,700,000	0	2,700,000	2,700,000	2,700,000	2,700,000
1660 Automated Traffic Enforcement	0	7,597,125	0	7,597,125	7,600,000	0	7,600,000	7,600,000	7,600,000	7,600,000
1988 Drug Interdiction	416,801	0	0	0	0	0	0	0	0	0
2531 Narcotics Proceeds	(26,344)	650,000	0	650,000	475,000	0	475,000	475,000	475,000	475,000
2532 Gambling Proceeds	0	250,277	0	250,277	120,000	0	120,000	120,000	120,000	120,000
7278 Asset Forfeiture	541,280	650,000	105,414	755,414	750,000	75,000	825,000	750,000	750,000	750,000
Fire and Emergency Medical Services Dept. (FB0)	0	800,000	0	800,000	824,000	0	824,000	848,720	874,182	900,407
6100 Special Event Fees	0	800,000	0	800,000	824,000	0	824,000	848,720	874,182	900,407
Office of Victim Services (FE0)	11,530,607	2,500,000	4,786,000	7,286,000	2,500,000	7,399,000	9,899,000	2,500,000	2,500,000	2,500,000
0620 Crime Victims Assistance Func	11,530,607	2,500,000	4,786,000	7,286,000	2,500,000	3,689,000	6,199,000	2,500,000	2,500,000	2,500,000
0621 Dom. Violence Shelter & Transition Housing Func	0	0	0	0	0	3,700,000	3,700,000	0	0	0
Department of Corrections (FL0)	0	36,100,000	0	36,100,000	33,687,510	0	33,687,510	33,677,510	33,682,510	33,687,510
0600 Corrections Trustee Reimbursement	0	35,300,000	0	35,300,000	32,937,510	0	32,937,510	32,937,510	32,937,510	32,937,510
0601 Concession Income	0	700,000	0	700,000	700,000	0	700,000	700,000	700,000	700,000
0602 Welfare Account	0	100,000	0	100,000	50,000	0	50,000	40,000	45,000	50,000
Office of Administrative Hearings (FS0)	0	49,999	0	49,999	32,478	0	32,478	32,478	32,478	32,478
0614 Adjudication Fines and Fees	0	49,999	0	49,999	32,478	0	32,478	32,478	32,478	32,478
Office of the Chief Medical Examiner (FX0)	159,563	185,000	50,000	235,000	195,000	109,000	304,000	210,000	221,000	235,000
0601 Medical Examiner Fees	159,563	185,000	50,000	235,000	195,000	109,000	304,000	210,000	221,000	235,000
Office of Unified Communications (UC0)	3,632,036	12,500,000	3,940,828	16,440,828	12,500,000	688,838	13,188,838	12,500,000	12,500,000	12,500,000
0600 Other Funds	1,633,626	0	0	0	0	0	0	0	0	0
1630 911 & 311 Assessments	1,998,210	12,500,000	3,940,828	16,440,828	12,500,000	688,838	13,188,838	12,500,000	12,500,000	12,500,000
Sub-total: Public Safety and Justice	16,624,496	65,074,507	9,132,242	74,206,749	62,433,988	8,371,838	70,805,826	62,463,708	62,530,170	62,575,395

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

		FY 2007	FY 2008 Certified	FY 2008 Certified	FY 2008 Certified	FY 2009 Certified	FY 2009 Certified	FY 2009 Certified	FY 2009 Certified	FY 2010 Certified	FY 2011 Certified	FY 2012 Certified
		End of	Revenues	Fund Balance Use	Resources	Revenues	Fund Balance Use	Resources	Resources	Revenues	Revenues	Revenues
		Year Fund	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.	5/08 Cert.
		Balance										
D. Public Education System												
District of Columbia Public Library (CEO)		815,881	253,000	383,901	636,901	254,000	245,140	499,140	244,000	244,000	244,000	244,000
0101/6110	Miscellaneous	43,241	8,000	12,000	20,000	9,000	11,000	20,000	9,000	9,000	9,000	9,000
0102/6102	Bookstore	67,533	60,000	32,000	92,000	55,000	40,000	95,000	50,000	50,000	50,000	50,000
0103/6103	Restricted Fines	356,567	130,000	130,000	260,000	135,000	125,000	260,000	135,000	135,000	135,000	135,000
0104	Gifts-Donations	5,863	0	0	0	0	0	0	0	0	0	0
0108/6108	Copies and Printing	9,901	55,000	9,901	64,901	55,000	0	55,000	50,000	50,000	50,000	50,000
0109	Miscellaneous Customer Service	8,497	0	0	0	0	0	0	0	0	0	0
0140	Restricted Gifts & Donations	7,293	0	0	0	0	0	0	0	0	0	0
0150/6150	SID E-Rate Reimbursement	269,140	0	200,000	200,000	0	69,140	69,140	0	0	0	0
0190	Franklin Restitution Payment	27,847	0	0	0	0	0	0	0	0	0	0
District of Columbia Public Schools (GA0)		4,125,913	3,642,886	4,118,271	7,761,157	3,671,268	0	3,671,268	3,671,289	3,671,289	3,671,289	3,671,289
0601	Lease Income - Security Deposits	7,643	0	0	0	0	0	0	0	0	0	0
0602	ROTC	1,009,213	946,081	1,009,213	1,955,294	974,463	0	974,463	974,463	974,463	974,463	974,463
0604	Pepco/Washington Gas	228,817	141,275	228,817	370,092	141,275	0	141,275	141,275	141,275	141,275	141,275
0607	Custodial	479,382	340,126	479,382	819,508	340,126	0	340,126	340,126	340,126	340,126	340,126
0608	Nonresident	1,465,944	529,370	1,465,944	1,995,314	529,370	0	529,370	529,370	529,370	529,370	529,370
0609	Security Deposits	612,747	312,549	612,747	925,296	312,549	0	312,549	312,549	312,549	312,549	312,549
0611	Cafeteria	135,799	959,657	135,799	1,095,456	959,657	0	959,657	959,657	959,657	959,657	959,657
0613	Vending Machine Sales	60,628	180,483	60,628	241,111	180,483	0	180,483	180,483	180,483	180,483	180,483
0621	Parking Fees	0	76,276	0	76,276	76,276	0	76,276	76,276	76,276	76,276	76,276
0623	Hoop Dreams Scholarship Fund	111,198	54,069	111,198	165,267	54,069	0	54,069	54,069	54,069	54,069	54,069
0626	TDL Career Cluster Project at Cardozo	14,543	0	14,543	14,543	0	0	0	0	0	0	0
0630	Teacher Certification Fees	0	103,000	0	103,000	103,000	0	103,000	103,021	103,021	103,021	103,021
Public Charter School Board (GB0)		0	1,350,000	0	1,350,000	1,800,000	0	1,800,000	2,041,000	2,250,000	2,475,000	2,475,000
6632	Administrative Fee	0	1,350,000	0	1,350,000	1,800,000	0	1,800,000	2,041,000	2,250,000	2,475,000	2,475,000
Office of the State Superintendent of Education (GD0)		10,162,078	7,500	10,360,613	10,368,113	7,000	10,560,000	10,567,000	7,000	7,000	7,000	7,000
0601	State Education Other Fund	0	500	0	500	0	0	0	0	0	0	0
0610	Charter School Credit Enhancement Fund	10,094,847	0	10,300,432	10,300,432	0	10,500,000	10,500,000	0	0	0	0
6007/6010	Site Evaluation Visits / DPLA - Special Account	67,231	7,000	60,181	67,181	7,000	60,000	67,000	7,000	7,000	7,000	7,000
Office of Public Educ. Facilities Modernization (GM0)		12,489,907	3,285,646	484,436	3,770,082	3,285,646	12,652,061	15,937,707	3,285,646	3,285,646	3,285,646	3,285,646
0603	Lease Income	(162,154)	3,285,646	0	3,285,646	3,285,646	0	3,285,646	3,285,646	3,285,646	3,285,646	3,285,646
0627	BOE - Real Property Improvement Fund	12,652,061	0	484,436	484,436	0	12,652,061	12,652,061	0	0	0	0
Sub-total: Public Education System		27,593,778	8,539,032	15,347,221	23,886,253	9,017,914	23,457,201	32,475,115	9,248,935	9,457,935	9,682,935	9,682,935

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
E. Human Support Services										
Department of Parks and Recreation (HA0)	1,545,660	2,000,000	492,324	2,492,324	2,100,000	392,324	2,492,324	2,100,000	2,150,000	2,200,000
0602 Enterprise Fund Account	1,545,660	2,000,000	492,324	2,492,324	2,100,000	392,324	2,492,324	2,100,000	2,150,000	2,200,000
Department of Health (HCO)	12,058,479	14,111,056	4,662,808	18,773,864	14,214,520	1,326,102	15,540,622	14,498,219	14,769,694	15,048,105
0601 Medical Examiners Fees	33,022	0	0	0	0	0	0	0	0	0
0605 SHPDA Fees	844,012	450,455	216,555	667,010	407,659	0	407,659	415,813	424,129	432,612
0606 Vital Records Revenue	1,883,389	3,450,566	713,385	4,163,951	3,285,268	49,548	3,334,816	3,350,974	3,417,993	3,486,353
0608 Drug Interdiction Fund	817,833	356,549	0	356,549	356,549	293,451	650,000	363,680	370,954	378,373
0610 Methadone Fees	9,743	0	0	0	155	0	155	158	161	165
0611 Radioactive Waste Fees	130,432	0	0	0	13,750	0	13,750	14,025	14,306	14,735
0612 Food Handlers Certification	1,191,686	1,000,000	200,000	1,200,000	838,887	469,501	1,308,388	855,685	872,778	890,234
0614 Adjudication Fines	71,631	0	0	0	0	0	0	0	0	0
0617 Office of Professional Licensing	66,591	0	0	0	5,129	0	5,129	4,573	4,665	4,758
0621 UDC Health Clinic Reimbursement	79,050	924,363	0	924,363	924,363	0	924,363	924,363	924,363	924,363
0630 General Counsel - FICA	0	3,620	0	3,620	3,161	0	3,161	3,224	3,288	3,354
0632 Pharmacy Protection	645,724	526,719	0	526,719	581,850	0	581,850	593,487	605,356	617,463
0633 Radiation Protection	356,064	0	0	0	130,591	207,025	337,616	133,203	135,867	139,943
0638 Animal Control Dog License Fees and Fines	162,494	94,399	26,601	121,000	96,523	0	96,523	98,453	100,422	102,431
0641 Other Medical Licenses and Fees	22,174	0	0	0	0	0	0	0	0	0
0642 Medicaid Reimbursement - APRA	24,022	0	0	0	0	0	0	0	0	0
0643 Board of Medicine	1,515,390	3,499,591	1,276,708	4,776,299	5,772,840	0	5,772,840	5,888,297	6,006,063	6,126,184
0649 Health Facility Fee	253,781	16,648	8,352	25,000	14,311	119,232	133,543	33,150	33,813	34,490
0650 Human Services Facility Fee	435,134	141,557	0	141,557	158,807	8,941	167,748	161,983	165,223	168,527
0651 Health Benefits Plans - Bill of Rights Act	482,505	452,286	0	452,286	460,144	31,977	492,121	469,347	478,734	488,309
0652 DC Superior Courts PHSA Agreement	0	405,441	0	405,441	413,550	0	413,550	421,821	430,257	438,862
0655 SHPDA Admission Fee	477,207	339,977	442,273	782,250	339,332	34,934	374,266	346,118	353,041	360,101
0656 EMS Fees	43,215	45,543	5,512	51,055	45,228	8,095	53,323	46,133	47,055	47,997
0658 Public Health Laboratory Fees	244,375	119,101	50,899	170,000	84,163	55,837	140,000	85,846	87,563	89,314
0661 ICF/MR Fees and Fines	74,272	16,648	8,352	25,000	14,311	18,189	32,500	14,598	14,889	15,187
0662 Civil Monetary Penalties	270,068	127,821	0	127,821	130,005	19,995	150,000	132,605	135,257	137,962
0670 HCSN Revolving Fund	1,934,928	2,000,000	1,694,171	3,694,171	0	0	0	0	0	0
0673 DOH Regulatory Enforcement Fund	189,761	139,772	20,000	159,772	137,944	9,377	147,321	140,703	143,517	146,388
Note: Beginning in FY09 HCO Fund 0651 will become HT0 Fund 0632 (Bill of Rights - Grievance & Appeals). Consequently, the FY09 - FY12 certified resources for HCO Fund 0651 will transfer to HT0 Fund 0632.										
Department of Health Care Finance (HT0)	21,500,562	1,500,000	0	1,500,000	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000
0631 Medicaid Collections - Other	0	1,500,000	0	1,500,000	1,500,000	0	1,500,000	1,500,000	1,500,000	1,500,000
0672 MAA Nursing Facility Quality of Care Fund	21,500,562	0	0	0	0	0	0	0	0	0
Department of Human Services (JAO)	2,672,437	2,825,000	0	2,825,000	2,856,280	0	2,856,280	2,884,843	2,913,691	2,942,828
0600 Special Purpose Revenue Fund	2,740	0	0	0	0	0	0	0	0	0
0603 SSI Payback	2,669,697	2,525,000	0	2,525,000	2,550,250	0	2,550,250	2,575,753	2,601,510	2,627,525
0613 Food Stamps Collection - Fraud	0	300,000	0	300,000	306,030	0	306,030	309,090	312,181	315,303
Department on Disability Services (JMO)	712,882	5,700,000	0	5,700,000	5,800,000	0	5,800,000	5,850,000	5,850,000	5,850,000
0610 Vocational Rehab Service Reimbursement	370	200,000	0	200,000	200,000	0	200,000	250,000	250,000	250,000
0611 Cost of Care - Non-Medicaid Clients	0	2,000,000	0	2,000,000	2,100,000	0	2,100,000	2,100,000	2,100,000	2,100,000
0616 Randolph Shepherd Unassigned Facilities	712,512	3,500,000	0	3,500,000	3,500,000	0	3,500,000	3,500,000	3,500,000	3,500,000
Child and Family Services Agency (RLD)	0	1,337,500	0	1,337,500	750,000	0	750,000	750,000	750,000	750,000
0601 H.U.M.N. - Human Res. - ES	0	750,000	0	750,000	750,000	0	750,000	750,000	750,000	750,000
0602 DCHA New Communities - Human Capital Activities	0	587,500	0	587,500	0	0	0	0	0	0
Department of Mental Health (RMO)	0	3,808,120	0	3,808,120	3,808,120	0	3,808,120	3,608,120	3,608,120	3,608,120
0610 DMH Federal Beneficiary Reimbursement	0	2,268,000	0	2,268,000	2,268,000	0	2,268,000	2,268,000	2,268,000	2,268,000
0640 DMH Medicare and Third Party Reimbursement	0	1,540,120	0	1,540,120	1,540,120	0	1,540,120	1,340,120	1,340,120	1,340,120
Sub-total: Human Support Services	38,490,021	31,281,676	5,155,132	36,436,808	31,028,920	1,718,426	32,747,346	31,191,182	31,541,505	31,899,053

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
F. Public Works										
District Department of Transportation (KA0)	9,283,023	115,773,990	150,000	115,923,990	101,882,452	10,150,000	112,032,452	102,514,869	103,516,661	103,951,265
6000 General "O" Type Revenue Sources	0	84,000	0	84,000	20,000	0	20,000	20,000	20,000	20,000
6030 DC Circulator Bus System	0	1,135,000	0	1,135,000	1,700,000	0	1,700,000	1,700,000	1,700,000	1,700,000
6140 Tree Fund (est. DC Act 14-614)	307,923	150,000	150,000	300,000	150,000	150,000	300,000	150,000	150,000	150,000
6261 Reimbursable Street Repairs	0	34,232	0	34,232	0	0	0	0	0	0
6425 Federal Transit Authority Grant Match	0	72,000	0	72,000	72,000	0	72,000	72,000	72,000	72,000
6452 Child Safety Seat Program	0	21,072	0	21,072	21,072	0	21,072	21,072	21,072	21,072
6462 Restoration of Public Space Projects	0	165,000	0	165,000	27,728	0	27,728	27,728	27,728	27,728
6551 Wilson Bridge	0	84,200	0	84,200	0	0	0	0	0	0
6555 Mall Tunnel Lighting	0	282,552	0	282,552	282,552	0	282,552	282,552	282,552	282,552
6634 Citizen Streetlight & Traffic Control Project	0	55,000	0	55,000	45,000	0	45,000	45,000	45,000	45,000
6900 DDOT Unified Fund	8,972,277	113,710,934	0	113,710,934	89,564,100	10,000,000	109,564,100	100,196,517	101,198,309	101,632,913
6967 Abandoned Vehicle Program	2,823	0	0	0	0	0	0	0	0	0
District Department of the Environment (KG0)	24,938,313	23,651,300	4,389,321	28,040,621	23,706,354	11,285,905	34,992,259	24,124,914	24,740,659	25,374,876
0600 General Enforcement Fines and Fees	10,500	15,000	0	15,000	25,000	0	25,000	25,750	28,523	27,319
0602 Air Quality Construction Permits	201,543	197,760	0	197,760	88,853	116,476	205,329	91,519	94,264	97,092
0603 Fishing License	208,091	70,857	0	70,857	70,857	0	70,857	72,983	75,172	77,427
0604 Oil Spill Fee	19,200	0	0	0	0	0	0	0	0	0
0607 Underground Storage Tank Fines and Fees	1,218,645	404,223	0	404,223	418,349	0	416,349	428,840	441,705	454,956
0609 LUST Trust Fund	109,321	0	14,321	14,321	0	40,000	40,000	0	0	0
0611 Radioactive Waste Fees	0	15,000	0	15,000	0	0	0	0	0	0
0633 Radiation Protection	0	46,078	0	46,078	0	0	0	0	0	0
0634 Soil Erosion/Sediment Control	2,761,457	845,000	0	845,000	850,000	0	850,000	875,500	901,785	928,818
0645 Pesticide Product Registration	2,520,498	830,000	0	830,000	866,927	0	886,927	885,612	912,180	939,545
0646 Storm Water Fees	67,434	25,000	0	25,000	25,750	0	25,750	26,523	27,318	28,135
0648 Asbestos Certification and Abatement Fee	72,905	180,000	0	180,000	203,450	0	203,450	209,554	215,840	222,315
0654 Storm Water Permit Review	7,673,080	3,600,000	3,800,000	7,500,000	3,600,000	7,673,080	11,273,080	3,600,000	3,600,000	3,600,000
0661 RETF - PEPCO	5,114,390	15,000,000	0	15,000,000	15,000,000	0	15,000,000	15,450,000	15,913,500	16,380,905
0662 Renewable Energy Development Fund	0	100,000	0	100,000	100,000	0	100,000	0	0	0
0663 Brownfield Revitalization	90,027	20,000	0	20,000	25,000	0	25,000	25,750	26,523	27,318
0664 Adjudication Hearings [Air Quality]	60,385	31,064	0	31,064	25,000	0	25,000	25,750	26,523	27,318
0665 Adjudication Hearings [Water Quality]	293,422	66,286	0	66,286	66,286	0	66,286	68,275	70,323	72,433
0666 Wells Fund	2,000	2,500	0	2,500	5,000	0	5,000	5,000	5,150	5,305
0669 Lead Based Certification Fees	240,140	181,121	0	181,121	162,000	19,000	181,000	166,880	171,866	177,022
0674 Hazardous Generator Fees	186,335	77,835	0	77,835	112,000	25,027	137,027	115,360	118,821	122,385
6101 Stripperwell	148,702	0	75,000	75,000	0	77,000	77,000	0	0	0
6201 Economy II	76,278	48,001	0	48,001	34,500	24,500	59,000	35,535	36,601	37,899
6202 Residential Aid Discount [RAD]	115,633	80,126	0	80,126	61,930	0	61,930	63,788	65,701	67,672
6203 Residential Essential Services [RES]	99,971	50,126	0	50,126	53,178	10,822	64,000	54,773	56,417	58,109
6204 WASA Utility Discount Program	119,638	70,523	0	70,523	76,274	0	76,274	78,562	80,919	83,346
6300 Natural Gas Trust Fund [NGTF]	3,413,841	1,600,000	400,000	2,000,000	1,700,000	3,300,000	5,000,000	1,697,440	1,748,363	1,800,814
6400 DC Municipal Aggregation Program	114,895	115,000	0	115,000	118,000	0	118,000	121,540	125,186	128,942

Table 4-41 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2007 End of Year Fund Balance	FY 2008 Certified Revenues 5/08 Cert.	FY 2008 Certified Fund Balance Use 5/08 Cert.	FY 2008 Certified Resources 5/08 Cert.	FY 2009 Certified Revenues 5/08 Cert.	FY 2009 Certified Fund Balance Use 5/08 Cert.	FY 2009 Certified Resources 5/08 Cert.	FY 2010 Certified Revenues 5/08 Cert.	FY 2011 Certified Revenues 5/08 Cert.	FY 2012 Certified Revenues 5/08 Cert.
F. Public Works (continued)										
Department of Public Works (KT0)	2,684,954	10,441,000	80,000	10,521,000	13,394,650	220,000	13,614,650	13,394,650	13,394,650	13,394,650
6000 General "O" Type Revenue Sources	0	778,000	0	778,000	3,409,224	0	3,409,224	3,409,224	3,409,224	3,409,224
6010 Super Can Program	0	24,000	0	24,000	24,000	0	24,000	24,000	24,000	24,000
6072 District Recycle Program	791,164	1,100,000	0	1,100,000	1,037,504	0	1,037,504	1,037,504	1,037,504	1,037,504
6082 Solid Waste Disposal Fee Fund	851,702	7,197,000	0	7,197,000	7,860,579	0	7,860,579	7,860,579	7,860,579	7,860,579
6564 Lorton Landfill	0	47,000	0	47,000	58,343	0	58,343	58,343	58,343	58,343
6591 Clean City Fund	404,153	1,295,000	80,000	1,375,000	1,005,000	220,000	1,225,000	1,005,000	1,005,000	1,005,000
6967 Abandoned Vehicle Program	637,934	0	0	0	0	0	0	0	0	0
Department of Motor Vehicles (KV0)	8,792,405	8,628,710	2,849,573	11,478,283	9,101,800	4,870,427	13,972,227	9,101,800	9,101,800	9,101,800
6000 General "O" Type Revenue Sources	6,285,010	2,786,500	2,724,573	5,511,073	3,473,000	3,275,427	6,748,427	3,473,000	3,473,000	3,473,000
6100 Fee for Out-of-State Vehicle Registration	0	378,800	0	378,800	378,800	0	378,800	378,800	378,800	378,800
6221 Drivers Education Program	991,564	475,000	125,000	600,000	475,000	125,000	600,000	475,000	475,000	475,000
6258 Motor Vehicle Inspection Station	1,515,830	4,723,410	0	4,723,410	4,500,000	1,470,000	5,970,000	4,500,000	4,500,000	4,500,000
6785 Commercial Drivers License Program	0	265,000	0	265,000	275,000	0	275,000	275,000	275,000	275,000
D.C. Taxicab Commission (TC0)	327,305	376,500	73,235	449,735	486,500	136,511	623,011	420,000	425,000	430,000
2100 Justice Department Fingerprints	0	40,000	0	40,000	40,000	0	40,000	40,000	40,000	40,000
2200 Taxicab Assessment Act	327,305	336,500	73,235	409,735	446,500	136,511	583,011	380,000	385,000	390,000
Sub-total: Public Works	46,026,000	158,871,500	7,542,129	166,413,629	148,571,756	26,662,843	175,234,599	149,556,233	151,178,770	152,252,591
District-Wide Total	250,402,263	450,807,247	70,959,341	521,766,589	453,612,192	79,347,736	532,959,928	449,367,989	441,705,691	447,474,681

Tax Expenditure Budget

FY 2008–2011

Introduction: Scope and Purpose

Scope as Mandated by the D.C. Code

D.C. Code §47-318.01(b) mandates the District of Columbia to routinely and regularly include in its Budget a listing and cost estimate of “tax expenditures” – erosions to the District of Columbia’s revenue base that, in effect, function as spending programs channeled through the revenue system:¹

... the Chief Financial Officer (CFO) shall prepare, on a biennial basis, and the Mayor shall include in the budget submission to the Council, a tax expenditure budget that estimates the revenue loss to the District government from each tax expenditure for the current fiscal year and the next 2 fiscal years.

The Act further defines tax expenditures as “the revenue losses attributable to provisions of federal law and the laws of the District of Columbia (D.C.) that allow, in whole or in part, a special exclusion, exemption, or deduction from taxes authorized” in Title 47 of the District of Columbia Official Code, or “which provide a special credit, a preferential rate of tax, or a deferral of tax liability.”

Tax expenditures may take any of the following forms:²

- exclusions, exemptions, and deductions, which reduce taxable income;
- preferential tax rate, which apply lower rates to all or part of a taxpayer’s income;
- credits, which are subtracted from taxes as ordinarily computed;
- deferrals of tax, which result from delayed recognition of income or from allowing in

the current year deductions that are properly attributable to a future year; and

- erosions to the D.C. income and franchise tax base that arise from federal income tax provisions that are incorporated into D.C. law by references to federal law.

Purpose of the Tax Expenditure Exercise

The tax expenditure exercise addresses three issues of importance to understanding the District of Columbia government’s use of taxpayer money:

- **Comprehensiveness of the Citizens’ Budget.** The listing of tax expenditures, taken in conjunction with the listing of direct spending programs, is intended to inform fiscal policy-makers and practitioners to scrutinize all D.C. programs—tax and non-tax—of the District of Columbia Budget. Only when tax expenditures are examined along with the direct-spending side of the budget can one fully understand the structure of District of Columbia fiscal policy.
- **Fiscal transparency.** Transparency and political accountability require that each tax expenditure faces the same annual scrutiny that is accorded other types of expenditures; however, in practice, they receive little systematic review. As a result, tax expenditures function as open-ended spending entitlements. Moreover, in a manner similar to explicit tax and spending items that are listed in the main text of this budget, tax expenditures have implications for the distribution of benefits across income classes. This, in turn, raises the question of whether they provide a less (or more) efficient means of targeting

¹ For a summary of purpose and scope of a tax expenditure budget, see Jane G. Gravelle, “Tax Expenditures,” in Cordes, Joseph J, Robert D. Ebel and Jane G. Gravelle, eds., *The Encyclopedia of Taxation and Tax Policy* (Washington, D C: Urban Institute Press, 2005), pp. 406-408.

² *Ibid.*

benefits than would a direct expenditure program.³

- **Options for Revenue Base Broadening.** And, finally, a tax expenditure budget as presented here also identifies provisions that may be considered options for revenue base broadening (which, for an equal yield to total revenues, could lead to lower statutory rates on the existing D.C. revenue base).

Measurement

The estimates in this report are based on federal and D.C. tax data for tax year 2006 as well as U.S. Treasury estimates of federal tax expenditures for the 2009 to 2012 period.⁴ Each of the estimated items is detailed in the accompanying table (Table 4-42). It is the item-by-item view that is of particular interest in a reading of this Appendix, since the sum of tax expenditure estimates does not necessarily reflect the amount of actual revenue that would be gained through the repeal of specific provisions in the tax law. This is due to three assumptions made to ease the task of estimation, which are consistent with those made at the by the federal government as well as by other states.

- **Assumption 1: The elimination of a tax expenditure does not alter economic behavior.** Many tax provisions are designed to provide incentives for economic agents to behave in a certain manner. Eliminating these provisions will almost certainly alter their behavior as well.
- **Assumption 2: Each tax expenditure is independent.** Repealing one tax provision may, in fact, increase or decrease the revenue losses caused by other provisions that are not eliminated.
- **Assumption 3: The elimination of tax expenditures does not affect overall macroeconomic conditions.** Repeal of major tax expenditures would likely have some impact on the economy, as they would affect the spending power of economic agents. However, marginal changes in particular provisions are unlikely to have a

significant impact on overall income levels and rates of economic growth.

In other words, the reported estimate for each tax expenditure is an isolated estimate. Each estimate assumes implicitly that all other tax expenditures exist remain in effect and that all other factors remain constant.

Findings

A “Total” View

Recognizing the caveat noted above that if one were to eliminate all tax expenditures that the sum of the individual items would not accurately reflect the amount of revenue that would be gained through the repeal of specific provisions in the tax law, summing up the specific provisions nevertheless gives one a good sense of just how important such tax entitlements are with respect to the current D.C. budget. And that number is significant. In FY 2008, estimated D.C. tax expenditures resulting from federal and District preferences totaled more than \$4.4 billion.⁵ By comparison, the FY 2008 local funds expenditure budget totaled \$5.6 billion, and general fund expenditures and transfers totaled \$6.3 billion.⁶

Specific Provisions

The provisions of D.C. tax law identified as tax expenditures for this budget are detailed below (Table 4-42). They are grouped into eight major functional categories (sectors) of the D.C. budget, and then, under each such major category, the tax-spending on these programs is detailed by type of tax—viz., the taxes on income and franchise, real property tax, deed recordation and transfer, and sales.⁷ To illustrate for the income and real property taxes:

Income/Franchise Tax Expenditures. Many of the income/franchise tax expenditures arise from federal income tax exclusions, deductions that are

³ The distributional aspects are not examined here.

⁴ “2009 Analytical Perspectives,” *Budget of the United States Government: Fiscal Year 2009* (Washington, DC: Office of Budget and Management, 2008).

⁵ This represents an arithmetic sum of all estimated tax expenditures rather than an accurate estimate of the total amount of revenue that would be gained by simultaneously repealing all tax preferences in the District of Columbia. Such an estimate would require consideration of all possible interactions that would affect the total revenue gain. It is not known if the sum of tax expenditure revenue losses overstates or understates the actual effect. However, a recent Urban Institute study of U.S. tax expenditures estimated the interaction-adjusted sum was only five percent higher than the arithmetic sum of all U.S. tax expenditures.

⁶ *FY 2009 Proposed Budget and Financial Plan: Executive Summary* (Washington, DC: Executive Office of the Mayor, March 20, 2008). Table 3-1.

⁷ For a detailed description of the District of Columbia Revenue System, refer to *D.C. Tax Facts, 2008* (Washington, DC: Office Revenue Analysis/Office of the Chief Financial Officer), June 2008

incorporated into D.C. law by references to Federal law (in technical jargon, there is “conformity” to the federal IRS code). These are identified by “US” between the item number and the description. The remaining tax expenditures are explicitly provided for in the D.C. Code.

An example of how the interplay of the “US” factor became an issue in the preparation of the FY 2009 D.C. budget is provided by how the District of Columbia Council addressed a US tax provision called the Qualified Production Activity Income Deduction (QPAI), which is shown as item number 44 in the tax expenditure budget. The QPAI was enacted in 2004 as Section 199 of the federal Internal Revenue Code. It allows business taxpayers who fill out their Federal 1120s, for example, to deduct 6 percent (rising to 9 percent in 2010 and thereafter) of their qualified production activities income as a deduction in computing Adjusted Gross Income (AGI) for individuals and taxable income for corporations. Qualified business activities include manufacturing, food production, filmmaking, mineral and oil extraction, publishing, wholesale trade and construction.

District of Columbia law conforms in many respects with federal law with regard to deductible business expenses. The result of this pass-through to D.C. is that of a revenue loss of \$3.38 million in 2008, rising in 2011 to a loss to the District of Columbia treasury of \$6.28 million

Accordingly, the issue before the District of Columbia Council in April 2008 was whether the District of Columbia should “decouple” from Section 199 of the IRS Code. Such “decoupling”, or disallowing the federal deduction in the calculation of taxable income, has the effect of preserving District tax revenues with little impact on the creation of District production activities or jobs, as corporations that claim the

deduction are at least as likely to be claiming the deduction for out-of-District activities as those that take place within the District. Only six percent of jobs in the District of Columbia are in qualifying sectors, in contrast to nearly 19 percent in the U.S. as a whole. The Council’s decision (with formal approval pending the approval of this Budget) has been to decouple beginning in tax year 2009.

Residential Real Property Tax. The real property tax serves as a common vehicle for tax expenditure spending. Chief among these is a series of provisions that provide tax relief to District homeowners. The property tax homestead deduction for taxpayers living in owner-occupied homes (item 12), the property tax senior citizen exemption (item 13), the property tax limit on annual residential real property tax increases (item 14), and the property tax low-income exemption (item 88) are all examples of District-levied tax breaks given to promote homeownership and keep tax burdens on owner-occupied housing affordable. The estimated forgone revenue from these tax expenditures total \$114.42 million in 2008, rising to \$126.21 million in 2011.

Tax Expenditure Budget Numbers

The table that follows identifies 150 separate tax expenditure items. For some items, separate estimates of the revenue losses could not be made. Approximately half the listed tax expenditure items are reductions in D.C. income/franchise tax revenue that result from federal preferences that “flow through” to D.C. tax returns.

Table 4-42

**District of Columbia Tax Expenditure Estimates for Fiscal Years 2008-2011
by Objective Category and Type of Tax**

(\$ thousands)

	Tax Expenditure	FY 2008	FY 2009	FY 2010	FY 2011
Housing					
Income/Franchise Tax					
	exclusion of interest on state and local "private activity" bonds issued to support:				
1 US	rental housing	933	952	983	1,015
2 US	owner-occupied housing mortgage subsidy	226	234	241	249
3 US	veterans' housing	42	42	42	42
4 US	exclusion of capital gains income on sale of principal residence	22,709	23,850	25,038	26,289
5 US	accelerated depreciation on rental housing	10,206	11,138	12,050	13,813
6 US	deferral of income from post 1987 installment sales	866	880	963	1,052
7 US	itemized deduction for mortgage interest on owner-occupied dwellings	72,345	76,940	86,866	105,644
8 US	itemized deduction for state and local property tax on owner-occupied dwellings	13,534	13,766	14,153	24,421
9 DC	credit for rehabilitation of a dwelling in a Historic Preservation District	1,250	1,250	1,250	1,250
10 DC	credit for certain low income homeowners for increase in real property tax	1,400	1,400	1,400	1,400
11 DC	credits and deductions for employer-assisted home purchases	3,690	3,690	3,690	3,690
Real Property Tax					
12 DC	homestead exemption	33,711	34,754	35,797	36,839
13 DC	senior citizen exemption	20,060	20,263	20,466	20,668
14 DC	assessment-increase cap	50,981	53,664	56,347	59,030
Education					
Income/Franchise Tax					
	exclusion of interest on state and local "private activity" bonds issued to support:				
16 US	student-loans	637	661	677	702
17 US	private nonprofit educational facilities	1,979	2,042	2,093	2,168
18 US	exclusion of:				
19 US	interest on savings bonds redeemed to finance educational expenses	24	24	24	24
20 US	scholarship and fellowship income	2,181	2,281	2,392	2,504
21 US	employer-provided educational assistance	461	482	510	28
22 US	deferral for contributions to:				
23 US	state prepaid tuition plans	1,726	2,141	2,656	3,353
24 US	education Individual Retirement Accounts	54	90	107	125
25 US	deduction for student-loan interest	1,185	1,185	1,185	1,185
26 US	parental personal exemption for students age 19 or over	3,067	2,872	2,790	4,552
27 US	itemized deduction for charitable contributions to educational entities	3,674	3,967	4,268	4,599
28 DC	529 college saving program	620	620	620	620
29 DC	exemptions for property of educational institutions	71,560	75,854	80,405	85,229
Deed Recordation and Transfer Taxes					
31 DC	for property purchased by educational institutions	390	410	440	470
Health and Healthcare					
Income/Franchise Tax					
32 US	exclusion of interest on state and local "private activity" bonds issued to support hospital construction	4,063	4,185	4,300	4,422
33 US	exclusion of employer contributions for medical insurance premiums and medical care	168,918	187,444	206,127	233,788
34 US	deduction for medical insurance premiums of self-employed	1,767	1,952	2,382	3,354
35 US	deduction for contributions to medical Savings Accounts	3	4	4	4
36 US	itemized deduction for charitable contributions to health related entities	5,511	5,976	6,429	6,950
37 US	itemized deduction for medical expenses	16,777	19,628	22,546	30,338
Insurance Premium Tax					
38 DC	exemption for health insurance companies that provide subsidized open enrollment coverage	6,160	7,580	9,310	11,450
Real Property Tax					
39 DC	exemption for hospitals	9,466	14,010	14,830	15,690

Table 4-42

**District of Columbia Tax Expenditure Estimates for Fiscal Years 2008-2011
by Objective Category and Type of Tax (continued)**

(\$ thousands)

	Tax Expenditure	FY 2008	FY 2009	FY 2010	FY 2011
Economic Development					
Income/Franchise Tax					
	exclusion of interest on state and local "private activity" bonds issued to support:				
40 US	energy facilities	17	17	17	17
41 US	airport, dock, and similar facilities	811	838	864	891
42 US	accelerated depreciation of buildings other than rental housing	-3,985	-3,743	-3,490	-3,576
43 US	accelerated depreciation of machinery and equipment	29,323	36,448	40,722	43,333
44 US	deduction of qualified business activity income	3,382	3,698	5,092	6,279
45 US	deduction of loss from sale of small business corporation stock	25,228	25,825	26,668	27,723
46 US	exception from passive loss rules for \$25,000 of rental real estate loss	8,087	8,480	8,787	9,190
47 US	excess bad debt reserves of financial institutions	8	8	8	0
48 US	incentives for businesses in empowerment zones, enterprise communities, and renewal communities	1,409	1,602	1,081	446
49 DC	D.C. economic development zone credits	260	240	240	240
Real Property Tax					
50 DC	exemption for properties owned by D.C. Redevelopment Authority	7,860	7,880	7,890	7,900
52 DC	exemption for properties of the Washington Metropolitan Transportation Authority	9,410	9,540	9,680	9,820
Sales Tax (included in Sales Tax under other purposes)					
53 DC	exclusion of energy products used in manufacturing				
54 DC	exclusion of materials used in war memorials				
55 DC	exclusion of materials used in supermarkets				
Various Taxes					
56 DC	incentives for qualified high technology companies	900	900	900	900
Income Security and Social Services					
Income/Franchise Tax					
	exclusion of:				
57 US	interest on life insurance savings	15,108	16,255	17,428	19,079
58 US	certain foster care payments	352	352	352	352
59 US	workers' compensation benefits	6,487	6,587	6,687	6,799
60 US	special benefits for disabled coal miners	0	0	0	0
61 US	public assistance benefits	426	444	461	478
62 US	railroad retirement system benefits	734	734	715	715
63 US	Social Security benefits for retired workers	32,744	33,028	34,941	36,784
64 US	Social Security benefits for disabled	9,816	10,295	10,897	11,677
65 US	Social Security benefits for dependents and survivors	5,883	5,741	5,918	6,024
66 US	veterans' pensions	148	148	148	156
67 US	GI Bill education benefits	229	229	238	246
68 US	assistance for adopted foster children	756	804	845	886
69 US	military disability pensions	247	255	263	271
70 US	income of trusts to finance supplementary unemployment benefits	33	33	45	45
71 US	veterans' death benefits and disability compensation	3,172	3,237	3,393	3,672
72 US	employer contributions for premiums on group term life insurance	1,730	1,794	1,826	1,913
73 US	employer contributions for premiums on accident and disability insurance	247	255	263	271
74 US	employer provided child care	1,491	1,558	1,636	1,647
75 US	employer sponsored adoption assistance	24	24	24	24
76 US	employer contributions to Employer pension plans	51,317	50,817	49,370	47,200
77 US	contributions to Keogh plans	9,410	10,194	10,978	12,546
78 US	employee contributions to Individual Retirement Accounts	6,504	7,046	7,347	8,070

Table 4-42

**District of Columbia Tax Expenditure Estimates for Fiscal Years 2008-2011
by Objective Category and Type of Tax (continued)**

(\$ thousands)

	Tax Expenditure	FY 2008	FY 2009	FY 2010	FY 2011
Income Security and Social Services (Continued)					
79 US	itemized deduction for casualty losses	112	118	125	136
80 DC	exclusion of up to \$3000 of federal and D.C. pension income	8,710	8,710	8,710	8,710
81 DC	child and dependent care credit (32 percent of federal credit) *	3,556	3,556	3,556	3,556
82 DC	D.C. earned income credit (35 percent of federal credit) *	31,268	31,268	31,268	31,268
83 DC	exclusion of Social Security income included on Federal return	13,289	13,289	13,289	13,289
84 DC	additional exemption for blind	75	75	75	75
85 DC	additional exemption for elderly	3,989	3,989	3,989	3,989
86 DC	low-income credit	1,193	1,193	1,193	1,193
87 DC	credit for property tax	4,043	4,043	4,043	4,043
Real Property Tax					
88 DC	low income exemption	9,670	9,670	9,670	9,670
91 DC	exemption for properties of charitable organizations	12,020	12,580	13,160	13,760
Sales Tax (estimates included under other objectives)					
92 DC	groceries				
93 DC	medicines, drugs, medical devices				
94 DC	sales by 501(c)(4) organizations				
95 DC	sale of food at cost by non-profit organizations				
96 DC	sale of food and beverages by senior centers to residents				
97 DC	sale of food purchased with food stamps				
Deed Recordation and Transfer Taxes					
98 DC	exemption of property purchased by qualifying lower income household	2,290	2,450	2,620	2,810
99 DC	exemption of property purchased by charitable entities	190	200	200	200
Cultural Enrichment					
Income/Franchise Tax					
100 DC	exclusion of parsonage allowances	428	451	475	498
101 DC	deduction for charitable contributions, other than education and health	57,103	61,924	66,690	72,110
Real Property Tax					
102 DC	exemption for libraries	300	320	350	370
103 DC	exemption for churches, synagogues, and mosques	33,820	34,870	35,950	37,060
104 DC	exemption for cemeteries	3,590	3,710	3,820	3,940
Deed Recordation and Transfer Taxes					
105 DC	exemption for property purchased by churches synagogues, and mosques	90	90	100	100
Public Safety					
Income/Franchise Tax					
106 DC	police officer first-time homebuyer income tax credit	50	50	50	50
Real Property Tax					
107 DC	five-year police officer first-time homebuyer credit	90	90	90	90
Environmental Protection					
Income/Franchise Tax					
108 US	exclusion of interest on state and local "private activity" bonds issued to support water, sewage, and hazardous waste facilities	489	512	527	541
109 US	exclusion of conservation subsidies provided by public utilities	88	88	81	81
110 US	expensing of environmental remediation costs	102	-32	-15	-15
111 US	deduction for part of cost of clean-fuel burning vehicles	0	-11	-11	-15
Real Property Tax					
112 DC	condominium trash credit	1,870	1,920	1,970	2,010

Table 4-42

**District of Columbia Tax Expenditure Estimates for Fiscal Years 2008-2011
by Objective Category and Type of Tax (continued)**

(\$ thousands)

	Tax Expenditure	FY 2008	FY 2009	FY 2010	FY 2011
Other Objectives					
Income/Franchise Tax					
exclusion of :					
113 US	interest on public purpose State and local bonds	8,825	9,091	9,361	9,642
114 US	benefits, allowances, and certain pay to armed forces personnel	3,728	3,872	4,028	4,206
115 US	income earned abroad by U.S. citizens	2,497	2,612	2,754	2,906
116 US	certain allowances for Federal employees abroad	36,810	38,748	40,685	42,623
117 US	step-up basis of capital gains at death	49,727	50,904	52,566	54,644
118 US	employer paid meals and lodging (other than military)	3,067	2,872	2,790	4,552
119 US	cancellation of indebtedness	86	58	38	29
120 US	reimbursed employee parking expenses	3,282	3,416	3,561	3,683
121 US	employer-provided transit passes	490	523	556	579
122 US	inventory property sales source rules exception	1,266	1,387	1,538	1,681
123 US	credit union income	1,040	1,093	1,153	1,214
expensing of:					
124 US	research and experimentation expenditures	3,483	3,686	3,302	3,181
125 US	exploration and development costs, fuels	332	302	256	204
126 US	multi-period timber growing costs	142	150	150	158
127 US	exploration and development costs, nonfuel minerals	8	8	8	8
128 US	certain agricultural capital outlays	6	6	6	6
deferral of tax on					
129 US	interest on U.S. savings bonds	1,120	1,130	1,140	1,160
130 US	income from controlled foreign corporations	8,413	9,001	9,627	10,290
131 US	gain on sale of farm refiners	15	15	15	15
132 US	percentage depletion, fuels	490	500	480	470
133 US	depletion, nonfuel minerals	210	220	230	230
134 US	itemized deduction for state and local taxes paid, other than real estate and income taxes	800	710	730	740
135 US	exception from passive loss rules for working interest in oil and gas wells	20	20	20	20
136 US	D.C. exclusion of interest on U.S. obligations or securities	1,276	1,286	1,296	1,344
Real Property Tax					
137 DC	exemption for embassies, chanceries, and associated properties of foreign governments	39,340	41,960	44,760	47,740
138 DC	properties exempt by act of Congress; or multi-purpose exemptions	86,220	97,510	110,290	124,730
139 DC	exemption for property of the Federal Government	508,820	516,210	523,720	531,330
140 DC	Low-income property tax deferral	2,000	2,300	2,100	1,900
Sales Tax					
exemption of sales:					
141 DC	to the Federal Government	2,351,694	2,351,694	2,351,694	2,351,694
142 DC	to state and local governments				
143 DC	to semi-public institutions				
144 DC	to public utility companies				
145 DC	other exemptions (listed in categories above)				
146 DC	exemption of sales of professional and personal services	309,750	334,470	357,090	377,620
Deed Recordation and Transfer Taxes					
exemption of transfers:					
147 DC	of properties purchased by foreign governments for embassies and related uses	170	180	190	200
148 DC	of properties purchased by entities established by acts of Congress	310	320	340	370
149 DC	of properties purchased by miscellaneous exempt entities	60	60	70	70
150 DC	Low-income property tax deferral	2,000	2,300	2,100	1,900

Notes:

"US" signifies an item that "flows through" to the DC income tax from the federal income tax rules.

"DC" signifies an item that arises directly from provisions of the DC Code.

* indicates items that are directly provided for in the DC Code as specified fractions of corresponding federal tax amounts.

Operating Expenditures

This chapter examines the District's Operating Expenditures and analyzes growth patterns from FY 2005 actuals to FY 2009 proposed budget.

In FY 2007, the District's Local fund expenditures increased by 3.2 percent. Since Fiscal Year 2005, expenditures have grown by an average of 9.0 percent annually (Figure 5-1 and Table 5A-2).

The \$160.0 million increase in FY 2007 was a result of, among other factors, an increase in the contribution to the Public Charter schools; an increase in public safety spending, including an increase in the police and fire retirement contribution; and an increase in health and human services spending; partially offset by decreases in Pay-As-You-Go Capital Fund and the District Retiree Health Contribution. The Governmental Direction and Support, Public Safety and Justice,

Public Education, Human Support Services, and Public Works appropriations have collectively averaged 6.7 percent expenditure growth since fiscal year 2005, lower than the overall District rate of growth as a whole. However, the Economic Development and Regulation and Financing and Other appropriations' expenditures have increased by 33.7 percent and 18.7 percent respectively over the same period.

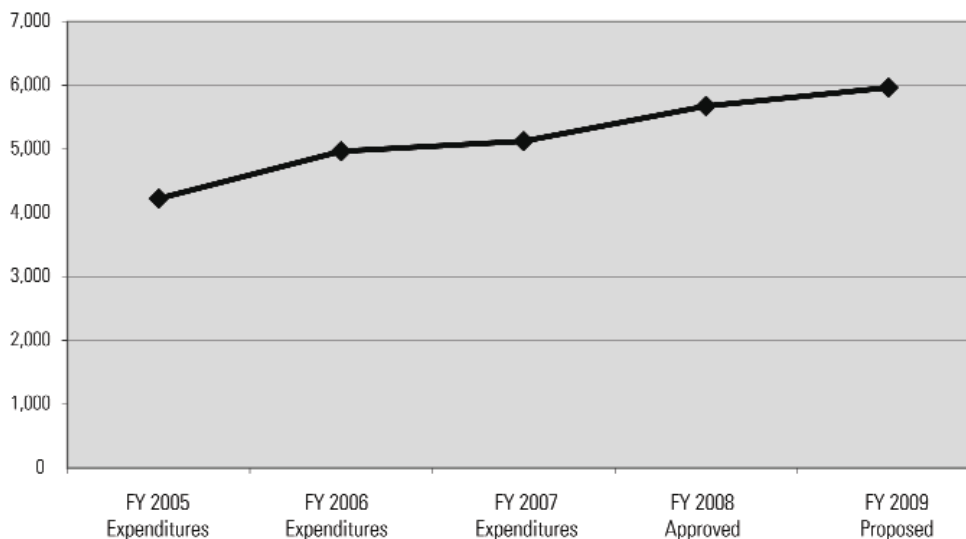
This chapter examines operating expenditures by the District and analyzes where expenditure growth pressures are likely to slow, continue, or expand in the future. Specifically, the chapter:

Figure 5-1

Local Fund Expenditures (includes Dedicated Taxes), FY 2005 - FY 2009

Does not include Enterprise Funds

(Dollars in millions)



- Examines the growth in expenditures from FY 2005 to 2009 by area of spending (agency and function);
- Examines the growth by such categories as personnel, contractual services, and subsidies and transfers; and
- Discusses projections of expenditure growth from FY 2010 to FY 2012, starting from the FY 2009 proposed budget.

This chapter focuses primarily on the District's Local funds expenditures. The chapter does not discuss capital expenditures, which are described in the Capital Appendices volume. Furthermore, it does not include agencies whose operations are captured in other funds, such as proprietary funds and component units of the District.

Expenditure Growth by Agency and Function, FY 2005 to FY 2009

Tables 5A-2 and 5A-3, in Appendix I of this chapter, provide additional detail on local and gross expenditures in the largest District agencies from FY 2005 through FY 2009, to provide a constant timeframe.

Human Support Services

Expenditures in this appropriation have risen in recent years due to increases in Federal expenditures, most notably Medicaid payments

- **Department of Human Services (DHS).** DHS operates a number of federal entitlement programs, such as Temporary Assistance for Needy Families (TANF) and homeless services. The agency's Local fund expenditures have decreased by approximately 9.6 percent from FY 2005 to FY 2009, in large part due to \$51.4 million in budget authority being removed to create the new Department of Youth Rehabilitation Services. In FY 2009, \$41.2 million is being transferred to the Office of the State Superintendent of Education pursuant to the Public Education Reform Amendment Act of 2007.

- **Department of Health (DOH).** Through FY 2008, the Department of Health was one of the largest agencies in the District government and operated a wide variety of public health programs as well as administering the District's Medicaid program. In FY 2009, the Health Care Safety Net (HCSN) and the Medicaid Assistance Administration (MAA) programs were removed from the agency to create the new Department of Health Care Finance pursuant to the "Department of Health Care Finance Establishment Act of 2007".

- **Health Care Safety Net.** This program provides government-paid healthcare services to residents who are above the Medicaid limits, but fall within income categories and eligibility criteria set by the District. The gross expenditures for this program in FY 2007 were \$129.0 million, with an average monthly enrollment of 47,983. In FY 2008, the projected year-end enrollment is 54,659.

- **Medicaid Assistance Administration.** In FY 2007, another major cost driver for DOH was the Medicaid Assistance Administration (MAA). Medicaid expenditures are expected to grow, reflecting increases in health care costs. The District's gross Medicaid expenditures in FY 2007 were \$1.4 billion. In FY 2007, agency budgets were adjusted to reflect the necessary dollars to account for Medicaid.

- **Child and Family Services Agency.** Expenditures in the Child and Family Services Agency have grown by approximately 5.8 percent from FY 2005 through FY 2009, primarily due to the District's expansion of the adoption and child care programs for grandparents who take custody or serve as primary caregivers for their grandchildren.

Public Education System

Local fund expenditures by the District of Columbia Public Schools (DCPS) are higher than those in any other District agency representing 9.4 percent of the District's total proposed FY 2009 local budget. DCPS employs about a third of all District employees, and its expenditures are driven heavily by personnel costs. DCPS and District of Columbia Public Charter Schools (DCPCS) are budgeted using a formula that accounts for inflation and for student enrollment growth or decline.

- District of Columbia Public Schools.** Expenditures in FY 2007 at DCPS decreased approximately 0.25 percent from FY 2006. Enrollment also decreased during the 2007 school year, but the funding formula was increased to adjust for inflation. As a result, expenditures per enrolled student increased.

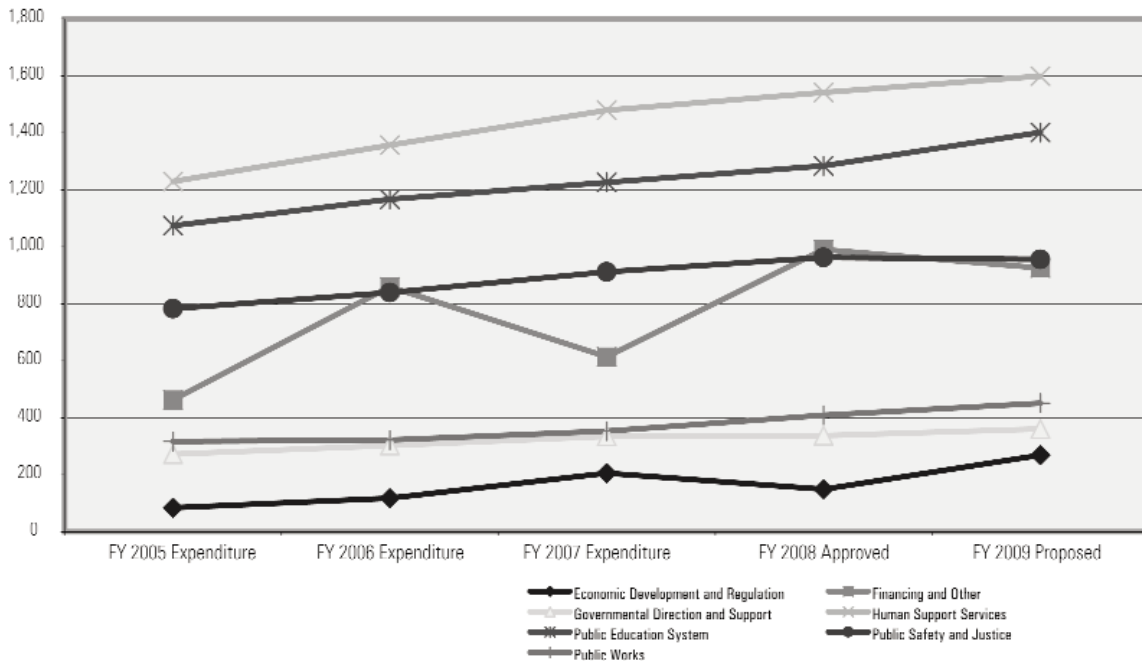
- Public Charter Schools.** Expenditures in FY 2007 at DCPCS have increased approximately 22.0 percent from FY 2006. Enrollments continue to increase, after experiencing remarkable growth the preceding 3 years, and 6 new charter schools are expected to open in FY 2009.
- University of the District of Columbia (UDC).** Expenditures at UDC continue to increase. In FY 2007 the increase was \$1.4 million, which is a 2.2 percent increase over FY 2006.
- Teachers' Retirement System.** Under the 1997 Revitalization Act, the Federal Government assumed the District's pre-June 1997 unfunded pension liability. Consequently, an actuarial study, as certified by the D.C. Retirement Board (DCRB), indicated no District contribution to the Teachers' Retirement System was required from FY 2002 – 2004. Subsequently, as certified by

Figure 5-2

Local Fund Expenditures (includes Dedicated Taxes) by Appropriation Title, FY 2005 - FY 2009

Does Not Include Enterprise Funds

(Dollars in Thousands)



DCRB, the FY 2007 contribution was approximately \$14.5 million, and the contribution is budgeted at \$6 million in FY 2008 and \$0 in FY 2009. Major factors contributing to the decrease in the FY 2009 actuarially certified contribution include pension plan investment performance, refined actuarial assumptions, plan participant terminations, and actual salary increases less than projected.

Table 5-1 shows enrollment and expenditure trends for DCPS and DCPCS. Enrollment in the two systems combined has been decreasing for the past two years, while per-student spending has continued to increase, averaging 5.6 percent per year from 2005 through 2008.

DCPS and DCPCS expenditures showed a one-time increase in FY 2001 because of a change in the way they received their funding. In most cases, the District's expenditures in a fiscal year are from funds appropriated for that year. However, beginning in FY 2001, DCPS and DCPCS were given authority to spend a portion of their upcoming appropriation – 10 percent and 25 percent, respectively – during the fourth quarter of their current fiscal year. This authority was granted so that the school systems could better match their expenditures to the school calendar. Along with DCPS and DCPCS, UDC was granted this authority in FY 2003. For example, in the fourth quarter of FY 2007 (July, August, and September 2007), DCPS had appropriation authority to spend up to 10 percent of its pending FY 2008 appropriation, or about \$79.6 million, in addition to completing its spending of its 2007 appropriation.

Public Safety and Justice

Expenditures in the public safety area increased 8.6 percent from FY 2006 to FY 2007. The two largest agencies in this appropriations title – the Metropolitan Police Department (MPD) and the Fire and Emergency Medical Services Department (FEMS) – have shown steady growth, and the Police and Fire Retirement System has become a major cost driver for the District, increasing 19.2 percent from FY 2006 to FY 2007.

- **Metropolitan Police Department and Fire and Emergency Medical Services Department.** Expenditures at MPD have increased steadily, averaging 6.0 percent per year from FY 2005 to FY 2009. This growth rate can be attributed to the elevation of public safety as a District-wide priority. New crime-fighting initiatives and the impact from federal warning levels from enhanced Homeland Security also contributed to the increased expenditures. The agency also experienced increased personal services costs. Growth in expenditure has been increasing at FEMS 5.5 percent for the same time period.

- **Police and Fire Retirement System.** Under the 1997 Revitalization Act, the Federal Government assumed the District's pre-June 1997 unfunded pension liability. In subsequent years, as salaries have increased, adjustments were legislated for pension benefits, and the size of the FEMS and MPD workforce has increased. The pension contribution increased 19.2 percent from FY 2006 to FY 2007.

- **Department of Corrections.** Under the 1997 Revitalization Act, the Federal Bureau of Prisons assumed responsibility for the District's felonious population and the District prison in Lorton, Virginia was closed, reducing Department of Corrections (DOC) expenditures. Also, prior to FY 2002, the Medical Unit of DOC was under a court-ordered receivership, with separately budgeted costs.

Since FY 2002, DOC costs have increased as the receivership ended and DOC reabsorbed medical costs, the population increased, and certain staffing changes were made to end a long standing court order that capped the jail's population.

Financing and Other

Agencies in the Financing and Other appropriation title include various debt service functions as well as the District's reserve funds.

- **Repayment of Interest on Short Term Borrowing.** The District issues short-term revenue anticipation notes in order to finance its seasonal cash flow needs. In fiscal year 2007, the District issued \$300 million of revenue anticipation notes for this purpose, an increase from \$250 million in fiscal year 2006. The total amount of revenue anticipation notes outstanding at any time during a fiscal year may not exceed 20 percent of the total anticipated revenue of the District for such fiscal year and such notes must mature within the fiscal year in which they are issued.
- **Repayment of Loans and Interest.** The District issues long-term debt in the form of general obligation bonds to finance capital projects and to refund indebtedness of the District. Such general obligation bond issuances are not permitted during any fiscal year if total debt service in any fiscal year will exceed 17 percent of District revenues during the fiscal year in which such issuances are made. The capital improvements plan includes borrowing of \$396 million of General Obligation bonds for FY 2009 as well as amounts above this level for specific capital projects. Borrowing amounts in fiscal years 2006 and 2007 were higher than in previous years, and debt service expenditures have increased accordingly. The District had approximately \$4.14 billion of general obligation bonds outstanding as of September 30, 2007.
- **Certificates of Participation (COPs).** The District has a payment obligation with respect to approximately \$312 million of outstanding COPs with varying maturities. The Certificates are not (or will not be) debt of the District, and the District's payment obligations are subject to, and dependent upon, both inclusion of sufficient funds in annual District budgets and annual appropriations made by the United States Congress for such purpose. In fiscal year 2006, the District issued new COPs for a new mental health hospital and a building for the Department of Motor Vehicles, leading to an increase in debt service expenditures for COPs in fiscal year 2007.
- **Equipment Lease Operating.** The Master Equipment Lease Program provides tax-exempt financing for projects with short-term to intermediate-term useful lives. Rolling stock such as police, emergency, and public works vehicles are acquired on a short-term lease/purchase basis. The District has financed approximately \$200 million of its capital equipment needs through the Program and has approximately \$80 million in principal outstanding.
- **Repayment of Revenue Bonds.** The Council may authorize the issuance of revenue bonds, notes, or other obligations (including refunding bond, notes, or other obligations) to borrow money to finance governmental purposes authorized for financing

Table 5-1

Enrollments and Expenditures in Two Schools Systems (Local Funds Only)

	DC Public Schools		Public Charter Schools		Combined Systems		
	Enrollment	Expenditures (dollars in thousands)	Enrollment	Expenditures (dollars in thousands)	Enrollment	Expenditures (dollars in thousands)	Expenditure per enrolled student*
2005	61,137	781,377	15,163	188,324	76,300	969,701	12,709
2006	54,748	815,773	17,343	227,190	72,091	1,042,963	14,467
2007	52,191	813,902	19,662	277,159	71,853	1,091,061	15,185
2008	49,076	778,067	21,743	320,366	70,819	1,098,433	15,510

Note: *per enrolled student (whole dollars, not thousands)

Details may not sum to totals because of rounding.

by general obligation bonds or notes by creating a security interest in any District revenues. Such bonds, notes, or other obligations, if issued, are to be secured by a pledge of the revenues realized from the property, facilities, developments, and improvements financed by the issuance of such bonds, notes, or other obligations or by the mortgage of real property or the creation of security interest in available revenues, assets, or other property. In fiscal year 2007, the District securitized a portion of revenues dedicated to the Housing Production Trust Fund, and debt service expenditures in this category will begin in fiscal year 2008.

Pay-As-You-Go Capital fund. Starting in fiscal year 2007, the first \$100 million of gross sales tax revenues received after April 1 each year that have not been previously dedicated has been deposited into the Public School Capital Improvement Fund. In fiscal year 2009 and thereafter, the \$100 million is to be increased by an amount equal to the increase in the construction cost index, which is projected to be 6 percent.

Other Appropriations Titles

Expenditures in other appropriations titles are as follows.

- **Governmental Direction and Support.** This appropriation title funds agencies that manage overall government operations, including the Office of the Mayor, the Council of the District of Columbia, the Office of the City Administrator, the Office of the Chief Technology Officer, the Office of Property Management, the Office of the Attorney General, and the Office of the Chief Financial Officer. Expenditures in this appropriation title have grown at 7.3 percent annually from FY 2005 to FY 2009. In FY 2006, expenditures for both the Office of the Chief Financial Officer and the Office of the Chief Technology Officer increased significantly due to the completion of capital projects that require increases in the operating budget.

- **Economic Development and Regulation.**

This is the smallest of the appropriations titles, but expenditures showed a 33.7 percent increase from FY 2005 to FY 2009, mainly due to increases at the Department of Housing and Community Development (DHCD) and the Department of Employment Services (DOES). DHCD's increased expenditures were driven by a supplement to the Housing Voucher Program, as well as a payment to the U.S. Department of Housing and Community Development for disallowance costs. In addition, DOES receives additional funding for the Mayor's Summer Youth Employment Program.

- **Public Works.** The Public Works appropriation title is dominated by three agencies: the Department of Public Works (DPW), the Department of Transportation (DDOT) and subsidies to the Washington Metropolitan Area Transit Authority (WMATA). Public Works expenditures increased an average of 9.2 percent per year from FY 2005 to FY 2009.

Summary of Local Funds Expenditure Growth by Agency and Function

All of the appropriation titles experienced increases in expenditures since FY 2005. Public Safety, Public Education, and Human Support Services continue to grow at a steady rate, and Governmental Direction and Economic Development grew at yet higher rates than in previous years.

Public Education remains the second largest appropriation title after Human Support Services, and expenditures continue to increase. The per-pupil expenditure formula was adjusted last year to account for inflation, which led to an increase even though DCPS enrollment actually decreased. Public Charter School enrollment continues its steady increase in enrollment, as well as expenditures.

Federal Funds Expenditures

During FY 2007, the District received a \$4.7 million Federal Payment for reimbursement of incurred emergency planning and security costs. The payment was divided among the following District agencies: MPD (\$3.03 million), FEMS (\$1.45 million), Department of Transportation (\$0.15 million), Department of Public Works (\$0.05 million), and the Homeland Security and Emergency Management Agency (\$0.03 million). The District's emergency and security services not only serve District residents, but also any person within the District. The District's status as the nation's capital brings many events requiring security services and also requires a greater level of emergency planning. The federal payment for emergency planning and security costs helps offset expenses that are influenced by the presence of the federal government within the District. Other federal payments are detailed within each agency chapter.

Expenditure Growth by Object Class, FY 2005 to FY 2009

This section examines expenditures by object class—that is, by the type of services paid for, such as personnel, supplies, or fixed costs for rent or utilities – from FY 2005 through FY 2009. Since 2005, expenditures on nonpersonal services (NPS), such as rent and utilities, equipment, subsidies and transfers, and debt service, have risen faster than those on personal services (PS), which include regular salaries and wages, overtime and other additional costs (Figure 5-3). Table 5A-4, in the appendix to this chapter, provides further details.

Growth by Object Class

Personal Services

- Salaries have historically grown at a slightly greater rate than inflation, and similar growth is built into the forecast for the next three years. An underlying assumption is that the District's future work force remains the same size as today's—that is, there are no significant increases or decreases in the number of District employees. Thus, annual salary

increases will translate directly to increases in overall PS costs.

- Extra pay, the category including overtime, differential pay (for night or weekend work, for example), and bonuses, is projected to grow at the same rate as salaries. As salaries increase, the cost of extra pay that is tied to salaries increases proportionally.
- Fringe benefits are assumed to grow faster than other PS expenditures. The average growth rate from FY 2005 to FY 2009 was 6.0 percent for regular salaries and 9.1 percent for fringe benefits. Health insurance costs for District employees increased approximately 14 percent in January 2008, after several consecutive years of increases of nearly 15 percent. About half of the District's fringe benefit expenditures have been for health insurance in recent years, and this proportion has been increasing. The projections assume health insurance costs will rise roughly 14 percent in FY 2009 and at slightly higher rates in FY 2010 and FY 2011. Other fringe benefits are assumed to grow at the general PS rate, because the cost of most other fringe benefits, most notably District employees' retirement plans, are tied to salaries. The fringe benefits category as a whole is assumed to grow at an average of the rate for health insurance and the general PS growth rate.

Nonpersonal Services

- The general growth rate for NPS expenditures is assumed to be at the Washington area CPI forecast.
- One exception is the category of contractual services, in which expenditures have been rising much faster than general NPS expenditure growth. Growth in this category is forecasted to match the PS growth rate, because a great deal of contractual services spending is for salaries of contractors rather than for purchases of goods.

Growth by Agency or Program

Expenditures in the following agencies or programs are assumed to grow at rates that differ from the general assumptions for each object class.

Medicaid

Medicaid expenditures are projected to grow at 8.0 percent for Local funds and at a rate of 5.3 percent for non-local funds, reflecting increases in health care costs that are likely to exceed the general rate of inflation.

Subsidies and Transfers Related to PS

Expenditures

Expenditures in the Disability Compensation Fund are classified as transfers, but they are more closely related to PS costs. This Fund is projected to grow at the general PS growth rate.

Expenditures in the two pension agencies are projected at an assumed growth rates of 5.0 percent.

- Police and Fire Retirement System
- Teachers' Retirement System

The amounts are based on estimates made from information obtained from the D.C. Retirement Board and on assumptions about annual contributions as a percent of covered salaries in the respective agencies.

Table 5-2

Federal Grant Expenditures (including Medicaid), FY 2005 - FY 2009**(Includes Enterprise Funds)**

(Dollars in thousands)

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	Annual % Growth Rate 2005-2009
Child and Family Services Agency	33,462	24,602	31,405	29,884	30,998	-1.9
Department of Employment Services	34,259	28,491	30,010	37,524	34,739	0.3
Department of Health	1,052,137	1,088,155	1,159,041	1,272,733	137,096	-39.9
Department of Health Care Finance	0	0	0	0	1,215,885	100
Department of Housing and Community Development	56,159	99,888	90,364	100,764	63,877	3.3
Department of Human Services	187,594	176,041	174,110	163,588	156,558	-4.4
Department of Mental Health	2,874	2,674	4,212	2,425	5,566	18.0
District of Columbia Public Schools	116,983	111,925	121,381	8,832	9,514	-46.6
Subtotal -Selected Agencies	1,483,468	1,531,776	1,610,523	1,615,750	1,654,233	-26.3
All Other Agencies	155,240	167,819	176,344	383,575	504,662	34.3
Subtotal -General Operating Funds	1,638,708	1,699,595	1,786,867	1,999,325	2,158,895	7.1
Enterprise Funds	14,578	15,954	15,468	16,528	18,487	6.1
Subtotal -Enterprise Agencies	14,578	15,954	15,468	16,528	18,487	6.1
Total - District of Columbia	1,653,286	1,715,550	1,802,335	2,015,854	2,177,382	7.1

Note: Details may not sum to totals because of rounding.

Figure 5-3

Local (including Dedicated Taxes) Personal Services and Nonpersonal Services Expenditures, FY 2005 – FY 2009

Does Not Include Enterprise Funds

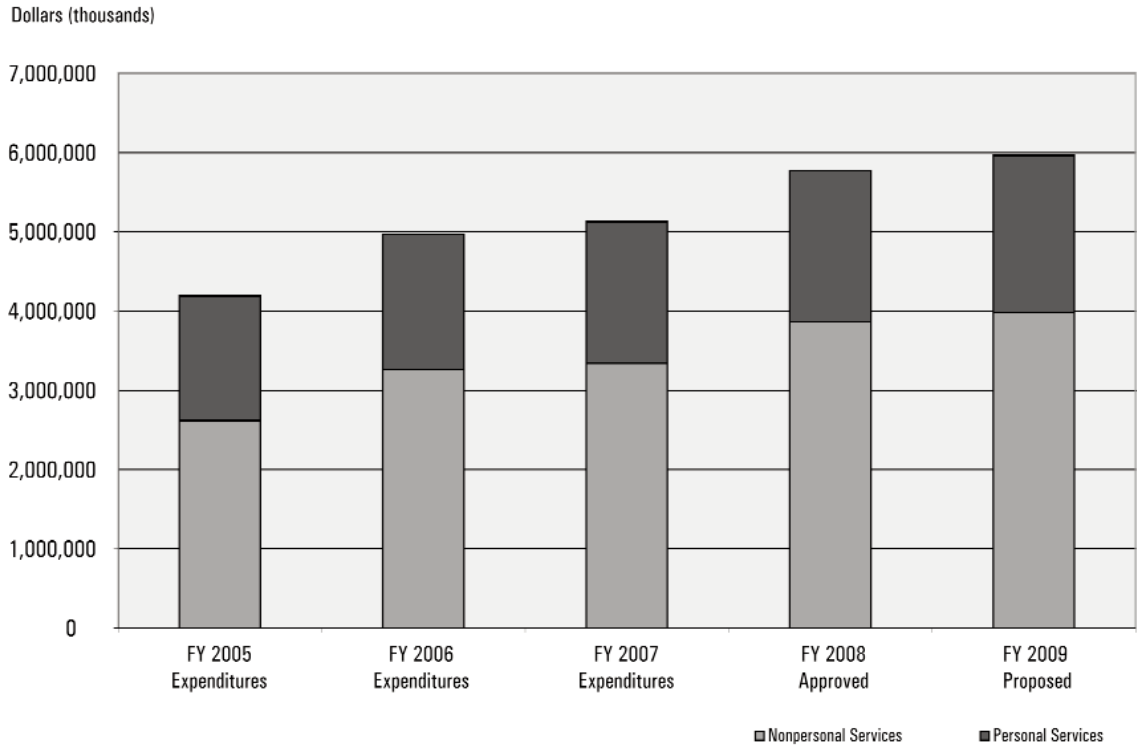


Table 5-3

Overtime Expenditures from Local Funds

(Dollars in thousands)

Agency Name	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Approved
Child and Family Services Agency	787	1,517	998	661	925
Department of Corrections	1,301	5,692	9,381	3,063	5,000
Department of Human Services	4,894	844	870	540	200
Department of Mental Health	4,600	5,313	6,166	2,843	2,455
Department of Public Works	3,512	2,917	3,224	1,650	3,301
Department of Youth Rehabilitation Services	0	2,951	3,312	1,874	2,099
District of Columbia Public Schools	5,777	8,028	11,443	2,959	2,491
Fire and Emergency Medical Services	8,052	8,087	11,202	4,291	4,291
Metropolitan Police Department	22,818	49,600	24,702	14,954	15,146
Office of Unified Communications	399	1,024	1,571	1,450	1,495
Special Education Transportation	0	0	0	0	1,586
Rest of District	3,164	4,788	4,346	2,444	2,764
Total	55,305	90,760	77,214	36,728	41,753

Note: Details may not sum to totals because of rounding.

Appendix I: Data Tables for Operating Expenditures

Table 5A-1:

Federal Payments Awarded to the District in its Appropriations Act, FY 2004 - 2009

(Dollars in thousands)

Agency	FY 2004 Approved	FY 2005 Approved	FY 2006 Approved	FY 2007 Approved	FY 2008 Approved	FY 2009 Proposed
Banking and Financial Institutions	5,965					
Child and Family Services Agency	8,947	3,224	1,733	1,733		
Commission on Arts and Humanities		397				
D.C. Public Charter Schools	1,988					
D.C. National Guard			495		352	
D.C. Public Library	199					
D.C. Public Schools	17,397	19,146	12,870	12,870	13,000	38,000
Department of Mental Health	3,877	1,240				
Department of Transportation	3,479		990	20,990		
Emergency Management Agency (and others)	497					
Emergency Planning and Security Costs	10,935	14,880	13,365	8,533	3,000	15,000
Executive Office of the Mayor (distributed as shown below)					5,000	
D.C. Public Schools: \$2M						
Dept of Environment: \$1M						
National Historic Trust: \$1M						
Childrens National Medical Center: \$1M						
Forensic Lab (Increased FBI services)					4,000	5,000
Office of the Chief Financial Officer	199	99				
Criminal Justice Coordinating Council	1,293	1,290	1,287	1,287	1,300	1,774
Office of the State Superintendent of Education						
Resident Tuition Assistance	16,898	25,395	32,868	32,868	33,000	35,100
Public Charter School Improvement/Expansion	6,959	13,888	12,870	12,870	13,000	18,000
Various - Capital	47,370	24,112	15,296	14,850	22,000	26,000
Washington Council of Government	1,491					
Washington Metropolitan Transit Authority		2,480				
Total	127,494	106,150	91,774	106,001	94,652	138,874

Notes:

Details may not sum to totals because of rounding.

FY 2004, 2005, 2006 and 2007 figures reflect rescissions made by the Federal government.

FY 2008 figures are not subject to a rescission by the Federal government.

FY 2007 Various- Capital adjusted downwards by \$20M and DDOT adjusted upwards by \$20M from the FY 2008 Budget and Financial Plan to show the transfer of the payment for transportation upgrades to the DDOT budget.

FY 2008 Various - Capital includes the renovation and rehabilitation of D.C. Public Libraries (\$9M), the consolidated forensics lab (\$5M) and Combined Sewer Overflow Payment to WASA (\$8M).

FY 2009 Various - Capital includes the renovation and rehabilitation of D.C. Public Libraries (\$7M), the consolidated forensics lab (\$5M) and Combined Sewer Overflow Payment to WASA (\$14M).

FY 2009 DCPS- Includes school improvement (\$18M) and a payment to jump start education reform (\$20M).

FY 2009 amounts subject to both Congressional approval/adjustments and Federal rescissions

Amounts for the Emergency Planning and Security Costs reflect a reimbursable account and thus the amount shown is the amount authorized for the fund for a particular year and does not reflect the amount actually reimbursed to the District. That detail is found in agency chapter EP0 within the Financing and Other appropriate agency chapters.

Table 5A-2

Local Funds Expenditures by Fiscal Year for Selected Large Agencies

(Dollars in thousands, including Dedicated Taxes, excluding Enterprise agencies)

Agency	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	Annual % Growth Rate 2005-2009
Office of the Chief Financial Officer	95,474	105,555	120,841	111,956	120,085	
All other agencies	176,929	197,546	214,147	225,217	241,012	
Governmental Direction and Support	272,403	303,101	334,988	337,173	361,097	7.3
Department of Employment Services	22,278	31,815	46,115	46,119	62,315	
All other agencies	61,898	86,384	159,737	195,636	206,759	
Economic Development and Regulation	84,177	118,199	205,852	241,755	269,075	33.7
Metropolitan Police Department	371,494	418,560	434,599	466,816	469,565	
Fire and Emergency Medical Services Department	149,226	157,228	172,775	178,111	185,171	
Police Officers' and Fire Fighters' Retirement System	112,100	117,500	140,100	137,000	110,900	
Department of Corrections	123,091	109,832	121,417	117,171	116,086	
All other agencies	26,886	36,854	43,420	64,010	74,365	
Public Safety and Justice	782,796	839,975	912,311	963,108	956,087	5.1
District of Columbia Public Schools	781,377	815,773	813,902	778,067	562,109	
Office of the State Superintendent of Education	10,056	12,684	14,423	61,905	119,894	
Teachers' Retirement System	9,147	15,431	14,540	6,000	-	
Public Charter Schools	188,324	227,190	277,159	320,366	366,053	
All other agencies	85,216	95,731	106,052	117,970	353,593	
Public Education System	1,074,120	1,166,809	1,226,076	1,284,308	1,401,649	6.9
Department of Human Services	268,940	253,856	272,198	179,567	179,322	
Child and Family Services Agency	158,577	165,874	181,226	188,306	198,295	
Department of Mental Health	189,341	196,723	192,871	209,980	213,181	
Department of Health	516,778	561,762	618,367	677,613	101,606	
Department of Health Care Finance	-	-	-	-	621,867	
Medicaid Reserve	-	-	26,927	-	-	
All other agencies	95,805	178,347	187,630	285,950	284,593	
Human Support Services	1,229,442	1,356,562	1,479,219	1,541,417	1,598,864	6.8

(continued)

Note: Details may not sum to totals because of rounding.

Table 5A-2 (continued)

Local Funds Expenditures by Fiscal Year for Selected Large Agencies

(Dollars in thousands, including Dedicated Taxes, excluding Enterprise agencies)

Agency	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	Annual % Growth Rate 2005-2009
Department of Public Works	88,869	97,588	106,156	118,792	124,939	
Department of Transportation	26,989	1,805	(6)	17,667	30,094	
Washington Metropolitan Area Transit Authority	165,303	187,615	198,484	214,909	230,499	
All other agencies	36,265	35,263	48,956	57,879	65,602	
Public Works	317,426	322,270	353,590	409,248	451,135	9.2
Repayment of Loans and Interest	342,683	370,128	386,245	440,707	456,630	
Pay-As-You-Go Capital Fund	20,550	265,023	118,861	108,152	142,637	
All other agencies	103,768	224,570	109,532	441,973	326,617	
Financing and Other	467,001	859,721	614,638	990,832	925,884	18.7
DISTRICT TOTAL	4,227,366	4,966,637	5,126,674	5,767,841	5,963,790	9.0

Note: Details may not sum to totals because of rounding.

Table 5A-3

Gross Funds Expenditures by Fiscal Year for Selected Large Agencies

(Including Enterprise agencies and Excluding Intra-District Funds)

(Dollars in thousands)

Agency	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	Annual% Growth Rate 2005-2009
Office of the Chief Financial Officer	106,468	120,167	134,116	148,846	158,503	
All other agencies	308,798	321,357	347,125	263,040	280,198	
Governmental Direction and Support	415,266	441,524	481,241	411,886	438,701	1.4
Department of Employment Services	74,549	77,280	100,262	115,874	132,259	
Department of Housing and Community Development	104,051	151,942	95,945	131,628	101,401	
All other agencies	106,526	152,984	306,268	333,723	275,578	
Economic Development and Regulation	285,126	382,206	502,476	581,225	509,238	15.6
Metropolitan Police Department	385,969	440,074	448,227	482,946	485,413	
Fire and Emergency Medical Services Department	149,226	157,674	172,775	178,111	185,995	
Police Officers' and Fire Fighters' Retirement System	112,100	117,500	140,100	137,000	110,900	
Department of Corrections	123,376	135,207	147,162	153,271	149,774	
Homeland Security and Emergency Management Agency	3,289	5,140	5,120	95,495	249,628	
All other agencies	41,232	50,820	56,100	101,453	112,875	
Subtotal, Public Safety and Justice	815,191	906,416	969,483	1,148,277	1,294,584	12.3
District of Columbia Public Schools	931,684	948,580	973,428	817,865	617,078	
Teachers' Retirement System	9,147	15,431	14,540	6,000		
Office of the State Superintendent of Education	65,766	84,207	85,227	318,552	344,087	
Public Charter Schools	188,324	227,190	277,159	320,366	366,053	
All other agencies	87,724	96,946	107,603	120,890	372,670	
Subtotal, Public Education System	1,282,644	1,372,354	1,457,956	1,583,673	1,699,888	7.3
Department of Human Services	462,807	438,374	450,143	346,439	338,771	
Child and Family Services Agency	198,023	194,002	214,078	218,963	230,066	
Department of Mental Health	197,951	201,873	200,617	216,214	222,555	
Department of Health	1,582,669	1,670,390	1,801,549	1,966,784	253,077	
Department of Health Care Finance					1,839,729	
Medicaid Reserve	0	0	26,927	0	0	
All other agencies	117,254	205,969	196,885	325,625	327,025	
Subtotal, Human Support Services	2,558,706	2,710,607	2,890,200	3,074,024	3,211,223	5.8

(continued)

Note: Details may not sum to totals because of rounding.

Table 5A-3 (continued)

Gross Funds Expenditures by Fiscal Year for Selected Large Agencies

(Including Enterprise agencies and Excluding Intra-District Funds)

(Dollars in thousands)

Agency	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	Annual% Growth Rate 2005-2009
Department of Public Works	92,175	100,633	113,659	129,313	138,333	
Department of Transportation	39,015	38,133	60,095	131,898	142,555	
Washington Metropolitan Area Transit Authority	167,783	187,615	198,484	214,909	230,499	
All other agencies	43,751	44,483	85,387	118,591	134,451	
Subtotal, Public Works	342,724	370,864	457,624	594,711	645,839	17.2
Repayment of Loans and Interest	342,683	370,128	386,245	440,707	459,727	
Pay-As-You-Go Capital Fund	20,550	265,023	118,861	108,152	144,637	
All other agencies	120,466	228,765	114,222	455,852	355,458	
Subtotal, Financing and Other	483,699	863,917	619,328	1,004,712	959,821	18.6
Subtotal, General Operating Funds	6,184,922	7,047,888	7,378,307	8,398,507	8,759,293	9.1
Enterprise	677,501	807,138	926,954	1,441,512	1,341,868	
TOTAL DISTRICT OF COLUMBIA	6,862,423	7,855,025	8,305,261	9,840,019	10,101,161	10.2

Note: Details may not sum to totals because of rounding.

Table 5A-4

Local Funds Expenditures by Fiscal Year for Selected Object Classes (Including Dedicated Taxes, excluding Enterprise agencies)

(Dollars in thousands)

	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Approved	FY 2009 Proposed	Annual % Growth Rate, 2005-2009
Regular salaries and wages (0011 & 0012) ^a	1,295,217	1,351,414	1,434,690	1,587,038	1,637,665	6.0
Extra pay & Overtime ^b	93,693	145,877	129,771	73,376	84,620	-2.5
Fringe Benefits (0014)	183,742	205,196	223,894	247,133	260,049	9.1
Subtotal, PS	1,572,653	1,702,488	1,788,335	1,907,547	1,982,334	6.0
FDO - PS Paid by NPS (0050) - Police/Fire ^c	112,100	117,500	140,100	137,000	110,900	-0.3
GXO - PS Paid by NPS (0050) - Teachers Retirement ^c	9,147	15,431	14,540	6,000	0	-100.0
Subtotal, PS with Police, Fire, Teachers Retirement	1,693,900	1,835,419	1,942,975	2,050,547	2,093,234	5.4
Fixed Cost (0030-0035) ^d	209,423	214,338	247,284	263,774	266,827	6.2
Subsidies and transfers (0050),less FDO & GXO) ^e	1,332,652	1,871,225	1,801,468	2,044,265	2,292,316	14.5
Debt service (0080)	385,246	421,490	448,209	608,519	579,438	10.7
Contractual services (0041)	379,037	363,560	411,233	548,804	466,020	5.3
Other NPS (0020, 0040, 0070, 0060, 0082, 0083, 0084, 0091)	227,108	260,606	275,505	251,933	265,955	4.0
Subtotal, NPS excluding Retirement	2,533,466	3,131,218	3,183,699	3,717,294	3,870,556	11.2
Total Expenditures	4,227,366	4,966,637	5,126,674	5,767,841	5,963,790	9.0

NOTES:

Details may not sum to totals because of rounding.

^a Full- and part-time, continuing and term, and unknown payroll postings.^b Includes overtime, bonuses, and differentials for nights, weekends, and holidays.^c Includes contributions to Police and Fighters' Retirement System and Teachers' Retirement System.^d Utilities, telecommunications, and rent.^e Excludes contributions to Police and Fighters' Retirement System and Teachers' Retirement System

FY 2009 - FY 2014 Capital Improvements Plan

Introduction

The District's proposed capital budget for FY 2009 – FY 2014 calls for financing \$752 million of general capital expenditures in FY 2009. Highlights include:

- Fulfilling the commitments to schools made since FY 2006;
- Making major investments in new neighborhoods, parks and recreation centers, libraries and other areas;
- Building a new consolidated forensics laboratory;
- Completing construction of a new mental health hospital; and
- Investing in mass transit.

The proposed capital budget calls for financing of general capital expenditures in FY 2009 from the following sources:

- \$396 million of General Obligation (G.O.) bonds;
- \$145 million of pay-as-you-go (Paygo) capital financing, which is a transfer of funds from the General Fund to the General Capital Improvements Fund; and
- \$61 million through the master equipment lease/purchase program.

In addition, several large-scale capital projects are continuing in FY 2009 and FY 2010, including the Government Centers project and the construction of a consolidated forensics laboratory.

The FY 2009 Paygo total of \$145 million consists primarily of the third year's installment of the plan for schools modernization for the D.C. Public Schools (DCPS), as implemented by the Office of Public Education Facilities Modernization (OPEFM). The plan calls for operating budget revenue to be transferred each year to OPEFM. This financing will supplement G.O. bond-financed capital projects, for which OPEFM is already scheduled to receive budget authority.

This overview chapter summarizes:

- The proposed FY 2009 - FY 2014 capital budget and planned expenditures,
- Details on the District's sources of funds for capital expenditures,
- Progress made on reducing the shortfall in the District's capital fund, and
- Budgets for the Highway Trust Fund and Local Roads Construction and Maintenance Fund.

Table 6-1

Overview

(Dollars in thousands)*

Total number of projects receiving funding	186
Number of ongoing projects receiving funding	150
Number of new projects receiving funding	36
FY 2009 new budget allotments	\$601,836
Total FY 2009 to FY 2014 planned funding	\$3,444,794
Total FY 2009 to FY 2014 planned expenditures	\$3,444,794
FY 2009 Appropriated Budget Authority Request**	\$1,092,029
FY 2009 Planned Debt Service (G.O. Bond)	\$468,340
FY 2009-FY 2012 Planned Debt Service (G.O. Bond)	\$2,052,414

* Local funds only; excludes projects financed through Local Streets Maintenance Fund, Highway Trust Fund, or one-time borrowing, except where noted.

** From all funds.

The Proposed FY 2009 - FY 2014 Capital Budget and Planned Expenditures

The District budgets for capital using a six-year Capital Improvements Plan (CIP), which is updated annually. The CIP consists of:

- The appropriated budget authority request for the upcoming fiscal year, and
- An expenditure plan and projected funding for the next 5 years.

Each year's CIP includes many of the projects from the previous year's CIP, but some projects are proposed to receive different levels of funding than in the previous year, and new projects are added each year as well.

The CIP is used as the basis for formulating the District's annual capital budget. The Council and the Congress adopt the budget as part of the District's overall six-year CIP. Following approval of the capital budget, bond acts and bond resolutions are adopted to authorize financing for the majority of projects identified in the capital budget. Inclusion of a project in a congressionally adopted capital budget and approval of requisite financing gives the District the authority to spend funds for each project. The remaining five years of the program show the official plan for making improvements to District-owned facilities in future years.

The District uses two terms in describing budgets for capital projects:

- *Budget authority* is given to a project at its outset in the amount of its planned lifetime budget; it can later be increased or decreased during the course of implementing the project. The District's appropriation request consists of changes to budget authority for all projects in the CIP.
- *Allotments* are planned expenditure amounts on an annual basis. A multi-year project receives full budget authority in its first year but only receives an allotment in the amount that is projected to be spent in that first year. In later years, additional allotments are given annually. If a year's allotment would increase the total allotments above the lifetime budget amount, an increase in budget authority is required to cover the difference.

Agencies may obligate funds up to the limit of (lifetime) budget authority for a project but cannot spend more than the total of allotments the project has received to date.

The FY 2009 - FY 2014 CIP proposes a net increase in budget authority of \$1,092 billion during the next six fiscal years (an increase of \$1.483 billion of new budget authority offset by \$391 million of rescissions).

Planned capital expenditures from local sources in FY 2009 total \$752 million, of which \$541 million is to be funded by G.O. bonds and Paygo financing (transfers from the District's General Fund). To finance this \$541 million of expenditures, the District plans to borrow \$396 million in new G.O. bonds and fund the remaining \$145 million using Paygo financing.

As in FY 2007 and FY 2008, the plan anticipates borrowing \$50 million more in FY 2009 than it budgets in new allotments. Actual G.O. bond borrowing will be \$446 million, excluding special financings, although only \$396 million will be made available for FY 2009 capital expenditures. The other \$50 million will go toward deficit reduction for the capital fund (see the section "Fund Balance of the Capital Fund" below).

The District is considering using Income Tax (I.T.) bonds, starting in FY 2009, to finance some or all of its capital projects currently financed by G.O. bonds. Where this chapter refers to G.O. bond financing for capital projects, the District might ultimately substitute I.T. bond financing.

In recent years, the District has increased its capital expenditures to reinvest in its infrastructure. The District is limited by funding constraints as well as multiple competing demands on capital, and is not able to fund all identified capital needs. As a result of these demands, the District has taken action to meet its priorities while also maintaining a fiscally sound CIP. This has been accomplished by prioritizing capital projects and rescinding budget authority from projects deemed less important, and reallocating budget to existing and new high priority projects to meet the most pressing infrastructure needs.

Figure 6-1 illustrates FY 2009 capital budget allotments by major agency. Funding for OPEFM, which manages modernization projects for DCPS, constitutes the largest share of the planned expenditures. OPEFM and DCPS will have a total of \$228 million available from multiple sources of capital project financing in FY 2009:

- New G.O. bond allotments (\$117 million),
- Paygo transfer from sales tax revenue (\$106 million), and
- Master equipment lease/purchase (\$5 million).

In addition, as with all agencies, unspent capital budget allotments from prior years will be available to be spent in FY 2009.

Figure 6-1

FY 2009 Capital Allotments, by Major Agency

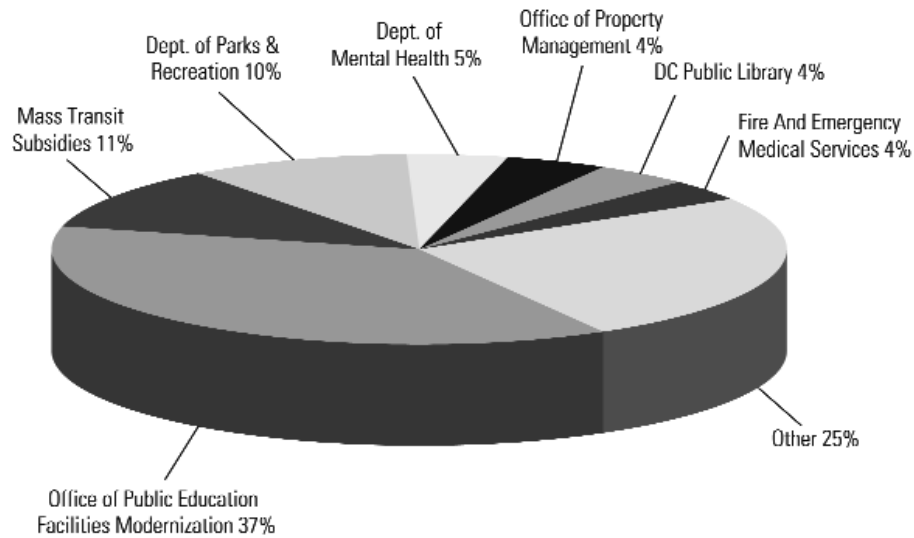


Table 6-2

Proposed FY 2009 Expenditures and FY 2009-FY 2014 Capital Budget Authority

(Dollars in thousands)

Source	Proposed FY 2009 Expenditures	Proposed FY 2009-FY 2014 Budget Authority
G.O. Bonds	\$396,378	
Paygo capital funding (transfer from the General Fund)	144,637	
Master Equipment Lease/Purchase financing	60,822	
Subtotal	\$601,836	\$718,287
Additional G.O. bond borrowing:		
Capital fund deficit reduction	50,000	50,000
Government Centers buildings	75,000	
East Washington Traffic Initiative	50,000	
Consolidated Forensics Laboratory	75,000	
Subtotal, Including Additional Borrowing and Financing	\$851,837	\$768,287
Local Street Maintenance Fund:		
Rights-of-way funds	38,500	45,849
Parking tax revenue	24,445	24,445
Highway Trust Fund:		
Federal Highway Administration grants	192,741	192,741
Local match (from motor fuel tax and other sources)	60,707	60,707
Total, District of Columbia	\$1,168,229	\$1,092,029

Table 6-3

Capital Fund Pro Forma

(Dollars in thousands; excludes Highway Trust and Local Maintenance Funds)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total, FY 2009- FY 2014	Percent of FY 2009
Sources:								
G.O. Bonds	396,378	399,490	395,194	396,049	397,408	396,996	2,381,515	
Pay-As-You-Go (Paygo)	144,637	113,859	120,602	131,779	150,947	159,914	821,737	
Master Equipment Lease	60,822	39,261	33,902	39,685	36,953	30,918	241,541	
Subtotal, Sources	601,836	552,611	549,698	567,513	585,308	587,828	3,444,794	
Additional G.O. Bonds - Large-Scale Financings	150,000	50,000	0	0	0	0	200,000	
Total, Sources	751,836	602,611	549,698	567,513	585,308	587,828	3,644,794	
Uses:								
Office of Public Education Facilities Modernization	223,450	236,435	250,202	268,825	288,886	306,198	1,573,996	37.1%
Mass Transit Subsidies	65,500	77,700	83,700	84,800	88,800	91,200	491,700	10.9%
Department of Parks and Recreation	58,200	51,500	42,520	41,520	38,520	40,000	272,260	9.7%
Department of Mental Health	27,800	5,000	0	0	0	0	32,800	4.6%
Office of Property Management	26,890	25,260	25,260	27,980	38,050	62,620	206,060	4.5%
DC Public Library	25,163	22,475	36,600	42,277	26,002	18,662	171,179	4.2%
Fire and Emergency Medical Services	21,714	29,290	26,506	22,376	29,516	17,076	146,478	3.6%
Office of the Chief Technology Officer	16,194	11,649	9,914	14,508	18,077	12,565	82,907	2.7%
Department of Public Works	15,920	9,075	8,635	8,800	8,800	7,800	59,030	2.6%
Office of the Chief Financial Officer	15,200	6,200	6,200	3,200	0	0	30,800	2.5%
Metropolitan Police Department	14,950	10,200	11,558	10,200	10,200	5,200	62,308	2.5%
Deputy Mayor for Planning and Economic Development	14,660	0	0	0	0	0	14,660	2.4%
University of the District of Columbia	14,130	8,540	8,015	5,520	4,150	2,700	43,055	2.3%
State Superintendent of Education (OSSE)	10,583	10,800	3,700	3,000	0	0	28,083	1.8%
Department of Transportation	10,000	10,600	9,200	9,000	9,000	9,000	56,800	1.7%
Dept. of Housing and Comm. Development	8,450	7,750	6,550	5,950	10,500	5,000	44,200	1.4%
Dept. of Consumer and Regulatory Affairs	7,750	7,750	7,750	7,750	5,000	0	36,000	1.3%
Office of Unified Communications	6,700	7,000	5,000	5,000	5,000	5,000	33,700	1.1%
District of Columbia Public Schools	5,000	0	0	0	0	0	5,000	0.8%
Department of Human Services	4,500	5,500	0	0	0	0	10,000	0.7%
Office of Planning	2,621	3,436	2,106	2,106	2,106	2,106	14,484	0.4%
Commission on Arts & Humanities	2,500	2,700	2,700	2,700	2,700	2,700	16,000	0.4%
Office on Aging	1,950	0	0	0	0	0	1,950	0.3%
Department of Health	990	0	0	0	0	0	990	0.2%
Department of Corrections	579	3,750	3,582	2,000	0	0	9,911	0.1%
Office of Zoning	442	0	0	0	0	0	442	0.1%
Subtotal, Uses	601,836	552,611	549,698	567,513	585,308	587,828	3,444,794	100.0%
Large-Scale Financings (Office of Property Management)								
Consolidated Laboratory Facility	75,000	50,000	0	0	0	0	125,000	
Government Centers	75,000	0	0	0	0	0	75,000	
Total, Uses	751,836	602,611	549,698	567,513	585,308	587,828	3,644,794	

Note: Details may not sum to totals due to rounding.

Large shares of funding also go toward the Washington Metropolitan Area Transit Authority, the Department of Parks and Recreation, the Department of Mental Health, and the Fire and Emergency Medical Services Department.

Table 6-2 summarizes planned expenditure amounts for FY 2009 and budget authority requests for FY 2009 - FY 2014. It includes local funds (G.O. bonds, Paygo, and master equipment lease/purchase), federal grants, and special financings that are discussed in greater detail later in this chapter.

The capital fund pro forma, table 6-3, summarizes sources and uses in the District's CIP. The Project Description Forms that constitute the detail of this capital budget document include projects receiving new allotments in FY 2009 through FY 2014 as included in the pro forma, totaling \$752 million in FY 2009.

FY 2009 Operating Budget Impact

In general, each \$15 million in borrowing has approximately a \$1 million impact on the operating budget for annual debt service. The capital budget's primary impact on the operating budget is the debt service cost,

Table 6-4
FY 2009-FY 2012 Debt Service Expenditure Estimates

	FY 2009	FY 2010	FY 2011	FY 2012
Existing General Obligation (G.O.) Bonds Debt Service (Agency DS0)	\$444,876,477	\$456,740,283	\$398,028,848	\$390,629,818
Prospective G.O. Bonds Debt Service				
- FY 2009 (2008B) GO Bonds (\$355.7M)	\$14,850,313	\$25,457,500	\$25,457,750	\$25,453,250
- FY 2009 GO Bonds (\$356.7M)		\$25,513,375	\$25,510,500	\$25,510,000
- FY 2010 GO Bonds (\$580.5M)		\$20,807,500	\$41,615,250	\$41,615,000
- FY 2011 GO Bonds (\$433.6M)			\$11,923,175	\$32,966,350
- FY 2012 GO Bonds (\$400M)				\$11,000,000
Total G.O. Bonds Debt Service (Agency DS0)	\$459,726,789	\$528,518,658	\$502,535,523	\$527,174,418
Schools Modernization G.O. Bonds Debt Service (Agency SM0):				
2007 Issuance (\$60M)	\$2,781,425	\$2,781,425	\$2,781,425	\$2,781,425
2008 Issuance (\$90M)	\$5,831,738	\$5,830,338	\$5,831,538	\$5,839,288
School Modernization Fund Subtotal (Agency SM0)	\$8,613,163	\$8,611,763	\$8,612,963	\$8,620,713
Payments on Certificates of Participation (COPs) (Agency CP0)**				
	\$32,790,850	\$33,039,831	\$33,044,575	\$33,033,738
Payments on Revenue Bonds for Housing				
Production Trust Fund (Agency DT0)	\$6,000,000	\$12,000,000	\$16,000,000	\$16,000,000
Total Long-term Debt Service	\$507,130,802	\$582,170,251	\$560,193,060	\$584,828,868

* Does not include debt service on G.O. bonds issued to finance water and sewer-related projects, which is paid by the D.C. Water and Sewer Authority (WASA).

** Includes debt service on the One Judiciary Square, Unified Communications Center (UCC)/D.C. Net, and New Mental Health Hospital/DMV Building Certificates of Participation (COPs) financings. Each year's figure for CP0 includes an estimated amount for property taxes on these properties payable by the District (as Lessee) to the Trustee (as Owner and Lessor), and by the Trustee to the District (as taxing jurisdiction). In effect, the District is paying itself, so there will be tax revenue to offset this expenditure line item.

Table 6-5

Outstanding GO Bonds Debt Service

Fiscal Year	Date	Principal	Interest	Total Debt Service	Fiscal Year Debt Service
FY Ending 9/30/2009	12/1/2008		\$93,091,465	\$93,091,465	
	6/1/2009	\$226,955,000	\$101,047,668	\$328,002,668	\$421,094,133
FY Ending 9/30/2010	12/1/2009		\$95,856,485	\$95,856,485	
	6/1/2010	\$242,930,000	\$95,205,478	\$338,135,478	\$433,991,963
FY Ending 9/30/2011	12/1/2010		\$88,682,488	\$88,682,488	
	6/1/2011	\$197,220,000	\$88,535,136	\$285,755,136	\$374,437,624
FY Ending 9/30/2012	12/1/2011		\$83,324,207	\$83,324,207	
	6/1/2012	\$176,288,004	\$103,938,776	\$280,226,780	\$363,550,988
FY Ending 9/30/2013	12/1/2012	\$4,445,000	\$78,950,031	\$83,395,031	
	6/1/2013	\$168,569,885	\$100,949,914	\$269,519,799	\$352,914,830
FY Ending 9/30/2014	12/1/2013	\$12,570,000	\$74,793,543	\$87,363,543	
	6/1/2014	\$188,424,845	\$90,812,394	\$279,237,239	\$366,600,782
FY Ending 9/30/2015	12/1/2014	\$1,455,000	\$70,356,266	\$71,811,266	
	6/1/2015	\$137,510,000	\$70,122,161	\$207,632,161	\$279,443,427
FY Ending 9/30/2016	12/1/2015		\$67,002,291	\$67,002,291	
	6/1/2016	\$143,065,000	\$67,053,517	\$210,118,517	\$277,120,808
FY Ending 9/30/2017	12/1/2016		\$64,305,496	\$64,305,496	
	6/1/2017	\$147,610,000	\$63,524,386	\$211,134,386	\$275,439,882
FY Ending 9/30/2018	12/1/2017		\$60,029,591	\$60,029,591	
	6/1/2018	\$137,210,000	\$60,016,618	\$197,226,618	\$257,256,209
FY Ending 9/30/2019	12/1/2018		\$56,756,786	\$56,756,786	
	6/1/2019	\$144,175,000	\$57,396,929	\$201,571,929	\$258,328,715
FY Ending 9/30/2020	12/1/2019		\$53,458,585	\$53,458,585	
	6/1/2020	\$149,635,000	\$53,384,101	\$203,019,101	\$256,477,686
FY Ending 9/30/2021	12/1/2020		\$49,854,850	\$49,854,850	
	6/1/2021	\$156,685,000	\$50,190,556	\$206,875,556	\$256,730,406
FY Ending 9/30/2022	12/1/2021		\$46,398,484	\$46,398,484	
	6/1/2022	\$164,485,000	\$46,128,994	\$210,613,994	\$257,012,478
FY Ending 9/30/2023	12/1/2022		\$42,350,281	\$42,350,281	
	6/1/2023	\$172,295,000	\$42,378,000	\$214,673,000	\$257,023,281
FY Ending 9/30/2024	12/1/2023		\$38,841,323	\$38,841,323	
	6/1/2024	\$180,155,000	\$38,435,831	\$218,590,831	\$257,432,154
FY Ending 9/30/2025	12/1/2024		\$34,328,843	\$34,328,843	
	6/1/2025	\$188,690,000	\$34,329,660	\$223,019,660	\$257,348,503
FY Ending 9/30/2026	12/1/2025		\$30,142,654	\$30,142,654	
	6/1/2026	\$197,480,000	\$30,221,244	\$227,701,244	\$257,843,898

Table 6-5 , continued

Outstanding GO Bonds Debt Service

FY Ending 9/30/2027	12/1/2026		\$25,583,441	\$25,583,441	
	6/1/2027	\$166,140,000	\$25,594,175	\$191,734,175	\$217,317,616
FY Ending 9/30/2028	12/1/2027		\$21,846,219	\$21,846,219	
	6/1/2028	\$107,825,000	\$21,963,240	\$129,788,240	\$151,634,458
FY Ending 9/30/2029	12/1/2028		\$19,337,879	\$19,337,879	
	6/1/2029	\$72,575,000	\$19,348,358	\$91,923,358	\$111,261,238
FY Ending 9/30/2030	12/1/2029		\$17,724,634	\$17,724,634	
	6/1/2030	\$75,795,000	\$17,748,602	\$93,543,602	\$111,268,236
FY Ending 9/30/2031	12/1/2030		\$16,343,293	\$16,343,293	
	6/1/2031	\$98,735,000	\$16,243,866	\$114,978,866	\$131,322,159
FY Ending 9/30/2032	12/1/2031		\$13,954,429	\$13,954,429	
	6/1/2032	\$103,275,000	\$13,984,534	\$117,259,534	\$131,213,963
FY Ending 9/30/2033	12/1/2032		\$11,638,142	\$11,638,142	
	6/1/2033	\$108,075,000	\$11,561,694	\$119,636,694	\$131,274,836
FY Ending 9/30/2034	12/1/2033		\$9,046,847	\$9,046,847	
	6/1/2034	\$90,960,000	\$9,067,138	\$100,027,138	\$109,073,985
FY Ending 9/30/2035	12/1/2034		\$6,973,175	\$6,973,175	
	6/1/2035	\$95,110,000	\$6,973,175	\$102,083,175	\$109,056,350
FY Ending 9/30/2036	12/1/2035		\$4,714,313	\$4,714,313	
	6/1/2036	\$99,630,000	\$4,714,313	\$104,344,313	\$109,058,625
FY Ending 9/30/2037	12/1/2036		\$2,348,100	\$2,348,100	
	6/1/2037	\$104,360,000	\$2,348,100	\$106,708,100	\$109,056,200
Total Outstanding GO Bonds Debt Service		\$4,260,332,735	\$2,621,252,697	\$6,881,585,432	\$6,881,585,432

paid from local revenue in the operating budget, associated with issuing G.O. bonds to finance the CIP. Table 6-4 shows the overall debt service funded in the FY 2009 operating budget and financial plan, while table 6-5 shows the total outstanding G.O. bonds debt service.

A secondary impact on the operating budget is the cost of operating and maintaining newly completed capital projects. For example, the replacement of a building's roof, windows and mechanical systems may decrease the cost of utilities, which would effectively lower the owner agency's operating costs. Conversely, the construction of a new recreation center is likely to increase the owner agency's operating costs for staffing the facility and operating programs there. Similarly, completed information technology projects will likely entail additional operating costs as upgrades, license renewals, or training of staff to operate new systems are required. OBP and the Office of the City Administrator are working to improve the descriptions of operating impact of projects currently found in the Project Description Forms.

Capital-Funded Positions

Designing and implementing capital projects can require specialized labor. In many instances, the personal services costs associated with these positions are charged to the General Fund. However, there are certain circumstances that allow agencies to charge positions against capital projects. For example, the

Department of Transportation may hire specific types of construction engineers and project managers to work on a Highway Trust Fund road project and charge them against a capital project. Funding for these types of positions is permissible, as long as the position contributes directly to completion of the project.

The number of capital-funded positions rose slightly in FY 2007 compared to FY 2006. Figure 6-2 shows that the District reduced the total number of capital-funded positions between 1993 and 1999. Capital funded FTEs have increased since then but have not reached the level of the early 1990s.

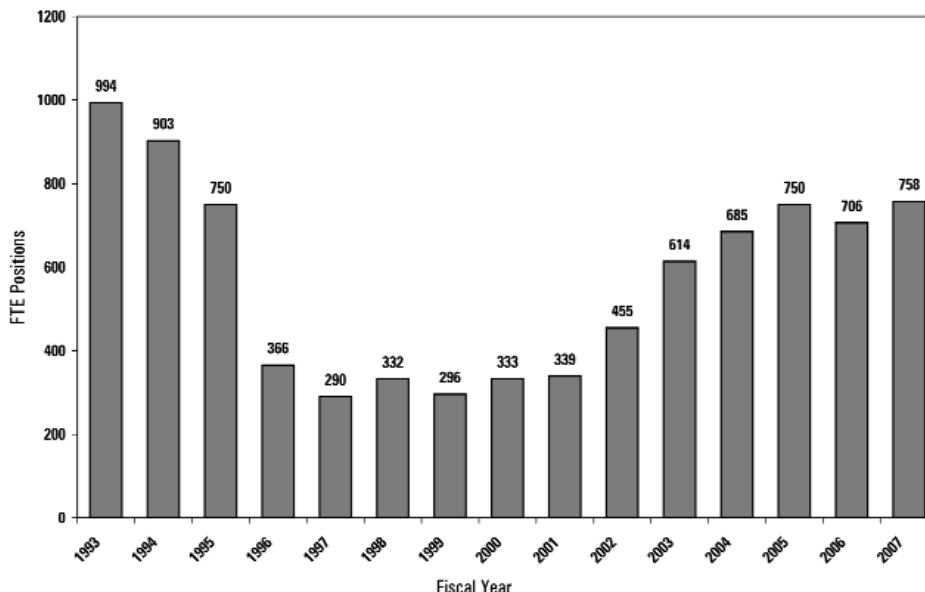
Details on the District's Sources of Funds for Capital Expenditures

The District's proposed FY 2009 – FY 2014 capital budget includes a number of funding sources. The District uses the following sources to fund capital budget authority across a large number of agencies that have capital programs:

- G.O. bonds,
- Paygo capital funding,
- Master Equipment Lease/Purchase financing, and
- Sale of Assets.

Projects funded by these sources are detailed in the Project Description Forms (PDFs) in this budget document. Additional G.O. Bond borrowing of \$50 million annually is proposed for deficit reduction in the capital

Figure 6-2
Number of Capital-Funded FTE Positions From FY 1993 to FY 2007



fund. The District also proposes to use additional G.O. bond borrowing, revenue bonds, and a one-time borrowing to finance specific projects:

Government Center Buildings: The proposed budget includes the final budget allotment for two Government Center buildings — the Anacostia Gateway Building and the Minnesota/Benning Center. These centers will house the District’s Departments of Transportation and Employment Services. In the FY 2006 budget, the District received \$200 million of budget authority to complete these projects. Since that time, the scope of the project has narrowed. The original plan included moving the Department of Human Services (DHS) to one of the buildings, but the current plan is to move DHS to another location, allowing a somewhat smaller Government Centers construction project.

New Communities: The District issued \$34 million of revenue bonds in FY 2007 for a major investment in the Northwest One community, which includes the Sursum Corda public housing development and surrounding areas, as part of the New Communities initiative. To pay the debt service on these bonds, funds will be transferred from the Housing Production Trust Fund (HPTF), which is funded by dedicated revenue (from deed recordation and deed transfer taxes). As of FY 2008, the District has budgeted a total of \$150 million of capital budget authority for the New Communities project, which will include several additional communities. In FY 2008, \$6 million of HPTF revenue is budgeted for debt service in the proposed operating budget, which will allow additional borrowing in FY 2008 beyond the \$34 million already borrowed.

Baseball Stadium: The District completed construction of the baseball stadium in the Spring of 2008. For

additional information, see the Special Study chapter on Baseball in the District of Columbia.

East Washington traffic initiative: In the FY 2006 budget, the District received \$230 million of budget authority for this project, the major component of which is the rebuilding of the 11th Street SE bridge. Parking tax revenue (50 percent of the revenue) supports this project, and federal funds are also anticipated to support this project. Borrowing began in FY 2008 and will continue in FY 2009 and FY 2010, with debt service to be paid by the parking tax revenue stream.

Consolidated Forensics Laboratory: The District is building a new consolidated laboratory that will be used by the Metropolitan Police Department, the Office of the Chief Medical Examiner, and other agencies. Both the District and the federal government have begun financing this project, and planning is well under way. In FY 2008, Congress approved \$9 million of federal funds, and the District will begin borrowing G.O. bonds for this project. The District will continue to seek additional federal funding in future fiscal years.

Neighborhood Branch Libraries: In FY 2008, a federal payment of \$9 million was approved by the Congress for 3 branch libraries, including Washington Highlands, Francis Gregory, and Petworth.

Table 6-6 shows expected G.O. bond borrowing amounts for FY 2008 through FY 2011 for general capital needs and specific projects. It excludes the New Communities project, which is funded by revenue bonds.

Finally, the District's Department of Transportation uses the following sources to fund its capital projects:

- Rights-of-way funds, parking tax revenue, and Paygo capital, for Local Street Maintenance Fund projects;

Table 6-6

Proposed G.O. Bond Borrowing, FY 2008 Through FY 2011

(Dollars in thousands)

Source	FY 2008	FY 2009	FY 2010	FY 2011
G.O. bonds, general, including deficit reduction	\$450,754	\$446,378	\$449,490	\$445,194
G.O. bonds for Schools Modernization (FY 2006 additional authorization)	90,000	0	0	0
G.O. bonds for Government Center buildings	100,000	75,000	0	0
G.O. bonds for East Washington traffic initiative (debt service backed by parking tax revenue)	12,500	50,000	87,500	50,000
G.O. bonds for Consolidated Laboratory Facility	25,000	75,000	50,000	0
New Central Library (debt service backed by funds from lease or sale)	0	TBD	TBD	TBD

Note:

All amounts and methods of borrowing are subject to change depending on status of projects and market conditions.

- Federal Highway Administration grants, for Highway Trust Fund projects; and
- Dedicated motor fuel tax revenues, and several new sources, for Highway Trust Fund projects (these provide the local match for the Federal Highway Administration grants).

Projects financed by these sources are detailed in Volume 7 of these budget documents.

Fund Balance of the Capital Fund

From FY 2001 through FY 2005, the District's Comprehensive Annual Financial Report (CAFR) showed a deficit in the General Capital Improvements fund (the "capital fund"), but the FY 2006 CAFR showed a surplus, which grew in FY 2007. The shortfall at the end of FY 2005 meant that capital expenditures had exceeded financing sources by that amount on a cumulative basis, and the District's General Fund had advanced funds to the capital fund to cover the expenditures. Because of several large financings in FY 2006 and FY 2007, from which very little was spent, the accumulated deficit has become an accumulated surplus. As District agencies spend these proceeds in coming years, this portion of the surplus will disappear. The Chief Financial Officer's management goal is to balance the capital fund on a long-term basis.

Until a few years ago, agencies had been slow to spend capital dollars, resulting in the District's paying interest on borrowed funds that then sat idle earning lower interest rates in District bank accounts. The

District instituted a policy to delay borrowing until funds were needed for expenditures, and borrowing less than the full amount budgeted and/or allotted. At the same time, agencies were pressured to begin spending budgeted capital dollars. Eventually, this resulted in a situation in which total agency spending (of existing capital budget authority and prior allotments) exceeded the amount of funds borrowed, producing a deficit in the capital fund. The General Fund paid for these capital expenditures, essentially as a loan to the capital fund. It was necessary to cure this shortfall in order to bring the capital fund and General Fund back into balance and also to prevent cash flow problems in the General Fund.

In FY 2006, the District borrowed \$196.9 million through COPs for a new mental health hospital and a new building for the Department of Motor Vehicles, and it securitized \$245.3 million of future tobacco revenues to pay for health care needs in the District, primarily through capital expenditures. Little was spent against these two financings in FY 2006, so they had a large positive net effect on the capital fund balance. Similarly, in FY 2007, there were several large sources of revenues with minimal FY 2007 spending. For example, the District transferred \$100 million of Paygo revenue to the capital fund for schools construction and also borrowed \$60 million in the first installment of the additional FY 2006 bond funds for schools. However, D.C. Public Schools did not have access to the budget for these funds until April of 2007 because of legislative restrictions, and little was spent by the end of FY 2007. The District also borrowed \$64 million against future

Table 6-7

Fund Balance in the General Capital Improvements Fund, FY 1998-FY 2007

(Dollars in millions)

Fiscal Year	Positive / (Negative) Fund Balance
1998	\$224.0
1999	387.5
2000	458.4
2001	(57.9)
2002	(389.5)
2003	(141.8)
2004	(250.2)
2005	(246.4)
2006	396.8
2007	703.8

bus shelter advertising revenues for the Great Streets programs. Thus, about \$536 million of the FY 2007 year-end capital fund balance is the unspent proceeds of FY 2006 COPs and tobacco bonds and FY 2007 school modernization and Great Streets financing. Most of these balances are likely to be spent within the next several fiscal years, which will rapidly reduce the capital fund balance. Thus, the District must still keep a close watch on the underlying status of the capital fund, notwithstanding the current surplus. The long-term solution to the capital fund shortfall includes development of, and monitoring against, agency spending plans for their capital projects that manage each year's overall expenditures against that year's revenues. The District will also continue to borrow \$50 million per year above each year's new capital budget allotments to gradually repay the General Fund for advances it made to the capital fund.

Highway Trust Fund and Local Roads Construction and Maintenance Fund

The Highway Trust Fund and Local Roads Construction and Maintenance Fund both finance projects implemented by the District Department of Transportation.

The Highway Trust Fund (HTF) consists of federal-aid funds and dedicated tax collections used to support investment on the 44 miles of eligible federal-aid roads and highways. The HTF is used to pay the local match for obligated Federal Aid projects, match future transportation grants and the remaining balances are to be used for capital improvements to local streets and roads.

The inventory of streets and highways under the District's jurisdiction extends over 1,000 centerline-miles of urban roads. The streets and highways consist

of two-lane residential streets up to multi-lane Interstates. There are approximately 200 bridges eligible for Federal Aid match, and they range from crossings over minor drainage ways to the interstate highway bridges over the Potomac and Anacostia Rivers. Approximately 400 of the over 1,000 miles of streets and highways are eligible for Federal Aid match. Federal Aid match is granted for (approximately) 80 percent of the construction, design and project management costs of an eligible roadway project provided that the District matches the remaining (approximately) 20 percent.

The District anticipates HTF expenditures of \$347 million (local share) during the six-year period FY 2009 through FY 2014. Over the same period, the Federal Aid Match (Federal Aid) anticipates expenditures of \$1.101 billion. Thus, total Highway Trust Fund planned expenditures are \$1.448 billion.

The Local Roads Construction and Maintenance Fund was created in FY 2002 and funded with Rights-of-Way fee collections. This funding source allows the District of Columbia to maintain the quality of its local street system. Funds are dedicated for the maintenance and enhancement of all local streets. Beginning in FY 2006, 50 percent of parking tax receipts were deposited into this fund annually to support local road rehabilitation and construction. The District anticipates expenditures of \$341 million from FY 2009 through FY 2014.

For more details on the Highway Trust Fund and Local Roads Construction and Maintenance Fund, see Volume 7 of the FY 2009 Proposed Budget and Financial Plan.

Appendices



D.C. Comprehensive Financial Management Policy

Government of the District of Columbia

Comprehensive Financial Management Policy

INTRODUCTION

In accordance with requirements set forth in the District of Columbia Home Rule Act, this Comprehensive Financial Management Policy provides a framework for fiscal decision-making for the Office of the Chief Financial Officer (OCFO) and the Government of the District of Columbia (“District government” or “District”). The intent of this document is to establish policies that ensure that financial resources are available to meet the present and future needs of the citizens of the District of Columbia. This document establishes the District government’s policies in the following areas:

- Debt Management
- Financial Asset Management
- Fixed Asset Management
- Reserve Management
- Fiscal Management
- Economic Development

These financial management policies were established by the OCFO for review and comment by the Mayor of the District of Columbia and the Council of the District of Columbia. The OCFO will consider amendments to this document on a continuing basis, as needed, following this same review and approval process.

DEBT MANAGEMENT POLICY

The District government will maintain, at all times, debt management policies that are fiscally prudent, consistent with District and federal law, and reflect Washington, D.C.’s unique municipal status.

Credit Ratings

The District will do everything in its power to attain and maintain the highest possible credit ratings for its outstanding general obligation bonds, including producing balanced budgets and “clean” audits annually, implementing and maintaining sound financial and debt management policies and practices, and maintaining regular communications with the major rating agencies.

Long-Term Debt Capacity

The District will not only stay within its statutorily mandated debt limit of 17 percent (maximum annual debt service to total current-year local revenues), but will maintain debt service-to-General Fund expenditures, debt-to-total property value, and debt-per-capita ratios that are within policy limits established by considering industry standards, rating agency benchmarks and the District’s long-term financial health. The District will seek to balance the need for maintenance and development of its capital infrastructure with the need to maintain reasonable debt ratios and debt service expense levels.

Timing and Amount of Long-Term Borrowing

With the exception of certain special capital projects for which it is necessary to have all funds on hand at the outset of the project, the District shall engage in annual long-term borrowing for its capital projects in amounts that are planned and reasonably expected to be spent over the course of the fiscal year in which such funds are borrowed. Such borrowing amounts will be determined in the context of an on-going effort to balance the need for continual development and refurbishment of the District's infrastructure with the need to prudently manage the District's debt burden.

Method of Bond Sale

The District shall issue its bonds via competitive sale unless a determination is made by the OCFO, supported by credible documentation, that issuing bonds via a negotiated sale is likely to yield a more favorable result for the District.

Composition of Debt Portfolio

The District shall issue fixed-rate, tax-free municipal bonds, typically general obligation bonds, except that a target percentage of 15 to 20 percent of its outstanding debt shall be variable-rate municipal bonds. This policy will allow the District to take advantage of the generally lower interest rates associated with variable-rate municipal debt without over-exposing itself to higher levels of risk associated with such debt. In addition, with every issuance of debt, the District shall evaluate whether or not it is financially beneficial to issue the debt with bond insurance or some comparable form of credit enhancement, and shall structure the issuance accordingly. The District will also regularly examine the marketplace and its financial structure to determine whether it would be beneficial to issue debt in a form other than general obligation bonds (i.e., revenue bonds, certificates of participation) to fund certain governmental projects.

Timely Debt Service Payments

The District shall escrow funds received from its Special Real Property Tax levy semi-annually in amounts sufficient to ensure timely payment of

all principal and interest due on its outstanding general obligation bonds.

Compliance with Arbitrage Regulations

The District shall contract with a reputable firm to perform annual analyses of the District's investment and expenditure of bond proceeds in order to ensure compliance with federal arbitrage regulations.

Refunding of Outstanding Debt

The District will regularly monitor its outstanding debt for optimal opportunities and timing to refund such debt at lower interest rates to produce debt service savings to the District.

Selection of Financial Consultants and Service Providers

The District shall select Bond Counsel, Disclosure Counsel, and Financial Advisor services on a competitive basis through a Request for Proposals (RFP) process, unless in an emergency situation, with the nature of such emergency documented in writing.

Equipment Financing Program

The District will maintain a program to finance (on a tax-exempt basis) the acquisition of agency capital equipment with estimated useful lives of five to ten years. This program is part of the District's policy of seeking to match the useful lives of its capital assets with the duration of the debt that finances such assets, identifying the lowest available cost of financing, as well as managing agency operating costs.

Independent Agency/Instrumentality Debt Issuance

The Chief Financial Officer (CFO) shall determine whether or not it is advisable for certain independent agencies/instrumentalities of the District that have segregated revenue streams to pursue issuing bonds supported by such revenue streams. If the CFO determines that such a transaction is advisable, the CFO shall, through the Mayor, submit a written request to the Council for enactment of the necessary authorizing legislation. The CFO must approve the ultimate structure of any such transaction, and must

approve the transaction itself. In the event of such a financing, the independent agency/instrumentality must report to the CFO within 30 days after each debt service payment, and in such report confirm timely payment and the amount paid, document the amount of debt outstanding, and provide any other pertinent information requested by the CFO. (Examples of entities that have issued such debt are the Washington Convention Center Authority and the District of Columbia Water and Sewer Authority.)

Short-Term Borrowing

The District's policy is to issue short-term debt in the form of Tax Revenue Anticipation Notes to finance any intra-year seasonal cash needs. Such notes must be repaid by the end of the fiscal year in which they are issued. The policy goal is for the District to maintain sufficient operating cash balances so that short-term borrowing is not necessary.

FINANCIAL ASSET MANAGEMENT POLICY

Authorization and Responsibility

The CFO, established by the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (Pub.L. 104-8, Sec 302, 109 Stat 142), is responsible for maintaining custody of all public funds belonging under the control of the District government and depositing all amounts paid in such depositories and under such terms and conditions as may be designated by the Council of the District of Columbia pursuant to Section 424 of the District of Columbia Home Rule Act (Pub.L. 93-198). Except where prescribed by law, the CFO has delegated this responsibility to the Treasurer of the District of Columbia.

The Treasurer, on behalf of the CFO, actually maintains custody of all public funds belonging to or under the control of the District government or its agencies and deposits all funds in depositories designated by law. (P.L. 104-8, Sec. 302 (e); DC Official Code 1-204.24d(1)-(2)) The Treasurer is responsible for the administration and supervision of the Office of Finance and

Treasury (OFT), which includes the responsibility for the collection and deposit of all receipts. The Treasurer shall also specify operational procedures and standards to be used for all depository intake facilities.

Deposit of Cash Receipts Policy

All District government instrumentalities, including component units, boards, commissions and other public entities, are subject to DC Official Code 47-351 et seq. and shall deposit all cash, checks and other negotiable instruments received within two business days after collection or receipt of such moneys. Items deposited pursuant to DC Official Code 47-351 et seq. shall be properly posted in the District's accounting system of record within two business days of receipt.

Background: The timely deposit of moneys received provides several benefits. The most important benefit is the improved control of these funds, which reduces the risk of loss due to errors, carelessness or theft. In addition, the timely deposit of funds results in improved interest earnings and lowers the risk of returned checks due to non-sufficient funds or accounts being closed. It also provides a responsive service to the payers who would otherwise be uncertain whether their checks were received.

Disbursement of Public Funds Policy

All disbursements from District depository accounts shall be made by check or electronic fund transfer. All District agencies shall comply with OCFO's Financial Management and Control Order No. 96-04, which establishes guidelines of authority, indicates required documentation, and requires expediency in the processing of payment vouchers. All District agencies and employees shall comply with Financial Management and Control Order No. 01-001, which governs the establishment, control and maintenance of bank accounts, checks and signature authority to prevent fraud, abuse or other irregularities. Likewise, all District agencies shall also comply with the provisions in the District's Quick Payment Act which ensures the timely payment of public funds to vendors.

Background: The District of Columbia's Office of Finance and Treasury recognizes the financial risks associated with the issuance of checks. The rapid growth of check fraud due to improvements and affordability in desktop publishing and color photocopying has prompted the development of a single state check design. Checks issued by the District government utilize a controlled paper stock with numerous security features and a background design that makes all District government checks easily recognizable as obligations of the District government.

Revolving Fund Policy

Revolving fund disbursements must be authorized and shall be limited to emergency situations that cannot be accommodated through established procedures due to time or other constraints.

Therefore, revolving funds shall only be used for approved emergency transactions, but in no case shall revolving funds be used for the following:

- Loans or cash advances to employees;
- Travel reimbursements;
- Travel advances;
- Payments to employees for personal services;
- Subscriptions, memberships, registrations, or tuition;
- Clearing fund for any purpose;
- Monthly recurring operating expenses of the agency; and
- Situations that can be accommodated through other established procedures.

Background: Revolving funds are established for the purpose of making emergency or other disbursements that cannot be accommodated through established procedures due to time constraints. When revolving funds are used, the disbursement process is not complete until claims for the payments are made from District funds and the revolving fund is reimbursed for the emergency activity.

In the District of Columbia there are four types of revolving funds:

- Internal Service Funds (DC Official Code 47-373 (2)E);

- Enterprise Funds (DC Official Code 47-373 (2)D);
- Statutorily mandated funds such as the Public Assistance and Administration Revolving Fund (DC Official Code 47-373 (2)); and
- Imprest Fund (Mayor's Memorandum 82-29, dated May 28, 1982).

Collateralization Policy

The District of Columbia shall institute guidelines sufficient to ensure that eligible financial institutions collateralize District deposits at 102 percent of the District's collected balances held that are not fully federally insured. The District's Office of Finance and Treasury shall monitor collateral on a daily basis.

Banking Services Policy

It is the policy of the District government to expeditiously establish bank accounts pursuant to competitive award practices as prescribed in the Financial Institutions Deposit and Investment Act of 1997, DC Official Code 47-351 et seq. The Office of Finance and Treasury shall routinely monitor bank performance using predetermined performance standards with penalties for failure to perform.

Electronic Benefits Payment Policy

The OFT in conjunction with the Department of Human Services shall administer the District's Electronic Benefit Transfer (EBT) in compliance with the Welfare Reform Act of 1996 and provide necessary training to eligible District of Columbia residents in utilizing this service.

Background: The Welfare Reform Act of 1996 mandates that all states and the District of Columbia establish an electronic delivery system for the distribution of food stamp benefits by October, 2002. As a result, the District's EBT system was implemented in 1998. The system electronically delivers both food stamps and cash assistance welfare benefits to District recipients. EBT is a special application of electronic funds transfer (EFT) technology, which takes money directly from one account and transfers it to another and eliminates the cumbersome process-

es required by the paper food stamp and check writing systems. Also, it provides the retail food industry in the District with an improved method of accepting food stamp benefits, accounting of food stamp benefits and the transferring of funds from the U.S. Department of Agriculture to individual merchants.

Internal Control Policy

The District government shall administer Generally Accepted Auditing Standards and OCFO approved internal control practices to ensure the safeguarding of cash under the control of agencies, component units, boards and commissions. Such practices include:

- All cash received by District agencies shall be deposited with OFT. Any exceptions shall be approved in advance by the OCFO;
- Bank accounts shall be reconciled monthly under the supervision of someone independent of receiving, disbursing and depositing cash;
- Employees who handle cash shall be bonded as a condition of employment and cannot maintain accounting records; ;
- Pre-numbered deposit tickets shall be supported with sequentially numbered cash receipts;
- Checks received shall be restrictively endorsed;
- Cash receipts shall be reconciled daily and discrepancies shall be investigated promptly by the designated authorized personnel; and
- Access to cash registers and cash boxes shall be restricted to cashiers and shall be promptly secured during the cashier's absence.

Investment Priorities

The District will invest idle cash in a manner consistent with applicable District law that seeks to (i) provide for the safekeeping of principal amounts invested, (ii) maintain adequate liquidity to fund the District's daily operations, and (iii) maximize earnings on invested funds, in that order of priority. The maximization of earnings will be accomplished by analyzing (i) up-to-date cash flow projections documenting the amounts and timing of the District's operating cash needs

over the course of a given fiscal year and (ii) the investment yield curve and the respective earnings (interest) rates available to the District on the various legally-permissible investment instruments, and making investment decisions accordingly.

Investment of Idle Operating Cash Balances

The Office of Finance and Treasury, each business day, will determine, using same-day data from its banks on check clearings for that day and allowing for a relatively small cushion for unexpected disbursements, the amount of cash that is not needed to fund disbursements for that particular day. All such cash will be invested in one or more of the permissible investment instruments in accordance with the policy described in the "Investment Priorities" section above.

Investment of Additional Idle Bank Account Balances

The District government will ensure that no cash balances sit idly without being invested. All District bank accounts will be structured such that all funds in collection or disbursement accounts at the end of a given day will be invested in overnight sweep investments and returned to these respective accounts the following morning with interest.

Investment of Bond Escrow and Note Escrow Funds

The District government will invest idle bond escrow and note escrow balances (funds set aside for the payment of principal and/or interest on outstanding District bonds or notes) in accordance with the same general policy guidelines described in the "Investment Priorities" section above, except that the maximum duration of such investments (the liquidity aspect referenced above) will be determined by the principal and/or interest payment due dates on the bonds or notes as opposed to operating cash flow projections.

Investment of Bond and Note Proceeds

Proceeds from the sale of District bonds and notes shall be invested in permissible investments

in accordance with District law, stipulations in the respective bond or note documents as to how such funds are to be invested, Federal arbitrage regulations regarding the investment of bond and note proceeds (both of which may be more restrictive than District law), and pre-determined payout schedules (or estimates) for such proceeds (based on the purpose and manner of use of such Reserve Funds Reserve Funds (see Reserve Policy section) of the District shall be invested in permitted investments in accordance with District law, and shall be invested in a manner that will allow some or all of the investments to be liquidated within one business day in the event of an emergency need for such funds. With this stipulation, funds shall be otherwise invested in accordance with the policy described in the "Investment Policies" section above.

Limits on Placement of Funds

In accordance with applicable law, the District will not deposit/invest more than 25 percent of its funds on hand with any one financial institution, and will not deposit/invest an amount with any one financial institution that amounts to more than 25 percent of the assets of such institution.

FIXED ASSET MANAGEMENT POLICY

Policy for Defining Fixed Assets

Fixed Assets are long-lived tangible items that provide a benefit for a number of future periods. They are either classified as "capitalized assets", subject to the District's standard depreciation rules or "controllable property" which are neither capitalized nor depreciated for financial reporting purposes. The General Fixed Asset Account Group (GFAAG) includes the cost of acquiring fixed assets and the cost of improvements to existing property owned by the District government (DC Official Code 47-372 (7)).

Proper accounting for fixed assets requires the capitalization of appropriate expenditures for each of the following asset categories:

- Land - non-expendable, real property, for which title is held by the District;

- Land Improvements - shall include the cost of permanent attachments, other than buildings, which add value to land;
- Buildings - all real estate, excluding lands and land improvements, used for shelter, dwelling, and other similar purpose;
- Equipment/Furniture/Vehicles - tangible personal property that is: a) complete in itself; b) does not lose identity or become a component of the building where it resides; c) of a durable nature with an expected service life of three or more years;
- Construction-in-Progress - includes the costs incurred for incomplete projects for construction of buildings and improvement; and
- Infrastructure Assets - long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets and that normally are stationary in nature. Examples of infrastructure assets include roads, sidewalks, bridges, tunnels, drainage systems, water and sewer systems, dams, street lighting systems and transit subway systems.

General Fixed Asset Policy

Fixed assets must be properly authorized, classified, valued and adequately safeguarded. Physical and accounting control policies and procedures established by the Office of Financial Operations and Systems (OFOS) must be followed by each agency. Each agency must implement the following policies:

- All fixed assets that have been capitalized or part of controllable inventory shall be included on the agency's fixed asset listing;
- All capitalized or controllable inventory fixed assets shall be reported in the Fixed Assets Subsystem (FAS) of the System Of Accounting and Reporting (SOAR), maintained by OFOS;
- Each agency shall designate a Property Control Officer to account for fixed assets and ensure that all divisions within the agency comply with District requirements;
- All agencies shall use the capitalization and controllable inventory policies and procedures established by OFOS;
- All acquisitions and disposals of fixed assets

shall be properly authorized by the agency Director or designee. In addition to the agency Director, some acquisitions and disposals may require the approval of the appropriate regulating bodies; and

- All agencies shall maintain all documentation relating to the acquisition and disposal of the fixed asset through the life of the fixed asset and for a specified time after disposal.

Capitalization Policy

- All land, land improvements and building additions must be capitalized regardless of cost.
- Capital improvements shall be capitalized if the total project cost is \$5,000 or more, and the improvements increase the utility of the asset or significantly extend (2 years or more) its useful life. If an expenditure for improvements does not increase the utility of the asset or significantly extend its life, it should be classified as repairs and maintenance and not capitalized.
- Furniture, vehicles, and equipment shall be capitalized if the aggregate cost is \$5,000 or more and the useful life of the asset is three years or greater. Cost for personal computer equipment includes monitors, cables, battery packs or any additional accessories needed for the equipment to function. It would not include printers. Printing functions can be spooled to a central printer and several computers can utilize it.
- Computer software system costs should be capitalized if the total cost including purchase, installation, and testing is \$5,000 or more. Training that is directly related to installation and testing should be capitalized. The cost of training after the system has been placed in service should be expensed as incurred. Upgrades and enhancements should only be capitalized if such costs significantly increase (2 years or more) the life or functionality of the system.
- Computer hardware system costs should be capitalized if the total cost including acquisition, installation, and testing is \$5,000 or more. The cost of each component of a computer hardware system should be initially

recorded as controllable inventory in the Fixed Asset Subsystem (FAS). When the hardware system is ready for its intended use, the inventoried costs should be grouped and capitalized as one unit of property in the FAS. Upgrades and enhancements should only be capitalized if such costs significantly increase (2 years or more) the life or functionality of the system.

- Betterments shall be capitalized if the cost is \$5,000 or more and the addition made to the fixed asset is expected to prolong its life or increase its efficiency over and above that arising from repairs or maintenance. The cost of the betterment is added to the book value of the asset. Betterments do not include building improvements. Betterments that cost less than \$5,000 should be classified as expenses.
- Fixed assets with a unit cost of less than \$5,000 should be identified as controllable equipment of the agency. The minimum unit cost level required to be identified as controllable equipment of the agency is \$1,000, except certain items. Equipment below \$1,000 may be tagged with a property identification number and recorded on a supplementary listing for stewardship and sensitivity reasons.
- Agencies may account for and record items under \$5,000 in the FAS. Agencies shall record and maintain a supplementary listing internally on the agency FAS or in the OFOS FAS for those items that are between \$1,000 and \$5,000. The agency shall also maintain records for items less than \$1,000 that are considered sensitive or at high risk of theft, such as weapons, computer components, and cellular equipment.

Controllable Property Policy

Controllable property is non-capitalized tangible property that is considered valuable and/or sensitive with a high risk of theft with a value of less than \$5,000 and/or with an expected life of less than three years. Similar to capitalized property, controllable property is subject to the requirements of this Comprehensive Financial Policy Management document regarding security, stewardship, maintenance, and utilization. These

assets shall be excluded from depreciation calculations and financial reports. They shall, however, appear on other management information reports and fixed assets inventory records. Each agency director/fiscal officer shall designate an agency Property Manager to account for fixed assets and ensure that all divisions within the agency comply with the District's accounting policy.

To ensure that personal property fixed assets are properly safeguarded and accounted for, the Office of Financial Operations and systems (OFOS) shall conduct a physical inventory of personal property fixed assets annually. The inventory shall be conducted based upon the assets listed in the Fixed Asset Subsystem (FAS) as of a given date. Each agency shall be responsible for making sure that the proper personnel are available to guide the inventory contractor to the location of the asset. The physical inventory shall be properly managed and supervised by the agency's Property Manager to ensure that the inventory process is effective and efficient. OFOS shall oversee reconciliations and adjustments to the detailed accounting records resulting from the physical inventory.

Acquisition Policy

Fixed assets shall be initially recorded at historical cost which is defined as cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use.

Donated assets shall be recorded at fair market value at the date of acquisition, generally defined as "consideration given or consideration received, whichever is more clearly determinable."

Construction-in-progress represents capitalization of labor, material, and overhead costs of a capital project. When the project is completed, costs in the construction-in-progress balance sheet account shall be reclassified to one or more of the property and equipment accounts.

Valuation Policy

The most desired method of valuation is original cost (historical). Such data can be determined by retrieving original invoices, purchase orders, check copies, contracts, minutes, or auditor's work papers. However, if the original cost cannot be established, estimated historical cost data may be used.

Stewardship Policy

Fixed assets comprise the majority of the District's total assets. Extreme care shall be used in safeguarding and accounting for all fixed assets. Persons assigned fixed assets (e.g., cellular telephones, pagers and laptop computers, etc.) for their direct official use shall be held responsible and liable for the fixed asset assigned to them. All fixed assets shall be returned to the agency when the official leaves the employment of the agency.

Document Retention Policy

Documents relating to the acquisition and disposal of fixed assets shall be retained throughout the life of the fixed asset and for a minimum of three years following the disposal of the fixed asset or as required by the funding laws and regulations.

Depreciation Policy

The FAS automatically calculates and posts depreciation for fixed assets. Depreciation expense shall be calculated using the straight-line accounting method based on the useful life of the fixed assets as determined by the District.

Property Control Policy

Each agency director/CFO shall designate an agency Property Control Officer to account for fixed assets and ensure that all divisions within the agency comply with the District's accounting policy. Each agency shall perform a physical inventory of its fixed assets annually to ensure that adequate care is used in the control and accountability of District assets. The physical inventory shall be carefully planned and supervised by the Property Control Officer to ensure reliable results. The agency controller shall receive all inventory representations from the Property Control Officer and approve reconciliations and adjustments to the detailed accounting records resulting from the physical inventory.

Disposal Policy

All disposals of fixed assets shall be properly authorized by the agency director or designee. The appropriate regulating bodies shall approve some disposals in addition to the agency Director. All proceeds from the sale of District government property should be dedicated for use by the government for the construction and rehabilitation of its facilities, unless Council approves an exception. Agencies shall maintain all documentation related to the disposal of the fixed asset for a specified time after disposal.

RESERVE MANAGEMENT POLICY

Cash Set Aside

The District Cash Set Aside (or Cumulative Cash Reserve) was phased out as a result of the expiration after FY 2006 of the federally mandated requirement to maintain the reserve.

Emergency Cash Reserve Fund Management

It is the policy of the District government to comply with current requirements for building and maintaining the District of Columbia's Emergency Cash Reserve Fund as defined by DC Official Code 1-204.50(a). Any modifications to these requirements shall be reflected in the Policy.

It is the policy of the District to deposit all interest earned on these funds back into the Emergency Cash Reserve. If these interest payments are not sufficient to maintain the fund at its prescribed level, the District shall reserve sufficient funds in the subsequent fiscal year to ensure that the Reserve is fully funded in the District's Proposed Budget and Financial Plan.

Background: The District is required to build and maintain an Emergency Cash Reserve Fund equaling 2 percent of the total local source budget appropriated for operating expenditures for the preceding fiscal year. Operating expenditures do not include debt service or general obligation bonds which are supported by a separate reserve account referred to as bond escrow.

This fund may only be used for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity (as defined by section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act) or unexpected liability created by Federal Law. The Emergency Cash Reserve fund may not be used to fund any department, agency, or office of the District government administered by a receiver or other official appointed by a court, shortfalls in any projected reductions included in the budget proposed by the District government for the fiscal year, nor settlements and judgments made by or against the District of Columbia government. Funds may only be allocated after an analysis has been prepared by the CFO and only after a projection by the CFO that the entire Contingency Cash Reserve Fund (see next section) will be completely exhausted at the time of the allocation.

The District government shall allocate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the Emergency Cash Reserve Fund during the preceding fiscal year or shall move unreserved undesignated fund balance into the reserve as needed.

Contingency Cash Reserve Fund Management

It is the policy of the District of Columbia to comply with current requirements for building and maintaining the District of Columbia's Contingency Cash Reserve Fund as defined by DC Official Code 1-204.50(a). Any modifications to these requirements shall be reflected in the policy.

It is the policy of the District to deposit all interest earned on these funds back into the Contingency Cash Reserve. If these interest payments are not sufficient to maintain the fund at its prescribed level, the District shall reserve sufficient funds in the subsequent fiscal year to ensure that the Reserve is fully funded in the District's Proposed Budget and Financial Plan.

Background: The District is required to establish and maintain a Contingency Cash Reserve Fund equaling at least 4 percent of the

total local source budget appropriated for operating expenditures for the preceding fiscal year. Operating expenditures do not include debt service or general obligation bonds which are supported by a separate reserve account referred to as bond escrow.

This fund may be used only for nonrecurring or unforeseen needs that arise during the fiscal year, including expenses associated with unforeseen weather or other natural disasters, unexpected liability created by Federal law or new public safety or health needs or requirements that have been identified after the budget process has occurred, or opportunities to achieve cost savings. The fund may also be used, if needed, to cover revenue shortfalls experienced by the District government for 3 consecutive months (based on a two month rolling average) that are 5 percent or more below the budget forecast. The Contingency Cash Reserve Fund may not be used to fund any shortfalls in any projected reductions that are included in the budget proposed by the District government for the fiscal year. Funds may only be allocated after an analysis has been prepared by the CFO and all other surplus funds available to the District have been completely exhausted.

The District shall allocate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the Contingency Cash Reserve Fund during the preceding fiscal year or shall move unreserved undesignated fund balance into the reserve as needed.

FISCAL MANAGEMENT POLICY

Revenues

The District shall strive to maintain a balanced and diversified revenue system to protect against adverse fluctuations in any one source of revenue, which may result from changes in local and/or national economic conditions.

Quarterly Revenue Adjustments: The Office of the Chief Financial Officer shall make revised quarterly adjustments to the revenue estimated

for the year in progress as required by law (D.C. Code 47-317.3(5)B). These adjustments, as certified by the Chief Financial Officer, will be submitted to the Mayor and the Council of the District of Columbia. They shall serve as the basis for determining whether revenues are in balance with anticipated expenditures. Any request for supplemental appropriations submitted to the Congress of the United States that would increase the total amount of general fund revenue appropriated to the District shall use these certified estimates as a basis for the request.

General Fund Balance

There are two major components of the fund balance of the General Fund, the reserved fund balance and the unreserved balance. The unreserved fund balance is apportioned further into designated and undesignated components. It is the policy of the District government to maintain the reserved fund balance of the General Fund in perpetuity in accordance with those laws and regulations governing the use of the funds. Fund balance appropriated for the current fiscal year's operating budget shall be utilized only to the extent needed, if any, to balance the current fiscal year's actual revenues to actual expenditures. In a given fiscal year, actual revenues may exceed projected and appropriated revenues. When this occurs, the District shall first apply the excess revenues before it applies any appropriated fund balance. Under no circumstances shall the District apply more fund balance than has been duly appropriated. The portion of the fund balance of the General Fund that is unreserved and designated or earmarked for use by the D.C. Code shall be maintained for its designated purpose, unless modified by subsequent legislation. The District should consider alternate uses in the event of a revenue shortfall or for nonrecurring or unforeseen needs that arise during the fiscal year, including expenses associated with unforeseen weather or other natural disasters, unexpected liability created by federal law or new public safety or health needs or requirements that have been identified after the budget process has occurred. It is the policy of the District government to maintain as unreserved and undesignated Fund Balance an amount up to the level that would

result in sufficient working cash to supplant the need for short-term borrowing to finance operations of the subsequent year. Unreserved and undesignated funds in excess of that amount may be allocated and appropriated through the normal appropriations process when they become available. If allocated and appropriated, the fund balance should be allocated and appropriated to fund non-recurring items.

Background: The fund balance of the General Fund represents the difference between the District's assets and its liabilities at the end of a fiscal year, or September 30th. The ending Fund Balance of a fiscal year is also the beginning Fund Balance of the ensuing fiscal year. Positive differences between revenues and expenditures, or surpluses, increase the Fund Balance. Negative differences, or deficits, decrease the Fund Balance. An ever-growing Fund Balance that is inaccessible is not advantageous to the District because it restricts the District's ability to allocate resources among priorities. The amount of the Fund Balance is not indicative of funds that may be used for any purpose in the future. Rather, the unreserved, undesignated Fund Balance represents the amount that may be used for District priorities after approval by both the District Council and the Congress.

Expenditure Reporting

The District shall make expenditures only in accordance with federal appropriations law. Financial statements will accurately reflect these expenditures. The District's Comprehensive Annual Financial Report (CAFR) shall reflect expenditures in the relevant appropriations titles.

Accrual Accounting

The District shall prepare financial statements using both the modified accrual and the full accrual bases of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. **Background:** The District implemented the requirements of GASB Statements Nos. 34, 35, 36, 37, and 38 during FY 2002 as required by

GASB. As a result of this implementation, the District issued two new full accrual financial statements (Statement of Net Assets and a Statement of Activities) and a Management's Discussion and Analysis section in its FY 2002 CAFR. Accrual accounting reports all of the revenues and costs of providing services each year. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting helps the District meet the following important objectives of financial reporting:

- Assess the finances of the government in its entirety, including the year's operating results.
- Determine whether the government's overall financial position improved or deteriorated.
- Evaluate whether the government's current-year revenues were sufficient to pay for current-year services.
- Assess the government's cost of providing services to its citizenry.
- Assess how the government finances its programs – through user fees and other program revenues versus general tax revenues.
- Understand the extent to which the government has invested in capital assets, including roads, bridges, and other infrastructure assets.
- Make better comparisons between governments.

Tax Expenditure Budget

It is the policy of the District of Columbia to prepare a tax expenditure study every other year that summarizes all tax and other revenue deferments or preferences that are required by law.

Special Purpose Revenues

Special Purpose Revenues are program revenues that are generated from fees, fines, special assessments, charges for services, and reimbursements that are set aside for a specific purpose for the District agency that collects the revenues to cover the cost of performing the related function. Program revenues are classified as general fund revenues.

Program revenues are defined as revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

An agency may have one or more agency funds within the Special Purpose Revenue category. Revenues will be estimated for each agency fund on a quarterly basis consistent with all general fund revenues.

It is the policy of the District government that all program revenues generated by any agency belong to the District as a whole, unless otherwise required by law. As a general rule, all revenues should be allocated through the budget and appropriations process. Dedicated funds limit the use of the District's general fund revenue by earmarking a portion of the revenue for special purposes.

In certain limited cases, Special Purpose Revenue fund accounts are necessary to support a particular program or activity. In such limited cases of need, the agency fund account must be created through the normal legislative process and adhere to requirements to be recommended by the CFO and adopted by the Mayor and Council. Since program revenues are reported in a governmental fund, they should therefore be accounted for under the modified accrual basis of accounting in fund financial statements.

The District could reserve or designate in fund balance unspent program revenues in accordance with the criteria established by generally accepted accounting principles and make available for use in subsequent years if permitted by the authorizing legislation that established the fund. The function of reserved fund balance is simply to isolate the portion of fund balance not available for appropriation, so that unreserved balance can serve as a measure of current available financial resources. Designations represent management's intended use of resources and generally should reflect actual plans approved by the District. District agencies must have budget

authority to expend Special Purpose Revenues, as with other revenue sources. Budget authority is backed by certified revenue estimates, planned use of certified amounts designated in the fund balance, or a combination of these two sources.

Expenditures are limited to the lesser of budget authority or realized revenues, unless the budget authority was backed by certified beginning fund balance. Agencies may not use fund balance in excess of the amount that was part of its budget.

Special Purpose Revenue budgets may be modified in accordance with federal appropriations law. Reprogrammings of budget authority from one agency fund to another are permissible. The CFO shall have discretion to reduce budget authority for agency funds where revenue falls short of estimates.

Any existing Special Purpose Revenue fund accounts that are not supported by legislative authority may be converted to local revenue. In addition, when required to cover a revenue shortfall, such revenue may also be converted to local revenue.

Grants

The District depends on federal and private grant funds to support a wide range of services and programs for the citizens of the District. This section sets forth the District's policies related to resource development, fairness in awarding grants, grants administration and reporting, and budget authority for grants.

Resource Development: To better serve the residents of the District, all District agencies shall pursue to the maximum extent possible all federal and other funding opportunities that enhance their financial ability to carry out the Mayor's strategic plan and initiatives and address the needs of the residents of this city, without binding the District to unrealistic financial commitments.

Background: For the last decade, grants have comprised approximately one-fourth of the

District's annual budget, and as such have contributed significantly to the District's ability to meet the needs of its citizens. The District's policy is to continue and, to the extent possible, increase its use of funds from other sources to maximize delivery of services to residents.

Fairness in Awarding Grants: It is the intent of the District of Columbia to have a fair and open competitive process for the awarding of grant funds. Toward that end the following procedures shall be followed:

- A Notice of Funds Availability (NOFA) shall be prepared and published in the D.C. Register.
- The agency administering the grant shall prepare the Request for Applications (RFA).
- For the purpose of awarding grants, District government agencies shall hold fair and open competitions that comply with the D.C. Grants Policies and Procedures Manual and the Notice of Final Rule making, Chapter 50: Subgrants to Private and Public Agencies.

The only exception is where an organization merits a targeted grant, and this targeted grant is made transparent and justified through the budget formulation process.

After the NOFA has been published and the RFA released, the District government agency appoints a neutral and objective review panel. The panel is comprised of a minimum of 3 individuals with knowledge and expertise in the objectives of the grant and RFA, as well as in the standard administrative requirements mandated by the source of funds. The review panel scores the submitted applications and makes recommendations on which applications should be funded. The head of the District agency administering the grant makes final decisions on awards and amounts. After this review and before the agency issues the award documents, the District agency Chief Financial Officer shall certify that the award funds are in place and available for distribution. Grant Administration and Reporting: The District of Columbia government, by accepting grant funds, agrees to administer and report on them in strict adherence to the

grantors' programmatic and financial rules and regulations and the District's laws and its Grants Policies and Procedures Manual.

Background: The receipt of grant funds triggers many requirements, including, but not limited to, spending and reporting requirements. Grant awards typically mandate the terms and conditions governing the grants and refer to the relevant regulations and statutes. Funds that are awarded to private and public agencies by District government agencies, as subgrants, are bound by the appropriate OMB Circular and Cost Principles as well as any policy guidelines issued by the grantor. In the case of grant awards from general funds, grantees must comply with both the appropriate OMB Circular and Cost Principles and any other policy guidance included in the grant agreement. The Chief Financial Officer will meet the District's reporting requirements by publishing the Congressional Quarterly report, sent to Congress and the Council, which provide grant-level information; and monthly financial status reports, which provide summaries at the agency level.

Budget Authority for Grants: District of Columbia agencies will spend grant funds only at such time as a grant award has been received, and to the extent they have budget authority to do so. Budget authority applies to a particular fiscal year. If a grant covers multiple fiscal years, the sum of the budget authority across those fiscal years should not exceed the grant award amount. Changes in budget authority will be made only in accordance with the District's policies and procedures regarding budget modifications (increases or decreases in overall budget authority for a grant) or reprogrammings (increases or decreases in particular line-items within a grant that leaves the overall budget authority unchanged). Spending grant funds without budget authority is a violation of the Anti-Deficiency Act. Agency updates to the spending plans required by the Anti-Deficiency Act should reflect all changes to grant budget authority.

Background: Many of the grants that the District receives have performance year(s) different from the District's fiscal year. The timing dif-

ferences between the grant year(s) and the District's fiscal year impact the budgeting for grants. Through the budget modification process, the Chief Financial Officer submits documentation to the Council requesting the approval of increases and decreases in budget authority that occur during the fiscal year. This process is unique among the District's funding types and is mainly due to the nature of grants in comparison to the District's fiscal year requirements. All government officials work together to insure that this administrative process is as efficient as possible. The efficiency of the process can play a critical role in grants management.

Donated Funds Monitoring Policy

Donated funds shall be authorized and monitored as required by the Rules of Conduct Governing Donations to the District Government (pursuant to Mayor's Memorandum 2002-1 dated 1/8/02) and the related donation agreement with the respective donor. All donated funds shall be used for the specific purpose expressed in the respective donation agreement, deposited into the appropriate account, and shall be available for that sole purpose until expended or unless the donor for some valid reasons request a refund. The Office of Partnerships and Grants Development's director or designee and the respective recipient District agency or entity of the donation shall be responsible for monitoring the expenditure of the donated funds, in accordance with the applicable rules and regulations as well as the MOU between the Office of Partnerships and Grants Development and the Office of the Chief Financial Officer signed December 16, 2002.

Capital

Prior to recommending or approving new projects, the District shall prepare a capital budget expenditure baseline that accounts for the acquisition, maintenance, and replacement of assets required to maintain current service levels. The annualized cost of this baseline shall then be compared to the available funding streams over a 6-year period. New projects may be approved only insofar as the long-term financing cost of

the Capital Improvement Program (CIP) stays within available funding limits

Anti-Deficiency Act

District program and financial managers and other employees are required to comply with the terms of the District Anti-Deficiency Act of 2002 (D.C. Official Code §47-355.01, et seq.). Among other provisions, the Act requires agency heads and agency chief financial officers to submit a spending plan and a position roster (schedule A) at the beginning of each fiscal year to the CFO. Managers must submit projections of year-end spending quarterly to the agency head and agency chief financial officer, with summarized reports being forwarded to the CFO no more than 30 days after the end of each quarter.

Employees are prohibited from, among other violations,

- making or authorizing an expenditure or obligation exceeding an amount available in an appropriation for an agency or fund;
- obligating the District for the payment of money before an appropriation is made or before a certification of the availability of funds is made, unless authorized by law;
- approving a disbursement without appropriate authorization;
- allowing an expenditure or obligation to exceed apportioned amounts;
- deferring recording a transaction incurred in the current fiscal year to a future fiscal year;
- not submitting a required plan or projection in a timely manner;
- knowingly reporting incorrectly on spending to date or on projected total annual spending; or
- failing to adhere to a spending plan through overspending that is greater than 5% of the agency's budget, or \$1 million.

The Mayor and the CFO have established a review board, per the terms of the Act, to review potential violations referred to the board, determine culpability, and recommend penalties for violations. The CFO shall submit quarterly reports to the Mayor and the Council on actual expenditures and obligations compared to planned levels. The CFO shall also be required to develop the quarterly appor-

tionment of funds, by source of funds, for each agency based on the spending plans submitted by the agency heads and fiscal officers.

Background: The District's Anti-Deficiency Act supplements federal law on anti-deficiency. It establishes a lower level of control than does the federal law, and it provides specific penalties for violations. Spending plans are one of the Act's key requirements. Agencies must submit timely spending plans and must keep them updated. The primary report mandated by the Act is based on spending plans, and failure to adhere to a spending plan is a specific violation of the Act. Finally, apportionment amounts are to be based on the spending plans submitted by agencies.

ECONOMIC DEVELOPMENT POLICY

Real Property Tax Exemptions

The District of Columbia recognizes that granting real property tax exemptions on a limited basis may be used to promote selected economic development projects. It is the policy of the District government to grant real property tax exemptions in accordance with Federal statutes, the District of Columbia Code, and the social and economic interests of the District of Columbia. The Council of the District of Columbia, in order to promote economic development strategies benefiting the population at large, grants these exemptions with the approval of the Mayor (and the Financial Authority during a control year). Where Federal law preempts District law and mandates that real property shall be taxed, or permits taxation of otherwise immune real property, such real property will be taxed to the fullest extent possible. The District has limited these exemptions because all taxable property owners indirectly subsidize tax-exempt property owners. Real property tax exemptions are granted on a case-by-case basis to taxpayers who are in compliance with the real property tax exemption provisions in accordance with DC Official Code 47-1002 et seq. Real property tax

exemptions may also be granted through specific Federal or District legislative action; however, these instances are rare. Except for real property exempted by a specific federal or District law and real property immune from taxation under Federal law, no real property (regardless of ownership or Federal tax exemption status) is automatically exempt from real property taxation. In the absence of such legislative action, real property owners must apply for a categorical exemption and demonstrate that the actual ownership and use of the property is within the categorical limitations prescribed by the applicable subsection of the DC Official Code 47-1002. Generally, legislation for specific real property tax exemptions shall be referred to the OCFO for analysis and recommendation before consideration by Council. Economic development strategies may include the issuance of tax incremental financing bonds and tax abatements, reductions, or holidays for certain classes of property owners.

Financial Planning

The District budget will incorporate legislated financial assistance expenditures and reductions in revenue that result from tax abatement and from dedication of tax revenue for economic development purposes.

Management of Assistance Programs

The District shall develop and maintain financial systems and management practices consistent with applicable federal and District regulations, law and best practices – including planning for expenditures, accurate and timely transactional execution, appropriate controls and regular reporting

Economic Development Awards of Assistance

The District shall provide public-sector financing of economic development projects only when private financing is not reasonably available and there are compelling public benefits that could be realized through use of public dollars. Because there is greater need for public financing than resources available, not all projects can be funded.

Coordination with Related Entities

The District shall coordinate economic development finance programs with programs of quasi-independent agencies

Debt Financing Tools

The District is authorized to issue debt to enhance economic development. The Industrial Revenue Bond Program allows private entities to issue bonds through the government and obtain lower (tax-exempt) interest rates than they otherwise could on funds acquired for private development projects. The debt service on these bonds is payable solely from the revenue of the private entity.

The other major economic development financing tools are:

- The Tax Increment Financing Program in which incremental tax revenues from a project are pledged to pay debt service on Tax Increment Bonds to finance a portion of the project. Applications for Tax Increment Financing will be approved if they are in the District's economic development interest and produce a projected net economic benefit to the District.
- The Payment In Lieu of Taxes (PILOT) Financing Program in which the PILOT payments from a project are pledged to pay debt service on PILOT bonds to finance a portion of the project. The PILOT Program can be used only for projects located on parcels that were previously exempt from the payment of real property taxes.

Grant Match and Maintenance of Effort

Required for federal grants awarded to
agencies of the District of Columbia
Government

Grant Match and Maintenance of Effort

Federal grants are one of the District's primary funding sources. In fiscal year 2007, 32 District agencies spent more than \$768 million in federal grants, covering a variety of program areas.

Many federal grants are awarded subject to the commitment of resources by the recipient. There are two basic types of required commitments: Grant Match and Maintenance of Effort.

Grant Matches

Some federal grants may require a grant match, or a contribution, in addition to the grant funds, to expand the services of a grant to increase the impact of the original fund allocation. Dependent on the conditions set forth in the formal grant award document, the match may be "direct" or "in-kind."

Grants that mandate a direct match require additional cash expenditure of a certain amount by the recipient. For example, a direct match may require that the grantee expend from its own resources an additional amount equal to 25 percent of the total grant award.

An in-kind match entails the commitment of staff resources, or land, or facility space that support the program funded by the grant but without actual additional cost expenditure by the recipient. For example, the grantee might allocate some work hours of existing staff and a meeting room in its office space for a project developed with a grant award.

In general, grant matches are calculated as a percentage of the total grant award and resources provided to meet match requirements that can be obtained from Local, Private, or Federal funds, subject to any restrictions within the specific grant award.

Maintenance of Effort

Some federal grants contain maintenance of effort requirements. This mandates the grantee to continue to allocate a certain level of its resources as a demonstrated maintenance of effort in the support of activities that are similar to or indirectly support the original grant's scope of services. Generally, this funding may be equal to or exceed the original grant funding level. The concept is to ensure that the grant funds augment and not replace existing recipient funding and levels of service.

In general, maintenance of effort requirements must be funded with recipient (Local) and not any federal grant funds. The grant award documents for a grant will specify the conditions for any required maintenance of effort.

Reporting of Grant Match and Maintenance of Effort

To ensure that the District captures the information, and thus can monitor and adhere to the requirements of federal awards that require grant matches and /or maintenances of effort, the Office of Budget and Planning within the Office of the Chief Financial Officer requests that all District agencies receiving grant awards report the required grant matches and maintenance of effort by grant for inclusion in the District's annual proposed budget.

The following tables display the information on grant matches and maintenances of effort for Fiscal Year 2009, as reported by the respective District agencies to the Office of Budget and Planning. In alignment with the proposed budget, the agencies are grouped by appropriation titles:

Special Note: Updates to these federal grants budgets beyond the date of publication may not be reflected in this report.

A. Government Direction and Support

Within this appropriations title, 4 agencies have budgeted \$25,196,316 in federal grants. The largest grant award is within the Office of the Attorney General for the District of Columbia (CB0). This grant is funded by the United States Department of Health & Human Services to enforce the support obligations owed by absent parents to their children, locate absent parents, establish paternity, and to obtain child, spousal and medical support. The agencies report that the budgeted grants require \$8,178,564 in grant matches, and no maintenance of effort.

Government Direction and Support (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
AD0	Office of the Inspector General	DC0310	MEDICAID FRAUD CONTROL UNIT	1,995	612	0
		AD0 Total		1,995	612	0
AT0	Office of the Chief Financial Officer	EBT901	ELECTRONIC BENEFITS TRANSFER GRANT	878	878	0
		AT0 Total		878	878	0
CB0	Office of the Attorney General for the District of Columbia	91CSEF	CHILD SUPPORT ENFORCEMENT PROGRAM	19,001	6,460	0
		CB0 Total		19,001	6,460	0
RS0	Serve DC	LSASE0	LEARN & SERVE AMERICA STATE EDUCATION	340	94	0
		PDATAD	PDAT ADMINISTRATIVE TO STATE COMMISSIONS	156	135	0
		Grants with no Match or MOE		2,827	0	0
		RS0 Total		3,323	228	0
Government Direction and Support			Grand Total	25,196	8,179	0

B. Economic Development and Regulation

Within this appropriations title, 5 agencies have budgeted \$99,848,411 in federal grants. The largest grant awards are the Community Development grants funded by the United States Department of Housing and Urban Development and awarded to the Department of Housing and Community Development (DB0). These grants fund the development of viable urban communities and the expansion of the supply of affordable housing, particularly rental housing, for low and very low income Americans. The agencies report the budgeted grants require \$971,590 in grant matches, and no maintenance of effort.

Economic Development and Regulation (Dollar in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
BD0	Office of Planning	BDHP08	HISTORIC PRESERVATION GRANT	225	150	0
		BDHP09	HISTORIC PRESERVATION GRANT	225	150	0
		BD0 Total		450	300	0
BX0	Commission on Arts and Humanities	AIEDU9	ARTS EDUCATION	50	50	0
		AIUSC9	ARTS IN UNDERSERVED COMMUNITIES	71	71	0
		BASIC9	BASIC STATE PLAN	326	326	0
		CA0009	CHALLENGE AMERICA	102	102	0
		MASTR9	AMERICAN MASTERPIECES	52	52	0
		BX0 Total		601	601	0
CF0	Department of Employment Services	645OSH	OSHA	472	68	0
		648SEP	SCSEP	566	3	0
		Grants with no Match or MOE		33,701	0	0
		CF0 Total		34,739	71	0
DB0	Department of Housing and Community Development	Grants with no Match or MOE		63,877	0	0
		DB0 Total		63,877	0	0
DH0	Public Service Commission	Grants with no Match or MOE		182	0	0
		DH0 Total		182	0	0
Economic Development and Regulation			Grand Total	99,848	972	0

C. Public Safety and Justice

Within this appropriations title, 5 agencies have budgeted \$260,786,136 in federal grants. The largest grant awards are Emergency Management Preparedness grants funded by the United States Departments of Homeland Security and Housing and Urban Development and awarded to the Homeland Security and Emergency Management Agency (BN0). The funds are distributed to various public safety agencies through the Intra-District budget process to support the emergency management mission areas and structure individual emergency management programs to strengthen their capabilities, while simultaneously addressing issues of national concern. The agencies report the budgeted grants require \$5,069,951 match-ess and no maintenance of effort.

Public Safety and Justice (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
BN0	Homeland Security and Emergency Management Agency	CAPS9F	CAPSSE GRANT	32	8	0
		DOT09F	DEPARTMENT OF TRANSPORTATION	48	10	0
		EMPG8F	EMERG. MANAGEMENT PREPAREDNESS	1,600	800	0
		EMPG9F	EMERG. MANAGEMENT PREPAREDNESS	2,989	1,494	0
		FMAP9F	FMA PLANNING	10	1	0
		Grants with no Match or MOE		240,248	0	0
		BN0 Total		244,927	2,313	0
FA0	Metropolitan Police Department	BOAT8F	BOATING SAFETY	125	63	0
		BOAT9F	BOATING SAFETY	898	449	0
		MCS08F	MOTOR CARRIER SAFETY	200	40	0
		MCS09F	MOTOR CARRIER SAFETY	667	133	0
		Grants with no Match or MOE		1,177	0	0
		FA0 Total		3,067	685	0
FE0	Office of Victim Services	CVA003	CRIME VICTIMS ASSISTANCE PROGRAM	1,223	243	0
		VOW901	STOP VIOLENCE AGAINST WOMEN	817	202	0
		FE0 Total		2,040	446	0
FK0	District of Columbia National Guard	DCYC9F	DC YOUTH CHALLENGE PROGRAM	2,175	258	0
		Grants with no Match or MOE		2,812	0	0
		FK0 Total		4,987	258	0
FO0	Office of Justice Grants Administration	JA9001	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK	489	49	0
		JJD401	TITLE V FORMULA GRANT (FY96)	148	74	0
		JJD902	TITLE II FORMULA GRANT	1,174	1,174	0
		REN001	DC FATHERING REENTRY COURT	210	52	0
		RST901	RESIDENTIAL SUBSTANCE ABUSE TREATMENT	74	18	0
		Grants with no Match or MOE		3,671	0	0
		FO0 Total		5,765	1,368	0
Public Safety and Justice			Grand Total	260,786	5,070	0

D. Public Education System

(Note: University of the District of Columbia appears under Enterprise and Other Funds)

Within this appropriations title, 3 agencies have budgeted \$170,889,219 in federal grants, the majority of which represent education grants funded by the United States Department of Education and administered by the Office of the State Superintendent of Education (GD0). The largest grant is the Title I Grants to Local Education Agencies (LEAs) to help LEAs and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. The agencies report that these awards require \$30,211,606 in grant matches and \$735,985,820 in maintenance of effort.

Public Education (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
CEO	District of Columbia Public Library	82LSTA	LIBRARY SERVICES & TECHNOLOGY ACT	840	433	827
		CEO Total		840	433	827
GA0	Distric of Columbia Public School	000ZAF	Head Start	7,282	2,427	0
		Grants with no Match or MOE		2,232	0	0
		GA0 Total		9,514	2,427	0
GD0	State Education Office	SAE001	STATE ADMINISTRATIVE EXPENSE	570	563	108
		SG010A	TITLE I PART A GRANT TO LOCAL ED AGENCY	57,722	0	735,050
		SG048A	VOC EDUC- BASIC GRANTS TO STATES	3,526	250	0
		SG282D	TITLE V PART B-CHRR SCH FACIL PRGM	775	76,490	0
		TEF001	TEMPORARY EMERGENCY FOOD PROGRAM	116	49	0
		Grants with no Match or MOE		97,827	0	
		GD0 Total		160,535	27,351	735,158
Public Education			Grand Total	170,889	30,212	735,986

E. Human Support Services

Within this appropriations title, 9 agencies have budgeted \$353,225,489 in federal grants. The largest grant award is funded by the United States Department of Health and Human Services, Administration for Children and Families and awarded to the Department of Human Services (JA0) to provide temporary assistance for needy families. However, the Department of Health (HC0) administers the most federal grants. The agencies report that these awards require \$58,382,570 in grant matches and \$244,712,299 in maintenances of effort.

Human Support Services (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
BY0	D. C. Office on Aging	3B1320	SUPPORT SERVICES	777	186	0
		3C1712	CONGREGATE MEALS	1,983	305	0
		3C1713	HOME BOUND MEALS	936	144	0
		3E1719	FAMILY CAREGIVERS PROGRAM	849	114	0
		3F1717	PREVENTIVE HEALTH	107	31	0
		7A1715	OMBUDSMAN ACTIVITY	74	12	0
		7B1716	ELDER ABUSE PREVENTION	26	4	0
		ADMIN1	ADMIN SVCS	972	75	0
		DCAACP	DC AWARENESS & CARE PROGRAM	264	162	0
		NSIP01	ELDERLY NUTRITION PROGRAM	510	59	0
			Grants with no Match or MOE		103	0
	BY0 Total		6,601	1,092	0	
HC0	Department of Health	82PSMB	MATERNAL/CHILD HEALTH SVCS BLOCK GRANT	325	244	0
		91HAER	HIV EMERGENCY RELIEF	13,540	0	14,701
		91HATT	RYAN WHITE CARE ACT TITLE II	10,932	14,701	14,701
		91MMHA	TICKET TO WORK	4,664	2,148	0
		91NCPC	NATIONAL CANCER PREVENTION & CONTROL	242	665	625
		91PHCD	CHRONIC DISEASE PREVENTION	254	90	0
		91PHDP	DIABETES PREVENTION GRANT	145	55	0
		91PSFM	FARMERS MARKET PROGRAM	230	92	0
		91SHOI	OCCUPATIONAL INJURIES PROGRAM	73	68	0
		91SHSF	ICF/MR AND NURSING HOMES CERTIFICATION	2,252	1,543	0
		92APBG	SUBSTANCE ABUSE AND PREVENTION BLOCK	6,705	0	28,730
		92PHBG	PREVENTIVE HEALTH BLOCK GRANT	752	0	3,545
		92PSMB	MATERNAL AND CHILD BLOCK GRANT 516	7,007	5,280	5,288
	Grants with no Match or MOE		89,974	0	0	
	HC0 Total		137,096	24,885	67,590	
HMO	Office of Human Rights	Grants with no Match or MOE		455	0	0
		HMO Total		455	0	0
HT0	Department of Health Care Finance	Grants with no Match or MOE		6,549	0	0
		HT0 Total		6,549	0	0
JA0	Department of Human Services	99AFTF	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	94,274	0	75,345
		Grants with no Match or MOE		52,399	0	0
		JA0 Total		146,673	0	75,345
JMO	Department of Disabilities Services	92RSBS	RS BASIC SUPPORT	10,687	3,419	7,912
		92RSIL	RS INDEPENDENT LIVING	177	33	0
		92RSIO	RS INDEPENDENT LIVING OLDER & BLIND	225	25	0
		92RSVT	RS IN-SERVICE TRAINING PROGRAM	24	2	0
		Grants with no Match or MOE		12,097	0	0
		JMO Total		23,211	3,480	7,912
RLO	Child and Family Services Agency	91ADOP	TITLE IV-E ADOPTION	11,575	11,575	0
		91FOST	TITLE IV-E FOSTER CARE	16,090	16,090	0
		92CWEL	CHILD WELFARE	358	119	0
		92EVTS	CHAFEE FOSTER CARE INDEPENDENCE	255	68	0
		92FAMP	FAMILY PRESERVATION	1,468	489	0
		92INDL	CHAFEE FOSTER CARE INDEPENDENCE	1,092	291	0
		Grants with no Match or MOE		160	-	0
		RLO Total		30,998	28,633	0
RMO	Department of Mental Health	81SEOH	ORAL HEALTH WORKFORCE ACTIVITIES	38	11	0
		91MHPH	PATH-PREVENTION FROM HOMELESSNESS	300	100	0
		91MHSD	STATE DATA INFRASTRUCTURE GRANT	142	142	0
		91SEOH	ORAL HEALTH WORKFORCE ACTIVITIES	99	39	0
		92MHBG	STATE MENTAL HEALTH BLOCK GRANT-TOTAL	771	0	93,865
		Grants with no Match or MOE		292	0	0
		RMO Total		1,642	292	93,865
Human Support Services			Grand Total	353,225	58,383	244,712

F. Public Works

Within this appropriations title, 2 agencies have budgeted \$22,932,368 in federal grants. The largest grant award is funded by the United States Environmental Protection Agency and awarded to the District Department of the Environment (KGO) to control water pollution. The agencies report that these awards require \$4,319,396 in grant matches and \$1,230,000 in maintenances of effort.

Public Works (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
KAO	Department of Transportation	PLANNG	METROPOLITAN PLANNING	500	125	0
		TRANSP	TRANSP. FOR ELDERLY AND DISABLED	400	100	0
		UTREE1	URBAN AND COMMUNITY FORESTRY	300	300	0
		Grants with no Match or MOE		2,000	0	0
		KAO Total		3,200	525	0
KGO	District Department of the Environment	41EHBG	STATE RESPONSE GRANT	396	44	0
		42EHCP	CORE PROGRAM COOPERATIVE	291	32	0
		61EHCB	CHESAPEAKE BAY PROGRAM	653	767	0
		61EHSP	WILD LIFE STRATEGIC PLAN	44	22	0
		61EHWS	WILD LIFE SURVEY	124	107	0
		63EHMB	MIGRATORY BIRD SURVEY	37	36	0
		71EBH	BACKYARD HABITAT	22	22	0
		91EVAE	AQUATIC RESOURCE EDUCATION PROGRAM	278	142	0
		91EVAP	AIR POLLUTION CONTROL	750	955	1,170
		91EVAR	AQUATIC RESOURCES CENTER MAINTENANCE	53	18	0
		91EVFM	FISHERIES MANAGEMENT COORDINATION	217	110	0
		91EVFS	FISHERIES MANAGEMENT STUDIES	431	159	0
		91EVHW	HARZADOUS WASTE MANAGEMENT	223	78	0
		91EVIR	STATE INDOOR RADON	101	81	0
		91EVLU	LEAKING UNDERGROUND STORAGE TANK	228	33	0
		91EVPP	PERFORMANCE PARTNERSHIP (PESTICIDE)	180	72	0
		91EVST	UNDERGROUND STORAGE TANK	169	56	0
		91EVWP	WATER POLLUTION CONTROL PROGRAM	1,075	355	0
		94EVNI	NONPOINT SOURCE IMPLEMENTATION	967	645	60
		SEP009	STATE ENERGY PROGRAM	336	60	0
Grants with no Match or MOE		13,157	0	0		
KGO Total		19,732	3,794	1,230		
Public Works			Grand Total	22,932	4,319	1,230

G. Financing and Other

There are no agencies under this appropriations title with federal grants budgeted for fiscal year 2009.

H. Enterprise and Other Funds

The University of the District of Columbia is the only agency under this appropriations title that has federal grants budgeted for FY 2009. The University has budgeted \$18,487,114 in federal grants. The largest grant is funded by the United States Department of Agriculture to support agricultural research at State Agricultural Experiment Stations, with up to 25 percent of funds to be used for integrated cooperative research and extension activities. The agency reports that these awards require \$1,066,842 in grant matches and no maintenance of effort.

Enterprise and Other Funds (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
GFO	University of the District of Columbia	6F0100	DC COOPERATIVE EXT. SERV.	1,773	620	0
		6F2100	AES GENERAL ADMN.	805	382	0
		6F4200	WATER RESOURCE RESEARCH CENTER	115	65	0
		Grants with no Match or MOE		15,794	0	0
		GFO Total		18,487	1,067	0
Enterprise and Other Funds			Grand Total	18,487	1,067	0

Federal Medicaid Payments

The District government participates in the federal government Medicaid program to provide certain health care services to qualified low-income residents. Under the program, the federal government reimburses the District 70 percent of allowable costs, and the District government is responsible for the remaining 30 percent of the costs.

The Medicaid program, currently budgeted at approximately \$1.2 billion, is one of the largest program expenditures in the District's annual budget.

Within the District's annual budget, Medicaid expenses are budgeted either in the Federal Medicaid Payment Fund or the Intra-District Medicaid Fund depending on whether the agency receives Federal Medicaid Payment funds directly or through the Intra-District budget process with another District agency.

Direct Federal Medicaid Payments

Four District agencies: the Department of Health Care Finance (HT0), the Department of Human Services (JA0), the Department of Disability Services (JM0), and the Department of Mental Health (RM0) receive Direct Federal Medicaid Payments. The budget expenditures appear in Fund 0250 Federal Medicaid Payments in the agency budgets.

For FY 2009, the 4 agencies have budgeted \$1,226,016,594 in Federal Medicaid Payments. The agencies report that \$524,350,767 is required in grant matches and no maintenance of effort.

Direct Federal Medicaid Payments (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
HT0	Department of Health Care Finance	91MCHP	MEDICAID SCHIP	6,666	1,112	0
		91MMMD	MEDICAID MEDICAL ASSISTANCE PAYMENT	1,202,669	515,430	0
		HT0 Total		1,209,336	517,202	0
JA0	Department of Human Services	90JAMA	FY09 MEDICAID	9,885	4,236	0
		JA0 Total		9,885	4,236	0
JM0	Department of Disabilities Services	91JAMA	MEDICAID FINITE FUND	2,873	1,231	0
		JM0 Total		2,873	1,231	0
RM0	Department of Mental Health	91MDCD	FEDERAL MEDICAID ADMIN CLAIMING-TOTAL	3,924	1,682	0
		RM0 Total		3,924	1,682	0
Direct Federal Medicaid Payments			Grand Total	1,226,017	524,351	0

Intra-District Medicaid Payments (Public Provider Agencies)

Three District agencies – the District of Columbia Public Schools (GA0), the Child and Family Services Agency (RL0), and the Department of Mental Health (RM0) – are Public Provider Agencies that receive Intra-District Medicaid funds transferred from the Department of Health Care Finance (HT0). The budget expenditures appear in Fund 0700 Intra-District in the agency budgets.

For FY 2009, the 3 agencies have budgeted \$78,488,251 in Intra-District Medicaid Payments. The agencies report that Medicaid requires \$33,637,822 in grant match and no maintenance of effort.

Note: Due to a change in Federal law, the District of Columbia Public Schools (DCPS) can no longer bill Medicaid for the cost of student transportation in the Special Education program. Accordingly, the Medicaid budget for DCPS is reduced from prior years to reflect this change.

Intra-District Medicaid Payments (Dollars in Thousands)

Agency Code	Agency Name	Grant Name	FY 2009 Budget	Amount of Grant Match	Amount of MOE
GA0	District of Columbia Public Schools	Intra-District	18,500	7,929	0
		GA0 Total	18,500	7,929	0
RL0	Child and Family Services Agency	Intra-District	50,708	21,732	0
		RL0 Total	50,708	21,732	0
RM0	Department of Mental Health	Intra-District	9,280	3,977	0
		RM0 Total	9,280	3,977	0
Intra-District Medicaid Payments		Grand Total	78,488	33,638	0

Note: The amounts budgeted as expenditures are also captured within the Department of Health Care Finance (HT0) Direct Provider Medicaid and should not be double-counted when considering the District's overall Medicaid budget.

More information on Federal grants budgeted by District agencies can be found within the Agency Chapters and on Schedule 80 within the Operating Appendices.

Basis of Budgeting and Accounting

Basis of Budgeting and Accounting

The Government of the District of Columbia provides the following information regarding key tenets of its Basis of Budgeting and Accounting:

Background

Three of the basic categories of differences between the basis of accounting and the basis of budgeting for state and local governments are:

- (1) **Basis Differences** - basis of accounting differences arise when the basis of accounting used to develop and approve the budget differs from the basis of accounting required by Generally Accepted Accounting Principles (GAAP) for financial reporting. Two such differences are the use of the cash basis of accounting for the budget and the treatment of encumbrances as expenditures for the budget;
- (2) **Perspective Differences** - these differences refer to the structure of the financial information for budgetary purposes, which may include the fund structure and individual fund differences. For example, some governments may budget by program and not by fund type; and
- (3) **Entity Differences** - entity differences arise when the appropriated budget either includes or excludes organizations and programs. For example, the general fund of a

blended component unit reported as a major special revenue fund may not be included in the budget of the primary government and may not have a budget of its own. When any of these differences exist, GAAP require governments to present a reconciliation of budgetary comparison information to GAAP information either in a separate schedule or in the notes to the Required Supplementary Schedule.

Accounting System

The District's accounting system is organized and operated on a fund basis. A fund is a group of functions combined into a separate accounting entity (corresponding to a corporation in the private sector) having its own assets, liabilities, equity, revenue and expenditures/expenses. The types of funds used are determined by GAAP. The number of funds established within each type is determined by sound financial administration. Specialized accounting and reporting principles and practices apply to governmental funds. Proprietary and trust funds are accounted for in the same manner as similar business enterprises or nonbusiness organizations.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse

and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation of costs and benefits requires estimates and judgments by management.

Basis of Budgeting

The basis of budgeting refers to the conversions for recognition of costs and revenue in budget development and in establishing and reporting appropriations, which are the legal authority to spend or collect revenues. The District uses a modified accrual basis for budgeting governmental funds. Proprietary funds are budgeted using accrual concepts. All operating and capital expenditures and revenue are identified in the budgeting process because of the need for appropriation authority.

The budget is fully reconciled to the accounting system at the beginning of the fiscal year and in preparing the Comprehensive Annual Financial Report (CAFR) at the end of the fiscal year. A number of GAAP adjustments are made to reflect balance sheet requirements and their effect on the budget.

Budgetary Control

The District maintains budgetary controls designed to monitor compliance with expenditure limitations contained in the annual appropriated budget approved by the United States Congress. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within the General Fund. The District also maintains an encumbrance recording system as one technique of accomplishing budgetary control. A project-length financial plan is adopted for the Capital projects. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Projects Fund, Special Revenue Fund or Federal Payments.

Glossary of Budget Terms



Glossary of Budget Terms

Accrual basis of accounting - An accounting method that attempts to recognize revenues when they are earned and expenses when they are incurred, not when cash changes hands. The Governmental Accounting Standards Board (GASB) requires this accounting method for governments for periods beginning after June 15, 2001. Contrast this term to "modified accrual basis of accounting."

Activity - A component part of the District's program structure. Comprised of a set of services grouped around a common purpose or result.

Agency Financial Operations Program (AFO) - A program within an agency's strategic business plan structure under Performance-Based Budgeting. AFO is utilized to track the funding and FTE count for all OCFO FTEs assigned to the agencies. Though many of these employees work on-site at agency locations, all financial positions within District agencies report to the Chief Financial Officer. Under AFO, these costs fall within one of three activities: (1) Budget Operations, (2) Accounting Operations, (3) ACFO. Five Associate Chief Financial Officers (ACFOs), each representing one of the major appropriation titles in the District's budget, manage agency financial operations. Agency fiscal officers report to their respective ACFO, who serves as the key contact between the Office of Chief Financial Officer and the Deputy Mayors in managing the agency finances. For budgetary purposes, funding for these positions assigned to the agencies is included in the various agency budgets. This funding is not duplicated in the budget for the OCFO.

Agency Management Program (AMP) - A program within an agency's strategic business plan structure under Performance-Based Budgeting. AMP is utilized to track costs associated with common administrative expenses across the District. Under AMP, these costs fall within thirteen activities: (1) Personnel, (2) Training and Employee Development, (3) Labor Management Partnerships, (4) Contracting and Procurement, (5) Property Management, (6) Information Technology, (7) Financial Services, (8) Risk Management, (9) Legal Services, (10) Fleet Management, (11) Communications, (12) Customer Service, and (13) Performance Management.

Allocable Revenue - Revenue earned, collected, and used by the agency responsible for generating the revenue.

Amendment - A proposed change to a budget that is not yet finally approved, but has been formally submitted by the executive to the legislative branch.

Annualization - A budget increase to provide full-year budget authority for a budgetary item that was only partially funded in the prior-year budget.

Appropriated Revenue - Revenue collected by an agency on behalf of the District Treasury; such revenue is used to support the operations of all agencies.

Appropriation - Authority to spend funds appropriated by Congress and financed by general District Revenues.

Appropriation Group - The nine broad areas that the District categorizes services to the citizens of Washington D.C. they include Governmental Direction and Support, Economic Development and Regulation, Public Safety and Justice, Public Education System, Human Support Services, Public Works, Receivership Programs, Financing and Other, and Enterprise Other Funds.

Arbitrage - Simultaneous purchasing and selling of the identical item in different markets in order to yield profits.

ASMP - Administrative Services Modernization Program. A District-wide business transformation project focused on improving administrative processes, systems, and policies across the operating agencies, administrative agencies, and financial agencies. The project was launched in June 2001 and will span approximately five years.

Attrition - Voluntary employment losses, such as retirements and resignations.

Bonds - Officially called debt securities, bonds provide ways for governments to raise large sums of money by borrowing. Bonds usually have a principle amount and a contract interest rate. The principle can be paid at maturity while the interest is generally paid semi-annually as a percent of the principle. For example, a government could see \$10,000,000 in bonds with a 5% interest rate. If the bonds matured in five years, then the \$10,000,000 would have to be paid to the bondholder. During that period, \$500,000 would have to be paid in interest each year or \$250,000

semi- annually. These bonds would be called term bonds, since they are due at a fixed point in time. Serial bonds come due at different points in time.

Bond Ratings			
Rating	S & P	Moody's	Fitch IBCA
Best Quality; extremely strong capacity to pay principal and interest	AAA	Aaa	AAA
High Quality; very strong capacity to pay principal and interest	AA	Aa	AA
Upper Medium Quality; strong capacity to pay principal and interest	A	A	A
Medium Grade; adequate capacity to pay principal and interest	BBB	Baa	BBB
Somewhat Speculative;	BB	Ba	BB
Low Grade, Speculative	B	B	B
Low Grade, Partial Recovery Possible	CCC	Caa	CCC
Low Grade, Default Recovery Possible	CC	Ca	CC
Recovery Unlikely	C	C	C

Bond Rating - A bond rating is an independent assessment of the creditworthiness of a bond (note or any security of indebtedness) by a credit rating agency. The three primary rating agencies are Standard & Poor's (S & P), Moody's Investor Services (Moody's), and Fitch IBCA, Inc. (Fitch IBCA). Bond ratings measure the probability of the timely repayment of principal and interest of a bond. Generally, a higher credit rating would lead to a more favorable effect on the marketability of a bond. The credit rating symbols (long-term) are generally assigned with the highest and the lowest in investment grade. The table below denotes the bond rating codes of the various rating agencies.

Budget - A plan of financial and operational intent embodying an estimate of proposed expenditures for a given period and proposed means of financing.

Budget Authority - Authority provided by law to enter into obligations that will result in expenditures. It may be classified by the period of availability (one-year, multiple-year, no-year), by the timing of congressional action (cur-

rent or permanent), or by the manner of determining the amount available (definite or indefinite).

Budget Category - An operating budget expenditure classification: either personal services (PS) or nonpersonal services (NPS).

Budget Establishment - The period immediately preceding the beginning of the budget fiscal year during which final revenue budgets, intra-District budgets, and expenditure budgets are prepared and entered into the formal accounting records of the District.

Budget Modification - A change in any portion of the budget during the fiscal year.

Budget Preparation - The budget planning and development process from the initial budget call, up to and including final approval by Congress.

Budget Reserve - Funds that are earmarked for special purposes to protect the District against shortfalls in revenue and unforeseen expenditures.

Capital Improvements Program (CIP) - A plan for initiating the development, modernization, or replacement of District-owned facilities during a six-year period. As annually revised, this plan provides the basis for future-year capital budget requests.

CAFR - State and Local governments issue an annual financial report called the Comprehensive Annual Financial Report or CAFR. The CAFR has three parts: (1) an introductory section, (2) a financial section, and (3) a statistical section. Some but not all of what goes into the CAFR is shaped by the Governmental Accounting Standards Board (GASB) which is the current authoritative source for governmental Generally Accepted Accounting Principles (GAAP). The groups that use the CAFR most extensively and rely on it heavily consist of the agencies that rate state and local governments for purposes of sale of bonds. Institutions that buy and sell these bonds would also be among the users of the CAFR. Moody's, Fitch IBCA, and Standard and Poor are among the best known rating agencies. The people who rate or buy and sell these bonds are among the most capable of reading, analyzing, and interpreting the CAFR.

Certificates of Participation (COP) - In a typical lease purchase arrangement, the District as lessee purchases property under contract from lessor, usually a private corporation, another public entity or a special purpose nonprofit corporation. The lessor receives a portion of each lease payment as tax – exempt interest. One common way of

financing this is the Certificate of Participation (COP) where the lessor assigns the lease and lease payments to a trustee. The lease underlying the COP will usually state the obligation (GO) bond of the District.

Charter School - A private non-profit entity that accepts and educates public school students under the terms of a charter granted by one of the Districts two chartering authorities. Charter Schools receive the same public funding as DCPS pursuant to the District's uniform per student funding formula; additionally, a facilities allowance is also provided.

Chart of Accounts - A chart of expenditure and revenue accounts used to record each type of financial transaction incurred by District agencies

Collateral - Security left with a creditor to assure the performance of the obligor. When the obligor has performed, the creditor must return the collateral.

Community Development Block Grant (CDBG) - The federal grant that supports housing, economic development, health and human services, and planning and administration.

Component Unit - Legally separate organizations for which elected officials of the District are financially accountable. Accountability exists because some or all of the governing bodies of all the component units are appointed by the Mayor with the consent of the Council. All component units use proprietary fund type accounting.

Consolidated Plan - The U.S. Department of Housing and Urban Development requires a single or consolidated plan and submission for the following federal grant programs: Community Development Block Grant, HOME Investments Partnerships Program, Emergency Shelter Grants (ESG), and the Housing Opportunities for Persons with AIDS (HOPWA) grant.

Continuing Full-Time (CFT) Positions - Full-time positions that the District has authority to fill under its congressional appropriation. Although these are "authorized" positions, some CFT positions may not be filled because of funding constraints.

Control Center - The basic unit of budgetary and financial control in the District's financial management system. Each District agency is composed of one or more control centers that serve as the major subparts of the agency's budget.

Controllable Property - Non-capitalized tangible property that is considered valuable and/or sensitive with a high risk of theft with a value of less than \$5,000 and/or with an expected life of less than three years.

Current Services Budget - An estimate of the funds needed to continue existing levels of service in the next fiscal year.

Debt Ratio - Total debt divided by total assets.

Debt Service - Scheduled payment of the interest and principal to bond holders that is necessary to retire bond indebtedness.

Emergency Shelter (ESG) - Federal grants to provide capital and operating support for emergency shelters and transitional housing for the homeless.

Encumbrance - An amount of funds committed for the payment of goods and services ordered but not yet received.

Energy, Rent, and Communications - The name of the object class used to allocate funds for those needs.

Enterprise Funds - Budget and accounting units created for particular purposes, such as water and sewer or other self-sustaining operations, to separate the revenue and financial control of such operations from the District's General Fund.

Entitlement - A service or grant that, under District or Federal law, must be provided to all applicants.

Equipment and Equipment Rental - The name of the object class used to allocate funds for such needs.

Escrow - A written agreement or instrument setting up for the allocation funds or securities deposited by the giver or grantor to a third party (the escrow agent), for the eventual benefit of the second party (the grantee). The escrow agent holds the deposit until certain conditions have been met.

Expenditure - A payment for goods or services received.

Federal Funds

1. Federal Grants: Funding provided by the Federal government via a Federal agency for a specific purpose with the conditions for the administration of the funding dictated by each grantor organization.
2. Federal Payments: Funding specifically detailed in the Federal Funds portion of the District of Columbia Federal Appropriations Act with the conditions for the

administration of the funding found within the statute and Federal Appropriations law.

3. Federal Medicaid Payments: Funding provided to resource a portion of the health care costs of eligible individuals, with oversight done by District and Federal authorities.

Fixed assets - Long-lived tangible items that provide a benefit for a number of future periods.

Fixed Costs - Expenses that do not change in proportion to the activity of a business, and are related to the everyday functioning of a business. In the District, fixed costs are categorized as, electricity, heating fuel, janitorial services, natural gas, occupancy, telecom, postage, rent, security services, steam, water and sewer, and fleet fuel and services. While the expense item is fixed, the costs do have variability. Rate fluctuations and consumption levels play a large part in determining the amount of fixed costs.

Fringe Benefits - Part of overall employee compensation, including life and health insurance and retirement and social security contributions.

Full-Time Equivalent (FTE) - An employment indicator that translates the total number of hours worked in a year by all employees, including part-time workers, to an equivalent number of work years. For example, one FTE equals 2,080 hours and .75 FTE equals 1,566 hours.

Fund - A budgeting and accounting device used to establish accounts for separating revenues and their related obligations, and expenditures for one purpose from those revenues, obligations, and expenditures for other purposes.

Fund Accounting - Accounting method of providing information on the District of Columbia receipts and disbursements in separate categories or "funds". Governments use fund accounting to segregate sources of revenue and the purpose for which they are to be used.

Fund Balance - The difference between fund assets and fund liabilities. The fund balance is cumulative over the life of the fund.

Generally Accepted Accounting Principles

(GAAP) - Uniform minimum standard of guidelines for financial accounting and reporting that the District follows. They govern the form and content of an entity's (public, private, non-profit) basic financial statements. GAAP encompasses the conventions, rules and procedures necessary to define accounting practices at a particular time.

GASB - The Governmental Accounting Standards Board (GASB) is a private non-profit body responsible for establishing and improving accounting and financial reporting standards for more than 84,000 governmental units in the United States. Although they do not have the force of law, governments are required to follow GASB standards in order to obtain clean opinions from their auditors and failure to comply with GASB standards can adversely affect a state or local government's attempts to issue bonds.

GFOA - The Government Finance Officers Association of the United States and Canada is the premier association of public-sector finance professionals and is dedicated to providing high-quality support to state and local governments. The GFOA's two established criteria for financial excellence include: (1) the "Distinguished Budget Presentation Award" (Budget Program) conferred on governments whose budgets are deemed exemplary as a policy document, financial guide, operations guide, and communication device; (2) "Certificate of Achievement for Excellence in Financial Reporting" (CAFR Program) for governments whose CAFRs achieve the highest standards in financial reporting.

GPRA - Government Performance and Results Act. Legislation that requires the establishment of a direct relationship between the use of federal funds and the delivery of services by federal agencies. Many federal grants require GPRA performance measures as part of the reporting process.

General Fund - The General Fund, which is the principal operating fund of the District, is used to account for all financial resources except those required to be accounted for in another fund.

General Fund Deficit - In the District, an amount representing unfunded expenditures and obligations accumulated primarily in years prior to Home Rule.

General Obligation Bonds - Bonds sold by a municipal government to private investors to provide long-term financing for capital project needs. Repayment of the principal and interest is made from General Fund revenue.

Gift funds - Financial donations to the District government, which may only be accepted on behalf of the District by the Mayor, that may be earmarked for a specific purpose.

Grant - Contributions of assets (usually cash) by one government unit to another government unit or organization. Typically, these contributions are made to Local govern-

ments from State and Federal governments for specified purposes.

Gross Budget - A total budget amount that includes resources from all funding sources.

HOME - Home Investment Partnerships Program. A federal grant program that provides housing for low-income persons.

Imprest Fund - A fund of a designated amount out of which payments for expenses of small amounts are made (sometimes referred to as petty cash).

Indirect Costs - Administrative overhead costs incurred by the District in managing grant programs.

Industrial Revenue Bond - A bond that enables the District to borrow money to finance or refinance undertakings in the areas of housing, health facilities, transit, college and university programs which provide loans for the payment of educational expenses for or on behalf of students, pollution control facilities, and industrial and commercial development.

Inflation - An increase in general price of goods or services resulting in a decline in the purchasing power of currently available money.

Infrastructure - Long-lived assets such as highways, bridges, buildings and public utilities.

Interest Accrual - The amount of interest owed on borrowings but not to be paid until a later date.

Intra-District - An accounting mechanism to track payments for services provided by one District agency to another District agency, similar to an Internal Service Fund.

Key Result Measures - A set of result performance measures that are contained within each program. They are comprised of one result measure from each of the activities within that program.

Local Education Agency (LEA) - An education agency at the local level which exists primarily to operate schools or to contract for educational services. This term is used synonymously with the terms "school district," "school system," and "local basic administrative unit."

Local revenue - Includes tax and non-tax revenue that is not earmarked for a particular purpose and is allocated to fund District programs during the annual budget process, a part of General Fund revenue.

Match - A locally provided cash or in-kind services contribution required to supplement or equal a grant or gift as a condition for receiving the funds.

Mandate - Any responsibility, action or procedure that is imposed by one government on another through constitutional, legislative, administrative, executive, or judicial action as a direct order, or that is required as a condition of aid.

Mission - The mission is a clear, concise statement of the purpose of the agency. The mission focuses on the broad, yet distinct, results the agency will achieve for its customers. Also, the reason for the existence of an agency.

Modified accrual basis of accounting - A basis of accounting that recognizes revenues when earned, only so long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. That is, revenues are only recognized under modified accrual accounting to the degree that they are available to finance expenditures of the fiscal period.

Municipal Bond - A bond issued by a state or a political subdivision. Also a bond issued by a state, agency or authority. In general, interest paid on municipal bonds is exempt from federal income taxes and state and local taxes in the state of issue.

NAICS -- Beginning in 1997, The North American Industry Classification System (NAICS, pronounced nakes) has replaced the Standard Industrial Classification (SIC). NAICS is a uniform industry-wide classification system designed as the index for statistical reporting of all economic activities of the U.S; Canada, and Mexico. This new six digit code is a major revision that provides for newer industries and reorganizes the categories on a production/process-oriented basis compared to the SIC that used a mixture of production-based and market-based categories.

Nonpersonal Services (NPS) - A budget category that includes budget objects for reporting other than personnel-related expenditures. Non-personal services includes supplies, utilities, communications and rent, other services and charges, subsidies and transfers, equipment and equipment rental, and debt service.

Nonrecurring Expenditures - One-time expenditures for special items, such as a new fire truck or a computer system, that do not need to be budgeted for again in the year following their purchase.

Notice of Funding Availability (NOFA) - A public notice that an agency will issue a Request for Applications (RFA), informing interested parties when and where an RFA may be obtained.

Object Class - A budgetary classification that breaks down the general budget categories of personal services and nonpersonal services into more specific types of expenditure, such as Fringe Benefits (Object Class 14) or Supplies (Object Class 20).

Objectives - Measurable activities of a program that are sought to achieve the overall mission.

Obligations - The amount of expenditure already made as well as the cost of commitments requiring future payments.

Occupational Classification Codes (OCCs) - Classification system used to identify employees by function. The eight major OCCs are based on the following job descriptions:

Officials and Administrators - Employees make broad policies; exercise responsibility for the implementation of these policies; or, direct individual departments or special phases of an agency's operations; or, provide consultation on a regional, district or area wide basis;

Professionals - Employees must have specialized and theoretical knowledge usually acquired through college training, job experience, or other comparative training;

Technicians - Employees must have a combination of basic scientific or technical knowledge and manual skills obtained through specialized post-secondary school education or equivalent on-the-job training;

Protective Service Workers - Employees perform public safety, security, and "protection from destructive forces" duties;

Paraprofessionals - Employees perform some professional or technician duties but only in a supportive role. Assignments usually require less formal training and/or experience than required of professional or technical employees;

Office and Clerical - Employees must communicate within and outside their office setting, in addition to recording and retrieving information;

Skilled Craft Workers - Employees perform work which requires special manual skills gained from on-the-job training, apprenticeship, or formal training programs; and

Service and Maintenance - Employees perform duties related to the comfort, convenience, hygiene or safety of the public; or, maintain buildings, facilities or grounds of public property. Workers in this group may operate machines.

Operating Budget - The budget that encompasses the day-to-day District activities. The operating budget includes employee salaries, supplies, and other non-personnel items related to current activities. The operating budget also includes debt services and overhead costs related to daily operations.

Other Services and Charges - A budgetary classification of nonpersonal services that includes funds for printing, postage, tuition, travel, conference, and membership dues. Name of the object class primarily used to allocate funds for contractual services.

Other Revenue (O-Type or Dedicated Non-Tax Revenue) - Includes revenues from fees and charges that are collected and spent by the collecting agency.

Other Services and Charges - The name of the object class primarily used to allocate funds for contractual services.

Program - A group of similar activities, or type of service, that is organized as a sub-unit of an agency for accounting, budgeting, planning and performance measurement purposes.

Personal Services (PS) - A budget category that includes budget objects for reporting personnel-related expenditures. Personal Services includes Regular Pay, Other Pay, Additional Gross Pay, and Fringe Benefits.

Performance-Based Budgeting (PBB) - Refers to a budget system in which budget decisions are based on or informed by performance information that describes the cost or efficiency of producing and activity and the results achieved for customers. This is accomplished by structuring the accounting and budgeting systems according to the structure of the agency's Strategic Business Plan.

Performance Measures - Measures that describe the information managers and other decision-makers need in order to make good business decisions. There are four types of measures: (1) results, (2) outputs, (3) demand, and (4) efficiency.

Private Revenue - Funding from private grants that is retained by the agency to fund the intended purpose of the grant.

Proprietary Fund - Fund category that often emulates the private sector and focuses on the measurement of net income. Expenditures are funded by user charges and fees represented as enterprise funds in the CAFR.

Program - A component part of the District's program structure. Comprised of a set of activities that have a common purpose or result.

Qualified Zone Academy Bond - A federal program that provides tax credits on bonds issued to finance projects for schools construction in eligible low income schools. Through a tax credit to the lending institution, the federal government covers all of the interest on these bonds, resulting in saving up to 50 percent of the cost these renovation and improvement projects.

Program structure - The delineation of programs, activities, and services that constitute the work of an agency.

Real (Constant) Dollars - The value of current-year dollars adjusted to account for inflation.

Redirections - The permanent shift of funds or positions within an agency.

Regular Pay - Salary and wages for all continuing full-time employees.

Reorganization - Refers to changes in the budget and reporting structures within agencies.

Reprogramming - Any budget modification which results in an offsetting reallocation of funds from one budget category to another, for purposes other than those originally planned.

Request for Applications (RFA) - The document that describes the requirements for subgrant applications.

Request for Proposal (RFP) - The official document requesting from prospective contractors a detailed description of the manner in which they plan to achieve the goals specified by the RFP were they awarded a contract to do so. The plan usually includes the proposer's estimate of total cost and required schedule.

Rescission - A legislative cancellation of budget authority previously approved by the Council and the Congress.

Responsibility Center - A component of a control center, the lowest organizational level shown in the annual budget request.

Revenue Bonds - Bonds whose principal and interest are payable exclusively from the earnings of an enterprise fund.

Revenue Category - General types of revenue, such as taxes.

Revenues - The annual income or receipts of the District from taxes, charges, grants, and investments.

Revenue Class - Specific revenues, such as real property taxes.

Review panel - A team of qualified individuals responsible for reviewing, scoring, and recommending applicants for subgrant awards.

Revolving fund - A fund account containing money that is renewed as it is used, either by additional appropriations or by income from the programs it finances; thus, the fund retains a balance at all times.

Service-level Budgeting - The development of budgets at organization level four in SOAR. This is one level below the current level of budgeting which is at the activity level.

Strategic Goal - In strategic business planning, refers to goal statements that describe in measurable terms the significant results that an agency must accomplish over the next 2 to 5 years to respond to the critical trends, issues, and challenges.

Strategic Business Plan - A strategic business plan establishes and articulates the purpose, strategic goals, operational organization and performance expectations for an agency.

Standard Industrial Classification (SIC) code - Original set of categories for public, non-profit, and public sector organizations used by government manufacturing and the financial industry as a basis of classifying organizations. SIC codes are being replaced by NAICS because of the North American Free Trade Agreement (NAFTA) between the US, Canada, and Mexico.

Special Purpose Revenue - Funds used to account for proceeds for specific revenue sources (other than expendable trusts, special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes. Formerly called O-type or other revenue.

Structural Balance - The degree to which revenues match expenditures over time.

Subgrant - The commitment of funds from a grant by a District government agency to a governmental or private organization to support specific services and operations. see DCMA Chapter 50.

Subsidies and Transfers - The name of the object class used to allocate funds for a variety of public welfare and support costs and to transfer funds to other organizations, such as the Washington Metropolitan Area Transit Authority, providing services to District residents.

Supplies and Materials - The names of the budgetary object class used to allocate funds for consumable materials.

System of Accounting and Reporting (SOAR) - Acronym for the financial management system used by the District.

Tax abatement - A decrease or rebate of a tax or burden improperly made. At times a tax abatement may reflect only an acknowledgment of a changed situation.

Tax Increment Financing - Tax increment financing is a method to pay for the costs of qualifying improvements necessary to create new development or redevelopment. The financing of the qualifying improvements is paid from increased property and/or sales taxes generated from the new development or redevelopment that would not occur "but for" such assistance.

Tobacco securitization - Securitization is a financing method whereby a party sells bonds to investors backed by a future stream of payments. With tobacco securitization, the future stream of payments is the periodic payments tobacco companies will make as part of a settlement reached by the companies and various states in 1998. The District received funds up front from the proceeds of the bond sale. The investors receive principal and interest payments on their bonds from the tobacco companies' payments. Securitization shifts the risk that the tobacco companies will stop making settlement payments from the government to private investors or insurers.

Total Full-Time Equivalent (FTE) Employment - A measure of employment that reflects all full-time and part-time staff resources in terms of standard work hours, based on a work year of 2,080 hours.

Trust and Agency Funds - Funds used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Transfers - Reallocation of resources (funds or positions) among agencies or funds.

Unfunded Liabilities - Potential or actual debts for which no current funding is available.

Uniform Per Student Funding Formula (UPSFF) - Funding formula used by the District that determines the annual appropriation of Local funds for the operation of the D.C. Public School System (and charter schools) based on the number of students, the grade level, and the special programs in which they are enrolled. The UPSFF is used to fund the entire school system with the exception of state level costs which are locally funded through a separate mechanism.

WAE - The abbreviation for when actually employed, referring to part-time staff paid on an hourly basis.

Weighted Student Formula (WSF) - Funding formula used by the school system to annually fund each school. The formula is based on enrollment, grade level, special education needs, free and reduced price lunch eligibility, and English as a Second Language characteristics.

Within-Grade (Step) Increase - A salary increase awarded to an employee based on longevity of service and acceptable performance.

*Appendix E, F, G
and H*

**Summary Tables:
FY 2009 Proposed
Budget and
Financial Plan**

**Government of the District of Columbia
FY 2009 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Governmental Direction and Support							
AB0 COUNCIL OF THE DISTRICT OF COLUMBIA	16,665	16,651	21,027	0	0	21,027	4,376
AC0 OFFICE OF THE D.C. AUDITOR	1,949	2,517	4,165	0	0	4,165	1,648
DX0 ADVISORY NEIGHBORHOOD COMMISSIONS	883	1,089	1,092	0	0	1,092	3
AA0 OFFICE OF THE MAYOR	12,645	6,630	6,289	0	0	6,289	(340)
RP0 OFFICE OF COMMUNITY AFFAIRS	0	2,996	3,345	0	0	3,345	349
RS0 SERVE DC	0	279	410	0	0	410	131
BA0 OFFICE OF THE SECRETARY	3,514	3,756	4,031	0	562	4,593	837
CW0 CUSTOMER SERVICE OPERATIONS	246	0	0	0	0	0	0
AE0 OFFICE OF THE CITY ADMINISTRATOR	17,635	6,979	5,974	0	0	5,974	(1,004)
RK0 D.C. OFFICE OF RISK MANAGEMENT	1,550	1,669	1,480	0	0	1,480	(189)
BE0 D.C. DEPARTMENT OF HUMAN RESOURCES	9,428	9,810	10,117	0	406	10,523	713
HD0 HUMAN RESOURCES DEVELOPMENT	1,804	0	0	0	0	0	0
JR0 OFFICE OF DISABILITY RIGHTS	0	882	1,568	0	0	1,568	686
AS0 OFFICE OF FINANCE AND RESOURCE MANAGEMENT	8,120	4,878	4,875	0	0	4,875	(3)
BU0 OFFICE OF PARTNERSHIP AND GRANT SERVICES	0	0	1,038	0	0	1,038	1,038
PO0 OFFICE OF CONTRACTING AND PROCUREMENT	12,184	6,348	5,718	0	1,026	6,744	397
TO0 OFFICE OF THE CHIEF TECHNOLOGY OFFICER	38,140	61,867	58,614	0	100	58,714	(3,153)
AM0 OFFICE OF PROPERTY MANAGEMENT	26,045	25,072	19,208	0	8,321	27,529	2,457
AF0 CONTRACT APPEALS BOARD	776	999	1,038	0	0	1,038	40
DL0 BOARD OF ELECTIONS & ETHICS	5,964	5,254	5,496	0	0	5,496	242
CJ0 OFFICE OF CAMPAIGN FINANCE	1,495	1,720	1,721	0	0	1,721	2
CG0 PUBLIC EMPLOYEE RELATIONS BOARD	807	964	1,011	0	0	1,011	47
CH0 OFFICE OF EMPLOYEE APPEALS	1,652	1,858	1,863	0	0	1,863	4
EA0 METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS	421	381	396	0	0	396	15
CB0 OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA	58,690	62,876	65,216	0	4,452	69,669	6,792
AD0 OFFICE OF THE INSPECTOR GENERAL	12,365	14,199	15,317	0	0	15,317	1,118
AT0 OFFICE OF THE CHIEF FINANCIAL OFFICER	133,280	147,969	120,085	0	37,541	157,625	9,657
Total, Governmental Direction and Support	366,257	387,642	361,097	0	52,408	413,505	25,863

Government of the District of Columbia
FY 2009 Proposed Budget
General Fund

Appropriation Title (Thousands of Dollars)	FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>Economic Development and Regulation</i>							
<i>EB0*</i> OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	71,168	138,196	35,501	16,998	32,760	85,259	(52,937)
<i>BD0</i> OFFICE OF PLANNING	6,563	8,775	9,628	0	15	9,643	868
<i>EN0</i> DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	2,048	4,720	3,472	0	0	3,472	(1,248)
<i>TK0</i> OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	543	653	684	0	0	684	32
<i>BJ0</i> OFFICE OF ZONING	3,055	3,150	3,139	0	0	3,139	(11)
<i>DB0</i> DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	5,543	30,864	32,859	0	4,666	37,524	6,661
<i>CF0</i> DEPARTMENT OF EMPLOYMENT SERVICES	70,252	78,270	62,315	0	35,124	97,440	19,170
<i>DA0</i> BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	519	727	727	0	0	727	0
<i>CR0</i> DEPT. OF CONSUMER & REGULATORY AFFAIRS	41,690	40,475	19,868	0	19,288	39,157	(1,319)
<i>CQ0</i> OFFICE OF THE TENANT ADVOCATE	0	1,824	964	0	1,688	2,652	828
<i>BX0</i> COMMISSION ON ARTS & HUMANITIES	10,032	10,779	13,517	0	400	13,917	3,139
<i>LQ0</i> ALCOHOL BEVERAGE REGULATION ADMINISTRATION	3,523	6,833	1,144	0	6,245	7,389	556
<i>DH0</i> PUBLIC SERVICE COMMISSION	7,628	8,486	0	0	9,790	9,790	1,304
<i>DJ0</i> OFFICE OF THE PEOPLE'S COUNSEL	4,384	4,883	0	0	5,025	5,025	142
<i>SR0</i> DEPT. OF INSURANCE, SECURITIES AND BANKING	13,971	17,744	0	0	18,143	18,143	400
<i>CT0</i> OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	6,565	7,246	0	0	7,089	7,089	(157)
<i>HY0</i> HOUSING AUTHORITY SUBSIDY	22,730	30,983	32,983	0	0	32,983	2,000
<i>AY0</i> ANACOSTIA WATERFRONT CORP. SUBSIDY	5,000	0	0	0	0	0	0
<i>HP0</i> HOUSING PRODUCTION TRUST FUND SUBSIDY	105,411	46,533	0	32,775	0	32,775	(13,758)
<i>SY0</i> DC SPORTS COMMISSION SUBSIDY	0	0	2,500	0	0	2,500	2,500
Total, Economic Development and Regulation	380,624	441,140	219,302	49,773	140,234	409,309	(31,831)

*\$9.25M of DMPED FY08 Approved O-type budget representing Payment in Lieu of Taxes for debt service on AWC projects is reflected under the Enterprise and Other section.

<i>Public Safety and Justice</i>							
<i>FA0</i> METROPOLITAN POLICE DEPARTMENT	444,102	480,349	469,565	0	12,696	482,261	1,912
<i>FB0</i> FIRE AND EMERGENCY SERVICES DEPARTMENT	172,775	178,111	185,171	0	824	185,995	7,884
<i>FD0</i> POLICE OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM	140,100	137,000	110,900	0	0	110,900	(26,100)
<i>FL0</i> DEPARTMENT OF CORRECTIONS	147,131	153,271	116,086	0	33,688	149,774	(3,497)

**Government of the District of Columbia
FY 2009 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>FK0</i> D.C. NATIONAL GUARD	2,846	3,824	3,371	0	0	3,371	(454)
<i>BN0</i> HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	4,739	5,014	4,700	0	0	4,700	(314)
<i>DQ0</i> COMMISSION ON JUDICIAL DISABILITIES & TENURE	238	248	271	0	0	271	23
<i>DV0</i> JUDICIAL NOMINATION COMMISSION	135	144	152	0	0	152	8
<i>FH0</i> OFFICE OF POLICE COMPLAINTS	2,191	2,473	2,628	0	0	2,628	155
<i>FZ0</i> D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	643	723	779	0	0	779	55
<i>FX0</i> OFFICE OF THE CHIEF MEDICAL EXAMINER	8,339	10,633	10,199	0	274	10,473	(160)
<i>FS0</i> OFFICE OF ADMINISTRATIVE HEARINGS	5,032	7,751	7,762	0	32	7,795	44
<i>FI0</i> CORRECTIONS INFORMATION COUNCIL	0	115	115	0	0	115	0
<i>FJ0</i> CRIMINAL JUSTICE COORDINATING COUNCIL	285	384	404	0	0	404	20
<i>FV0</i> FORENSIC LABORATORY TECHNICIAN TRAINING PROGRAM	811	1,686	1,656	0	0	1,656	(30)
<i>UC0</i> OFFICE OF UNIFIED COMMUNICATIONS	32,063	45,055	36,396	0	13,189	49,585	4,530
<i>FT0</i> HOMELAND SECURITY GRANTS	0	0	0	0	0	0	0
<i>FE0</i> OFFICE OF VICTIM SERVICES	0	9,791	4,013	0	9,899	13,912	4,121
<i>FO0</i> OFFICE OF JUSTICE GRANTS ADMINISTRATION	0	92	1,444	0	0	1,444	1,351
<i>FW0</i> MOTOR VEHICLE THEFT PREVENTION COMMISSION	0	0	475	0	250	725	725
Total, Public Safety and Justice	961,431	1,036,665	956,087	0	70,851	1,026,939	(9,726)
Public Education System							
<i>GA0</i> D.C. PUBLIC SCHOOLS	827,796	788,071	562,109	0	3,671	565,780	(222,291)
<i>GX0</i> TEACHERS' RETIREMENT FUND	14,540	6,000	0	0	0	0	(6,000)
<i>GD0</i> OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION	14,587	72,228	119,894	0	10,567	130,461	58,233
<i>GC0</i> D.C. PUBLIC CHARTER SCHOOLS	277,159	320,366	366,053	0	0	366,053	45,687
<i>GF0</i> UNIVERSITY OF THE DISTRICT OF COLUMBIA	0	0	0	0	0	0	0
<i>GG0</i> UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY	62,636	62,570	62,070	0	0	62,070	(500)
<i>CE0</i> D.C. PUBLIC LIBRARY	42,677	45,876	45,255	0	444	45,699	(177)
<i>GB0</i> DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0	3,069	1,660	0	1,800	3,460	392
<i>GM0</i> OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	1,281	6,000	22,431	0	15,938	38,369	32,369
<i>GW0</i> DEPUTY MAYOR FOR EDUCATION	0	2,442	4,917	0	0	4,917	2,475
<i>GN0</i> NON-PUBLIC TUITION	0	0	141,700	0	0	141,700	141,700
<i>GO0</i> SPECIAL EDUCATION TRANSPORTATION	0	0	75,558	0	0	75,558	75,558
Total, Public Education System	1,240,676	1,306,621	1,401,649	0	32,420	1,434,068	127,447

**Government of the District of Columbia
FY 2009 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)		FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Human Support Services								
JA0	DEPARTMENT OF HUMAN SERVICES	275,962	182,767	179,322	0	2,800	182,122	(645)
RLO	CHILD AND FAMILY SERVICES AGENCY	181,976	189,056	198,295	0	750	199,045	9,989
RMO	DEPARTMENT OF MENTAL HEALTH	196,393	213,788	213,181	0	3,808	216,989	3,201
HCO	DEPARTMENT OF HEALTH	642,434	694,051	101,606	0	14,375	115,981	(578,071)
HA0	DEPT OF PARKS AND RECREATION	47,812	49,850	46,750	0	2,492	49,242	(608)
BY0	OFFICE ON AGING	16,460	17,443	17,584	0	0	17,584	141
BHO	UNEMPLOYMENT COMPENSATION FUND	5,250	5,800	5,500	0	0	5,500	(300)
BGO	DISABILITY COMPENSATION FUND	24,851	30,280	15,030	0	0	15,030	(15,250)
HMO	OFFICE OF HUMAN RIGHTS	2,359	2,839	2,763	0	0	2,763	(76)
BZO	OFFICE ON LATINO AFFAIRS	4,130	4,123	4,727	0	0	4,727	604
JFO	D.C. ENERGY OFFICE	0	0	0	0	0	0	0
JY0	CHILDREN AND YOUTH INVESTMENT FUND	13,092	14,030	18,460	0	0	18,460	4,430
AP0	OFFICE ON ASIAN AND PACIFIC ISLANDER AFFAIRS	814	939	1,021	0	0	1,021	82
VA0	OFFICE OF VETERANS' AFFAIRS	306	350	462	0	0	462	112
MRO	MEDICAID RESERVE	26,927	0	0	0	0	0	0
JZ0	DEPARTMENT OF YOUTH REHABILITATION SERVICES	73,936	79,705	81,820	0	0	81,820	2,116
JMO	DEPARTMENT ON DISABILITY SERVICES	0	88,784	90,475	0	5,800	96,275	7,491
HT0	DEPARTMENT OF HEALTH CARE FINANCE	0	0	596,918	24,949	1,977	623,844	623,844
Total, Human Support Services		1,512,702	1,573,806	1,573,915	24,949	32,002	1,630,866	57,061
Public Works								
KT0	DEPARTMENT OF PUBLIC WORKS	113,659	129,313	124,939	0	13,395	138,333	9,020
KA0	DEPARTMENT OF TRANSPORTATION	46,818	128,508	5,974	24,120	109,261	139,355	10,847
KV0	DEPARTMENT OF MOTOR VEHICLES	37,550	45,102	31,216	0	13,324	44,539	(563)
KG0	DISTRICT DEPARTMENT OF THE ENVIRONMENT	26,993	47,519	25,039	0	34,869	59,909	12,389
TC0	D.C. TAXI CAB COMMISSION	1,266	2,184	1,368	0	623	1,991	(193)
KCO	WASHINGTON METRO AREA TRANSIT COMMISSION	110	113	113	0	0	113	0
KE0	WASHINGTON METRO AREA TRANSIT AUTHORITY	198,484	214,909	230,499	0	0	230,499	15,590
KDO	SCHOOL TRANSIT SUBSIDY	5,092	5,420	7,866	0	0	7,866	2,446
Total, Public Works		429,971	573,069	427,015	24,120	171,472	622,606	49,537

**Government of the District of Columbia
FY 2009 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Financing and Other							
<i>RD0</i> RESERVE	0	0	0	0	0	0	0
<i>DS0</i> REPAYMENT OF LOANS AND INTEREST	386,245	440,707	453,050	3,580	3,097	459,727	19,020
<i>ZA0</i> REPAYMENT OF INTEREST ON SHORT-TERM BORROWING	8,455	13,334	9,000	0	0	9,000	(4,334)
<i>CP0</i> CERTIFICATES OF PARTICIPATION	30,448	32,288	32,791	0	0	32,791	503
<i>ZB0</i> DEBT SERVICE - ISSUANCE COSTS	6,406	60,000	15,000	0	0	15,000	(45,000)
<i>SM0</i> SCHOOLS MODERNIZATION FUND	0	6,435	8,613	0	0	8,613	2,178
<i>DT0</i> REPAYMENT OF REVENUE BONDS	0	12,000	0	6,000	0	6,000	(6,000)
<i>ZH0</i> SETTLEMENTS AND JUDGMENTS	25,029	21,015	21,477	0	0	21,477	462
<i>ZZ0</i> JOHN A. WILSON BUILDING FUND	3,763	4,190	4,058	0	0	4,058	(132)
<i>UP0</i> WORKFORCE INVESTMENTS	0	21,044	36,691	0	0	36,691	15,647
<i>DO0</i> NON-DEPARTMENTAL	0	34,488	10,438	0	28,841	39,279	4,791
<i>EP0</i> EMERGENCY PLANNING AND SECURITY FUND	0	0	0	0	0	0	0
<i>CS0</i> CASH RESERVE	0	50,000	0	0	0	0	(50,000)
<i>ELO</i> MASTER EQUIPMENT LEASE PURCHASE PROGRAM	21,893	43,755	51,405	0	0	51,405	7,650
<i>PA0</i> PAY-AS-YOU-GO CAPITAL FUND	118,861	108,152	34,337	108,300	2,000	144,637	36,485
<i>RH0</i> DISTRICT RETIREE HEALTH CONTRIBUTION	4,700	110,907	81,100	0	0	81,100	(29,807)
<i>TX0</i> TAX INCREMENT FINANCING (TIF) PROGRAM	0	0	0	0	0	0	0
<i>BO0</i> BASEBALL TRANSFER - DEDICATED TAXES	0	46,397	0	50,044	0	50,044	3,647
<i>GS0</i> SECTION 103 JUDGEMENTS-GOV DIR AND SUPPORT	8,838	0	0	0	0	0	0
Total, Financing and Other	614,638	1,004,712	757,960	167,924	33,938	959,821	(44,890)
Total General Operating Funds	5,506,298	6,323,655	5,697,024	266,766	533,325	6,497,115	173,460
Enterprise and Other Funds							
<i>EB0</i> OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	0	9,250	0	0	0	0	(9,250)
<i>LA0</i> WATER AND SEWER AUTHORITY	274,613	341,186	0	0	363,234	363,234	22,048
<i>LB0</i> WASHINGTON AQUEDUCT	0	49,815	0	0	56,491	56,491	6,676
<i>DC0</i> D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	257,738	266,700	0	0	265,000	265,000	(1,700)
<i>SC0</i> SPORTS AND ENTERTAINMENT COMMISSION	3,582	58,529	0	0	7,603	7,603	(50,925)
<i>DY0</i> D.C. RETIREMENT BOARD	22,960	33,249	0	0	32,624	32,624	(625)
<i>ES0</i> WASHINGTON CONVENTION CENTER AUTHORITY	0	88,742	0	0	96,696	96,696	7,954
<i>NC0</i> NATIONAL CAPITAL REVITALIZATION CORPORATION	0	0	0	0	0	0	0

**Government of the District of Columbia
FY 2009 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)		FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>GF0</i>	UNIVERSITY OF THE DISTRICT OF COLUMBIA	86,345	92,304	62,070	0	36,819	98,889	6,585
<i>UV0</i>	D.C. DEPT. OF HUMAN RESOURCES TRUST FUND	1,262	1,500	0	0	2,400	2,400	900
<i>UW0</i>	D.C. PUBLIC LIBRARY TRUST FUNDS	6	17	0	0	17	17	0
<i>UI0</i>	UNEMPLOYMENT INSURANCE TRUST FUND	99,920	180,000	0	0	180,000	180,000	0
<i>AW0</i>	ANACOSTIA WATERFRONT CORPORATION	0	0	0	0	0	0	0
<i>UZ0</i>	HOUSING PRODUCTION TRUST FUND	69,742	122,703	0	108,680	0	108,680	(14,024)
<i>TX0</i>	TAX INCREMENT FINANCING (TIF) PROGRAM	17,955	16,200	0	0	24,330	24,330	8,130
<i>TY0</i>	REPAYMENT OF PILOT FINANCING	0	0	0	0	9,770	9,770	9,770
<i>BK0</i>	BALLPARK REVENUE FUND	76,715	164,101	3,382	65,873	7,500	76,755	(87,346)
<i>Total, Enterprise and Other Funds</i>		910,838	1,424,297	65,452	174,553	1,082,485	1,322,489	(101,807)
Grand Total, DISTRICT GOVERNMENT		6,417,136	7,747,952	5,762,476	441,319	1,615,810	7,819,605	71,653

**** Note:** Agency budgets in this table are entered at the whole dollar but rounded to nearest thousands of dollars by funding type. This may cause rounding differences at the General Fund level.

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

<i>FY 2009 Approved Budget by Type of Funding</i>												
Appropriation Title <small>(Thousands of Dollars)</small>	FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds	
<small>Agy Cde</small>	<small>Agency Name</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	<small>Amount</small>	
<i>Governmental Direction and Support</i>												
<i>AB0</i>	COUNCIL OF THE DISTRICT OF COLUMBIA	16,665	16,651	21,027	0	0	21,027	0	0	21,027	0	21,027
<i>AC0</i>	OFFICE OF THE D.C. AUDITOR	1,949	2,517	4,165	0	0	4,165	0	0	4,165	0	4,165
<i>DX0</i>	ADVISORY NEIGHBORHOOD COMMISSIONS	883	1,089	1,092	0	0	1,092	0	0	1,092	0	1,092
<i>AA0</i>	OFFICE OF THE MAYOR	16,341	7,063	6,289	0	0	6,289	0	0	6,289	0	6,289
<i>RPO</i>	OFFICE OF COMMUNITY AFFAIRS	0	2,996	3,345	0	0	3,345	0	0	3,345	0	3,345
<i>RS0</i>	SERVE DC	0	3,898	410	0	0	410	3,323	0	3,734	448	4,182
<i>BA0</i>	OFFICE OF THE SECRETARY	3,515	3,756	4,031	0	562	4,593	0	0	4,593	0	4,593
<i>CW0</i>	CUSTOMER SERVICE OPERATIONS	1,023	0	0	0	0	0	0	0	0	0	0
<i>AE0</i>	OFFICE OF THE CITY ADMINISTRATOR	114,952	6,979	5,974	0	0	5,974	0	0	5,974	643	6,617
<i>RK0</i>	D.C. OFFICE OF RISK MANAGEMENT	2,170	2,368	1,480	0	0	1,480	0	0	1,480	904	2,384
<i>BE0</i>	D.C. DEPARTMENT OF HUMAN RESOURCES	12,388	16,423	10,117	0	406	10,523	0	0	10,523	7,485	18,009
<i>HDO</i>	HUMAN RESOURCES DEVELOPMENT	2,077	0	0	0	0	0	0	0	0	0	0
<i>JRO</i>	OFFICE OF DISABILITY RIGHTS	0	882	1,568	0	0	1,568	0	0	1,568	0	1,568
<i>AS0</i>	OFFICE OF FINANCE AND RESOURCE MANAGEMENT	236,168	268,259	4,875	0	0	4,875	0	0	4,875	242,114	246,989
<i>BU0</i>	OFFICE OF PARTNERSHIP AND GRANT SERVICES	0	0	1,038	0	0	1,038	0	0	1,038	0	1,038
<i>PO0</i>	OFFICE OF CONTRACTING AND PROCUREMENT	13,914	13,797	5,718	0	1,026	6,744	0	0	6,744	8,672	15,416
<i>TO0</i>	OFFICE OF THE CHIEF TECHNOLOGY OFFICER	71,677	72,142	58,614	0	100	58,714	0	0	58,714	10,275	68,989
<i>AM0</i>	OFFICE OF PROPERTY MANAGEMENT	81,341	86,284	19,208	0	8,321	27,529	0	0	27,529	55,563	83,092
<i>AFO</i>	CONTRACT APPEALS BOARD	776	999	1,038	0	0	1,038	0	0	1,038	0	1,038
<i>DLO</i>	BOARD OF ELECTIONS & ETHICS	6,342	5,254	5,496	0	0	5,496	0	0	5,496	0	5,496
<i>CJO</i>	OFFICE OF CAMPAIGN FINANCE	1,495	1,720	1,721	0	0	1,721	0	0	1,721	0	1,721
<i>CG0</i>	PUBLIC EMPLOYEE RELATIONS BOARD	807	964	1,011	0	0	1,011	0	0	1,011	0	1,011
<i>CHO</i>	OFFICE OF EMPLOYEE APPEALS	1,652	1,858	1,863	0	0	1,863	0	0	1,863	0	1,863
<i>EA0</i>	METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS	421	381	396	0	0	396	0	0	396	0	396
<i>CBO</i>	OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA	79,042	92,272	65,216	0	4,452	69,669	19,001	0	88,669	12,000	100,669

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

			<i>FY 2009 Approved Budget by Type of Funding</i>								
Appropriation Title (Thousands of Dollars)	FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
AD0 OFFICE OF THE INSPECTOR GENERAL	13,706	16,098	15,317	0	0	15,317	1,995	0	17,312	0	17,312
AT0 OFFICE OF THE CHIEF FINANCIAL OFFICER	144,699	153,387	120,085	0	37,541	157,625	878	0	158,503	6,152	164,655
<i>Total, Governmental Direction and Support</i>	<i>824,000</i>	<i>778,036</i>	<i>361,097</i>	<i>0</i>	<i>52,408</i>	<i>413,505</i>	<i>25,196</i>	<i>0</i>	<i>438,701</i>	<i>344,256</i>	<i>782,957</i>

<i>Economic Development and Regulation</i>											
Agy Cde Agency Name	FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
EB0* OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	72,513	138,996	35,501	16,998	32,760	85,259	0	0	85,259	650	85,909
BDO OFFICE OF PLANNING	7,485	10,101	9,628	0	15	9,643	450	0	10,093	61	10,154
ENO DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	2,048	6,670	3,472	0	0	3,472	0	0	3,472	0	3,472
TKO OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	639	653	684	0	0	684	0	0	684	0	684
BJO OFFICE OF ZONING	3,080	3,150	3,139	0	0	3,139	0	0	3,139	61	3,200
DBO DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	96,245	131,628	32,859	0	4,666	37,524	63,877	0	101,401	0	101,401
CF0 DEPARTMENT OF EMPLOYMENT SERVICES	103,247	117,762	62,315	0	35,124	97,440	34,739	80	132,259	958	133,218
DA0 BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	519	727	727	0	0	727	0	0	727	0	727
CRO DEPT. OF CONSUMER & REGULATORY AFFAIRS	42,216	40,475	19,868	0	19,288	39,157	0	0	39,157	0	39,157
CQ0 OFFICE OF THE TENANT ADVOCATE	0	1,824	964	0	1,688	2,652	0	0	2,652	0	2,652
BX0 COMMISSION ON ARTS & HUMANITIES	10,680	11,430	13,517	0	400	13,917	601	0	14,518	15	14,533
LQ0 ALCOHOL BEVERAGE REGULATION ADMINISTRATION	3,569	6,833	1,144	0	6,245	7,389	0	0	7,389	0	7,389
DHO PUBLIC SERVICE COMMISSION	7,918	8,645	0	0	9,790	9,790	182	0	9,972	0	9,972
DJO OFFICE OF THE PEOPLE'S COUNSEL	4,384	4,883	0	0	5,025	5,025	0	0	5,025	0	5,025
SRO DEPT. OF INSURANCE, SECURITIES AND BANKING	13,971	17,744	0	0	18,143	18,143	0	0	18,143	0	18,143
CTO OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	6,624	7,246	0	0	7,089	7,089	0	0	7,089	0	7,089
HY0 HOUSING AUTHORITY SUBSIDY	22,730	30,983	32,983	0	0	32,983	0	0	32,983	0	32,983
AY0 ANACOSTIA WATERFRONT CORP. SUBSIDY	5,000	0	0	0	0	0	0	0	0	0	0

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

Appropriation Title (Thousands of Dollars)		FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	FY 2009 Approved Budget by Type of Funding							TOTAL FY 2009 Proposed Budget, Gross Funds	
				Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District		Intra-District
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
HP0	HOUSING PRODUCTION TRUST FUND SUBSIDY	105,411	46,533	0	32,775	0	32,775	0	0	32,775	0	32,775
SY0	DC SPORTS COMMISSION SUBSIDY	0	0	2,500	0	0	2,500	0	0	2,500	0	2,500
Total, Economic Development and Regulation		508,279	586,282	219,302	49,773	140,234	409,309	99,848	80	509,238	1,745	510,983

*\$9.25M of DMPED FY08 Approved O-type budget representing Payment in Lieu of Taxes for debt service on AWC projects is reflected under the Enterprise and Other section.

Public Safety and Justice												
FA0	METROPOLITAN POLICE DEPARTMENT	467,418	497,893	469,565	0	12,696	482,261	3,067	85	485,413	18,979	504,391
FB0	FIRE AND EMERGENCY SERVICES DEPARTMENT	174,790	178,905	185,171	0	824	185,995	0	0	185,995	785	186,780
FD0	POLICE OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM	140,100	137,000	110,900	0	0	110,900	0	0	110,900	0	110,900
FL0	DEPARTMENT OF CORRECTIONS	147,374	153,437	116,086	0	33,688	149,774	0	0	149,774	0	149,774
FK0	D.C. NATIONAL GUARD	5,238	7,363	3,371	0	0	3,371	4,987	0	8,358	0	8,358
BN0	HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	6,605	95,495	4,700	0	0	4,700	244,927	0	249,628	0	249,628
DQ0	COMMISSION ON JUDICIAL DISABILITIES & TENURE	238	248	271	0	0	271	0	0	271	0	271
DV0	JUDICIAL NOMINATION COMMISSION	135	144	152	0	0	152	0	0	152	0	152
FH0	OFFICE OF POLICE COMPLAINTS	2,191	2,473	2,628	0	0	2,628	0	0	2,628	0	2,628
FZ0	D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	643	723	779	0	0	779	0	0	779	0	779
FX0	OFFICE OF THE CHIEF MEDICAL EXAMINER	8,339	10,633	10,199	0	274	10,473	0	0	10,473	0	10,473
FS0	OFFICE OF ADMINISTRATIVE HEARINGS	6,082	8,680	7,762	0	32	7,795	0	0	7,795	704	8,499
FI0	CORRECTIONS INFORMATION COUNCIL	0	115	115	0	0	115	0	0	115	0	115
FJ0	CRIMINAL JUSTICE COORDINATING COUNCIL	2,062	1,684	404	0	0	404	1,774	0	2,178	0	2,178
FV0	FORENSIC LABORATORY TECHNICIAN TRAINING PROGRAM	811	5,686	1,656	0	0	1,656	5,000	0	6,656	0	6,656
UC0	OFFICE OF UNIFIED COMMUNICATIONS	32,063	46,451	36,396	0	13,189	49,585	0	0	49,585	527	50,112
FT0	HOMELAND SECURITY GRANTS	12,590	0	0	0	0	0	0	0	0	0	0
FE0	OFFICE OF VICTIM SERVICES	0	13,813	4,013	0	9,899	13,912	2,040	0	15,952	0	15,952
FO0	OFFICE OF JUSTICE GRANTS ADMINISTRATION	0	5,766	1,444	0	0	1,444	5,765	0	7,209	0	7,209
FW0	MOTOR VEHICLE THEFT PREVENTION COMMISSION	0	0	475	0	250	725	0	0	725	0	725
Total, Public Safety and Justice		1,006,681	1,166,508	956,087	0	70,851	1,026,939	267,560	85	1,294,584	20,995	1,315,578

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

Appropriation Title (Thousands of Dollars)		FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	FY 2009 Approved Budget by Type of Funding								TOTAL FY 2009 Proposed Budget, Gross Funds
				Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Public Education System												
GA0	D.C. PUBLIC SCHOOLS	1,035,030	949,087	562,109	0	3,671	565,780	47,514	3,784	617,078	145,495	762,573
GX0	TEACHERS' RETIREMENT FUND	14,540	6,000	0	0	0	0	0	0	0	0	0
GDO	OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION	85,395	318,552	119,894	0	10,567	130,461	213,626	0	344,087	44,962	389,049
GC0	D.C. PUBLIC CHARTER SCHOOLS	277,159	320,366	366,053	0	0	366,053	0	0	366,053	0	366,053
GFO	UNIVERSITY OF THE DISTRICT OF COLUMBIA	0	0	0	0	0	0	0	0	0	0	0
GG0	UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY	62,636	62,570	62,070	0	0	62,070	0	0	62,070	0	62,070
CEO	D.C. PUBLIC LIBRARY	44,008	47,635	45,255	0	444	45,699	840	55	46,595	0	46,595
GB0	DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0	3,069	1,660	0	1,800	3,460	0	0	3,460	0	3,460
GMO	OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	1,281	6,000	22,431	0	15,938	38,369	0	0	38,369	0	38,369
GW0	DEPUTY MAYOR FOR EDUCATION	0	2,442	4,917	0	0	4,917	0	0	4,917	0	4,917
GN0	NON-PUBLIC TUITION	0	0	141,700	0	0	141,700	0	0	141,700	0	141,700
GO0	SPECIAL EDUCATION TRANSPORTATION	0	0	75,558	0	0	75,558	0	0	75,558	0	75,558
Total, Public Education System		1,520,049	1,715,721	1,401,649	0	32,420	1,434,068	261,980	3,839	1,699,888	190,457	1,890,345
Human Support Services												
JA0	DEPARTMENT OF HUMAN SERVICES	485,874	383,644	179,322	0	2,800	182,122	156,558	91	338,771	11,514	350,285
RLO	CHILD AND FAMILY SERVICES AGENCY	286,180	280,944	198,295	0	750	199,045	30,998	23	230,066	61,960	292,027
RMO	DEPARTMENT OF MENTAL HEALTH	245,891	248,958	213,181	0	3,808	216,989	5,566	0	222,555	9,280	231,835
HCO	DEPARTMENT OF HEALTH	1,809,008	1,975,622	101,606	0	14,375	115,981	137,096	0	253,077	21,268	274,344
HA0	DEPT OF PARKS AND RECREATION	63,561	59,729	46,750	0	2,492	49,242	0	1,000	50,242	9,326	59,568
BY0	OFFICE ON AGING	23,432	24,109	17,584	0	0	17,584	6,601	0	24,186	275	24,461
BHO	UNEMPLOYMENT COMPENSATION FUND	5,250	5,800	5,500	0	0	5,500	0	0	5,500	0	5,500
BGO	DISABILITY COMPENSATION FUND	24,851	30,280	15,030	0	0	15,030	0	0	15,030	0	15,030
HMO	OFFICE OF HUMAN RIGHTS	2,731	3,193	2,763	0	0	2,763	455	0	3,218	0	3,218
BZO	OFFICE ON LATINO AFFAIRS	5,720	4,323	4,727	0	0	4,727	0	0	4,727	0	4,727

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

FY 2009 Approved Budget by Type of Funding												
Appropriation Title (Thousands of Dollars)		FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
JF0	D.C. ENERGY OFFICE	(2)	0	0	0	0	0	0	0	0	0	0
JY0	CHILDREN AND YOUTH INVESTMENT FUND	13,092	14,030	18,460	0	0	18,460	0	0	18,460	0	18,460
AP0	OFFICE ON ASIAN AND PACIFIC ISLANDER AFFAIRS	888	939	1,021	0	0	1,021	0	0	1,021	0	1,021
VA0	OFFICE OF VETERANS' AFFAIRS	306	350	462	0	0	462	0	0	462	0	462
MRO	MEDICAID RESERVE	26,927	0	0	0	0	0	0	0	0	0	0
JZ0	DEPARTMENT OF YOUTH REHABILITATION SERVICES	77,630	80,292	81,820	0	0	81,820	0	0	81,820	423	82,243
JM0	DEPARTMENT ON DISABILITY SERVICES	0	112,561	90,475	0	5,800	96,275	26,083	0	122,359	0	122,359
HT0	DEPARTMENT OF HEALTH CARE FINANCE	0	0	596,918	24,949	1,977	623,844	1,215,885	0	1,839,729	11,515	1,851,244
<i>Total, Human Support Services</i>		3,071,340	3,224,773	1,573,915	24,949	32,002	1,630,866	1,579,242	1,114	3,211,223	125,561	3,336,784
Public Works												
KT0	DEPARTMENT OF PUBLIC WORKS	139,248	158,860	124,939	0	13,395	138,333	0	0	138,333	28,441	166,774
KA0	DEPARTMENT OF TRANSPORTATION	60,475	133,983	5,974	24,120	109,261	139,355	3,200	0	142,555	571	143,126
KV0	DEPARTMENT OF MOTOR VEHICLES	39,393	47,818	31,216	0	13,324	44,539	0	0	44,539	2,840	47,380
KG0	DISTRICT DEPARTMENT OF THE ENVIRONMENT	44,175	70,404	25,039	0	34,869	59,909	19,732	300	79,941	382	80,323
TC0	D.C. TAXI CAB COMMISSION	1,266	2,184	1,368	0	623	1,991	0	0	1,991	0	1,991
KC0	WASHINGTON METRO AREA TRANSIT COMMISSION	110	113	113	0	0	113	0	0	113	0	113
KE0	WASHINGTON METRO AREA TRANSIT AUTHORITY	198,484	214,909	230,499	0	0	230,499	0	0	230,499	0	230,499
KD0	SCHOOL TRANSIT SUBSIDY	5,092	5,420	7,866	0	0	7,866	0	0	7,866	0	7,866
<i>Total, Public Works</i>		488,243	633,692	427,015	24,120	171,472	622,606	22,932	300	645,839	32,234	678,073
Financing and Other												
RD0	RESERVE	0	0	0	0	0	0	0	0	0	0	0
DS0	REPAYMENT OF LOANS AND INTEREST	386,245	440,707	453,050	3,580	3,097	459,727	0	0	459,727	0	459,727
ZA0	REPAYMENT OF INTEREST ON SHORT-TERM BORROWING	8,455	13,334	9,000	0	0	9,000	0	0	9,000	0	9,000
CP0	CERTIFICATES OF PARTICIPATION	30,448	32,288	32,791	0	0	32,791	0	0	32,791	0	32,791
ZB0	DEBT SERVICE - ISSUANCE COSTS	6,406	60,000	15,000	0	0	15,000	0	0	15,000	0	15,000
SM0	SCHOOLS MODERNIZATION FUND	0	6,435	8,613	0	0	8,613	0	0	8,613	0	8,613
DT0	REPAYMENT OF REVENUE BONDS	0	12,000	0	6,000	0	6,000	0	0	6,000	0	6,000

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

Appropriation Title (Thousands of Dollars)		FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	<i>FY 2009 Approved Budget by Type of Funding</i>							TOTAL FY 2009 Proposed Budget, Gross Funds	
				Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District		Intra-District
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
ZHO	SETTLEMENTS AND JUDGMENTS	25,029	21,015	21,477	0	0	21,477	0	0	21,477	0	21,477
ZZO	JOHN A. WILSON BUILDING FUND	3,763	4,190	4,058	0	0	4,058	0	0	4,058	0	4,058
UPO	WORKFORCE INVESTMENTS	0	21,044	36,691	0	0	36,691	0	0	36,691	0	36,691
DOO	NON-DEPARTMENTAL	0	34,488	10,438	0	28,841	39,279	0	0	39,279	0	39,279
EPO	EMERGENCY PLANNING AND SECURITY FUND	4,691	0	0	0	0	0	0	0	0	0	0
CSO	CASH RESERVE	0	50,000	0	0	0	0	0	0	0	0	0
ELO	MASTER EQUIPMENT LEASE PURCHASE PROGRAM	26,530	46,965	51,405	0	0	51,405	0	0	51,405	0	51,405
PAO	PAY-AS-YOU-GO CAPITAL FUND	118,861	108,152	34,337	108,300	2,000	144,637	0	0	144,637	0	144,637
RHO	DISTRICT RETIREE HEALTH CONTRIBUTION	4,700	110,907	81,100	0	0	81,100	0	0	81,100	0	81,100
BOO	BASEBALL TRANSFER - DEDICATED TAXES	0	46,397	0	50,044	0	50,044	0	0	50,044	0	50,044
GSO	SECTION 103 JUDGEMENTS-GOV DIR AND SUPPORT	8,838	0	0	0	0	0	0	0	0	0	0
<i>Total, Financing and Other</i>		623,966	1,007,922	757,960	167,924	33,938	959,821	0	0	959,821	0	959,821

<i>Total General Operating Funds</i>	8,042,558	9,112,934	5,697,024	266,766	533,325	6,497,115	2,256,760	5,418	8,759,293	715,249	9,474,542
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<i>Enterprise and Other Funds</i>												
EBO	OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	0	9,250	0	0	0	0	0	0	0	0	
LAO	WATER AND SEWER AUTHORITY	274,613	341,186	0	0	363,234	363,234	0	0	363,234	0	363,234
LBO	WASHINGTON AQUEDUCT	0	49,815	0	0	56,491	56,491	0	0	56,491	0	56,491
DCO	D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	257,738	266,700	0	0	265,000	265,000	0	0	265,000	0	265,000
SCO	SPORTS AND ENTERTAINMENT COMMISSION	3,582	58,529	0	0	7,603	7,603	0	0	7,603	0	7,603
DYO	D.C. RETIREMENT BOARD	22,960	33,249	0	0	32,624	32,624	0	0	32,624	0	32,624
ESO	WASHINGTON CONVENTION CENTER AUTHORITY	0	88,742	0	0	96,696	96,696	0	0	96,696	0	96,696
NCO	NATIONAL CAPITAL REVITALIZATION CORPORATION	0	0	0	0	0	0	0	0	0	0	0
GFO	UNIVERSITY OF THE DISTRICT OF COLUMBIA	113,157	120,402	62,070	0	36,819	98,889	18,487	891	118,268	10,212	128,480
UV0	D.C. DEPT. OF HUMAN RESOURCES TRUST FUND	1,262	1,500	0	0	2,400	2,400	0	0	2,400	0	2,400
UW0	D.C. PUBLIC LIBRARY TRUST FUNDS	6	17	0	0	17	17	0	0	17	0	17
UI0	UNEMPLOYMENT INSURANCE TRUST FUND	99,920	180,000	0	0	180,000	180,000	0	0	180,000	0	180,000

Government of the District of Columbia

FY 2009 Proposed Budget

Gross Funds

<i>FY 2009 Approved Budget by Type of Funding</i>											
Appropriation Title (Thousands of Dollars)	FY 2007 Actuals - Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>AW0</i> ANACOSTIA WATERFRONT CORPORATION	0	0	0	0	0	0	0	0	0	0	0
<i>UZ0</i> HOUSING PRODUCTION TRUST FUND	69,742	122,703	0	108,680	0	108,680	0	0	108,680	0	108,680
<i>TX0</i> TAX INCREMENT FINANCING (TIF) PROGRAM	17,955	16,200	0	0	24,330	24,330	0	0	24,330	0	24,330
<i>TY0</i> REPAYMENT OF PILOT FINANCING	0	0	0	0	9,770	9,770	0	0	9,770	0	9,770
<i>BK0</i> BALLPARK REVENUE FUND	76,715	164,101	3,382	65,873	7,500	76,755	0	0	76,755	0	76,755
<i>Total, Enterprise and Other Funds</i>	937,649	1,452,395	65,452	174,553	1,082,485	1,322,489	18,487	891	1,341,868	10,212	1,352,080
<i>Grand Total, DISTRICT GOVERNMENT</i>	8,980,207	10,565,329	5,762,476	441,319	1,615,810	7,819,605	2,275,247	6,310	10,101,161	725,461	10,826,622

** Note: Agency budgets in this table are entered at the whole dollar but rounded to nearest thousands of dollars by funding type.

This may cause rounding differences at the Gross Funds level.

Government of the District of Columbia
FY 2009 Proposed Full-Time Equivalent Employment Authority
General Fund

Appropriation Title		FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Governmental Direction and Support								
AB0	COUNCIL OF THE DISTRICT OF COLUMBIA	175.47	178.00	198.00	0.00	0.00	198.00	20.00
AC0	OFFICE OF THE D.C. AUDITOR	16.00	18.00	30.00	0.00	0.00	30.00	12.00
DX0	ADVISORY NEIGHBORHOOD COMMISSIONS	1.00	2.50	2.50	0.00	0.00	2.50	0.00
AA0	OFFICE OF THE MAYOR	80.35	57.00	55.00	0.00	0.00	55.00	-2.00
RP0	OFFICE OF COMMUNITY AFFAIRS	0.00	36.00	36.00	0.00	0.00	36.00	0.00
RS0	SERVE DC	0.00	2.00	2.09	0.00	0.00	2.09	0.09
BA0	OFFICE OF THE SECRETARY	26.00	29.00	27.00	0.00	2.00	29.00	0.00
CW0	CUSTOMER SERVICE OPERATIONS	4.00	0.00	0.00	0.00	0.00	0.00	0.00
AE0	OFFICE OF THE CITY ADMINISTRATOR	84.60	61.00	49.00	0.00	0.00	49.00	-12.00
RK0	OFFICE OF RISK MANAGEMENT	24.00	20.60	14.50	0.00	0.00	14.50	-6.10
BE0	D.C. DEPARTMENT OF HUMAN RESOURCES	99.57	121.91	109.10	0.00	3.16	112.26	-9.65
HD0	HUMAN RESOURCES DEVELOPMENT	23.00	0.00	0.00	0.00	0.00	0.00	0.00
JR0	OFFICE OF DISABILITY RIGHTS	0.00	10.00	11.00	0.00	0.00	11.00	1.00
AS0	OFFICE OF FINANCE AND RESOURCE MANAGEMENT	41.33	45.25	47.25	0.00	0.00	47.25	2.00
BU0	OFFICE OF PARTNERSHIP AND GRANT SERVICES	0.00	0.00	12.00	0.00	0.00	12.00	12.00
PO0	OFFICE OF CONTRACTING AND PROCUREMENT	134.00	69.00	43.00	0.00	6.00	49.00	-20.00
TO0	OFFICE OF THE CHIEF TECHNOLOGY OFFICER	183.83	332.00	298.00	0.00	0.00	298.00	-34.00
AM0	OFFICE OF PROPERTY MANAGEMENT	50.00	69.00	56.00	0.00	11.00	67.00	-2.00
AF0	CONTRACT APPEALS BOARD	5.00	6.00	6.00	0.00	0.00	6.00	0.00
DL0	BOARD OF ELECTION & ETHICS	40.70	50.00	50.00	0.00	0.00	50.00	0.00
CJ0	OFFICE OF CAMPAIGN FINANCE	15.00	18.00	18.00	0.00	0.00	18.00	0.00
CG0	PUBLIC EMPLOYEE RELATIONS BOARD	5.00	5.01	5.00	0.00	0.00	5.00	-0.01
CH0	OFFICE OF EMPLOYEE APPEALS	12.76	14.18	14.18	0.00	0.00	14.18	0.00
CB0	OFFICE OF THE ATTORNEY GENERAL	390.95	474.55	476.60	0.00	13.00	489.60	15.05
AD0	OFFICE OF THE INSPECTOR GENERAL	89.00	108.26	108.25	0.00	0.00	108.25	-0.01
AT0	OFFICE OF THE CHIEF FINANCIAL OFFICER	913.23	997.85	927.88	0.00	100.00	1,027.88	30.03
Total, Governmental Direction and Support		2,414.79	2,725.11	2,596.35	0.00	135.16	2,731.51	6.40

Government of the District of Columbia
FY 2009 Proposed Full-Time Equivalent Employment Authority
General Fund

Appropriation Title		FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Economic Development and Regulation								
EB0	OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	53.00	42.50	22.50	4.00	47.00	73.50	31.00
BD0	OFFICE OF PLANNING	54.00	64.00	70.00	0.00	0.00	70.00	6.00
EN0	DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	25.00	35.00	31.00	0.00	0.00	31.00	-4.00
TK0	OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	5.00	5.00	4.99	0.00	0.00	4.99	-0.01
BJ0	OFFICE OF ZONING	19.00	19.00	19.00	0.00	0.00	19.00	0.00
DB0	DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	17.00	40.00	29.50	0.00	17.00	46.50	6.50
CF0	DEPARTMENT OF EMPLOYMENT SERVICES	261.08	284.70	112.78	0.00	200.62	313.40	28.70
DA0	BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	3.00	5.00	4.00	0.00	0.00	4.00	-1.00
CR0	DEPT CONSUMER & REGULATORY AFFAIRS	360.00	390.00	164.00	0.00	218.00	382.00	-8.00
CQ0	OFFICE OF THE TENANT ADVOCATE	0.00	18.00	11.00	0.00	6.00	17.00	-1.00
BX0	COMMISSION ON ARTS & HUMANITIES	2.00	11.00	10.00	0.00	0.00	10.00	-1.00
LQ0	ALCOHOL BEVERAGE REGULATION ADMINISTRATION	35.84	47.00	0.00	0.00	47.00	47.00	0.00
DH0	PUBLIC SERVICE COMMISSION	51.00	65.73	0.00	0.00	65.93	65.93	0.20
DJ0	OFFICE OF THE PEOPLE'S COUNSEL	30.00	33.40	0.00	0.00	33.40	33.40	0.00
SR0	DEPT. OF INSURANCE, SECURITIES AND BANKING	114.60	130.00	0.00	0.00	129.02	129.02	-0.98
CT0	OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	27.00	30.00	0.00	0.00	39.00	39.00	9.00
HY0	HOUSING AUTHORITY SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HP0	HOUSING PRODUCTION TRUST FUND SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Economic Development and Regulation		1,057.52	1,220.33	478.77	4.00	802.97	1,285.74	65.41
Public Safety and Justice								
FA0	METROPOLITAN POLICE DEPARTMENT	4,509.39	4,933.47	4,954.50	0.00	6.00	4,960.50	27.03
FB0	FIRE AND EMERGENCY SERVICES DEPARTMENT	2,051.00	2,184.64	2,238.64	0.00	0.00	2,238.64	54.00
FL0	DEPARTMENT OF CORRECTIONS	845.66	945.00	895.00	0.00	26.00	921.00	-24.00
FK0	D.C. NATIONAL GUARD	30.00	40.18	33.40	0.00	0.00	33.40	-6.78

Government of the District of Columbia
FY 2009 Proposed Full-Time Equivalent Employment Authority
General Fund

Appropriation Title		FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
<i>BN0</i>	HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	23.00	30.50	27.50	0.00	0.00	27.50	-3.00
<i>DQ0</i>	COMMISSION ON JUDICIAL DISABILITIES & TENURE	2.00	2.00	2.00	0.00	0.00	2.00	0.00
<i>DV0</i>	JUDICIAL NOMINATION COMMISSION	1.00	1.00	1.00	0.00	0.00	1.00	0.00
<i>FH0</i>	OFFICE OF POLICE COMPLAINTS	20.00	22.25	22.25	0.00	0.00	22.25	0.00
<i>FZ0</i>	D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	5.00	6.00	7.00	0.00	0.00	7.00	1.00
<i>FX0</i>	OFFICE OF THE CHIEF MEDICAL EXAMINER	72.00	94.00	88.00	0.00	2.00	90.00	-4.00
<i>FS0</i>	OFFICE OF ADMINISTRATIVE HEARINGS	49.40	54.10	55.05	0.00	1.00	56.05	1.95
<i>FI0</i>	CORRECTIONS INFORMATION COUNCIL	0.00	1.00	1.00	0.00	0.00	1.00	0.00
<i>FJ0</i>	CRIMINAL JUSTICE COORDINATING COUNCIL	2.00	2.00	2.00	0.00	0.00	2.00	0.00
<i>FV0</i>	FORENSIC LABORATORY TECHNICIAN TRAINING PROGRAM	14.00	20.00	20.00	0.00	0.00	20.00	0.00
<i>UC0</i>	OFFICE OF UNIFIED COMMUNICATIONS	314.65	379.00	397.00	0.00	0.00	397.00	18.00
<i>FE0</i>	OFFICE OF VICTIM SERVICES	0.00	4.40	2.44	0.00	2.44	4.88	0.48
<i>FO0</i>	OFFICE OF JUSTICE GRANTS ADMINISTRATION	0.00	0.50	0.50	0.00	0.00	0.50	0.00
<i>Total, Public Safety and Justice</i>		<i>7,939.10</i>	<i>8,720.04</i>	<i>8,747.28</i>	<i>0.00</i>	<i>37.44</i>	<i>8,784.72</i>	<i>64.68</i>

Public Education System								
<i>GA0</i>	D.C. PUBLIC SCHOOLS	8,990.39	7,981.30	6,012.50	0.00	16.00	6,028.50	-1,952.80
<i>GD0</i>	OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION	43.00	65.25	239.25	0.00	0.00	239.25	174.00
<i>CE0</i>	D.C. PUBLIC LIBRARY	416.89	524.20	469.56	0.00	1.00	470.56	-53.64
<i>GB0</i>	DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0.00	0.00	23.00	0.00	0.00	23.00	23.00
<i>GM0</i>	OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	0.00	35.00	284.00	0.00	116.00	400.00	365.00
<i>GW0</i>	DEPUTY MAYOR FOR EDUCATION	0.00	12.00	16.00	0.00	0.00	16.00	4.00
<i>GO0</i>	SPECIAL EDUCATION TRANSPORTATION	0.00	0.00	1,146.00	0.00	0.00	1,146.00	1,146.00
<i>Total, Public Education System</i>		<i>9,450.28</i>	<i>8,617.75</i>	<i>8,190.31</i>	<i>0.00</i>	<i>133.00</i>	<i>8,323.31</i>	<i>-294.44</i>

Human Support Services								
<i>JA0</i>	DEPARTMENT OF HUMAN SERVICES	491.94	376.25	318.85	0.00	0.00	318.85	-57.40
<i>RL0</i>	CHILD AND FAMILY SERVICES AGENCY	590.80	661.00	646.00	0.00	0.00	646.00	-15.00
<i>RM0</i>	DEPARTMENT OF MENTAL HEALTH	1,338.78	1,589.03	1,495.96	0.00	37.00	1,532.96	-56.07
<i>HCO</i>	DEPARTMENT OF HEALTH	383.56	466.91	227.46	0.00	122.77	350.23	-116.68

Government of the District of Columbia
FY 2009 Proposed Full-Time Equivalent Employment Authority
General Fund

Appropriation Title		FY 2007 Actuals - General Fund	FY 2008 Approved - General Fund	FY 2009 Proposed Local Funds	FY 2009 Proposed Dedicated Taxes	FY 2009 Proposed Other Funds	Total - FY 2009 Proposed General Fund	Change From FY 2008 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
HA0	DEPT OF PARKS AND RECREATION	596.50	698.75	671.50	0.00	8.87	680.37	-18.38
BY0	OFFICE ON AGING	12.00	16.50	15.50	0.00	0.00	15.50	-1.00
HMO	OFFICE OF HUMAN RIGHTS	25.00	28.97	28.00	0.00	0.00	28.00	-0.97
BZ0	OFFICE ON LATINO AFFAIRS	12.00	13.00	13.00	0.00	0.00	13.00	0.00
AP0	OFFICE ON ASIAN AND PACIFIC ISLANDER AFFAIRS	5.00	7.00	7.00	0.00	0.00	7.00	0.00
VA0	OFFICE OF VETERANS AFFAIRS	2.00	3.00	4.00	0.00	0.00	4.00	1.00
JZ0	DEPARTMENT OF YOUTH REHABILITATION SERVICES	552.30	681.00	656.00	0.00	0.00	656.00	-25.00
JM0	DEPARTMENT ON DISABILITY SERVICES	0.00	274.40	258.20	0.00	0.00	258.20	-16.20
HT0	DEPT. OF HEALTHCARE FINANCE	0.00	0.00	74.05	0.00	3.00	77.05	77.05
Total, Human Support Services		4,009.88	4,815.81	4,415.52	0.00	171.64	4,587.16	-228.65
Public Works								
KT0	DEPARTMENT OF PUBLIC WORKS	1,248.36	1,319.51	1,315.70	0.00	21.00	1,336.70	17.19
KA0	DEPARTMENT OF TRANSPORTATION	73.90	191.00	123.60	0.00	241.00	364.60	173.60
KV0	DEPARTMENT OF MOTOR VEHICLES	280.32	368.00	226.00	0.00	68.50	294.50	-73.50
KG0	DISTRICT DEPARTMENT OF THE ENVIRONMENT	132.40	175.34	118.50	0.00	66.57	185.07	9.73
TC0	D.C. TAXI CAB COMMISSION	12.00	19.00	16.00	0.00	3.00	19.00	0.00
Total, Public Works		1,746.98	2,072.85	1,799.80	0.00	400.07	2,199.87	127.02
Financing and Other								
Total, Financing and Other		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total General Operating Funds		26,618.55	28,171.89	26,228.03	4.00	1,680.28	27,912.31	-259.58
Enterprise and Other Funds								
DC0	D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	68.42	77.00	0.00	0.00	77.00	77.00	0.00
DY0	D.C. RETIREMENT BOARD	32.28	47.74	0.00	0.00	47.60	47.60	-0.14
GF0	UNIVERSITY OF THE DISTRICT OF COLUMBIA	707.86	872.87	659.96	0.00	203.06	863.02	-9.85
UZ0	HOUSING PRODUCTION TRUST FUND	0.00	6.00	0.00	18.00	0.00	18.00	12.00
Total, Enterprise and Other Funds		808.56	1,003.61	659.96	18.00	327.66	1,005.62	2.01
Grand Total, DISTRICT GOVERNMENT		27,427.11	29,175.50	26,887.99	22.00	2,007.94	28,917.93	-257.57

Government of the District of Columbia

FY 2009 Proposed Full-Time Equivalent Employment Authority

Gross Funds

				FY 2009 Employment Authority by Type of Funding								
Appropriation Title		FY 2007 Actuals Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SubTOTAL, General Fund	Federal Funds	Private Funds	SubTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Governmental Direction and Support												
AB0	COUNCIL OF THE DISTRICT OF COLUMBIA	175.47	178.00	198.00	0.00	0.00	198.00	0.00	0.00	198.00	0.00	198.00
AC0	OFFICE OF THE D.C. AUDITOR	16.00	18.00	30.00	0.00	0.00	30.00	0.00	0.00	30.00	0.00	30.00
DX0	ADVISORY NEIGHBORHOOD COMMISSIONS	1.00	2.50	2.50	0.00	0.00	2.50	0.00	0.00	2.50	0.00	2.50
AA0	OFFICE OF THE MAYOR	81.35	63.00	55.00	0.00	0.00	55.00	0.00	0.00	55.00	0.00	55.00
RP0	OFFICE OF COMMUNITY AFFAIRS	0.00	36.00	36.00	0.00	0.00	36.00	0.00	0.00	36.00	0.00	36.00
RS0	SERVE DC	0.00	12.00	2.09	0.00	0.00	2.09	4.07	0.00	6.16	5.88	12.04
BA0	OFFICE OF THE SECRETARY	26.00	29.00	27.00	0.00	2.00	29.00	0.00	0.00	29.00	0.00	29.00
CW0	CUSTOMER SERVICE OPERATIONS	11.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AE0	OFFICE OF THE CITY ADMINISTRATOR	90.60	61.00	49.00	0.00	0.00	49.00	0.00	0.00	49.00	7.00	56.00
RK0	OFFICE OF RISK MANAGEMENT	24.00	29.00	14.50	0.00	0.00	14.50	0.00	0.00	14.50	11.50	26.00
BE0	D.C. DEPARTMENT OF HUMAN RESOURCES	118.35	198.31	109.10	0.00	3.16	112.26	0.00	0.00	112.26	68.40	180.66
HD0	HUMAN RESOURCES DEVELOPMENT	43.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JR0	OFFICE OF DISABILITY RIGHTS	0.00	10.00	11.00	0.00	0.00	11.00	0.00	0.00	11.00	0.00	11.00
AS0	OFFICE OF FINANCE AND RESOURCE MANAGEMENT	44.33	51.00	47.25	0.00	0.00	47.25	0.00	0.00	47.25	5.75	53.00
BU0	OFFICE OF PARTNERSHIP AND GRANT SERVICES	0.00	0.00	12.00	0.00	0.00	12.00	0.00	0.00	12.00	0.00	12.00
PO0	OFFICE OF CONTRACTING AND PROCUREMENT	134.00	152.00	43.00	0.00	6.00	49.00	0.00	0.00	49.00	93.00	142.00
TO0	OFFICE OF THE CHIEF TECHNOLOGY OFFICER	238.33	332.00	298.00	0.00	0.00	298.00	0.00	0.00	298.00	0.00	298.00
AM0	OFFICE OF PROPERTY MANAGEMENT	226.00	323.00	56.00	0.00	11.00	67.00	0.00	0.00	67.00	218.00	285.00
AF0	CONTRACT APPEALS BOARD	5.00	6.00	6.00	0.00	0.00	6.00	0.00	0.00	6.00	0.00	6.00
DL0	BOARD OF ELECTION & ETHICS	40.70	50.00	50.00	0.00	0.00	50.00	0.00	0.00	50.00	0.00	50.00
CJ0	OFFICE OF CAMPAIGN FINANCE	15.00	18.00	18.00	0.00	0.00	18.00	0.00	0.00	18.00	0.00	18.00
CG0	PUBLIC EMPLOYEE RELATIONS BOARD	5.00	5.01	5.00	0.00	0.00	5.00	0.00	0.00	5.00	0.00	5.00

Government of the District of Columbia

FY 2009 Proposed Full-Time Equivalent Employment Authority

Gross Funds

Appropriation Title		FY 2007 Actuals Gross Funds	FY 2008 Approved Budget - Gross Funds	FY 2009 Employment Authority by Type of Funding								TOTAL FY 2009 Proposed Budget, Gross Funds
				Local Funds	Dedicated Taxes	Other Funds	SubTOTAL, General Fund	Federal Funds	Private Funds	SubTOTAL, Gross Funds - less Intra District	Intra-District	
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
CH0	OFFICE OF EMPLOYEE APPEALS	12.76	14.18	14.18	0.00	0.00	14.18	0.00	0.00	14.18	0.00	14.18
CB0	OFFICE OF THE ATTORNEY GENERAL	617.95	712.83	476.60	0.00	13.00	489.60	137.08	0.00	626.68	104.00	730.68
AD0	OFFICE OF THE INSPECTOR GENERAL	105.00	124.01	108.25	0.00	0.00	108.25	15.75	0.00	124.00	0.00	124.00
AT0	OFFICE OF THE CHIEF FINANCIAL OFFICER	956.63	1,047.85	927.88	0.00	100.00	1,027.88	0.97	0.00	1,028.85	49.00	1,077.85
<i>Total, Governmental Direction and Support</i>		2,987.47	3,472.69	2,596.35	0.00	135.16	2,731.51	157.87	0.00	2,889.38	562.53	3,451.91

Economic Development and Regulation												
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
EB0	OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	56.00	45.50	22.50	4.00	47.00	73.50	0.00	0.00	73.50	3.00	76.50
BD0	OFFICE OF PLANNING	57.00	76.00	70.00	0.00	0.00	70.00	3.00	0.00	73.00	1.00	74.00
EN0	DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	25.00	35.00	31.00	0.00	0.00	31.00	0.00	0.00	31.00	0.00	31.00
TK0	OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	5.00	5.00	4.99	0.00	0.00	4.99	0.00	0.00	4.99	0.00	4.99
BJ0	OFFICE OF ZONING	19.00	19.00	19.00	0.00	0.00	19.00	0.00	0.00	19.00	0.00	19.00
DB0	DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	120.99	167.00	29.50	0.00	17.00	46.50	114.00	0.00	160.50	0.00	160.50
CF0	DEPARTMENT OF EMPLOYMENT SERVICES	482.93	575.87	112.78	0.00	200.62	313.40	279.59	0.00	592.99	6.63	599.62
DA0	BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	3.00	5.00	4.00	0.00	0.00	4.00	0.00	0.00	4.00	0.00	4.00
CR0	DEPT CONSUMER & REGULATORY AFFAIRS	360.00	390.00	164.00	0.00	218.00	382.00	0.00	0.00	382.00	0.00	382.00
CQ0	OFFICE OF THE TENANT ADVOCATE	0.00	18.00	11.00	0.00	6.00	17.00	0.00	0.00	17.00	0.00	17.00
BX0	COMMISSION ON ARTS & HUMANITIES	8.00	18.00	10.00	0.00	0.00	10.00	7.00	0.00	17.00	0.00	17.00
LQ0	ALCOHOL BEVERAGE REGULATION ADMINISTRATION	35.84	47.00	0.00	0.00	47.00	47.00	0.00	0.00	47.00	0.00	47.00
DH0	PUBLIC SERVICE COMMISSION	54.00	67.61	0.00	0.00	65.93	65.93	1.67	0.00	67.60	0.00	67.60
DJ0	OFFICE OF THE PEOPLE'S COUNSEL	30.00	33.40	0.00	0.00	33.40	33.40	0.00	0.00	33.40	0.00	33.40
SR0	DEPT. OF INSURANCE, SECURITIES AND BANKING	114.60	130.00	0.00	0.00	129.02	129.02	0.00	0.00	129.02	0.00	129.02
CT0	OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	27.00	30.00	0.00	0.00	39.00	39.00	0.00	0.00	39.00	0.00	39.00
<i>Total, Economic Development and Regulation</i>		1,398.36	1,662.38	478.77	4.00	802.97	1,285.74	405.26	0.00	1,691.00	10.63	1,701.63

Government of the District of Columbia

FY 2009 Proposed Full-Time Equivalent Employment Authority

Gross Funds

			FY 2009 Employment Authority by Type of Funding									
Appropriation Title	FY 2007 Actuals Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SUBTOTAL, General Fund	Federal Funds	Private Funds	SUBTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds	
Agy Cde Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	
Public Safety and Justice												
FA0 METROPOLITAN POLICE DEPARTMENT	4,510.39	4,949.47	4,954.50	0.00	6.00	4,960.50	2.00	0.00	4,962.50	3.00	4,965.50	
FB0 FIRE AND EMERGENCY SERVICES DEPARTMENT	2,070.00	2,208.64	2,238.64	0.00	0.00	2,238.64	0.00	0.00	2,238.64	24.00	2,262.64	
FLO DEPARTMENT OF CORRECTIONS	845.66	945.00	895.00	0.00	26.00	921.00	0.00	0.00	921.00	0.00	921.00	
FK0 D.C. NATIONAL GUARD	59.00	85.18	33.40	0.00	0.00	33.40	72.65	0.00	106.05	0.00	106.05	
BNO HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	37.00	43.50	27.50	0.00	0.00	27.50	18.50	0.00	46.00	0.00	46.00	
DQ0 COMMISSION ON JUDICIAL DISABILITIES & TENURE	2.00	2.00	2.00	0.00	0.00	2.00	0.00	0.00	2.00	0.00	2.00	
DV0 JUDICIAL NOMINATION COMMISSION	1.00	1.00	1.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00	
FH0 OFFICE OF POLICE COMPLAINTS	20.00	22.25	22.25	0.00	0.00	22.25	0.00	0.00	22.25	0.00	22.25	
FZ0 D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	5.00	6.00	7.00	0.00	0.00	7.00	0.00	0.00	7.00	0.00	7.00	
FX0 OFFICE OF THE CHIEF MEDICAL EXAMINER	72.00	94.00	88.00	0.00	2.00	90.00	0.00	0.00	90.00	0.00	90.00	
FS0 OFFICE OF ADMINISTRATIVE HEARINGS	61.40	64.10	55.05	0.00	1.00	56.05	0.00	0.00	56.05	8.00	64.05	
FIO CORRECTIONS INFORMATION COUNCIL	0.00	1.00	1.00	0.00	0.00	1.00	0.00	0.00	1.00	0.00	1.00	
FJO CRIMINAL JUSTICE COORDINATING COUNCIL	9.00	8.00	2.00	0.00	0.00	2.00	8.00	0.00	10.00	0.00	10.00	
FV0 FORENSIC LABORATORY TECHNICIAN TRAINING PROGRAM	14.00	20.00	20.00	0.00	0.00	20.00	0.00	0.00	20.00	0.00	20.00	
UC0 OFFICE OF UNIFIED COMMUNICATIONS	314.65	398.00	397.00	0.00	0.00	397.00	0.00	0.00	397.00	3.00	400.00	
FEO OFFICE OF VICTIM SERVICES	0.00	6.00	2.44	0.00	2.44	4.88	1.14	0.00	6.02	0.00	6.02	
FO0 OFFICE OF JUSTICE GRANTS ADMINISTRATION	0.00	5.00	0.50	0.00	0.00	0.50	4.50	0.00	5.00	0.00	5.00	
Total, Public Safety and Justice	8,021.10	8,859.14	8,747.28	0.00	37.44	8,784.72	106.79	0.00	8,891.51	38.00	8,929.51	
Public Education System												
GA0 D.C. PUBLIC SCHOOLS	10,525.44	9,285.97	6,012.50	0.00	16.00	6,028.50	140.00	49.00	6,217.50	1,158.00	7,375.50	
GD0 OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION	80.00	131.50	239.25	0.00	0.00	239.25	161.25	0.00	400.50	8.00	408.50	
CE0 D.C. PUBLIC LIBRARY	427.67	541.00	469.56	0.00	1.00	470.56	8.00	0.00	478.56	0.00	478.56	
GB0 DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0.00	0.00	23.00	0.00	0.00	23.00	0.00	0.00	23.00	0.00	23.00	
GMO OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	0.00	35.00	284.00	0.00	116.00	400.00	0.00	0.00	400.00	0.00	400.00	
GW0 DEPUTY MAYOR FOR EDUCATION	0.00	12.00	16.00	0.00	0.00	16.00	0.00	0.00	16.00	0.00	16.00	
GO0 SPECIAL EDUCATION TRANSPORTATION	0.00	0.00	1,146.00	0.00	0.00	1,146.00	0.00	0.00	1,146.00	0.00	1,146.00	
Total, Public Education System	11,033.11	10,005.47	8,190.31	0.00	133.00	8,323.31	309.25	49.00	8,681.56	1,166.00	9,847.56	
Human Support Services												
JA0 DEPARTMENT OF HUMAN SERVICES	1,381.42	1,138.75	318.85	0.00	0.00	318.85	590.28	1.00	910.13	25.00	935.13	
RL0 CHILD AND FAMILY SERVICES AGENCY	857.80	955.00	646.00	0.00	0.00	646.00	116.00	0.00	762.00	178.00	940.00	

Government of the District of Columbia

FY 2009 Proposed Full-Time Equivalent Employment Authority

Gross Funds

			FY 2009 Employment Authority by Type of Funding									
Appropriation Title		FY 2007 Actuals Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SubTOTAL, General Fund	Federal Funds	Private Funds	SubTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
<i>RM0</i>	DEPARTMENT OF MENTAL HEALTH	1,435.52	1,691.03	1,495.96	0.00	37.00	1,532.96	6.45	0.00	1,539.41	90.90	1,630.31
<i>HC0</i>	DEPARTMENT OF HEALTH	1,031.70	1,158.80	227.46	0.00	122.77	350.23	562.11	0.00	912.34	9.95	922.29
<i>HA0</i>	DEPT OF PARKS AND RECREATION	757.54	878.17	671.50	0.00	8.87	680.37	0.00	22.00	702.37	121.00	823.37
<i>BY0</i>	OFFICE ON AGING	24.00	28.50	15.50	0.00	0.00	15.50	10.00	0.00	25.50	3.00	28.50
<i>BG0</i>	DISABILITY COMPENSATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>HMO</i>	OFFICE OF HUMAN RIGHTS	25.96	30.98	28.00	0.00	0.00	28.00	2.00	0.00	30.00	0.00	30.00
<i>BZ0</i>	OFFICE ON LATINO AFFAIRS	12.00	13.00	13.00	0.00	0.00	13.00	0.00	0.00	13.00	0.00	13.00
<i>AP0</i>	ASIAN AND PACIFIC ISLANDER AFFAIRS	5.00	7.00	7.00	0.00	0.00	7.00	0.00	0.00	7.00	0.00	7.00
<i>VA0</i>	OFFICE OF VETERANS AFFAIRS	2.00	3.00	4.00	0.00	0.00	4.00	0.00	0.00	4.00	0.00	4.00
<i>JZ0</i>	DEPARTMENT OF YOUTH REHABILITATION SERVICES	552.30	683.00	656.00	0.00	0.00	656.00	0.00	0.00	656.00	0.00	656.00
<i>JM0</i>	DEPARTMENT ON DISABILITY SERVICES	0.00	483.75	258.20	0.00	0.00	258.20	209.35	0.00	467.55	0.00	467.55
<i>HT0</i>	DEPT. OF HEALTHCARE FINANCE	0.00	0.00	74.05	0.00	3.00	77.05	89.29	0.00	166.34	0.00	166.34
<i>Total, Human Support Services</i>		6,085.24	7,070.98	4,415.52	0.00	171.64	4,587.16	1,585.48	23.00	6,195.64	427.85	6,623.49
Public Works												
<i>KT0</i>	DEPARTMENT OF PUBLIC WORKS	1,365.31	1,506.51	1,315.70	0.00	21.00	1,336.70	0.00	0.00	1,336.70	162.00	1,498.70
<i>KA0</i>	DEPARTMENT OF TRANSPORTATION	77.90	230.00	123.60	0.00	241.00	364.60	0.00	0.00	364.60	3.00	367.60
<i>KV0</i>	DEPARTMENT OF MOTOR VEHICLES	280.32	368.00	226.00	0.00	68.50	294.50	0.00	0.00	294.50	0.00	294.50
<i>KG0</i>	DISTRICT DEPARTMENT OF THE ENVIRONMENT	192.24	294.00	118.50	0.00	66.57	185.07	111.93	0.00	297.00	4.00	301.00
<i>TC0</i>	D.C. TAXI CAB COMMISSION	12.00	19.00	16.00	0.00	3.00	19.00	0.00	0.00	19.00	0.00	19.00
<i>Total, Public Works</i>		1,927.77	2,417.51	1,799.80	0.00	400.07	2,199.87	111.93	0.00	2,311.80	169.00	2,480.80
Financing and Other												
<i>Total, Financing and Other</i>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total General Operating Funds		31,453.05	33,488.17	26,228.03	4.00	1,680.28	27,912.31	2,676.58	72.00	30,660.89	2,374.01	33,034.90

Government of the District of Columbia

FY 2009 Proposed Full-Time Equivalent Employment Authority

Gross Funds

			<i>FY 2009 Employment Authority by Type of Funding</i>									
Appropriation Title		FY 2007 Actuals Gross Funds	FY 2008 Approved Budget - Gross Funds	Local Funds	Dedicated Taxes	Other Funds	SubTOTAL, General Fund	Federal Funds	Private Funds	SubTOTAL, Gross Funds - less Intra District	Intra-District	TOTAL FY 2009 Proposed Budget, Gross Funds
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
<i>Enterprise and Other Funds</i>												
DC0	D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	68.42	77.00	0.00	0.00	77.00	77.00	0.00	0.00	77.00	0.00	77.00
DY0	D.C. RETIREMENT BOARD	32.28	47.74	0.00	0.00	47.60	47.60	0.00	0.00	47.60	0.00	47.60
GF0	UNIVERSITY OF THE DISTRICT OF COLUMBIA	747.09	1,096.10	659.96	0.00	203.06	863.02	152.24	9.84	1,025.10	61.50	1,086.60
UZ0	HOUSING PRODUCTION TRUST FUND	0.00	6.00	0.00	18.00	0.00	18.00	0.00	0.00	18.00	0.00	18.00
Total, Enterprise and Other Funds		847.79	1,226.84	659.96	18.00	327.66	1,005.62	152.24	9.84	1,167.70	61.50	1,229.20
Grand Total, DISTRICT GOVERNMENT		32,300.84	34,715.01	26,887.99	22.00	2,007.94	28,917.93	2,828.82	81.84	31,828.59	2,435.51	34,264.10

FISCAL YEAR 2009
BUDGET REQUEST ACT
CONGRESSIONAL VERSION

NOTE. - The following document reflects the "District of Columbia Appropriations Act, 2008" (FY08 Act) and the "Fiscal Year 2009 Budget Request Act" (FY09 Act). The language enclosed in [] indicates language that is to be deleted from the FY08 Act. The language shown in **italics** indicates new language in the FY09 Act.

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve the request of the District of Columbia government for the fiscal year ending September 30, [2008] *2009*.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fiscal Year [2008] *2009* Budget Request Act".

Sec. 2. The Council of the District of Columbia approves the following expenditure levels and appropriation language for the government of the District of Columbia for the fiscal year ending September 30, [2008] *2009*.

**DIVISION A
DISTRICT OF COLUMBIA APPROPRIATION REQUEST
TITLE I--FEDERAL FUNDS**

THE DISTRICT OF COLUMBIA COURT SYSTEM

Federal Payment to the Court Services and Offender Supervision Agency for the District Of Columbia

For salaries and expenses, including the transfer and hire of motor vehicles, of the Court Services and Offender Supervision Agency for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, [\$190,343,000] *\$202,490,000*, of which not to exceed \$2,000 is for official receptions and representation expenses related to Community Supervision and Pretrial Services Agency programs; of which not to exceed \$25,000 is for dues and assessments relating to the implementation of the Court Services and Offender Supervision Agency Interstate Supervision Act of 2002; of which not to exceed \$400,000 for the Community Supervision Program and \$160,000 for the Pretrial Services Program, both to remain available until September 30, [2009] *2010*, are for information technology infrastructure enhancement acquisitions; of which [\$140,499,000] *\$147,652,000* shall be for necessary expenses of Community Supervision and Sex Offender Registration, to include expenses relating to the supervision of adults subject to protection orders or the provision of services for or related to such persons; of which [\$49,894,000] *\$54,838,000* shall be available to the Pretrial Services Agency: *Provided*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: *Provided further*, That not less than \$1,000,000 shall be available for re-entrant housing in the District of Columbia: *Provided further*, That the Director is authorized to accept and use gifts in the form of in-kind contributions of space and hospitality to support offender and defendant programs, and equipment and vocational training services to educate and train offenders and defendants: *Provided further*, That the Director shall keep accurate and detailed records of the acceptance and use of any gift or donation under the previous proviso, and shall make such records available for audit and public inspection: *Provided further*, That the Court Services and Offender Supervision Agency Director is

authorized to accept and use reimbursement from the District of Columbia Government for space and services provided on a cost reimbursable basis.

Federal Payment to the District of Columbia Public Defender Service

For salaries and expenses, including the transfer and hire of motor vehicles, of the District of Columbia Public Defender Service, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, [\$32,710,000] \$35,659,000: *Provided*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of Federal agencies.

Federal Payment to the District of Columbia Courts

For salaries and expenses for the District of Columbia Courts, \$223,920,000 to be allocated as follows: for the District of Columbia Court of Appeals, [\$10,800,000] \$12,630,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Superior Court, [\$98,359,000] \$104,277,000, of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Court System, [\$52,170,000] \$55,426,000, of which not to exceed \$1,500 is for official reception and representation expenses; and [\$62,591,000] \$51,587,000, to remain available until September 30, [2009] 2010, for capital improvements for District of Columbia courthouse facilities, including structural improvements to the District of Columbia cell block at the Moultrie Courthouse: *Provided*, That notwithstanding any other provision of law, a single contract or related contracts for development and construction of facilities may be employed which collectively include the full scope of the project: *Provided further*, That the solicitation and contract shall contain the clause ‘‘availability of Funds’’ found at 48 CFR 52.232–18: *Provided* [further], That funds made available for capital improvements shall be expended consistent with the General Services Administration (GSA) master plan study and building evaluation report: *Provided further*, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the GSA, and such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate: *Provided further*, That 30 days after providing written notice to the Committees on Appropriations of the House of Representatives and Senate, the District of Columbia Courts may reallocate not more than \$1,000,000 of the funds provided under this heading among the items and entities funded under this heading for operations, and not more than 4 percent of the funds provided under this heading for facilities.

Defender Services in District of Columbia Courts

For payments authorized under section 11–2604 and section 11–2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings in the Family Court of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual agreements to provide guardian ad litem representation, training, technical assistance, and such other services as are necessary to improve the quality of guardian ad litem representation, payments for counsel appointed in adoption proceedings under chapter 3 of title 16, D.C. Code, and payments for counsel authorized under section 21–2060, D.C. Official Code (relating to representation provided under the District of Columbia

Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986), \$47,975,000, to remain available until expended: *Provided*, That the funds provided in this Act under the heading “Federal Payment to the District of Columbia Courts” (other than the \$62,591,000 provided under such heading for capital improvements for District of Columbia courthouse facilities) may also be used for payments under this heading:] *Provided* [further], That in addition to the funds provided under this heading, the Joint Committee on Judicial Administration in the District of Columbia may use funds provided in this Act under the heading “Federal Payment to the District of Columbia Courts” (other than the [\$62,591,000] \$51,587,000 provided under such heading for capital improvements for District of Columbia courthouse facilities), to make payments described under this heading for obligations incurred during any fiscal year: *Provided further*, That funds provided under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia: *Provided further*, That notwithstanding any other provision of law, this appropriation shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), and such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate.

DISTRICT OF COLUMBIA GENERAL AND SPECIAL PAYMENTS

Federal Payment for Resident Tuition Support

For a Federal payment to the District of Columbia, to be deposited into a dedicated account, for a nationwide program to be administered by the Mayor, for District of Columbia resident tuition support, [\$33,000,000] \$35,100,000, to remain available until expended: *Provided*, That such funds, including any interest accrued thereon, may be used on behalf of eligible District of Columbia residents to pay an amount based upon the difference between in-State and out-of- State tuition at public institutions of higher education, or to pay up to \$2,500 each year at eligible private institutions of higher education: *Provided further*, That the awarding of such funds may be prioritized on the basis of a resident’s academic merit, the income and need of eligible students and such other factors as may be authorized: *Provided further*, That the District of Columbia government shall maintain a dedicated account for the Resident Tuition Support Program that shall consist of the Federal funds appropriated to the Program in this Act and any subsequent appropriations, any unobligated balances from prior fiscal years, and any interest earned in this or any fiscal year: *Provided further*, That the account shall be under the control of the District of Columbia Chief Financial Officer, who shall use those funds solely for the purposes of carrying out the Resident Tuition Support Program: *Provided further*, That the Office of the Chief Financial Officer shall provide a quarterly financial report to the Committees on Appropriations of the House of Representatives and Senate for these funds showing, by object class, the expenditures made and the purpose therefor.

Federal Payment for School Improvement

For a Federal payment for a school improvement program in the District of Columbia, [\$40,800,000] \$54,000,000, to be allocated as follows: for the District of Columbia Public Schools, [\$13,000,000] \$18,000,000 to improve public school education in the District of Columbia; for the State Education Office, [\$13,000,000] \$18,000,000 to expand quality public charter schools in the District of Columbia, to remain available until expended; for the Secretary of the Department of Education, [\$14,800,000] \$18,000,000 to provide opportunity scholarships for students in the District of Columbia in accordance with division C, title III of the District of Columbia Appropriations Act, 2004, *approved*

January 23, 2004 (Pub.L. No. 108-199; 117 Stat. 126), of which up to [\$1,800,000] \$1,000,000 may be used to administer and fund assessments.

Federal Payment to Jump Start Public School Reform

For a Federal payment to jump start public school reform in the District of Columbia, \$20,000,000, of which \$3,500,000 is to support the recruitment, development and training of principals and other school leaders; \$7,000,000 is to develop optimal school programs and intervene in low performing schools; \$7,500,000 is for a customized data reporting and accountability system on student performance as well as increased outreach and training for parents and community members; and \$2,000,000 is to support data reporting requirements associated with the District of Columbia Public Schools teacher incentive program: Provided, That up to \$500,000 or 10 percent, whichever is less, of the amounts above may be transferred as necessary from one activity to another activity: Provided further, That the President and the Committees on Appropriations of the House of Representatives and Senate are notified in writing 15 days in advance of the transfer: Provided further, That any amount provided under this heading shall be available only after such amount has been apportioned pursuant to chapter 15 of title 31, United States Code.

Federal Payment to the District of Columbia Water and Sewer Authority

For a Federal payment to the District of Columbia Water and Sewer Authority, [\$8,000,000] \$14,000,000, to remain available until expended, to continue implementation of the Combined Sewer Overflow Long-Term Plan: *Provided*, That the District of Columbia Water and Sewer Authority provides a 100 percent match [of \$6,000,000 and the District of Columbia provides a match of \$2,000,000 in local funds] for this payment.

Federal Payment to the Criminal Justice Coordinating Council

For a Federal payment to the Criminal Justice Coordinating Council, [\$1,300,000] \$1,774,000, to remain available until expended, to support initiatives related to the coordination of Federal and local criminal justice resources in the District of Columbia.

Federal Payment for Consolidated Laboratory Facility

For a Federal payment to the District of Columbia, \$5,000,000, to remain available until September 30, [2009] 2010, for costs associated with the construction of a consolidated bioterrorism and forensics laboratory: *Provided*, That the District of Columbia provides a 100 percent match for this payment.

Federal Payment for Central Library and Branch Locations

For a Federal payment to the District of Columbia, [\$9,000,000] \$7,000,000, to remain available until expended, for the Federal contribution for costs associated with the renovation and rehabilitation of District libraries.

Federal Payment to Reimburse the Federal Bureau Of Investigation

For a Federal payment to the District of Columbia, [\$4,000,000] \$5,000,000, to remain available until September 30, [2010] 2011, for reimbursement to the Federal Bureau of Investigation for additional laboratory services.

[Federal Payment to the Office of the Chief Financial Officer of the District Of Columbia]

[For a Federal payment to the Office of the Chief Financial Officer of the District of Columbia, \$5,453,000: *Provided*, That each entity that receives funding under this heading shall submit to the Office of the Chief Financial Officer of the District of Columbia (CFO) a report on the activities to be carried out with such funds no later than March 15, 2008, and the CFO shall submit a comprehensive report to the Committees on Appropriations of the House of Representatives and the Senate no later than June 1, 2008.]

[Federal Payment to the Executive Office of the Mayor of the District of Columbia]

[For a Federal payment to the Executive Office of the Mayor of the District of Columbia, \$5,000,000: *Provided*, That these funds shall be available to support the District's efforts to enhance the public education system, to improve environmental quality, to expand pediatric healthcare services and for historic preservation: *Provided further*, That no funds shall be expended until the Mayor of the District of Columbia submits a detailed expenditure plan, including performance measures, to the Committees on Appropriations of the House of Representatives and the Senate: *Provided further*, That the District submit a preliminary progress report on activities no later than June 1, 2008, and a final report including a detailed description of outcomes achieved no later than November 1, 2009.]

Federal Payment for Emergency Planning and Security Costs in the District of Columbia

For necessary expenses, as determined by the Mayor of the District of Columbia in written consultation with the elected county or city officials of surrounding jurisdictions, [\$3,352,000] \$15,000,000, to remain available until expended[; of which \$3,000,000 is], to [reimburse] *finance* the District of Columbia for the costs of providing public safety at events related to the presence of the national capital in the District of Columbia and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions[; and \$352,000 is for the District of Columbia National Guard retention and college access program: *Provided*, That any amount provided under this heading shall be available only after such amount has been apportioned pursuant to chapter 15 of title 31, United States Code].

TITLE II--DISTRICT OF COLUMBIA FUNDS--SUMMARY OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the General Fund of the District of Columbia ("*General Fund*"), except as otherwise specifically provided: *Provided*, That notwithstanding any other provision of law, except as provided in section 450A of the District of Columbia Home Rule Act, *approved November 2, 2000 (114 Stat. 2440*; D.C. Official Code, section 1-204.50a) and provisions of this Act, *the* total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year [2008] 2009 under this heading shall not exceed the lesser of the sum of the total revenues of the District of Columbia for such fiscal year or [\$9,773,775,000] \$10,011,231,000 (of which [\$6,111,623,000] \$6,203,795,000 shall be from local funds, (including [\$441,319,000] \$441,319,000 from dedicated taxes) [\$2,015,854,000] \$2,177,373,000 shall be from Federal grant funds, [\$1,637,736,000] \$1,623,754,000 shall be from other funds, and [\$8,562,000] \$6,310,000 shall be from private funds), in addition, [\$117,200,000] \$156,874,000 from funds previously appropriated in this Act as Federal payments: *Provided further*, That of the local funds, [\$339,989,000] *such amounts as may be necessary may* [shall] be derived from the District's General Fund balance: *Provided further*, That of these funds the District's intradistrict authority shall be [\$648,290,000] \$725,461,000: in addition For capital construction projects, an increase of [\$1,607,703,000] \$1,482,977,000, of which [\$1,042,712,000] \$1,121,794,000 shall be from local funds, [\$38,523,000] \$60,708,000 from the District of Columbia Highway Trust fund, [\$73,260,000] \$107,794,000 from the

Local Street Maintenance fund, [\$75,000,000 from revenue bonds, \$150,00,000 from financing for construction of a consolidated laboratory facility, \$42,200,000 for construction of a baseball stadium,] [\$186,008,000] \$192,741,000 from Federal grant funds, and a rescission of [\$212,696,000] \$353,447,000 from local funds and a rescission of \$37,500,000 from Local Street Maintenance funds appropriated under this heading in prior fiscal years for a net amount of [\$1,395,007,000] \$1,092,030,000, to remain available until expended: *Provided further*, That the amounts provided under this heading are to be *available*, allocated and expended as proposed under Title III of this Act, at the rate set forth under ‘District of Columbia Funds Division of Expenses’ as included in the Fiscal Year [2008] 2009 Proposed Budget and Financial Plan submitted to the Congress by the District of Columbia *in June 2008* [on June 7, 2007 as amended on June 29, 2007]. *Provided further*, That this amount may be increased by proceeds of one-time transactions, which are expended for emergency or unanticipated operating or capital needs: *Provided further*, That such increases shall be approved by enactment of local District law and shall comply with all reserve requirements contained in the District of Columbia Home Rule Act *approved December 24, 1973 (87 Stat. 777; D.C. Official Code §1-201.01 et seq.)*, as amended by this Act: *Provided further*, That the Chief Financial Officer of the District of Columbia shall take such steps as are necessary to assure that the District of Columbia meets these requirements, including the apportioning by the Chief Financial Officer of the appropriations and funds made available to the District during fiscal year [2008] 2009, except that the Chief Financial Officer may not reprogram for operating expenses any funds derived from bonds, notes, or other obligations issued for capital projects.

TITLE III--DISTRICT OF COLUMBIA FUNDS - - DIVISION OF EXPENSES

OPERATING EXPENSES

Governmental Direction and Support

Governmental direction and support, [\$411,886,000] \$438,701,000 (including [\$337,173,000] \$361,097,000 from local funds, [\$24,244,000] \$25,196,000 from Federal grant funds, and [\$50,469,000] \$52,408,000 from other funds): *Provided*, That [not to exceed \$10,100 for the Mayor, \$10,100 for the Chairman of the Council of the District of Columbia, \$10,100 for the City Administrator, and \$10,100 for the Office of the Chief Financial Officer shall be available from this appropriation for official reception and representation expenses: *Provided further*, That] *beginning in fiscal year 2009 and thereafter, there are appropriated such amounts as may be necessary to account for vendor fees that are paid as a fixed percentage of revenue recovered from third parties on behalf of the District under contracts that provide for payments of fees based upon such revenue as may be collected by the vendor: provided further, that any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia.*: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission: *Provided further*, That the District of Columbia shall identify the sources of funding for Admission to Statehood from its own locally generated revenues: *Provided further*, That amounts appropriated by this act may be increased by the amount required to pay banking fees for maintaining the funds of the District of Columbia: *Provided further*, That of the funds appropriated to the District of Columbia by the Continuing Appropriations Resolution, 2007, approved February 15, 2007 (Pub. L. No. 110-5), under the Heading “Governmental Direction and Support,” \$75,000 shall remain available until expended for the Office of Human Rights Language Access program: *Provided further*, That not less than \$2,950,000 shall be available from this appropriation for the Office of the Attorney General for the District of Columbia to award a grant to the District of Columbia Bar Foundation for the purpose of providing support to nonprofit organizations that deliver civil legal services to low-income and under-served District residents pursuant to the Civil Legal Services Amendment Act of 2007, passed on 1st reading on May 15, 2007 (Engrossed version of Bill 17-148): *Provided further*, That not less than \$250,000 of this appropriation shall be available to fund the District of Columbia Poverty Lawyer Loan

Assistance Program established by the District of Columbia Poverty Lawyer Loan Assistance Repayment Program Act of 2006, effective March 2, 2007 (D.C. Law 16-203;53 DCR 9055)]. *Funds to be allocated as follows:*

- (1) *Council of the District of Columbia.* – \$21,027,000 from local funds, *Provided, That not to exceed [\$10,100] \$10,600 shall be available for the Chairman of the Council of the District of Columbia from this appropriation for official reception and representation expenses;*
- (2) *Office of the District of Columbia Auditor.* – \$4,165,000 from local funds;
- (3) *Advisory Neighborhood Commission.* – \$1,092,000 from local funds;
- (4) *Office of the Mayor.* – \$6,289,000 from local fund, *Provided, That not to exceed [\$10,100] \$10,600 shall be available for the Mayor from this appropriation for official reception and representation expenses;*
- (5) *Office of Community Affairs.* – \$3,345,000 from local funds;
- (6) *Serve DC.* – \$3,734,000 (including \$410,000 from local funds and \$3,323,000 from Federal grant funds);
- (7) *Office of the Secretary.* – \$4,593,000 (including \$4,031,000 from local funds and \$562,000 from other funds);
- (8) *City Administrator.* - \$5,974,000 from local funds, *Provided, That not to exceed [\$10,100] \$10,600 shall be available for the City Administrator from this appropriation for official reception and representation expenses;*
- (9) *Office of Risk Management.* – \$1,480,000 from local funds;
- (10) *Department of Human Resources.* – \$10,523,000 (including \$10,117,000 from local funds and \$406,000 from other funds);
- (11) *Office of Disability Rights.* – \$1,568,000 from local funds;
- (12) *Office of Finance and Resource Management.* – \$4,875,000 from local funds;
- (13) *Office of Partnership and Grants Services.* – \$1,038,000 from local funds;
- (14) *Office of Contracting and Procurement.* – \$6,744,000 (including \$5,718,000 from local funds and \$1,026,000 from other funds);
- (15) *Office of Chief Technology Officer.* – \$58,714,000 (including \$58,614,000 from local funds and \$100,000 from other funds);
- (16) *Office of Property Management.* – \$27,529,000 (including \$19,208,000 from local funds and \$8,321,000 from other funds); *Provided, That beginning in fiscal year 2009 amounts on deposit within and any such future deposits into the Commodities Cost Reserve Fund established under DC Official Code 47-368.04 shall be available upon deposit and shall remain available until expended consistent with the purposes established under DC Official Code 47-368.04(b);*
- (17) *Contract Appeals Board.* – \$1,038,000 from local funds;
- (18) *Board of Elections and Ethics.* – \$5,496,000 from local funds;
- (19) *Office of Campaign Finance.* – \$1,721,000 from local funds;
- (20) *Public Employee Relations Board.* – \$1,011,000 from local funds;
- (21) *Office of Employee Appeals.* – \$1,863,000 from local funds;
- (22) *Metropolitan Washington Council of Governments.* – \$396,000 from local funds;
- (23) *Office of the Attorney General.* – \$88,669,000 (including \$65,216,000 from local funds, \$19,001,000 from Federal grant funds and \$4,452,000 from other funds); *provided, that not less than \$3285,000 shall be available from this appropriation for the Office of the Attorney General to awarded a grant to the District of Columbia Bar Foundation for the purpose of providing support to nonprofit organizations that deliver civil legal services to low-income and under-served District residents pursuant to the Civil Legal Services Amendment Act of 2007, effective September 18, 2007 (D.C. Law 17-20; D.C. Official Code §1-301.114); provided further, that not less than \$315,000 of this appropriation shall be available to fund the District of Columbia Poverty Lawyer Loan Assistance Program, established by the District of Columbia Poverty Lawyer Loan Assistance Repayment Program Act of 2006, effective March 2, 2007 (D.C. Law 16-203; D.C. Official Code §1-308.21 et seq.);*

(24) *Office of the Inspector General.* – \$17,312,000 (including \$15,317,000 from local funds and \$1,995,000 from federal grant funds);

(25) *Office of the Chief Financial Officer.* – \$158,503,000 (including \$120,085,000 from local funds, \$878,000 from Federal grant funds and \$37,541,000 from other funds), *Provided, That not to exceed [\$10,100] \$10,600 shall be available for the Chief Financial Officer of the District from this appropriation for official reception and representation expense: Provided further, That amounts appropriated by this act may be increased by the amount required to pay banking fees for maintaining the funds of the District of Columbia.*

Economic Development and Regulation

Economic development and regulation, [\$590,475,000] \$ 509,238,000 (including [\$241,755,000] \$269,075,000 from local funds (including [\$49,773,000] \$49,773,000 from dedicated taxes), [\$140,005,000] \$99,849,000 from Federal grant funds, [\$208,635,000] \$140,234,000 from other funds, and \$80,000 from private funds) of which \$25,000,000 collected by the District of Columbia in the form of *Business Improvement District (BID)* tax revenue shall be paid to the respective BIDs pursuant to the Business Improvement Districts Act of 1996, effective May 29, 1996 (D.C. Law 11-134; D.C. Official Code, sec. 2-1215.01 et seq.): *Provided, That such funds are available for acquiring services provided by the [General Services Administration] GSA: Provided further, That Business Improvement Districts shall be exempt from taxes levied by the District of Columbia: [Provided further, That the District is authorized to transfer, either through a grant or as a direct payment, \$1,200,000 in local funds to the Excel Institute: Provided further, That up to one percent of the local funds appropriated for the Department of Employment Services may be deposited into the Integrated Services Fund for At-Risk Children, Youth, and Families, established by Title V of the Fiscal Year 2007 Budget Support Act of 2006, effective March 2, 2007 (D.C.L16-192, § 5203;53 DCR 6899; D.C. Official Code 4-1323.02) passed on 1st reading on May 9, 2006 (Engrossed version of Bill 16-679), and used for the purposes set forth in Title V: Provided further, That amounts appropriated under this heading may be increased by an amount necessary to execute a transfer of applicable residual amounts from the District’s general funds that to the special revenue Housing Production Trust fund in accordance with the Housing Production Trust Fund and New Communities Financing Clarification Act of 2006 (D.C. Law 16-192) enacted March 02, 2007: Provided further, That \$57,065,000 from dedicated taxes shall be to execute a transfer from the District’s general funds to the special revenue Housing Production Trust fund.] Funds to be allocated as follows:*

(1) *Deputy Mayor for Economic Development.* – \$85,259,000 (including \$52,499,000 from local funds(including \$16,998,000 from dedicated taxes)and \$32,760,000 from other funds): *Provided, That \$4,000,000 from local funds shall remain available until expended for New Communities Human Capital.*

(2) *Office of Planning.* – \$10,093,000 (including \$9,628,000 from local funds, \$450,000 from Federal grant funds and \$15,000 from other funds): *Provided, That of the local funds provided to the Office of Planning in fiscal year 2008 for Historic Preservation, \$1,000,000 shall remain available until expended*

(3) *Department of Small and Local Business Development.* – \$3,472,000 from local funds; *provided that amounts appropriated herein may be increased by the balance of amounts on deposit as of October 01, 2008 in the Small Business Micro Loan Fund established under the Small Business Micro Loan Fund Amendment Act of 2008;*

(4) *Office of Motion Pictures and Television.* – \$684,000 from local funds: *Provided, That of the local funds provided to the Office of Motion Pictures and Television in fiscal year 2008 for DC Film grant initiative, up to \$1,600,000 shall remain available until expended.*

(5) *Office of Zoning.* – \$3,139,000 from local funds

(6) *Department of Housing and Community Development.* – \$101,401,000 (including \$32,859,000 from local funds, \$63,877,000 from Federal grant funds and \$4,666,000 from other funds)

(7) *Department of Employment Services.* –\$132,259,000 (including \$62,315,000 from local funds, \$34,739,000 from Federal grant funds, \$35,124,000 from other funds and \$80,000 from private funds) ,

Provided That of the local funds appropriated up to one percent may be deposited into the Integrated Services Fund for At-Risk Children, Youth, and Families and used for the purposes set forth in D.C. Official Code §4-1345.03: Provided further, That funds deposited into the Integrated Services Fund shall remain available until expended. Provided further, That the District is authorized to transfer, either through a grant or as a direct payment, \$1,200,000 in local funds to the Excel Institute from this appropriation..

(8) Board of Real Property Assessment and Appeals. – \$727,000 from local funds

(9) Department of Consumer and Regulatory Affairs. – \$39,157,000 (including \$19,868,000 from local funds and \$19,288,000 from other funds)

(10) Office of the Tenant Advocate. – \$2,652,000 (including \$964,000 from local funds and \$1,688,000 from other funds)

(11) Commission on Arts and Humanities. – \$14,518,000 (including \$13,517,000 from local funds, \$601,000 from Federal grant funds and \$400,000 from other funds)

(12) Alcoholic Beverage Regulation Administration. – \$7,389,000 (including \$1,144,000 from local funds and \$6,245,000 from other funds)

(13) Public Services Commission. – \$9,972,000 (including \$182,000 from Federal grant funds and \$9,790,000 from other funds)

(14) Office of the People’s Counsel. – \$5,025,000 from other funds

(15) Department of Insurance, Securities and Banking. – \$18,143,000 from other funds: Provided, That of the local funds provided the Department of Insurance, Securities and Banking in fiscal year 2008 for Captive Insurance, \$8,700,000 shall remain available until expended.

(16) Office of Cable Television. – \$7,089,000 from other funds

(17) Housing Authority Subsidy Payment. – \$32,983,000 from local funds

(18) Housing Production Trust Fund Subsidy Payment. – \$32,775,000 from local funds (including \$32,775,000 from dedicated taxes); and

(19) Sports Commission Subsidy Payment. – \$2,500,000 from local funds

Public Safety and Justice

Public safety and justice, [\$1,142,625,000] \$1,287,835,000 (including [\$963,108,000] \$956,087,000 from local funds, [\$105,760,000] \$260,786,000 from Federal grant funds, [\$73,557,000] \$70,877,000 from other funds, and [\$200,000] \$85,000 from private funds) in addition, [\$1,300,000] \$1,774,000 from funds previously appropriated in this Act under the heading “Federal Payment to the Criminal Justice Coordinating Council” and [\$4,000,000] \$5,000,000 to remain available until September 30, 2011 from funds previously appropriated in this Act under the heading “Federal Payment to Reimburse the Federal Bureau of Investigation”: [Provided, That not to exceed \$750,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: Provided further, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: Provided further, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved: Provided further, That not to exceed \$3,700,000 of this appropriation shall be transferred from the Crime Victims Assistance Fund, established by section 16a of the Victims of Violent Crime Compensation Act of 1996, effective October 1, 2002 (D.C. Law 14-190; D.C. Official Code §4-515.01), to the Shelter and Transitional Housing for Victims of Domestic Violence Fund Amendment Act of 2007, passed on 1st reading on May 15, 2007 (Engrossed version of Bill 17-148), and shall remain available until expended.] *To be allocated as follows:*

(1) *Metropolitan Police Department.* – \$485,413,000 (including \$469,565,000 from local funds, \$3,067,000 from Federal grant funds, \$12,695,000 from other funds and \$85,000 from private funds) and [\$4,000,000] \$5,000,000 to remain available until September 30, 2011 from funds previously appropriated in this Act under the heading “Federal Payment to Reimburse the Federal Bureau of Investigation:” Provided, That not to exceed \$750,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime

(2) *Fire and Emergency Medical Services.* – \$185,995,000 (including \$185,171,000 from local funds and \$824,000 from other funds)

(3) *Police Officers and Firefighters Retirement System.* – \$110,900,000 from local funds

(4) *Department of Corrections.* – \$149,774,000 (including \$116,086,000 from local funds and \$33,688,000 from other funds)

(5) *District of Columbia National Guard.* – \$8,358,000 (including \$3,371,000 from local funds and \$4,987,000 from Federal grant funds) Provided, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: Provided further, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this Act, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved

(6) *Homeland Security and Emergency Management.* – \$249,628,000 (including \$4,700,000 from local funds and \$244,927,000 from Federal grant funds)

(7) *Commission on Judicial Disabilities and Tenure.* – \$271,000 from local fund

(8) *Judicial Nomination Commission.* – \$152,000 from local funds

(9) *Office of Police Complaints.* – \$2,628,000 from local funds

(10) *District of Columbia Sentencing and Criminal Code Review Commission.* – \$779,000 from local funds

(11) *Office of the Chief Medical Examiner.* – \$10,473,000 (including \$10,199,000 from local funds and \$274,000 from other funds)

(12) *Officer of Administrative Hearings.* – \$7,795,000 (including \$7,762,000 from local funds and \$32,000 from other funds)

(13) *Corrections Information Council.* – \$115,000 from local funds

(14) *Criminal Justice Coordinating Council.* – \$404,000 from local funds in addition, [\$1,300,000] \$1,774,000 from funds previously appropriated in this Act under the heading “Federal Payment to the Criminal Justice Coordinating Council”

(15) *Forensic Laboratory Technician Training Program.* – \$1,656,000 from local funds

(16) *Office of Unified Communications.* – \$49,585,000 (including \$36,396,000 from local funds and \$13,189,000 from other funds)

(17) *Office of Victims Services.* – \$15,952,000 (including \$4,013,000 from local funds, \$2,040,000 from Federal grant funds and \$9,899,000 from other funds)

(18) *Office of Justice Grants Administration.* – \$7,209,000 including (\$1,444,000 from local funds and \$5,765,000 from Federal grant funds) and

(19) *Motor Vehicle Theft Prevention Commission* -- \$750,000 (including \$475,000 from local funds and \$275,000 from other funds).

Public Education System

Public Education System, including the development of national defense education programs, [\$1,498,369,000] \$1,608,797,000 (including [\$1,261,690,000] \$1,401,649,000 from local funds, [\$208,314,000] \$170,889,000 from Federal grant funds, [\$22,313,000] \$32,420,000 from other funds, and , [\$6,053,000] \$3,839,000 from private funds), in addition, \$35,100,000 from funds previously

appropriated in this Act under the heading “Federal Payment for Resident Tuition Support”, [and] [\$26,000,000] \$36,000,000 from funds previously appropriated in this Act under the heading “Federal Payment for School Improvement in the District of Columbia,” and \$20,000,000 from funds previously appropriated in this Act under the heading “Federal Payment to Jump Start Public School Reform,” [Provided, That, notwithstanding any other provision of law controlling the reprogramming, reallocation and or transfer funds, no later than 60 calendar days after the date of the enactment of this Act or the availability of the funds identified herein, the District may realign the appropriation authority requested under this Act as necessary and consistent with the enactment of the Public Education Reform Amendment Act of 2007, effective June 12, 2007 (D.C. Law 17-0009)] to be allocated as follows:

(1) District of Columbia Public Schools.— [\$987,144,000] \$ 579,078,000 (including [\$796,247,000] \$562,109,000 from local funds, [\$174,930,000] \$9,514,000 from Federal grant funds, [\$10,004,000] \$3,671,000 from other funds, [\$5,962,000] and \$3,784,000 from private funds), in addition, [\$13,000,000] \$18,000,000 from funds previously appropriated in this Act under the heading “Federal Payment for School Improvement” and \$20,000,000 from funds previously appropriated in this Act under the heading “Federal Payment to Jump Start Public School Reform,” shall be available for District of Columbia Public Schools: Provided, That this appropriation shall not be available to subsidize the education of any nonresident of the District of Columbia at any District of Columbia public elementary or secondary school during fiscal year [2008] 2009 unless the nonresident pays tuition to the District of Columbia at a rate that covers 100 percent of the costs incurred by the District of Columbia that are attributable to the education of the nonresident (as established by the [Superintendent] Chancellor of the District of Columbia Public Schools): Provided further, That not to exceed [\$10,100] \$10,600 for the [Superintendent of Schools] Chancellor shall be available from this appropriation for official reception and representation expenses: [Provided further, that no less than \$12,516,000 shall be available from this appropriation for the Metropolitan Police Departments’ provision of security for the District of Columbia Public Schools:] Provided further, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the District of Columbia Public Schools on July 1, [2008] 2009, an amount equal to 10 percent of the total amount of the local funds appropriations request provided for the District of Columbia Public Schools in the proposed budget of the District of Columbia for fiscal year [2009] 2010 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for the District of Columbia Public Schools under the District of Columbia Appropriations Act, [2009] 2010: [Provided further, that of the local funds appropriated to the District of Columbia by the Continuing Appropriations Resolution, 2007 approved February 15, 2007 (Pub.L. No. 110-5), under this heading, \$5,000,000 in local funds shall remain available until expended to cover expenditures associated with the Blackman v. District of Columbia and Jones v. District of Columbia consent decree (“Blackman-Jones”): Provided further, That \$5,000,000 in local funds for fiscal year 2008 funds shall remain available until expended for Blackman-Jones].

[(2) Teachers' Retirement Fund.— \$6,000,000 from local funds shall be available for the Teacher's Retirement Fund.]

(2) [(3) State Education Office] Office of the State Superintendent of Education.— [\$62,994,000] \$290,996,000 (including [\$20,131,000] \$119,894,000 from local funds, [\$32,541,000] \$160,535,000 from Federal grant funds, and [\$10,322,000] \$10,567,000 from other funds), in addition, \$35,100,000 from funds previously appropriated in this Act under the heading “Federal Payment for Resident Tuition Support” shall be available for the Office of the State Superintendent of Education [Office] and [\$13,000,000] \$18,000,000 from funds previously appropriated in this Act under the heading “Federal Payment for School Improvement in the District of Columbia” shall be available for the Office of the State Superintendent of Education [Office]: Provided, That of the amounts provided to the State Education Office, \$1,000,000 from local funds shall remain available until June 30, [2009] 2010 for an audit of the student enrollment of each District of Columbia public school and of each District of Columbia public charter school: [Provided further, That amounts appropriated under this heading may be increased by an amount not to exceed \$9,600,000 to remain available until expended from the District of

Columbia fund balance as necessary for direct loan and credit enhancement programs: Provided further, That to the extent that the District expends local funds for this purpose, the District may reimburse those local funds from Federal funds previously appropriated but made unavailable for the direct loan and credit enhancement programs if the Federal funds become available.] *Provided further, That \$5,000,000 in local funds shall remain available until expended for the Blackman and Jones v. District of Columbia consent decree: provided further, that notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the Office of the State Superintendent of Education on July 1, 2009, an amount equal to 10 percent of the total amount of the local funds appropriations request provided for the Office of the State Superintendent of Education in the proposed budget of the District of Columbia for fiscal year 2010 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for Office of the State Superintendent of Education under the District of Columbia Appropriations Act, 2010; provided further, that notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the Special Education Transportation agency under the direction of the Office of the State Superintendent of Education, on July 1, 2009, an amount equal to ten percent of the total amount of the local funds appropriations request provided for the Special Education Transportation agency in the proposed budget of the District of Columbia for fiscal year 2010 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for Special Education Transportation agency under the District of Columbia Appropriations Act, 2010; provided further, that any unspent funds from the \$960,000 available for pre-kindergarten from a prior fiscal year shall remain available until expended;*

(3) [(4)] District of Columbia Public Charter Schools.— [\$320,366,000] \$366,053,000 from local funds shall be available for District of Columbia public charter schools: Provided, That there shall be quarterly disbursement of funds to the District of Columbia public charter schools, with the first payment to occur within 15 days of the beginning of the fiscal year: Provided further, That if the entirety of this allocation has not been provided as payments to any public charter schools currently in operation through the per pupil funding formula, the funds shall remain available until expended for public education in accordance with section 2403(b)(2) of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code, sec. 38-1804.03(b)(2)): Provided further, That of the amounts made available to District of Columbia public charter schools, \$100,000 shall be made available to the Office of the Chief Financial Officer as authorized by section 2403(b)(5) of the District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code, sec. 38-1804.03(b)(5)): [Provided further, That \$320,366,000 of this amount shall be available to the District of Columbia Public Charter School Board for administrative costs]: Provided further, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the District of Columbia public charter schools on July 1, [2008] 2009, an amount equal to 25 percent of the total amount of the local funds appropriations request provided for payments to public charter schools in the proposed budget of the District of Columbia for fiscal year [2009] 2010 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for such payments under the District of Columbia Appropriations Act, [2008] 2010: Provided further, That the annual financial audit for the performance of an individual District of Columbia public charter school shall be funded by the charter school.

(4) [(5)] University of the District of Columbia Subsidy.— [\$63,977,000] \$62,070,000 from local funds shall be available for the University of the District of Columbia subsidy: Provided, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, [2008] 2009, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area: Provided further, That notwithstanding the amounts otherwise provided under this heading or any other provision of law, there shall be appropriated to the University of the District of Columbia on July 1, [2008] 2009, an

amount equal to 10 percent of the total amount of the local funds appropriations request provided for the University of the District of Columbia in the proposed budget of the District of Columbia for fiscal year [2009] 2010 (as submitted to Congress), and the amount of such payment shall be chargeable against the final amount provided for the University of the District of Columbia under the District of Columbia Appropriations Act, [2008] 2010: Provided further, That not to exceed [\$10,100] \$10,600 for the President of the University of the District of Columbia shall be available from this appropriation for official reception and representation expenses.

(5) [(6)] District of Columbia Public Libraries.— [\$46,809,000] \$46,595,000 (including [\$45,239,000] \$45,255,000 from local funds, [\$842,000] \$840,000 from Federal grant funds, [\$637,000] \$444,000 from other funds, and [\$91,000] \$55,000 from private funds) shall be available for the District of Columbia Public Libraries: Provided, That not to exceed [\$8,100] \$8,500 for the Public Librarian shall be available from this appropriation for official reception and representation expenses.

(6) [(7)] Public Charter School Board. – [\$2,638,000] \$3,460,000 (including [\$1,288,000] \$1,660,000 from local funds and [\$1,350,000] \$1,800,000 from other funds).

(7) [Department of Education] Office of the Deputy Mayor for Education. – [\$2,442,000] \$4,917,000 from local funds: *Provided further, That amounts appropriated herein shall be increased by \$4,000,000, the amount currently on deposit in the Integrated Services Fund September 30, 2008, to remain available until expended and increased by funds appropriated elsewhere in this Act for transfer to the Integrated Service Fund for the purposes set forth in D.C. Official Code §4-1345.03.*

(8) Office of Public Education Facilities Modernization – \$38,369,000 (including [\$6,000,000] \$22,431,000 from local funds and \$15,938,000 from other funds)

(9) Non-Public Tuition \$141,700,000 from local funds

(10) Special Education Transportation - \$75,558,000 from local funds

Human Support Services

Human support services, [\$3,074,024,000] \$3,211,223,000 (including [\$1,541,417,000] \$1,598,864,000 from local funds (including \$24,949,000 from [in] dedicated taxes), [\$1,499,176,000] \$1,579,242,000 from Federal grant funds, [\$32,388,000] \$32,002,000 from other funds, [\$1,042,000] \$1,114,000 from private funds): [Provided, That \$30,280,000 of this appropriation, to remain available until expended, shall be available solely for expenses associated with the District of Columbia employees' disability compensation program:]Provided further, That up to one percent of the local funds appropriated for the Child Family and Services Agency, the Department of Health, the Department of Human Services, the Department of Mental Health, and the Department of Youth Rehabilitation Services may be deposited into the Integrated Services Fund for At-Risk Children, Youth, and Families and used for the purposes set forth in D.C. Official Code § 4-1345.03, *Provided further, That funds deposited into the Integrated Services Fund shall remain available until expended:* [may be deposited into the Integrated Services Fund for At-Risk Children, Youth, and Families, established by Title V of the Fiscal Year 2007 Budget Support Act of 2006, approved March 2, 2007 (D.C. Law 16-192, § 5203 ; 53 DCR 6899; D.C. Official Code 4-1323.02): Provided further, That of the local funds appropriated to the District of Columbia by the Continuing Appropriations Resolution, 2007, approved February 15, 2007 (Pub. L. No 110-5) under the Heading “Governmental Direction and Support” for activities authorized through the Community Health Care Financing Fund, the Mayor is authorized to transfer amounts that remain available to this heading for use by the Department of Health, and such funds shall remain available until expended.] to be allocated as follows:

(1) Department of Human Service. – \$338,771,000 (including \$179,322,000 from local funds, \$156,558,000 from Federal grant funds, \$2,800,000 from other funds and \$91,000 from private funds)

(2) Child and Family Services. – \$230,067,000 (including \$198,295,000 from local funds, \$30,998,000 from Federal grant funds, \$750,000 from other funds and \$23,000 from private funds)

(3) Department of Mental Health. – \$222,555,000 (including \$213,181,000 from local funds, \$5,566,000 from Federal grant funds and \$3,808,000 from other funds)

(4) *Department of Health.* – \$253,077,000 (including \$101,606,000 from local funds, \$137,096,000 from Federal grant funds and \$14,375,000 from other funds) provided, that any funds deposited into the Effi Slaughter Barry Initiative Fund shall remain available until expended; provided further, that any funds deposited into the Health Professional Recruitment Fund, including unspent funds from prior fiscal years, shall remain available until expended;

(5) *Department of Parks and Recreation.* – \$50,242,000 (including \$46,750,000 from local funds, \$2,492,000 from other funds and \$1,000,000 from private funds)

(6) *Office on Aging.* – \$24,186,000 (including \$17,584,000 from local funds and \$6,601,000 from Federal grant funds)

(7) *District of Columbia Unemployment Compensation Fund.* – \$5,500,000 from local funds

(8) *Disability Compensation Fund.* – [\$30,280,000] \$15,030,000 from local funds to remain available until expended

(9) *Office of Human Rights.* – \$3,218,000 (including \$2,763,000 from local funds and \$455,000 from Federal grant funds)

(10) *Office of Latino Affairs.* – \$4,727,000 from local funds

(11) *Children Investment Trust Fund.* – \$18,460,000 from local funds

(12) *Office on Asian and Pacific Islander Affairs.* – \$1,021,000 from local funds

(13) *Office of Veterans Affairs.* – \$462,000 from local funds

(14) *Department of Youth Rehabilitation Service.* – \$81,820,000 from local funds: Provided that amounts appropriated herein may be expended to implement the provisions of the “On-site Meal Expenses Amendment Act of 2008” passed on 1st reading on May 13, 2008. (Engrossed version of Bill 17-768.)

(15) *Department on Disability Services.* – \$122,359,000 (including \$90,475,000 from local funds, \$26,083,000 from Federal grant funds, and \$5,800,000 from other funds; and

(16) *Department of Healthcare Finance.* – \$1,839,729,000 (including \$621,867,000 from local funds (including \$24,949,000 from dedicated taxes), \$1,215,885,000 from Federal grant funds and \$1,977,000 from other funds; provided that any funds deposited into the Healthy DC Fund, including unspent funds from prior fiscal years, shall remain available until expended; provided further, that any funds deposited into the Nursing Home Quality of Care Fund, including unspent funds from prior fiscal years shall remain available until expended.

Public Works

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and leasing of passenger-carrying vehicles, [\$593,711,000] \$645,839,000 (including [\$409,248,000] \$451,135,000 from local funds, [\$20,142,000] including \$24,120,000 from dedicated taxes) \$22,932,000 from Federal grant funds, [\$500,000] \$300,000 from private funds, and [\$163,822,000] \$171,472,000 from other funds: [Provided, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business] to be allocated as follows:

(1) *Department of Public Works.* – \$138,333,000 (including \$124,939,000 from local funds and \$13,395,000 from other funds)

(2) *Department of Transportation.* – \$142,555,000 (including \$30,094,000 from local funds (including \$24,120,000 from dedicated taxes), \$3,200,000 from Federal grant funds and \$109,261,000 from other funds)

(3) *Department of Motor Vehicles.* – \$44,539,000 (including \$31,216,000 from local funds and \$13,324,000 from other funds)

(4) *Department of the Environment.* – \$79,941,000 (including \$25,039,000 from local funds, \$19,732,000 from Federal grant funds, \$34,869,000 from other funds and \$300,000 from private funds)

- (5) *Taxi Cab Commission.* – \$1,991,000 (including \$1,368,000 from local funds and \$623,000 from other funds)
- (6) *Washington Metropolitan Area Transit Commission.* – \$113,000 from local funds
- (7) *Washington Metropolitan Area Transit Authority.* – \$230,499,000 from local funds; and
- (8) *School Transit Subsidies.* – \$7,866,000 from local funds

Financing and Other

Financing and Other, [\$1,027,330,000] \$959,821,000 (including [\$1,013,451,000] \$925,884,000 from local funds (including [\$46,397,000] \$167,924,000 from dedicated taxes) and [\$13,880,000] \$33,938,000 from other funds) to be allocated as follows:

(1) Repayment of Loans and Interest - for payment of principal, interest, and certain fees directly resulting from borrowing by the District of Columbia to fund District of Columbia capital projects as authorized by sections 462, 475, and 490 of the District of Columbia Home Rule Act, *approved December 24, 1973 (87 Stat. 777; D.C. Official Code, secs. 1-204.62, 1-204.75, and 1-204.90), \$459,727,000 (including [\$440,707,000] \$456,630,000 from local funds (including \$3,580,000 from dedicated taxes) and \$3,097,000 from other funds).*

(2) Short-Term Borrowing –[\$13,334,000] \$9,000,000 from local funds for payment of interest on short-term borrowing.

(3) Certificates of Participation - for principal and interest payments on the District's Certificates of Participation, issued to finance the ground lease underlying the building located at One Judiciary Square, [\$32,288,000] \$32,791,000 from local funds.

(4) [(14)] Debt Issuance Costs - for the payment of debt service issuance costs, [\$60,000,000] \$15,000,000 from local funds

(5) [(15)] School Modernization Fund - for a School Modernization Fund, [\$6,435,000] \$8,613,000 from local funds

(6) [(18)] Revenue Bonds - for the repayment of revenue bonds [\$12,000,000] \$6,000,000 from local funds (*including \$6,000,000 from dedicated taxes*);

(7) [(4)] Settlements and Judgments - for making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government, [\$21,015,000] \$21,477,000 from local funds: *Provided, That this appropriation shall not be construed as modifying or affecting the provisions of section 103 of this Act.*

(8) [(5)] Wilson Building - for expenses associated with the John A. Wilson building, [\$4,190,000] \$4,058,000 from local funds.

(9) [(6)] Workforce Investments - for workforce investments, [\$21,044,000] \$36,691,000 from local funds, to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act for which employees are properly payable: *Provided, That of this amount \$4,952,000 shall remain available until expended to meet the requirements of the Compensation Agreement Between the District of Columbia Government Units 1 and 2 Emergency Approval Resolution of 2006, effective September 19, 2006 (Res. 16-794; 53 DCR 7742).*

(10) [(7)] Non-Departmental - to account for anticipated costs that cannot be allocated to specific agencies during the development of the proposed budget, \$39,279,000 [\$57,107,000] (including [\$43,227,000] \$10,438,000 from local funds *that shall remain available to cover any lease costs that may remain from the District's lease at 225 Virginia Avenue* and [\$13,880,000] \$28,841,000 from other funds) to be transferred by the Mayor of the District of Columbia within the various appropriations headings in this Act.

(11) [(8)] For Emergency Planning and Security Fund, [\$3,000,000] \$15,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for Emergency Planning and Security Costs in the District of Columbia": *Provided, That notwithstanding any other law, the District of Columbia may charge obligations and expenditures that are pending reimbursement under the heading*

"Federal Payment for Emergency Planning and Security Costs in the District of Columbia" to this local appropriations heading.

(9) Cash Reserve - for the cumulative cash reserve to be made available for expenditure consistent with the requirements established pursuant to section 202(j)(2) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 109; Pub. L. No. 107-96; D.C. Official Code, sec. 47-392.02(j)(2)) for such reserve \$50,000,000 from local funds.]

(12) [(11)] Equipment Lease Operating - [\$43,755,000] \$51,405,000 from local funds.

(13) Pay-As-You-Go Capital funds – in lieu of capital financing, [\$108,152,000] \$144,637,000 (including \$142,637,000 from local funds (including \$108,300,000 from dedicated taxes) and \$2,000,000 from other funds) to be transferred to the Capital Fund.

(14) [(16)] District Retiree Health Contribution - for a District Retiree Health Contribution, [\$110,907,000] \$81,100,000 from local funds.

(15) [(17)] Baseball Revenue- [\$46,397,000] \$50,044,000 from local funds (including \$50,044,000 from dedicated taxes) derived from a dedicated tax to account for the inflows and outflows of both operating and capital dollars in addition, the amounts appropriated herein may be increased by such amounts as may be necessary and as are consistent with the Ballpark Omnibus Financing And Revenue Act of 2004, effective April 08, 2005 (D.C. Law 15-320; D.C. Official Code § 10-1601.01 et seq.) to pay debt service, and to maintain and replenish required reserves for baseball revenue bonds

(16) [(10)] Tax Increment Financing - the amounts appropriated herein may be increased by an amount not to exceed [\$16,200,000] \$9,712,000 from the District's General Fund balance for a Tax Increment Financing program as may be necessary to meet the Tax Increment Financing requirements; and

(17) [(12)] Emergency and Contingency Funds - For the emergency reserve fund and the contingency reserve fund under section 450A of the District of Columbia Home Rule Act, approved November 2, 2000 (114 Stat. 2440; D.C. Official Code, sec. 1-204.50a), the amounts appropriated herein may be increased by such additional amounts from the funds of the District government as are necessary to meet the balance requirements for such funds under section 450A

ENTERPRISE AND OTHER FUNDS

Water and Sewer Authority

Pursuant to section 445a of the District of Columbia Home Rule Act, approved August 6, 1996 (110 Stat. 1698; D.C. Official Code § 1-204.45a), which provides that the Council shall have no authority to revise the budget for the District of Columbia Water and Sewer Authority, of which 60% represents rate-payer revenue, the Council forwards this non-appropriated budget request: For operation of the Water and Sewer Authority, [\$341,186,000] \$363,234,000 from other funds, of which [\$5,355,000] \$3,989,000 shall be apportioned for repayment of loans and interest incurred for capital improvement projects and payable to the District's debt service fund. For construction projects, [\$466,584,000] \$585,902,000, to be distributed as follows: [\$13,781,000] \$486,141,000 for the Blue Plains Wastewater Treatment Plant, [\$110,503,000 for the sewer program, \$98,675,000 for the combined sewer program,] [\$193,782,000] \$88,769,000 for the water program, [\$19,175,000] \$2,249,000 for the Washington Aqueduct capital program and, [\$30,668,000] \$8,743,000 for the capital equipment program; in addition, [\$12,000,000] \$14,000,000 from funds previously appropriated in this Act under the heading "Federal Payment to the District of Columbia Water and Sewer Authority": Provided, That the requirements and restrictions that are applicable to General Fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation account shall apply to projects approved under this appropriation account.

Washington Aqueduct

For operation of the Washington Aqueduct, [\$49,815,000] \$56,491,000 from other funds.

Lottery and Charitable Games Enterprise Fund

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriations Act, 1982, approved December 4, 1981 (Pub. L. No. 97-91; 95 Stat. 1174), for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, *effective March 10, 1981* (D.C. Law 3-172; D.C. Official Code, sec. 3-1301 et seq. and sec. 22-1716 et seq.), [\$266,700,000] \$265,000,000 from other funds: Provided, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally generated revenues: Provided further, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board: Provided further, That, *after notification to the Mayor*, amounts appropriated herein may be increased by an amount necessary for the Lottery and Charitable Games Enterprise Fund to make transfers to the General Fund of the District of Columbia *and to cover prizes, agent commissions, and gaming related fees directly associated with unanticipated excess lottery revenues*, not included in this appropriation[, if such funds are available for transfer].

Sports and Entertainment Commission

For the Sports and Entertainment Commission, [\$58,529,000] \$7,603,000 from other funds to remain available until expended, *of which \$2,500,000 is from local funds to be received as a subsidy payment.*

District of Columbia Retirement Board

For the District of Columbia Retirement Board, established pursuant to section 121 of the District of Columbia Retirement Reform Act of 1979, *approved November 17, 1979 (93 Stat 866; D.C. Official Code, sec. 1-711)*, [\$33,249,000] \$32,624,000 from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: Provided, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: Provided further, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an itemized accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

Washington Convention Center Enterprise Fund

For the Washington Convention Center Enterprise Fund, [\$88,742,000] \$96,696,000 from other funds.

Housing Finance Agency

For the Housing Finance Agency, \$7,919,000 from other funds.

University of the District of Columbia

For the University of the District of Columbia, [\$112,613,000] \$118,268,000 (including, [\$63,977,000] \$62,070,000 from local funds, [\$18,214,000] \$18,487,000 from Federal grant funds, [\$29,734,000] \$36,819,000 from other funds, and [\$687,000] \$891,000 from private funds): Provided, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, [2008] 2009, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

[District of Columbia of Personnel Agency] *Department of Human Resources* Trust Fund

For the District of Columbia [of Personnel Agency] *Department of Human Resources* Trust Fund, [\$1,500,000] \$2,400,000 from other funds.

District of Columbia Public Library Trust Fund

For the District of Columbia Public Library Trust Fund, \$17,000 from other funds.

Unemployment Insurance Trust Fund

For the Unemployment Insurance Trust Fund, \$180,000,000 from other funds.

Housing Production Trust Fund

For the Housing Production Trust Fund, [\$122,703,000] \$108,680,000 in local funds ([of which \$122,703,000 is] *including* \$108,680,000 from dedicated taxes) to remain available until expended for purposes identified by the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 et seq.).

Tax Increment Financing

[\$16,200,000 from local funds] For Tax Increment Financing \$24,330,000 *from other funds*.

Baseball Fund

For the Baseball Fund, [\$164,101,000] \$76,755,000 [of which] (*including* [\$157,101,000] \$69,255,000 from local funds (including \$65,873,000 from dedicated taxes)] and [\$7,000,000] \$7,500,000 from other funds) [for the Baseball Fund].

Repayment of Payment in Lieu of Taxes Financing

For Repayment of Payment in Lieu of Taxes Financing \$9,770,000 from other funds.

CAPITAL OUTLAY

For capital construction projects, an increase of [\$1,607,703,000] \$1,482,977,000, of which [\$1,042,712,000] \$1,121,734,000 shall be from local funds, [\$73,260,000] \$107,794,000 from the Local Street Maintenance fund, [\$38,523,000] \$60,708,000 from the District of Columbia Highway Trust fund,

[\$186,008,000] \$192,741,000 from Federal grant funds, [\$75,000,000 from revenue bonds, \$150,00,000 from financing for construction of a consolidated laboratory facility, \$42,200,000 for construction of a baseball stadium, .] and a rescission of [\$212,696,000] \$353,447,000 from local funds *and a rescission of \$37,500,000 from Local Street Maintenance funds* appropriated under this heading in prior fiscal years for a net amount of [\$1,395,007,000] \$1,092,030,000, to remain available until expended: in addition, \$7,000,000 to remain available until expended from funds previously appropriated in this Act under the heading "Federal Payment for Central Library and Branch Location" and [\$10,000,000] \$5,000,000 to remain available until September 30, [2009] 2010 from funds previously appropriated in this Act under the heading "Federal Payment for Consolidated Laboratory Facility": Provided, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: Provided further, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: Provided further, That amounts appropriated under this heading may be increased by the amount transferred from funds appropriated in this act as Pay-As-You-Go Capital funds[: Provided further, That the Office of the Chief Technology Officer of the District of Columbia shall continue to implement the following information technology projects through completion of each such project on behalf of the District of Columbia Public Schools: Student Information System (project number T2240), Student Information System PCS (project number T2241), Enterprise Resource Planning (project number T2242), E-Rate (project number T2243), and SETS Expansion PCS (project number T2244): Provided further, That renovation of the office space of the Office of Attorney General at One Judiciary Square is authorized, subject to approval of financing for that purpose in accordance with laws enacted by the Council].

TITLE IV--GENERAL PROVISIONS

SEC. 101. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 102. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor, or, in the case of the Council of the District of Columbia, funds may be expended with the authorization of the Chairman of the Council.

SEC. 103. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government.

SEC. 104. (a) None of the Federal funds provided in this Act shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

(b) The District of Columbia may use local funds provided in this title to carry out lobbying activities on any matter.

SEC. 105. (a) None of the funds provided under this Act to the agencies funded by this Act, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year 2008, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditures for an agency through a reprogramming of funds which--

(1) creates new programs;

- (2) eliminates a program, project, *activity*, or responsibility center;
- (3) establishes or changes allocations specifically denied, limited or increased under this Act;
- (4) increases funds or personnel by any means for any program, project, *activity*, or responsibility center for which funds have been denied or restricted;
- (5) reestablishes any program or project previously deferred through reprogramming;
- (6) augments any existing program, project, *activity*, or responsibility center through a reprogramming of funds in excess of \$3,000,000 or 10 percent, whichever is less; or
- (7) increases by 20 percent or more personnel assigned to a specific program, project, *activity* or responsibility center,

unless in the case of Federal funds, the Committees on Appropriations of the House of Representatives and Senate are notified in writing 15 days in advance of the reprogramming and in the case of local funds, the Committees on Appropriations of the House of Representatives and Senate are provided summary reports on April 1, [2008] 2009 and October 1, [2008] 2009, setting forth detailed information regarding each such local funds reprogramming conducted subject to this subsection.

(b) None of the local funds contained in this Act may be available for obligation or expenditure for an agency through a transfer of any local funds in excess of \$3,000,000 from one appropriation heading to another unless the Committees on Appropriations of the House of Representatives and Senate are provided summary reports on April 1, [2008] 2009 and October 1, [2008] 2009, setting forth detailed information regarding each reprogramming conducted subject to this subsection, except that in no event may the amount of any funds transferred exceed 4 percent of the local funds in the appropriations; *provided, that this subsection shall not apply to any reprogramming submitted to the Council within 30 calendar days of the date of the enactment of this Act.*

(c) The District of Columbia Government is authorized to approve and execute reprogramming and transfer requests of local funds under this title through [December 1, 2008] *November 1, 2009*; *provided, that any reprogramming submitted pursuant to this subsection in excess of \$1 million shall be submitted to the Council prior to the close of business on September 30, 2009.*

SEC. 106. Consistent with the provisions of section 1301(a) of title 31, United States Code, appropriations under this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

[SEC. 107. Notwithstanding section 8344(a) of title 5, United States Code, the amendment made by section 2 of the District Government Reemployed Annuitant Offset Elimination Amendment Act of 2004 (D.C. Law 15-207) shall apply with respect to any individual employed in an appointive or elective position with the District of Columbia government after December 7, 2004.]

[SEC. 108. No later than 30 days after the end of the first quarter of fiscal year 2008, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia and the Committees on Appropriations of the House of Representatives and Senate the new fiscal year 2008 revenue estimates as of the end of such quarter. These estimates shall be used in the budget request for fiscal year 2009. The officially revised estimates at midyear shall be used for the midyear report.]

[SEC. 109. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3-171; D.C. Official Code, sec. 1-123).]

[SEC. 110. None of the Federal funds made available in this Act may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9-114; D.C. Official Code, sec. 32-

701 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.]

SEC. 107 [111]. (a) Notwithstanding any other provision of this Act, the Mayor, in consultation with the Chief Financial Officer of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(b)(1) No such Federal, private, or other grant may be obligated, or expended pursuant to subsection (a) of this section until--

(A) the Chief Financial Officer of the District of Columbia submits to the Council a report setting forth detailed information regarding such grant; and

(B) the Council has reviewed and approved the obligation, and expenditure of such grant.

(2) For purposes of paragraph (1)(B) of this subsection, the Council shall be deemed to have reviewed and approved the obligation, and expenditure of a grant if--

(A) no written notice of disapproval is filed with the Secretary of the Council within 14 calendar days of the receipt of the report from the Chief Financial Officer under paragraph (1)(A) of this subsection; or

(B) if such a notice of disapproval is filed within such deadline, the Council does not by resolution disapprove the obligation, or expenditure of the grant within 30 calendar days of the initial receipt of the report from the Chief Financial Officer under paragraph (1)(A) of this subsection.

(c) No amount may be obligated or expended from the General Fund or other funds of the District of Columbia government in anticipation of the approval or receipt of a grant under subsection (b)(2) of this subsection or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to [such] the subsection.

(d) The Chief Financial Officer of the District of Columbia may adjust the budget for Federal, private, and other grants received by the District government reflected in the amounts appropriated in this title, or approved and received under subsection (b)(2) of this section to reflect a change in the actual amount of the grant.

(e) The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth detailed information regarding all Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia and to the Committees on Appropriations of the House of Representatives and Senate not later than 15 days after the end of the quarter covered by the report.

SEC. 108 [112. (a)] Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer's or employee's official duties. For the purposes of this [paragraph] section, the term `official duties' does not include travel between the officer's or employee's residence and workplace, except in the case of--

(1) an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of *Police* [the Department];

(2) at the discretion of the Fire Chief, an officer or employee of the District of Columbia Fire and Emergency Medical Services Department who resides in the District of Columbia and is on call 24 hours a day or is otherwise designated by the Fire Chief;

(3) at the discretion of the Director of the Department of Corrections, an officer or employee of the District of Columbia Department of Corrections who resides in the District of Columbia and is on call 24 hours a day or is otherwise designated by the Director;

- (4) the Mayor of the District of Columbia; and
- (5) the Chairman of the Council of the District of Columbia.

[(b) The Chief Financial Officer of the District of Columbia shall submit by March 1, 2008, an inventory, as of September 30, 2007, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.]

[SEC. 113. (a) None of the Federal funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

(b) Nothing in this section bars the District of Columbia Corporation Counsel from reviewing or commenting on briefs in private lawsuits, or from consulting with officials of the District government regarding such lawsuits.]

[SEC. 114. None of the Federal funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.]

[SEC. 115. None of the funds contained in this Act may be used after the expiration of the 60-day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District of Columbia) who has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to the officer and the officer's agency as a result of this Act (and the amendments made by this Act), including any duty to prepare a report requested either in the Act or in any of the reports accompanying the Act and the deadline by which each report must be submitted: *Provided*, That the Chief Financial Officer of the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and Senate by April 1, 2008 and October 1, 2008, a summary list showing each report, the due date, and the date submitted to the Committees.]

SEC. 109 [116]. Nothing in this Act may be construed to prevent the Council or Mayor of the District of Columbia from addressing the issue of the provision of contraceptive coverage by health insurance plans, but it is the intent of Congress that any legislation enacted on such issue should include a 'conscience clause' which provides exceptions for religious beliefs and moral convictions.

[SEC. 117. The Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Oversight and Government Reform of the House of Representatives, and the Committee on Homeland Security and Governmental Affairs of the Senate annual reports addressing--

- (1) crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets;
- (2) access to substance and alcohol abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs;
- (3) management of parolees and pre-trial violent offenders, including the number of halfway houses escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes to be provided in consultation with the Court Services and Offender Supervision Agency for the District of Columbia;

- (4) education, including access to special education services and student achievement to be provided in consultation with the District of Columbia Public Schools and the District of Columbia public charter schools;
- (5) improvement in basic District services, including rat control and abatement;
- (6) application for and management of Federal grants, including the number and type of grants for which the District was eligible but failed to apply and the number and type of grants awarded to the District but for which the District failed to spend the amounts received; and
- (7) indicators of child well-being.]

[SEC. 118. (a) No later than 30 calendar days after the date of the enactment of this Act, the Chief Financial Officer of the District of Columbia shall submit to the appropriate committees of Congress, the Mayor, and the Council of the District of Columbia a revised appropriated funds operating budget in the format of the budget that the District of Columbia government submitted pursuant to section 442 of the District of Columbia Home Rule Act (D.C. Official Code, sec. 1-204.42), for all agencies of the District of Columbia government for fiscal year 2008 that is in the total amount of the approved appropriation and that realigns all budgeted data for personal services and other-than-personal-services, respectively, with anticipated actual expenditures.

(b) This section shall apply only to an agency where the Chief Financial Officer of the District of Columbia certifies that a reallocation is required to address unanticipated changes in program requirements.]

SEC. 110 [119]. [(a) None of the funds contained in this Act may be made available to pay--

(1) the fees of an attorney who represents a party in an action or an attorney who defends an action brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) in excess of \$4,000 for that action; or

(2) the fees of an attorney or firm whom the Chief Financial Officer of the District of Columbia determines to have a pecuniary interest, either through an attorney, officer, or employee of the firm, in any special education diagnostic services, schools, or other special education service providers.

(b) In this section, the term 'action' includes an administrative proceeding and any ensuing or related proceedings before a court of competent jurisdiction.]

(a) Notwithstanding 20 U.S.C. 1415, 21 USC 1988, and 29 U.S.C. 794a, or any other law, none of the funds appropriated under this Act, or in appropriations Acts for subsequent fiscal years, may be made available to pay attorneys' fees accrued prior to the effective date of this Act that exceed a cap imposed on attorneys' fees by prior appropriations Acts that were in effect during the fiscal year when the work was performed, or when payment was requested for work previously performed, or interest on those awards, in an action or proceeding brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C.1400 et seq.).

(b) In addition, none of the funds contained in this Act may be made available to pay fees associated with such an action or proceeding to an attorney or firm who the Chief Financial Officer of the District of Columbia determines to have a pecuniary interest, either through an attorney, officer, or employee of the firm, in any special education diagnostic services, schools, or other special education service providers.

SEC. 111 [120]. *Beginning in fiscal year 2009 and each fiscal year thereafter, the [The] amount appropriated to the District of Columbia [by this title] may be increased by no more than \$100,000,000 from funds identified in the annual comprehensive annual financial report as the District's immediately preceding fiscal year's [fiscal year 2007] unexpended General Fund surplus. The District may obligate and expend these amounts only in accordance with the following conditions:*

(1) The Chief Financial Officer of the District of Columbia shall certify that the use of any such amounts is not anticipated to have a negative impact on the District's long-term financial, fiscal, *or* [and] economic vitality.

(2) The District of Columbia may only use these funds for the following expenditures:

- (A) One-time expenditures;
- (B) Expenditures to avoid deficit spending;
- (C) Debt Reduction;
- (D) Program needs; *or*
- (E) Expenditures to avoid revenue shortfalls.

(3) The amounts shall be obligated and expended in accordance with laws enacted by the Council in support of each such obligation or expenditure.

(4) The amounts may not be used to fund the agencies of the District of Columbia government under court ordered receivership.

(5) The amounts may not be obligated or expended unless the Mayor notifies the Committees on Appropriations of the House of Representatives and Senate not fewer than [30] 15 days in advance of the obligation or expenditure.

SEC. 112 [121]. (a) *Beginning in fiscal year 2009 and each fiscal year thereafter, consistent with revenue collections* [To account for an unanticipated growth of revenue collections], the amount appropriated as District of Columbia Funds [pursuant to this Act] may be increased--

(1) by an aggregate amount of not more than 25 percent, in the case of amounts proposed to be allocated as 'Other-Type Funds' in the [Fiscal Year 2008] *annual* Proposed Budget and Financial Plan submitted to Congress by the District of Columbia; and

(2) by an aggregate amount of not more than 6 percent, in the case of any other amounts proposed to be allocated in such Proposed Budget and Financial Plan.

(b) The District of Columbia may obligate and expend any increase in the amount of funds authorized under this section only in accordance with the following conditions:

(1) The Chief Financial Officer of the District of Columbia shall certify--

- (A) the increase in revenue; and
- (B) that the use of the amounts is not anticipated to have a negative impact on the long-term financial, fiscal, or economic health of the District.

(2) The amounts shall be obligated and expended in accordance with laws enacted by the Council of the District of Columbia in support of each such obligation and expenditure, consistent with the requirements of this Act.

(3) The amounts may not be used to fund any agencies of the District government operating under court-ordered receivership.

(4) The amounts may not be obligated or expended unless the Mayor has notified the Committees on Appropriations of the House of Representatives and Senate not fewer than [30] 15 days in advance of the obligation or expenditure.

SEC. 113 [122]. *Beginning in fiscal year 2009 and each fiscal year thereafter, the* [The] Chief Financial Officer for the District of Columbia may, for the purpose of cash flow management, conduct short-term borrowing from the emergency reserve fund and from the contingency reserve fund established under section 450A of the District of Columbia Home Rule Act , *approved November 22, 2000 (114 Stat. 2440; D.C. Official Code § 1-204.50a)* [(Public Law 98-198)]: *Provided*, That the amount borrowed shall not exceed 50 percent of the total amount of funds contained in both the emergency and contingency reserve funds at the time of borrowing: *Provided further*, That the borrowing shall not deplete either fund by more than 50 percent: *Provided further*, That 100 percent of the funds borrowed shall be replenished within 9 months of the time of the borrowing or by the end of the fiscal year, whichever occurs earlier: *Provided further*, That in the event that short-term borrowing has been conducted and the emergency or the contingency *reserve* funds are later depleted below 50 percent as a

result of an emergency or contingency, an amount equal to the amount necessary to restore reserve levels to 50 percent of the total amount of funds contained in both the emergency and contingency reserve fund must be replenished from the amount borrowed within 60 days.

SEC. 114. Notwithstanding section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), the Income Tax Secured Bond Authorization Act of 2008, as introduced on May 6, 2008 (D.C. Bill 17-741), shall take effect on the date of its enactment by the District of Columbia.

[SEC. 123. (a) None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 801 et seq.) or any tetrahydrocannabinols derivative.

(b) The Legalization of Marijuana for Medical Treatment Initiative of 1998, also known as Initiative 59, approved by the electors of the District of Columbia on November 3, 1998, shall not take effect.]

[SEC. 124. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.]

[SEC. 125. (a) DIRECT APPROPRIATION- Section 307(a) of the District of Columbia Court Reform and Criminal Procedure Act of 1970 (sec. 2-1607(a), D.C. Official Code) is amended by striking the first 2 sentences and inserting the following: `There are authorized to be appropriated to the Service in each fiscal year such funds as may be necessary to carry out this chapter.']

(b) CONFORMING AMENDMENT- Section 11233 of the Balanced Budget Act of 1997 (sec. 24-133, D.C. Official Code) is amended by striking subsection (f).

(e) EFFECTIVE DATE- The amendments made by this section shall apply with respect to fiscal year 2008 and each succeeding fiscal year.]

SEC. 115 [126]. Amounts appropriated in this Act as operating funds may be transferred to the District of Columbia's enterprise and capital funds and such amounts, once transferred shall retain appropriation authority consistent with the provisions of this Act.

[SEC. 127. In fiscal year 2008 and thereafter, amounts deposited in the Student Enrollment Fund shall be available for expenditure upon deposit and shall remain available until expended consistent with the terms detailed in `The Student Funding Formula Assessment, Educational Data Warehouse, and Enrollment Fund Establishment Amendment Act of 2007' (title IV-D of D.C. Law L17-0020) and the entire provisions of that Act are incorporated herein by reference.]

SEC. 116 [118]SEC. 118. Except as expressly provided otherwise, any reference to `this Act' contained in this division shall be treated as referring only to the provisions of this division.

This *division* may be cited as the "District of Columbia Appropriations Act, [2008] 2009".

DIVISION – B¹
DISTRICT OF COLUMBIA AUTHORIZATION REQUEST

SEC. 201. The following proviso under the heading “Lottery and Charitable Games Enterprise Fund” in the District of Columbia Appropriations Act, 1982, approved December 4, 1981 (Public Law 97-91; 95 Stat. 1174;), is repealed:

“provided further, That the advertising, sale, operation, or playing of the lotteries, raffles, bingos, or other games authorized by D.C. Law 3-172 is prohibited on the Federal enclave, and in adjacent public buildings and land controlled by the Shipstead-Luce Act as amended by 53 Stat. 1144, as well as in the Old Georgetown Historic District.”.

SEC. 202. Section 11201 of the National Capital Revitalization and Self-Government Improvement Act of 1997, approved August 5, 1997 (111 Stat. 734; D.C. Official Code § 24-101), is amended by adding a new subsection (a-1) to read as follows:

“(a-1) Reimbursement to District of Columbia Department of Corrections.— The United States Government shall reimburse the District of Columbia Department of Corrections its costs of providing custody and care for:

“(1) Felons committed by the Superior Court of the District of Columbia from the date of sentencing until transfer to a penal or correctional facility operated or contracted for by the Bureau of Prisons;

“(2) Previously sentenced felons committed to the Department of Corrections as violators of parole, supervised release, or probation from the date of commitment until transfer to a penal or correctional facility operated or contracted for by the Bureau of Prisons; and

“(3) Previously sentenced felons held by or committed to the Department of Corrections on writs from the date of commitment until transfer to a penal or correctional facility operated or contracted for by the Bureau of Prisons.”.

SEC. 203. Notwithstanding any other law, all entities within the District of Columbia shall be subject to the general sales tax of the District of Columbia for sales to the public in gift shops, restaurants, and similar facilities.

[SEC. 204. Notwithstanding any other law (or 5 USC §8344(a)), the District Government Reemployed Annuitant Offset Amendment Act of 2004, effective December 7, 2004 (D.C. Law 15-207; 51 DCR 8799), shall apply to any individual employed in an appointive or elective position with the District of Columbia government after December 7, 2004.]

SEC. 204 [205]. The 2005 District of Columbia Omnibus Authorization Act, approved October 16, 2006 (Public Law 109–356; 120 Stat. 2019) is amended as follows:

(a) Section 101(c) is amended to read as follows:

“(c) EFFECTIVE DATE – This section shall apply fiscal year 2006 and each succeeding fiscal year.”.

(b) Section 102(a)(4) is amended to read as follows:

“(4) EFFECTIVE DATE – This section shall apply fiscal year 2006 and each succeeding fiscal year.”.

(c) Section 202(a) is amended as follows:

(1) Paragraph (1) is amended by striking the phrase “Sec. 424. (a) IN GENERAL.” and inserting the phrase “Sec. 425. (a) IN GENERAL.” in its place.

¹ Provisions included under Division B shall be transmitted by the Mayor to the House Committee on Government Reform and the Senate Committee on Homeland Security and Governmental Affairs for enactment.

(2) Paragraph (2) is amended by striking the phrase “Sec. 424a. Authority” and inserting the phrase “Sec. 425. Authority” in its place.

(d) Section 203(a) is amended as follows:

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

(A) Strike the phrase “Sec. 424b. The Chief” and insert the phrase “Sec. 426. The Chief” in its place.

(B) Strike the date “1986” and insert the date “1985” in its place.

(2) Paragraph (2) is amended by striking the phrase “Sec. 424b. Procurement” and inserting the phrase “Sec. 426. Procurement” in its place.

(e) Section 305(f) is amended to read as follows:

“(f) EFFECTIVE DATE – This section shall apply fiscal year 2006 and each succeeding fiscal year.”.

SEC. 205 [206]SEC. The federal government shall compensate the District for use and occupancy of public space closed for the security of federal buildings within the District of Columbia and such compensation shall be deemed to be included in and available from the annual appropriations for each agency of the federal government.

Sec. 206. Section 209 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 136; D.C. Official Code § 47-392.09), is repealed.

Sec. 207. Section 424a of the District of Columbia Home Rule Act, approved October 16, 2006 (120 Stat. 2037; D.C. Official Code § 1-204.25), is amended by adding a new subsection (e) to read as follows::

“(e) Delegation of Oversight Responsibility for Independent Agencies. --

“(1) The Chief Financial Officer may delegate his or her oversight responsibilities under subsection (b)(3) of this section for any independent agency to the director of the respective agency or its governing board through a memorandum of understanding approved by the Council.

“(2) Any proposed memorandum of understanding shall be submitted, along with a proposed resolution, by the Mayor to the Council for a 30-day period of review, excluding days of Council recess. If the Council does not approve or disapprove the proposed resolution within the 30-day period of review, the proposed resolution and the memorandum of understanding shall be deemed approved.”.

This Act may be cited as the “District of Columbia Omnibus Authorization Act, 2009”.