



Government of the District of Columbia

FY 2008 Proposed Budget and Financial Plan

VOLUME 1

Executive Summary

Submitted to the
Congress of the United States

by the
Government of the District of Columbia

June 7, 2007

FY 08

Moving Forward



Faster

Government of the District of Columbia
FY 2008 Proposed Budget
and Financial Plan

“Moving Forward
Faster”

Volume 1

Executive Summary

Submitted

to the

Congress of the United States

by the

Government of the District of Columbia

June 7, 2007



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**District of Columbia Government
District of Columbia**

Special Performance Measures Recognition

For the Fiscal Year Beginning

October 1, 2006

A handwritten signature in black ink, appearing to read 'Ronald J. Kline'.

President

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

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, 2006.

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 seventh in the history of the District of Columbia. The Office of Budget and Planning will submit this FY 2008 Budget and Financial Plan for consideration by GFOA, and believes the FY 2008 Proposed Budget and Financial Plan continues to conform to the GFOA's requirements.

Government of the District of Columbia

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Dan Tangherlini
City Administrator

Tene Dolphin
Chief of Staff

Victor Reinoso
Deputy Mayor for Education

Neil O. Albert
Deputy Mayor for Planning and Economic Development

Natwar M. Gandhi
Chief Financial Officer

Members of the Council

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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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Harry Thomas, Jr.Ward 5
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Marion Barry.....Ward 8

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Eric Cannady, Deputy Director

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Timothy Mattock

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Gizele Richards

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Carlotta Osorio, Acting Deputy Director

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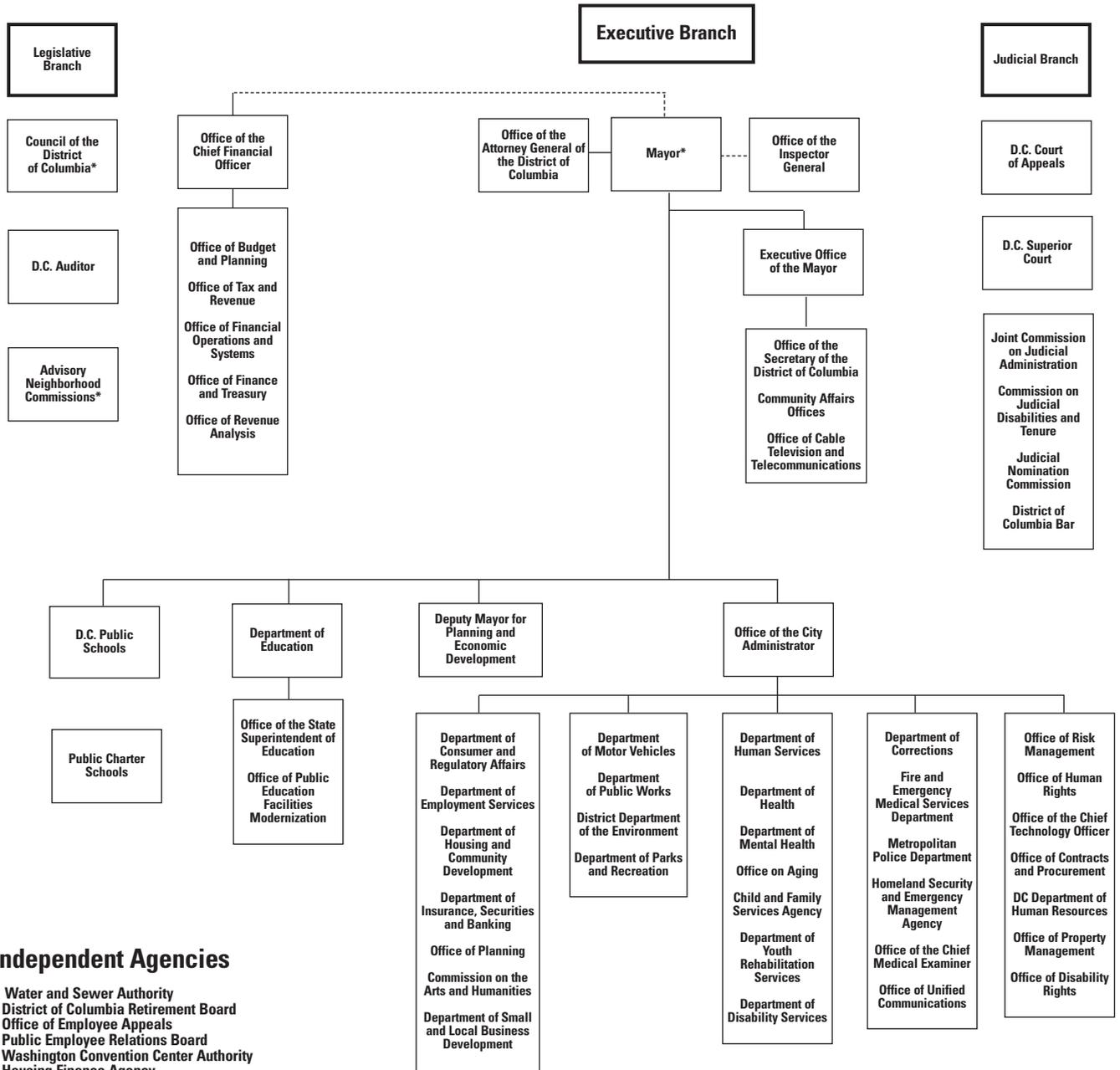
Omar Herzi

David Kintu

Bharat Kothari

Government of the 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

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

Transmittal Letter





ADRIAN M. FENTY
MAYOR

June 7, 2007

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

Dear President Bush:

On behalf of the residents of the District of Columbia, it is my pleasure to submit to you the District's Fiscal Year 2008 Budget and Financial Plan, entitled *Moving Forward Faster*.

As you know, this is the first District budget transmitted under my mayoral administration and the term of Vincent Gray as Council Chairman. This budget maintains the fiscal discipline established under the tenure of our predecessors and buttressed by the diligent efforts of the Office of the Chief Financial Officer, led by Dr. Natwar Gandhi. For the twelfth consecutive year, the District's budget is balanced. Thanks to an upgrade achieved last month, the District's credit rating on Wall Street has reached its strongest level ever. The confidence that independent analysts have placed in the District's financial management is matched by our own determination to meet the challenges that lie ahead.

The FY 2008 Budget proposes \$5.6 billion in Local Funds spending, supporting investments, reductions and enhancements across the spectrum of seven key issue areas: education; public safety; healthcare; human services; infrastructure and environment; economic development and affordable housing; and government operations and financing. The budget also includes a 6-year capital program representing long-term investments worth more than \$3.3 billion, including \$580 million in FY 2008 spending of General Obligation, Pay-As-You-Go, and Master Lease capital funds. Some of the highlights of for each area are described below.

Education

This budget will fully fund a 4 percent increase in the foundation of the Uniform Per Student Funding Formula for the DC Public Schools and DC Public Charter Schools. The District has fully funded the historical costs of special education transportation—and as my Education Reform Plan is implemented I will work with the Council to drive down that cost by improving the quality of special education offerings in local schools. In addition, this budget rationalizes the per-student funding for DCPS and charter schools, funding both on estimates of the student population in each system for the coming year. Prior practice of funding charter schools on a

forthcoming year basis and the public schools on a prior year basis—which resulted in the double-counting of thousands of students—will be discontinued. Accordingly, projected DCPS enrollment was based on the average change of the student population over the last three years, as reported by the State Education Office. A stabilization fund, similar to one used for charter schools, has been included in this budget to ensure that adequate per-pupil funding will be available if enrollment exceeds estimates unexpectedly.

I want to thank you, Mr. President, for quickly signing the Home Rule Charter Amendment incorporated into my education reform initiative. Consistent with that legislation, this budget includes a new firewall that separates funding for local schools and from funding for state education activities, which previously had been intermingled within the budget of DCPS. Finally, the budget includes funding for the new Department of Education and the Office of Public Education Facilities Modernization created by the Education Reform Act.

Other education investments include a 7 percent increase in local funding for the University of the District of Columbia and a 12 percent increase in funding for the public libraries. Library funding will continue the Sunday and extended hours added last year, as well as fund new technology upgrades and expanded youth programs. In addition, this Budget reflects the District's full commitment to the comprehensive School Modernization capital program and to a sustained, multiyear effort to bring library facilities into the digital age.

Public Safety

This budget includes a substantial increase in funding for public safety agencies to support a safer and better protected city. A significant increase in the budget of the Metropolitan Police Department will enable the civilianization of 82 positions as we ramp-up to 300 additional officers on patrol in neighborhoods. A targeted investment in technology, protective gear and training will ensure that the force becomes more efficient and better equipped as it grows.

An increase in staffing expenses for the District's Forensic Technician Training Program continues the city's investment in advanced crime fighting tools, and helps build a foundation for a new, fully staffed, and state-of-the-art consolidated lab facility, one of the District's top capital budget priorities.

The Fire and EMS Department budget also grows, with an emphasis on investments in improving medical outcomes. Recognizing the tremendous cost to the city from ambulances stuck waiting at hospitals, the budget proposes an innovative program to put FEMS staff at six local hospitals to allow for quicker turnaround of ambulances. Additional funds are also provided for upgraded technology, equipment and training. The capital budget funds major renovations and repairs to the District's fire houses over the next six years.

The Homeland Security and Emergency Management Agency will receive additional resources to carry out its expanded responsibilities under the Homeland Security, Risk Reduction and Preparedness Act. In addition, HSEMA will become the lead District agency collecting and allocating as much as \$88 million in Federal homeland security grants. Additional resources in the Office of the Chief Medical Examiner will support mass casualty planning as well as expanded death investigations and certifications.

For the Department of Corrections, I propose a funding level that allows substantial improvements in the management and administration of the District's correctional system. The FY 2008 Budget funds 35 additional correctional officer positions to allow for a smooth transition

for retiring officers. In addition, the budget provides both operating and capital funds for enhanced jail security and prisoner monitoring with an enhanced Surveillance Center and the use of RFID technology.

The Office of Unified Communications sees an increase in overall funding to support wireless technology upgrades and operational expenses of the District's new, state-of-the-art Unified Communications Center, which stands ready as a regional operations center in the event of a homeland security emergency. The OUC budget also includes the consolidation of the DMV and DHS call centers with the Mayor's Citywide Call Center, in keeping with my promise to implement best practices from other major cities.

The FY 2008 Budget also provides enhanced funding for the Attorney General's office to allow for better agency representation, a stronger defense against claims, and improved training and professional development for staff attorneys. Funds will support the continuation of the innovative Access to Justice initiative to help those of limited financial means gain access to legal representation. Finally, additional resources in the Inspector General's office will support expanded audits of the Medicaid function across all District agencies, to enhance the integrity of the program.

Healthcare

By supporting continued enrollment growth in Medicaid and the locally-funded Alliance, the FY 2008 Budget moves the District one step closer to universal health care coverage. In addition, targeted investments will expand programs in HIV/AIDS surveillance, improve outreach and intervention to reduce infant mortality, and support an analysis of medical provider rates.

While the budget reflects conservative estimates of expected participant enrollment, costs, and estimated Medicaid reimbursements, there is room for potential savings in FY 2008 in these areas. It is a priority to recapture as much as possible through Medicaid reimbursements. In addition, a new set of contracts will soon be negotiated for both Medicaid and Alliance providers that could yield program savings.

The District's investments in healthcare also extend to the area of mental health. The FY 2008 Budget includes the additional investments necessary to meet the terms of a settlement with the Justice Department and to move the Department beyond receivership and toward providing high-quality mental healthcare for our residents. Increases will fund more appropriate staffing levels at Saint Elizabeths Hospital, a mobile crisis response team for children, and a 72-hour emergency psychiatric center.

Human Services

In keeping with the vision laid out in the 100 Days and Beyond plan for a more inclusive city, the FY 2008 Budget includes funding increases across several Human Services areas, while realigning agencies in accordance with recently adopted District law. The Department of Human Services will become a leaner, more focused agency. The budget funds additional cash assistance to families receiving monthly Temporary Assistance to Needy Families benefits, expands the Adult Protective Services division, and maintains subsidized early care programs enrolling over 23,000 District children.

In FY 2008, the new Department of Disability Services will include the former Mental Retardation and Developmental Disabilities Administration and the Rehabilitation Services

Administration. The new agency's budget is realistic and sets an aggressive, achievable goal of increasing federal reimbursements through better use of available funding from sources like the Home and Community-Based Services waiver.

The budget reflects substantial continued investments in the Child and Family Services Agency and the Department of Youth Rehabilitation Services (DYRS) to support the progress of these agencies. CFSA will have resources to subsidize hundreds of additional adoption and guardianship placements, ensuring more children can be diverted from the foster system and receive the benefits of permanent family placements. The FY 2008 Budget will permit DYRS to continue development of an effective, community-based continuum of care for youth involved with the juvenile justice system.

The FY 2008 Budget also includes funding for the new Office of Disability Rights to ramp up to 10 FTE over the course of FY 2008. In addition the budget funds Local funds increases in both the Office of Human Rights as well as the Office of Aging, which plans to open a new senior wellness center in Ward 1 in FY 2008.

Infrastructure and Environment

The District continues its investment in infrastructure maintenance and improvements while also recognizing the importance of our environment, parks, and recreation facilities.

The road maintenance and transportation management capacity of the District Department of Transportation (DDOT) will be expanded through a one-time infusion of PAYGO capital funds. Increased funding flexibility is provided to the agency through a legislative proposal that will create a unified transportation fund for local roads operating, maintenance and capital investments. DDOT will also assume unified control over traffic aides and school crossing guards—giving the agency on-the-ground presence needed to improve pedestrian safety.

The Department of Public Works will expand its neighborhood cleaning activities and enhance parking enforcement. A sizable capital investment will help prepare the Department of Motor Vehicles for the forthcoming Real-ID Act requirements for enhanced license security. Investment in the new District Department of the Environment will fund enhanced programs in enforcement, expanded energy assistance for low-income households, coordinated lead abatement, and an initiative to investigate energy savings in government facilities.

Additional funding in the Department of Parks and Recreation will be used to continue critical summer programming as well as enhance facility and ballfield maintenance. The six-year capital budget contains roughly one-quarter of a billion dollars in parks and recreation facility investments, including several new recreation centers and some key neighborhood park investments. The FY 2008 Budget also creates a pool of funds to allow for targeted park investments as well as to support project acceleration.

Finally, recognizing the important and expanding role that Metro plays in serving our citizens' mobility needs, the budget provides a major increase in the District's operating subsidy to WMATA.

Economic Development and Affordable Housing

The FY 2008 Budget also expands targeted investments in economic development and affordable housing activities. The Office of the Deputy Mayor for Economic Development and the

Commission on Arts and Humanities each have enhanced budgets to support a variety of high-priority economic development and cultural investments. In addition, expanded resources in the Department of Employment Services will be focused on job training and placement for young people, re-entrants, and low-income District residents.

The budget supports the Office of Planning's effort to assist in rewriting the zoning regulations and in implementing inclusionary zoning. Additional investments will be made in enhanced transportation planning, and historic preservation outreach and education. The Department of Small, Local Business Development will ramp-up to a full staff complement, focused on eliminating the backlog of LSDBE certifications and comprehensive development of small and local businesses. The Department of Consumer and Regulatory Affairs will improve its business processes with enhanced information technology to complement operational reform efforts.

Funding for the DC Housing Authority increases substantially, to support a greater number of locally-funded housing subsidies to low income District residents. Through this budget, a number of housing-related functions will be consolidated within the Department of Housing and Community Development. At the same time an independent, expanded Office of the Tenant Advocate will provide technical assistance to renters.

Government Operations and Financing

The FY 2008 Budget includes a number of important changes in the manner in which the District Government will operate. Chief among the improvements on my to-do list are fixes for both the procurement and personnel activities. The FY 2008 Budget moves the government towards a model of funding the District's central personnel and procurement agencies with assessments from "user" agencies. I believe that this model will make the entire government more aware of the value and cost of these essential services. In addition, I propose to give agencies the opportunity, over time, to gain a measure of delegated authority and control over these functions, earning back some portion of their assessments in subsequent budgets.

The budget of the Office of the Chief Technology Officer includes a massive infusion of local operating resources to replace an equivalent amount of capital and master lease funds that had been appropriated for these activities in prior years. In making this change, we recognize that past budget practices were unwise and have had lasting effects on the cost of debt financing for the District. This change sets a realistic and conservative operating fund level for our substantial technology program.

Finally, this budget includes substantial increases in overall financing accounts such as employee retirement health benefits, which at \$106 million sees the single largest increase of any one budget item from FY 2007. Additional, large increases are associated with the cost of borrowing for both long and short term debt associated with capital improvements and schools modernization.

Conclusion

Together with the Council, I submit a fiscally conservative budget, with targeted investments, a number of programmatic innovations, no tax increases, and focused tax cuts. The fiscal position for the District of Columbia remains strong. But the work on this budget, and that of the current fiscal year, does not stop with this submission. The City Administrator and I, through our continuous assessment tool, CapStat, will continue to monitor agency spending and performance with an eye toward cost savings and service improvements. For this Administration, this budget

submission begins a long road of continuous improvement, service enhancement and program efficiency. We look forward to working with all the members of our Administration, the Council, the Federal Government, and our citizen partners in making this government world class in every respect.

Sincerely,



Adrian M. Fenty
Mayor

FY 2008 Proposed Budget and Financial Plan

Volume 1 **Executive Summary**

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Volume 2A - FY 2008 Proposed Budget and Financial Plan - *Agency Budget Chapters - Part 1*

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Volume 3 - FY 2008 Proposed Budget and Financial Plan - *Operating Appendices - Part 1*

Volume 4 - FY 2008 Proposed Budget and Financial Plan - *Operating Appendices - Part 2*

Volume 5 - FY 2008 Proposed Budget and Financial Plan - *FY 2008 - FY 2013 Capital Appendices*

Volume 6 - FY 2008 Proposed Budget and Financial Plan - *FY 2008 - FY 2013 Highway Trust Fund*

How to Read the Budget and Financial Plan

How to Read the Budget and Financial Plan

The FY 2008 Proposed Budget and Financial Plan serves as a communication tool for policy priorities, agency operations, program/organizational structures, and performance measures. More important, the budget book is a financial plan that shows sources of revenue and how money was spent. It forecasts economic and financial conditions, current and planned long-term debt financing, policy decisions, and other important financial information to operate 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 Government Finance Officers Association's standards for the Distinguished Budget Presentation Award, which the District received in December 2006.

The FY 2008 Budget and Financial Plan has six volumes:

Executive Summary (Volume 1) - Provides general budget and financial information at a high level with sections describing the new initiatives within the District's proposed budget, strategic budgeting process, financial plan,

revenues, expenditures and 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.

Agency Budget Chapters (Volume 2) - Describes the operating budgets for all 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 3 and 4) - Includes supporting tables detailing the dollars and positions in the operating budgets that are described in Volume 2.

Capital Appendices (Volume 5) - Describes the proposed six-year capital improvement plan for all of the District's agencies (excluding the Highway Trust Fund).

Highway Trust Fund (Volume 6) - Describes the District's Highway Trust Fund, which is the main funding source for the 6-year capital improvement plan of transportation projects. These funds are administered by the District Department of Transportation.

Note: In some cases, financial information, including Full-Time Equivalent (FTE) information, will not sum to totals due to rounding

Executive Summary

Introduction: FY 2008 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 2008.

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, strategic business planning, and service-level budgeting. In the FY 2008 proposed budget, 70 agency budgets are presented as PBB agencies. 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 2008-2011. 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 certified by the Office of the Chief Financial Officer (OCFO). It also addresses the District's revenue sources, its economy, and the outlook for revenue through FY 2011.

Operating Expenditures

This chapter describes the District's recent local expenditures and future projections. It includes analysis of expenditures between FY 2004 and 2006, along with FY 2007 approved budget and FY 2008 proposed budget, both by agency and by expense category such as personnel, supplies, or fixed costs.

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 District's grant match and maintenance of effort contributions;
- 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 codifies the District's budget request into law.

Agency Budget Chapters

Agency chapters illustrate available resources, what the resources are spent on, and the outcomes achieved and anticipated as a result of these expenditures. Chapters are grouped by appropriation title and contain the following sections:

Header Information

- Agency name and budget code;
- Website address ;
- Contact telephone number; and
- FY 2008 proposed operating budget table

Introduction

- Agency mission;
- Fast Facts; and
- Strategic result goals.

Financial and Program Information (FTE employment levels)

- Funding by Source
- Expenditure by Comptroller Source Group
- Expenditure by Program (PBB agencies)
 - Program Structure chart;
 - Comparison between FY 2007 and FY 2008 budget dollars and FTEs;
 - Program and activity descriptions;
 - Program budget summary;
 - Key initiatives in agency (if available); and
 - Key result measures.
- Expenditure (non-PBB agencies)
 - Budget summary of dollars and FTEs;
 - Organization chart;
 - Program descriptions;
 - Key initiatives in agency (if available); and
 - Agency goals and performance measures

Changes from the previous year include:

- Continued rolling implementation of Performance-Based Budgeting means that the year of implementation will affect the amount of performance information presented for an

agency. Both actual performance results (where available) and future year targets are provided. Please keep in mind the following:

- Non-PBB agencies - Performance data for FY 2005 through 2009;
- PBB Phase I agencies - Performance data for FY 2005 through 2009;
- PBB Phase II agencies - Performance data for FY 2006 through 2009;
- PBB Phase III agencies - Performance data for FY 2007 through 2009; and
- PBB Phase IV agencies - Performance data for FY 2008 and 2009.

- Each performance measure will have one of the following notations:
 - N/A - Measure did not exist for that year;
 - Number - Measure did exist and data is available for that year; and
 - Dash - Measure did exist for that year, but no data is available.
- The Agency Financial Operations program will include the cost of OCFO personnel and the cost of OCFO Nonpersonal Services (NPS) contracts in certain PBB agencies. There are no performance measures associated with this program within individual agencies.

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 follows the PBB format. Callout boxes highlight the features discussed above.

Operating Appendices

These two volumes provide supporting tables to each agency's proposed operating budget. The tables generally included FY 2006 actual expenditures, FY 2007 approved budgets, FY 2008 proposed budget, and the change from FY 2007 to FY 2008 (unless noted).

Agencies that have been converted to a performance-based budgeting format have the following tables:

- Schedule 30-PBB - Dollars summarized by program, activity, and governmental fund (governmental fund breakout is for FY 2008 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 2008 proposed budget only).

Agencies that have not been converted to a PBB format have the following tables:

- Schedule 30 - Dollars summarized by control center, responsibility center, and governmental fund (governmental fund breakout is for FY 2008 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 2008 proposed budget only).

Capital Appendices

This volume covers the District's FY 2008-FY 2013 Capital Improvements Plan (CIP), excluding the Highway Trust Fund. The introductory chapter describes the overall CIP including the sources and uses of capital funds, the District's policies and procedures for its capital budget and debt, the FY

2008 planning process, and an overview of the District of Columbia's Water and Sewer Authority's FY 2008-FY 2013 CIP.

The next section, the project description forms, make up the bulk 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 2008 through 2013, description, annual operating impact, milestone data, and location on a map.

The last section, the appendices, provides supporting tables about the District's capital budget.

- The FY 2008 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);
- The FY 2008-FY 2013 Planned Expenditures From New Allotments table summarizes the new allotments' planned FY 2008-FY 2013 expenditures by agency, project, and subproject;
- The FY 2008-FY 2013 Planned Funding table summarizes the FY 2008 and six-year funding sources for all new allotments by agency, subproject, and funding source; and,
- 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).

Highway Trust Fund

This volume covers the District's FY 2008-FY 2013 Highway Trust Fund. The introductory chapter describes the Highway Trust Fund and Local Streets Maintenance Fund program, including the sources and uses of the funds, the District's policies and procedures for the trust fund, and the FY 2008 planning process.

The next section, the project description forms, make up the bulk of the Highway Trust

Fund volume. Each page shows one subproject's planned allotments for fiscal years 2008 through 2013, 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

(UCO)

Office of Unified Communications

Agency name

www.ouc.dc.gov
Telephone: 202-730-0524

Agency Website address

Description	FY 2006 Actual	FY 2007 Approved	FY 2008 Proposed	% Change from FY 2007
Operating Budget	\$30,994,204	\$36,981,775	\$53,481,483	44.6
FTEs	317.0	384.0	398.0	3.6

The mission of the Office of Unified Communications (OUC) is to provide a fast, professional, and cost-effective response to emergency and non-emergency calls in the District. The agency maintains the city's public safety technical services for residents and visitors. The agency provides emergency services...

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

This describes the agency's mission and purpose.

This shows the agency's FY 2006 actual expenditures, FY 2007 approved budget, the FY 2008 proposed budget and the variance from FY 2007 to FY 2008 This includes the agency's operating budget and FTEs.

The Office of Unified Communications began operations on October 1, 2004 and consolidated the Emergency (911) and non-Emergency (311 and 727-1000) call activities for the District's Fire and Emergency Medical Services Department (FEMS), Metropolitan Police Department (MPD), and Customer Service Operations. The OUC relocated to the new Unified Communications Center building late in FY 2006. The new facility was constructed through a capital budget project. The McMillan Drive facility has been retained as a backup site.

How the agency plans to accomplish its mission within two to three years.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Develop a well-trained, professional organization.
 - Answer 911 calls within 5 seconds.
 - Answer 311 calls within 11 seconds.
 - Answer 727-1000 calls in 2.5 minutes or less.

- Reduce the number of abandoned calls to 1000 calls that are abandoned.
- Ensure emergency calls are dispatched to the correct location.
- Provide a fast and accurate response to emergency and non-emergency calls.
- Maintain a call-queue time for and priority one police calls of 60 seconds or less.
- Maintain a dispatch-queue for all Fire/EMS calls of 60 seconds or less.
- Answer 727-1000 calls before they reach the queue.
- Maintain an average handling time for all 727-1000 calls at 130 seconds or less.
- Increase the percentage of active call-takers who are trained as Universal Call Takers.

- Increase the percentage of call-takers who are bilingual.
- Achieve 100 percent compliance with the required accreditation standards set by the Commission on Accreditation for Law Enforcement Agencies (CALEA) in FY 2007 and achieve accreditation in FY 2008.
- Ensure that 97.5 percent of Citywide Call Center operators provide customer service that is rated good or excellent in courtesy, knowledge, etiquette, and overall impression.
- Maintain failsafe public safety technical infrastructure.
 - Ensure proper functioning of Automatic Vehicle Locators (AVL).
 - Ensure operability of Computer-Aided Dispatch (CAD).
 - Ensure operability of Land Mobile Radios (LMR).
 - Ensure proper replacement of 911/311 equipment.
 - Ensure customer service and accountability.
 - Provide customer service to all 727-1000 calls that is rated as good or excellent in courtesy, knowledge, etiquette, and overall impression.
 - Provide responses to constituent issues entered into the IQ system within two weeks.

Fast Facts provides key information about an agency concerning its mission, statistics, and benchmarks.

about 911

Fast Facts...

- The Office of Unified Communications ensures that the District's 575,000 residents, 500,000 daily commuters, and 26 million yearly visitors have access to emergency and non-emergency city services.
- The new Unified Communications Center (UCC) opened in September 2006. The UCC, which is located in Ward 8, has received positive reviews from a diverse group of visitors that have toured the building. The McMillan Drive facility has been retained as a fully operational backup site.
- In FY 2008, the OUC will merge 727-1000 into 311, a 24/7/365 operation.
- In FY 2008, other District Call Centers will be consolidated into the agency.
- 3 million calls are handled annually, including 1 million each for 911, 311, and the Mayor's City wide Call Center.
- 97.7 percent of 911 calls are answered between 0-5 seconds.
- 97.9 percent of 311 calls are answered between 0-11 seconds.
- The average pick-up time per call is 1 second.
- The total number of annual Radio Calls/Dispatch is 9 million.
- In FY 2008, the Office of Unified Communications will support a total of 9,600 radios using 11 radio sites/towers for 22 District government agencies.
 - 40 percent of these radios are at the end of the life cycle and require replacement.
 - Current radio infrastructure equipment is 4 years old, runs 24/7 and handles 9 million annual radio calls.
 - The FY 2008 proposed budget will invest \$7 million in radio equipment and infrastructure, and \$7.15 million to maintain IT equipment and systems.

Funding by Source

Tables UC0-1 and 2 show the sources of funds and full-time equivalents (FTEs) by fund type for the Office of Unified Communications.

Table UC0-1
FY 2008 Proposed Operating Budget, by Revenue Type
 (dollars in thousands)

Appropriated Fund	Actual FY 2005	Actual FY 2006	Approved FY 2007	Proposed FY 2008	Change from FY 2007	Percent Change*
General Fund						
Local Funds	8,325	12,228	19,958			
Special Purpose Revenue Funds	15,917	16,319	13,023			
Total for General Fund	24,242	28,547	36,982			
Intra-District Funds						
Intra-District Funds	2,403	2,447	0			
Total for Intra-District Funds	2,403	2,447	0			
Gross Funds	26,645	30,994	36,982			

*Percent Change is based on whole dollars.

Presents the agency's total operating budget from each funding source (from Local revenue, Special Purpose Revenue, Federal Payments, Federal grants, Medicaid, Private grants, and Intra-District sources). Shown is a comparison of the FY 2005 actual, FY 2006 actual, FY 2007 approved, and FY 2008 proposed budgets.

Table UC0-2
FY 2008 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2005	Actual FY 2006	Approved FY 2007	Proposed FY 2008	Change from FY 2007
General Fund					
Local Funds	671	135.0	176.0	168.0	
Special Purpose Revenue Funds	226.9	181.0	208.0	211.0	
Total for General Fund	294.0	316.0	384.0	379.0	
Intra-District Funds					
Intra-District Funds	0.0	1.0	0.0	19.0	
Total for Intra-District Funds	0.0	1.0	0.0	19.0	
Gross Funds	294.0	317.0	384.0	398.0	

*Percent Change is based on whole dollars.

Local Funds
 Describes Local dollars or non-dedicated general fund dollars associated with the agency and the FTEs supported by the fund. Local dollars consist of tax and nontax revenues that are not earmarked for particular purposes and are allocated to fund District programs.

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

Gross Funds

The agency's proposed budget is \$53,481,483, representing an increase of \$16,499,708, or 44.6 percent over the FY 2007 approved budget of \$36,981,775. This funding supports 398.0 FTEs, an increase of 14.0 FTEs, or 3.6 percent over the FY 2007 approved level.

General Fund

Local Funds. The agency's proposed budget is \$18,795,605, a decrease of \$1,162,724, or 5.8 percent from the FY 2007 approved budget of \$19,958,329. This funding supports 168.0 FTEs, a decrease of 8.0 FTEs, or 4.5 percent from the FY 2007 approved level.

Changes from the FY 2007 approved budget include:

Mayoral Policy Initiatives

- **Transfer-In**
 - An increase of \$988,111 and 18.0 FTEs associated with the transfer of the Department of Motor Vehicles call-center operations into the OUC.

- An increase of \$408,234 and 1.0 FTE associated with the transfer of Customer Service Operations into the OUC.

Note: For a breakdown of each individual intra-District agreement that in total comprises this fund type, please refer to Schedule 80, Agency Summary by Revenue Source, in the Operating Appendices volume.

Lists the agency's total operating expenditures for FY 2005 , FY 2006 FY 2007 approved budget, and FY 2008 proposed budget at the Comptroller Source Group level.

Expenditure by Comptroller Source Group

Table UC0-3 shows the FY 2008 proposed budget for the agency at the Comptroller Source Group level (Object Class level)

Table UC0-3

FY 2008 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2005	Actual FY 2006	Approved FY 2007	Proposed FY 2008	Change from FY 2007	Percent Change*
11 Regular Pay - Cont. Full Time	11,873	13,259	18,794	19,420	626	3.3
12 Regular Pay - Other	565	987	0	1,887	1,887	N/A
13 Additional Gross Pay	1,139	1,431	794	794	0	0.0
14 Fringe Benefits - Curr Personnel	2,859	3,292	3,340	3,932	592	17.7
15 Overtime Pay	1,340	2,109	1,532	1,529	-3	-0.2
Subtotal Personal Services (PS)	17,775	21,077	24,460	27,561	3,101	12.7
20 Supplies and Materials	199	209	257	214	-43	-16.6
30 Energy, Comm. and Bldg Rentals	232	562	1,563	1,580	17	1.1
31 Telephone, Telegraph, Telegram, Etc	0	399	2,572	2,064	-508	-19.8
32 Rentals - Land and Structures	0	0	1,326	0	-1,326	-100.0
33 Janitorial Services	182	159	424	441	17	4.0
34 Security Services	673	1,190	1,243	803	-440	-35.4
35 Occupancy Fixed Costs	26	598	180	1,079	899	499.5
40 Other Services and Charges	4,079	3,797	2,186	12,402	10,216	467.4
41 Contractual Services - Other	1,898	2,104	2,152	2,453	301	14.0
70 Equipment & Equipment Rental	1,582	900	619	4,885	4,265	688.7
Subtotal Nonpersonal Services (NPS)	8,870	9,917	12,522	25,921	13,399	107.0
Total Proposed Operating Budget	26,645	30,994	36,982	53,481	16,500	44.6

*Percent Change is based on whole dollars.

Special Purpose Revenue Funds
This funding for associated charges for services that are retained by the agency to cover the cost of the service provided, such as refuse collection fees.

Baseline Adjustments
Describes adjustments to the agency's FY 2008 proposed budget compared to the FY 2007 approved budget.

The baseline adjustments listed below are primarily associated with the reallocation of projected costs from Local funds to Special Purpose Revenue Funds. This allocation is supported by a 911 assessment fee for all Centrex lines, from \$0.76, respectively, to \$1.55. The increase primarily supports equipment and infrastructure other programmatic costs.

Changes from the FY 2007 approved budget include:

Baseline Adjustments

- A decrease of \$671,700 in personal services costs primarily associated with the reduction of 21.0 FTEs. The decrease of FTEs also includes the reallocation of 3.0 FTEs from Local funds to Special Purpose Revenue funds;
- A decrease of \$65,145 in equipment;
- A decrease of \$32,474 in contractual services costs that were reallocated to the Special Purpose fund;
- A decrease of \$26,500 in supplies costs that were reallocated to the Special Purpose fund;
- A net increase of \$18,381 in Other Services

Describes increases, decreases and transfers that are a direct result of the Mayor's policy decisions and initiatives.

increase of \$1,240,625 in includes increases of \$17,126 in Energy, \$13 in Rent, \$508,096 in Security Services, and \$439,952 in

Mayor's Policy Initiatives

- Transfer-In
 - An increase of \$405,464 and 3.0 FTEs associated with the transfer of Customer Service Operations into the OUC.
 - An increase of \$550,000 and 10.0 FTEs associated with the transfer of the 211 service into the OUC.
- A decrease of \$100,125 in Occupancy costs for the vacant 300 McMillan Drive facility.

Special Purpose Revenue Funds. The proposed budget is \$33,289,533, an increase of \$16,266,087, or 95.6 percent over the FY 2007 approved budget of \$17,023,446. This funding supports 211.0 FTEs, an increase of 3.0 FTEs, or 1.4 percent over the FY 2007 approved level.

The proposed Special Purpose Revenue budget includes an increase in the 911/311 assessment fee for wireless/exchange lines and Centrex lines, from \$0.76 and \$0.62 respectively, to \$1.55. The increase primarily supports equipment and infrastructure requirements and other programmatic costs.

Changes from the FY 2007 approved budget include:

- An increase in Other Services and Charges costs of \$10,042,589 primarily related to IT and Radio programmatic requirements;
- An increase of \$4,305,933 in equipment costs which are primarily related to IT and Radio programmatic requirements;
- An increase of \$1,970,645 in personal services for projected step increases, approved pay raises for union employees, and associated benefits. This increase includes the projected FY 2008 salaries and benefits for 3.0 FTEs reallocated from Local funds;
- A decrease of \$35,848 in supplies; and
- decrease of \$17,232 in contractual services.

Note: For a breakdown of each individual special purpose revenue fund that in total comprises this fund type, please refer to Schedule 80, Agency Summary by Revenue Source, in the Operating Appendices volume.

Intra-District Funds

The proposed budget is \$1,396,345, an increase of \$1,396,345 over the FY 2007 approved budget of \$0. This funding supports 19.0 FTEs, an increase of 19.0 FTEs, over the FY 2007 approved level.

Intra-District Funds
Depicts funding for services between District agencies.

Expenditure by Program

Table UC0-4 shows the FY 2008 proposed budget and FTEs by program and activity for the Office of Unit Communications.

Table UC0-4

FY 2008 Proposed Operating Budget and FTEs, by Program and Activity

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2006	Approved FY 2007	Proposed FY 2008	Change from FY 2007	Actual FY 2006	Approved FY 2007	Proposed FY 2008	Change from FY 2007
No Activity Assigned	2,425	0	0	0	0.0	0.0	0.0	0
Subtotal: No Program Assigned	2,425	0	0	0	0.0	0.0	0.0	0
Agency Management Program (1000)								
Personnel (1010)	0	195	474	278	0.0	3.0	4.0	1
Training (1015)	0	20	20	0				
Property Management (1030)	0	50	50	0				
Information Technology (1040)	0	1,302	9,505	8,202				
Financial Services (1050)	0	7,307	6,007	-1,300				
Language Access (1087)	0	936	633	-303				
Performance Management (1090)	0	626	1,030	405				
AMP (1100)	3,365	0	0	0	11.0	0.0	0.0	0
Subtotal: Agency Management Program (1000)	3,365	10,437	17,720	7,283	11.0	34.0	36.0	2
Agency Financial Operations (100F)								
Budget Operations (110F)	0	118	130	12	0.0	1.0	1.0	0
Accounting Operations (120F)	0	50	50	0	0.0	0.0	0.0	0
Subtotal: Agency Financial Operations (100F)	0	168	180	12	0.0	1.0	1.0	0
Emergency/Non-Emergency Operations (2000)								
911/311 Operations (2010)	0	20,919	20,575	-343	0.0	288.0	266.0	-22
Citywide Call Center (2020)	0	1,564	1,765	201	0.0	30.0	30.0	0
Radio Network (2030)	0	2,629	9,784	7,155	0.0	15.0	17.0	2
Quality Assurance (2040)	0	1,266	1,106	-159	0.0	16.0	16.0	0
911/311 (2100)	23,749	0	0	0	278.0	0.0	0.0	0
Subtotal: Emergency/Non-Emergency Ops. (2000)	23,749	26,377	33,230	6,853	278.0	349.0	329.0	-20
Mayor's Call Center (3000)								
Mayor's Call Center (3010)	1,455	0	0	0	28.0	0.0	0.0	0
Subtotal: Mayor's Citywide Call Center (3000)	1,455	0	0	0	28.0	0.0	0.0	0
Customer Service Operations (4000)								
Customer Service Operations (4010)	0	0	814	814	0.0	0.0	4.0	4
DMV Call Center (4020)	0	0	988	988	0.0	0.0	18.0	18
211 Operations (4030)	0	0	550	550	0.0	0.0	10.0	10
Subtotal: Customer Operations (4000)	0	0	2,352	2,352	0.0	0.0	32.0	32
Total Proposed Operating Budget	30,994	36,982	53,481	16,500	317.0	384.0	398.0	14

This provides an overall budgeted funding level and number of approved full-time equivalent employees (FTEs) for FY 2007 and FY 2008 for specific programs (PBB only).

(Change is calculated by whole numbers and numbers may not add up due to rounding)ase 5 agency.

Performance-Based Program Budgeting

The Office of Unified Communications operates through the following 4 programs:

Emergency/Non-Emergency Operations Program

	FY 2007	FY 2008	Change	
			Amt.	%
Budget	\$26,377,044	\$33,230,318	\$6,853,274	26.0
FTEs	349.0	329.0	-20.0	-5.7

Program Description

The Emergency/Non-Emergency Operations program centralizes the customer service functions and activities of the District government's 911, 311, and 727-1000 systems, and other facilities for emergency, non-emergency, and citizen calls for service. OUC is also responsible for the operation and maintenance of the District government's radio technology and call center technology.

This program contains the following 4 activities described as follows:

- 911/311 - provides emergency and non-emergency call taking and dispatching;
- Mayor's Citywide Call Center - provides a "One Stop" service for constituents, residents, and visitors in their search for District government services, numbers, and information;
- Technical Institute - provides support for the maintenance of the District's public safety radio communications, including 11 Technical Institute sites and 4 radio towers; and

Agency Financial Operations Program identifies the costs associated with all positions that report to the Chief Financial Officer for the District of Columbia.

Programs (PBB Agencies)

Shows the agency's program gross funding and full-time equivalent (FTE) positions, and a brief description of the program and significant activities and services.

Program 1: Emergency/Non-Emergency Operations (911/311)

Manager(s): Kenneth Mallory

Supervisor(s): Janice Quintana, Director

Measure 1.1: Percent of 911 calls answered within 5 seconds

	Fiscal Year				
	2005	2006	2007	2008	2009
Target	90	95	97.5	97.5	97.5
Actual	94.1	96			

Measure 1.2: Percent of 311 calls answered within 5 seconds

	Fiscal Year				
	2005	2006	2007	2008	2009
Target	90	95	97.5	97.5	97.5
Actual	95	96.6			

Measure 1.3: Percent of 911 calls (wireline and wireless) abandoned

	Fiscal Year				
	2005	2006	2007	2008	2009
Target	6	5	4	4	3
Actual	2.8	2.98	-	-	-

Measure 1.4: Percent of all calls for Fire/EMS operations and Priority One Police operations received by call-takers, processed and sent to the radio dispatcher within 60 seconds or less (call to queue)

	Fiscal Year				
	2005	2006	2007	2008	2009
Target	N/A	5.0	60	60	65
Actual	N/A	34.1	-	-	-

Note: New measure for FY 2006 (5/11/06).

Measure 1.5: Percent of Priority One calls for police operations, received by dispatchers and dispatched to a responding unit within 60 seconds or less (queue to dispatch)

	Fiscal Year				
	2005	2006	2007	2008	2009
Target	N/A	50	70	80	80
Actual	N/A	49	-	-	-

Note: New measure for FY 2006 (5/11/06).

Key Results Measures Shows programs' outcome-based performance measures with prior years' actuals, current year targets, and future year targets.

Introduction

Introduction to the FY 2008 Budget and Financial Plan

The District of Columbia government is unique and extremely complex.

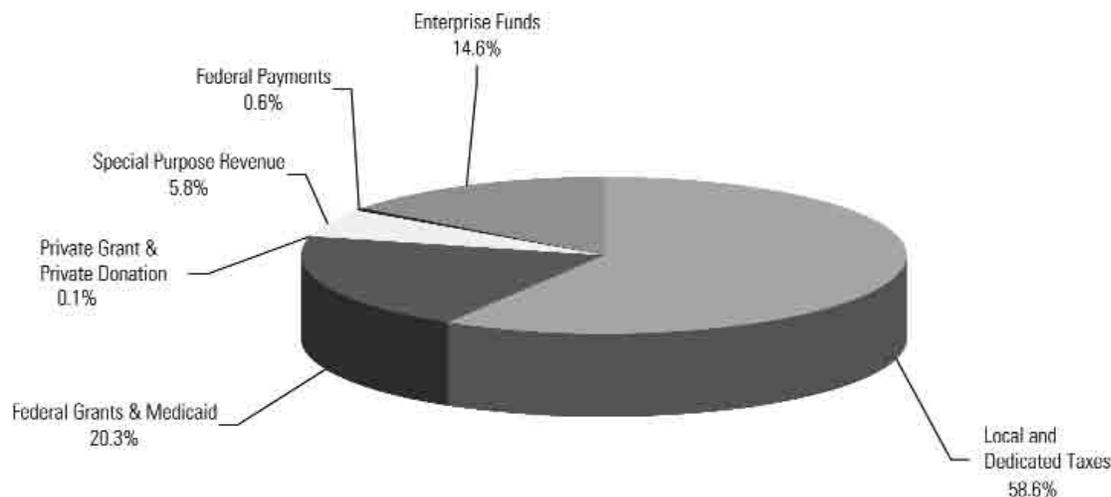
As one entity, the District government provides services typically delivered elsewhere by states, counties, cities, and special taxing districts. The challenge for the District is to navigate this jurisdictional complexity while facing variable revenues and increasing service needs. Totalling \$9.8 billion, the expenditure budget in the FY 2008 Proposed Budget and Financial Plan is \$651 million, or 7.1 percent, more than the FY 2007 approved budget of \$9.2 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

Chart 1-1

Where the Money Comes From - Sources of Gross Funds FY 2008 \$9.9 Billion



planning and departmental business planning. In addition to these basic elements, the proposed budget includes a financial forecast for the Mayor and the District Council's policy priorities and detailed cost information for agency programs and activities.

Significant Changes Included in the District's budget plan

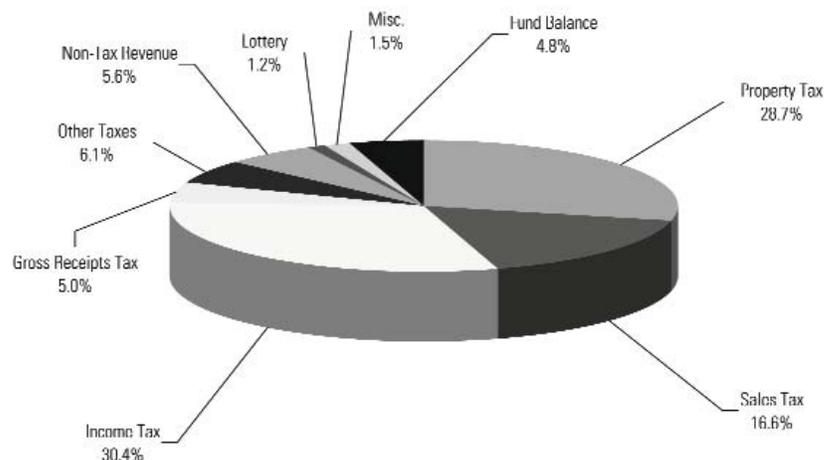
The District's FY 2008 Proposed Budget includes a number of agency reorganizations and program shifts. These changes are being made to improve services and accountability and meet strategic business goals. They include the following:

- Community Outreach, Community Affairs, the Office on African Affairs, the Commission on Women, and the Office of Lesbian, Gay, Bisexual and Transgender Affairs are all transferring from the Office of the Mayor to the new agency Office of Community Affairs.
- The Commission for National and Community Affairs (ServDC) is transferring from the Office of the Mayor to the new agency Serve D.C.

- The Labor Management program within the Office of the Mayor is transferring to the Office of the City Administrator.
- The Neighborhood Services program within the Office of the City Administrator is transferring to the new agency Office of Community Affairs.
- The Youth Advisory Council within the Department of Employment Services is transferring to the new agency Office of Community Affairs.
- The Office of Ex-Offender Affairs within the Department of Employment Services is transferring to the new agency Office of Community Affairs.
- The Office of Justice Grants Administration within the Office of the City Administrator is transferring to the new agency Office of Justice Grants Administration.
- The Office of Victim Services program within the Office of the City Administrator is transferring to the new agency Office of Victim Services.
- The Tenant Advocate program and the Condo Conversion Fund within the Department of Consumer and Regulatory Affairs are transferring to the new agency, Office of Tenant Advocate.

Chart 1-2

**Where the Money Comes From - Sources of Local Fund Revenue
FY 2008 \$5.8 Billion**



- The Rental Accommodations and Conversions, Rental Housing Commission and HRA Administrative Hearings programs are transferring from the Department of Consumer and Regulatory Affairs to the Department of Housing and Community Development.
- The Human Resources Development Fund (HD0) has been eliminated and all funding transferred to a new, separate program within the DC Department of Human Resources.
- The Deputy Mayor for Planning and Economic Development budget is increased to fund the cost of additional grants.
- The National Corporation Revitalization Corporation and the Anacostia Waterfront Corporation are to be dissolved and replaced by the newly created Economic Development Authority. Funds will move through the Non-Departmental agency during the process.
- The Anacostia Waterfront Corporation Subsidy has been eliminated and all funding allocated to other District agencies.
- The Office of Public Education Facilities Modernization was created and funded with Local funds.
- The Children Youth Investment Trust Fund will receive additional funding, primarily to be used for grants to the community.

Where the Money Comes From

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

Local tax revenue accounts for most of the money supporting services and includes such common sources as income, property, and sales taxes (Chart 1-2). Detailed revenue information, including historical trends, FY 2007 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 \$9.8 billion, the expenditure budget in the FY 2008 Proposed Budget and Financial Plan is \$651 million, or 7.1 percent, more than the FY 2007 approved budget of \$9.2 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 2008 proposed gross funds expenditures budget by appropriation title and their change from FY 2007. Chart 1-3 shows the percentage distribution of FY 2008 gross expenditure by appropriation title.

The proposed Local funds budget including dedicated taxes for FY 2008 is \$5.8 billion, \$671 million or 13.2 percent more than the FY 2007 approved budget of \$5.1 billion. Table 1-2 shows the FY 2008 proposed Local funds expenditures budget by appropriation title and their change from FY 2007.

As shown in Chart 1-4, the proposed Local funds budget including dedicated taxes represents 58.6 percent of the proposed gross funds budget. As shown in Chart 1-3, the largest appropriation titles, Public Education System and Human Support Services, represent 47.2 percent of the Local funds proposed budget - meaning almost one-half of every dollar generated locally is directed to just these two areas.

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 2008 proposed local budget includes approximately 130 agencies dispersed across 8 appropriation titles.

Table 1-1

Gross Funds Expenditure Budget, by Appropriation Title (Excludes Intra-District Funds and Housing Finance (Agency HF0))

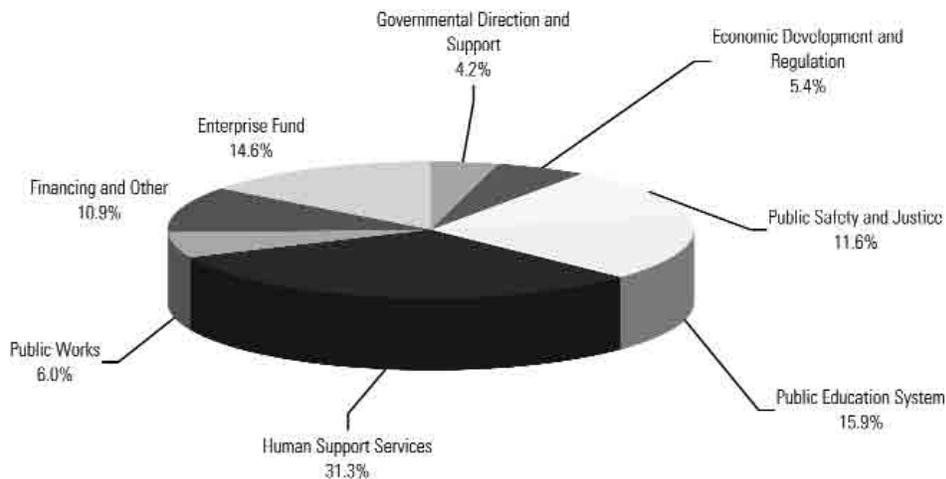
(Dollars in Thousands)

	FY 2007 Approved Budget	FY 2008 Proposed Budget	Change from FY 2007	% Change from FY2007
Governmental Direction and Support	591,505	411,886	(179,619)	-30.4
Economic Development and Regulation	543,135	534,829	(8,306)	-1.5
Public Safety and Justice	950,680	1,143,925	193,245	20.3
Public Education System	1,473,941	1,559,469	85,528	5.8
Human Support Services	2,924,904	3,074,024	149,120	5.1
Public Works	425,698	593,711	168,013	39.5
Financing and Other	774,385	1,071,903	297,518	38.4
Subtotal, General Operating Funds	7,684,247	8,389,747	705,500	9.2
Enterprise and Other Funds	1,490,178	1,435,355	(54,823)	-3.7
Total District Government	9,174,425	9,825,102	650,677	7.1

Chart 1-3

Gross Funds Expenditure Budget, by Appropriation Title Total District Budget of \$9.8 Billion (Excludes Intra-District Funds and Housing Finance (Agency HF0))

(Dollars in Thousands)



To provide context as to the types of expenses for a particular program, information is presented by expense category. Table 1-3 shows the entire Local funds proposed budget by appropriation title, and shows their changes from FY 2007. Table 1-4 does the same by expense category. These same categories are used by all District agencies. Specific agency costs by expense category are included in the agency chapters.

One of the District's largest expense categories is personal services, totaling \$1.9 billion and representing 33.0 percent of the FY 2008 General Operating funds proposed budget. This funding will support 27,117 Local full-time equivalent (FTE) positions, an increase of 803 FTEs, or 3.1 percent, over FY 2007 (see Table 1-5). Including all fringe benefits, but excluding extra compensation like overtime and shift dif-

Table 1-2

Gross Funds Expenditure Budget, by Fund Source (Excludes Intra-District Fund and Housing Finance (Agency HF0))

(Dollars in Thousands)

	FY 2007 Approved Budget	FY 2008 Proposed Budget	Change from FY 2007	% Change from FY 2007
Federal Grants and Medicaid	2,001,521	1,997,640	(3,881)	-0.2
Federal Payments	64,064	62,400	(1,664)	-2.6
Local Fund and Dedicated Taxes	5,086,198	5,756,768	670,570	13.2
Private Grants and Donations	6,850	7,875	1,025	15.0
Special Purpose Revenue	525,614	565,064	39,449	7.5
Subtotal, General Operating Funds	7,684,247	8,389,747	705,500	9.2
Enterprise and Other Funds	1,490,178	1,435,355	(54,823)	-3.7
Total District Government	9,174,425	9,825,102	650,677	7.1

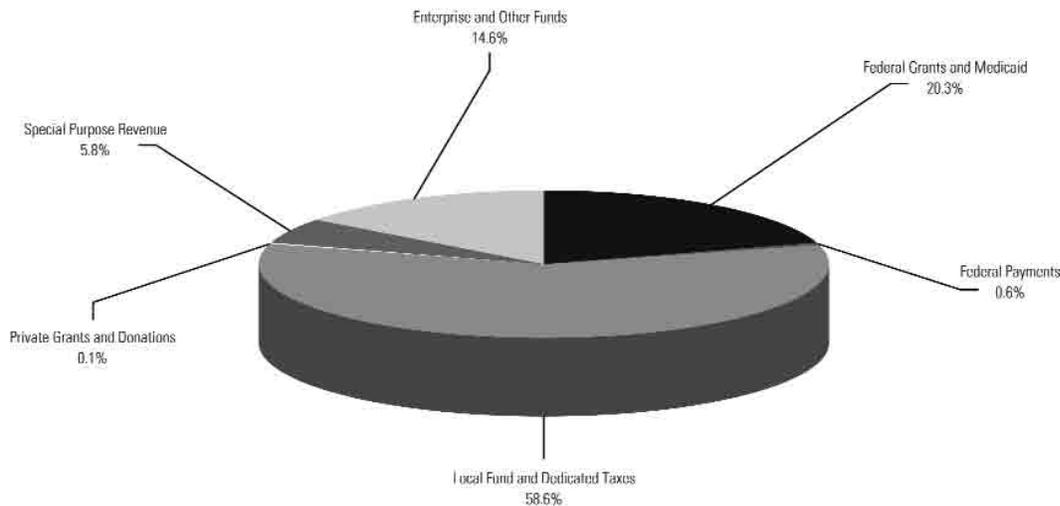
Chart 1-4

Gross Fund Expenditure Budget, by Fund Source

Total District Budget of \$9.8 Billion

(Excludes Intra-District Funds and Housing Finance Agency HF0)

(Dollars in Thousands)



ferential, the average Local FTE for FY 2008 will cost \$67,276.

The District's FY 2008 gross funds proposed budget includes 35,224 FTEs, an increase of 755 FTEs or 2.2 percent over FY 2007. Major gross funds FTE changes by agency are detailed in Table 1-6.

Performance-Based Budgets

In addition to these District-wide expenditure reports by appropriation title and category, we are also able to show the results associated with expenditures. As the District completes its transition to a performance-based budgeting (PBB) structure for all agencies, agency budgets now show the programs and activities they provide. In limited cases, service-level information can also

Table 1-3

Local Funds Expenditure Budget, by Appropriation Title (including Dedicated Taxes)

(Dollars in Thousands)

	FY 2007 Approved Budget	FY 2008 Proposed Budget	Change from FY 2007	% Change from FY 2007
Governmental Direction and Support	330,101	337,173	7,073	2.1
Economic Development and Regulation	194,207	241,755	47,548	24.5
Public Safety and Justice	888,003	963,108	75,105	8.5
Public Education System	1,203,492	1,261,690	58,198	4.8
Human Support Services	1,369,566	1,541,417	171,851	12.5
Public Works	351,396	409,248	57,851	16.5
Financing and Other	749,433	1,002,378	252,944	33.8
Total, General Operating Funds	5,086,198	5,756,768	670,570	13.2

Table 1-4

Local Funds Expenditure Budget, by Category (including Dedicated Taxes)

(Dollars in Thousands)

	FY 2007 Approved Budget	FY 2008 Proposed Budget	Change from FY 2007	% Change from FY 2007
Regular Pay - Cont Full Time	1,381,262	1,451,911	70,649	5.1
Regular Pay - Other	109,650	129,501	19,850	18.1
Additional Gross Pay	39,295	37,675	(1,620)	-4.1
Fringe Benefits - Curr Personnel	232,044	242,854	10,810	4.7
Overtime Pay	34,793	37,559	2,766	8.0
Personal Services Total	1,797,045	1,899,499	102,455	5.7
Supplies And Materials	50,426	57,419	6,993	13.9
Energy, Comm. And Bldg Rentals	76,872	77,761	889	1.2
Telephone, Telegraph, Telegram, Etc	34,165	35,905	1,740	5.1
Rentals - Land And Structures	85,319	105,828	20,508	24.0
Janitorial Services	4,696	4,405	(291)	-6.2
Security Services	28,045	26,445	(1,600)	-5.7
Occupancy Fixed Costs	12,049	11,627	(422)	-3.5
Other Services And Charges	149,942	145,130	(4,812)	-3.2
Contractual Services - Other	351,714	549,238	197,524	56.2
Subsidies And Transfers	1,929,999	2,189,319	259,320	13.4
Equipment & Equipment Rental	39,982	45,673	5,692	14.2
Debt Service	525,944	608,519	82,575	15.7
Non-personal Services Total	3,289,153	3,857,269	568,115	17.3
Grand Total	5,086,198	5,756,768	670,570	13.2

Table 1-5

Local Funds FTEs, by Appropriation Title (including Dedicated Taxes)

	FY 2006 Actual FTEs	FY 2007 Approved FTEs	FY 2008 Proposed FTEs	Change from FY 2007	% Change from FY 2007
Governmental Direction and Support	2,162	2,504	2,588	84	3.4
Economic Development and Regulation	461	543	508	-35	-6.4
Public Safety and Justice*	7,143	7,995	8,612	617	7.7
Public Education System	8,394	9,336	8,943	-393	-4.2
Human Support Services	4,162	4,317	4,633	316	7.3
Public Works	1,424	1,619	1,833	214	13.2
Financing and Other	0	0	0	0	N/A
Subtotal, General Operating Funds	23,746	26,314	27,117	803	3.1
Enterprise and Other Funds**	543	637	676	39	6.1
Total District Government	24,289	26,951	27,793	842	3.1

*Fire and Emergency Services FY 2006 Actual FTEs reflect a lower number in the appendices of 229 FTEs, due to omissions not detected before books were sent to print.

**University of the District of Columbia and Housing Production Fund

be provided. More information about performance-based budgeting is available in the Strategic Budgeting chapter.

Organization of the FY 2008 Budget and Financial Plan

The FY 2008 Budget and Financial Plan is composed of the following volumes

- Volume I - Executive Summary
- Volume IIA and IIB - Agency Budget Chapters - This provides all summary information regarding the District's proposed budget.
- Volumes III and IV - Operating Appendices - This provides detailed information about operating funds by agency.
- Volume V - FY 2008-FY 2013 Capital Appendices - This provides detailed information about capital projects and spending by agency.
- FY 2008 Citizens' Guide to the Budget
- Special Studies

Additional details about the organization of the District's FY 2008 budget and financial plan may be found in the How to Read the Budget and Financial Plan chapter.

The FY 2008 Budget Calendar

The FY 2008 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 1-7.

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. Using the estimates of the Chief Financial Officer, the Mayor submits a budget to the Council for approval. Once approved, it is transmitted to Congress, which appropriates the funds.

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

Table 1-6

Major Gross Funds FTE Changes

Agency Name	Increase (Decrease)	Explanation of Major FTE Changes
D.C. Office of Human Resources (BEO)	62	Intra-District increases in FTEs
Office of the Chief Technology Officer (TOO)	107	Operating cost of capital FTEs
Office of Property Management (AM0)	56	Intra-District additional police officers for PSD
Office of the Attorney General of D.C. (CBO)	50	Restore eliminated positions and new FTEs
Office of the Mayor (AA0)	(32)	Transfer out as part of Mayoral reorganization
Office of the City Administrator (AA0)	(32)	Transfer out as part of Mayoral reorganization
Office of Community Affairs (RPO)	36	New agency as part of Mayoral reorganization
Other Agencies	16	
Total Governmental Direction and Support	260	
Department of Housing and Community Dev. (DB0)	36	Mainly new functions transferred in from Department of Consumer and Regulatory Affairs
Department of Employment Services (CFO)	32	Annualization of FY 2007 approved positions
Other Agencies	17	
Total Economic Development and Regulation	85	
Metropolitan Police Department (FA0)	413	Additional Police Officers
Other agencies	98	
Total Public Safety and Justice	511	
District of Columbia Public Schools (GA0)	(498)	New method for counting part-time FTEs for Special Ed Transportation
Office of Public Education Facilities (GMO)	35	District Council established new agency
D.C. Public Library (CEO)	41	Expanded Hours and Services
Other Agencies	18	
Total Public Education System	(404)	
Department of Human Services (JA0)	(536)	Primarily due to transfer to newly created agency Department on Disability Services
Department of Mental Health	100	Primarily due to meeting compliance with the U.S. Department of Justice national standards of care
D.C. Energy Office	(54)	Transferred to DDOE Per Law
Department on Disability Services	484	Transfer of Mental Retardation and Developmental Disabilities Administration and Rehabilitation Services Agency FTEs from DHS
Other agencies	0	
Total Human Support Services	(6)	
Department of Public Works	76	Shifted-out traffic controllers; Leaf and Littering
Department of Transportation	126	Transferred-in crossing guards from MPD and traffic controllers from DPW
Department of the Environment	106	Transfer from Energy and Program Expansion
Other Agencies	(24)	
Total Public Works	284	
Total Financing and Other	0	
Total General Operating Funds	730	
Enterprise and Other Funds	25	
GRAND TOTAL, District Government	755	

Table 1-7

How and When the Budget is Prepared

Neighborhood Planning

Every other year	Beginning in the summer of 2000, the Office of Neighborhood Action initiated strategic planning in the 39 area clusters (neighborhoods) of the District. The result of these Strategic Neighborhood Action Plans (SNAPs) provide invaluable information and insight to the priorities of the various neighborhoods of the District.
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Budget Guidance

August - October 2006	The FY 2008 budget process began with the Office of Budget and Planning creating guidelines on how agencies should prepare the agency budget submissions.
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Citizen Summit

Every other year	On November 15, 2005, the Mayor hosted Citizen Summit III at the new Washington Convention Center to seek citizen advice on the draft Citywide Strategic Plan.
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Agency Budget Request Development

November - December 2006	Taking into consideration the draft citywide strategic plan, the SNAPs, and following the budget guidance from OBP, agencies developed their FY 2008 budget requests and program enhancements.
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Budget Analysis

December 2006 - January 2007	OBP reviewed agency budget requests for adherence to guidelines, identified opportunities for efficiencies and incorporated revised economic data.
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Budget Presentation

January - March 2007	OBP provided the Mayor with the baseline budget and program enhancements requested by the agencies. Final budget priorities were determined, and the FY 2008 proposed budget was finalized for submission to the Council on March 23, 2007.
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Budget Consensus Process

The consensus process is the period when the Council, citizens, interested parties and the Mayor come to agreement on FY 2008 spending priorities. The District is legislatively required to develop and adopt a balanced budget.

March - April 2007	Public hearings on the FY 2008 proposed budget
April 2007	Council begins revising, or marking up, the Mayor's proposed budget
May 2007	Council approves the FY 2008 Budget and Financial Plan
June 2007	The FY 2008 Proposed Budget and Financial Plan is submitted to Congress

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.

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.

Strategic Budgeting

The strategic management process of the District continues to advance and evolve. City-wide adaptation of strategic business plans, key results measures (KRM's), and benchmarks are all indications of a maturing process. Balanced budgets and timely, clean Comprehensive Annual Financial Reports (CAFR) are now the norm. The recent implementation of the City-wide Accountability Program (CapStat) by the Mayor and his staff add yet another 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 (OFCO) 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. Performance-Based Budgeting (PBB) links spending to programs and activities, allowing results to be measured. This linkage enables public officials, program managers, and the public to

evaluate whether money is being spent wisely on a program that is meeting its goals or if the money could be better spent elsewhere.

- 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 traditional 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. The budget incorporates an agency's mission, major initiatives, and short and long-term goals with performance measures for the programs, activities and services that agencies provide. As new agencies are created and existing agencies restructured, the implementation of PBB will continue as appropriate. Table 2-1 lists the fiscal year and the agencies transitioned.

PERFORMANCE-BASED BUDGETING: CURRENT

As the PBB process becomes routine, we will see consistent, steady improvement. Organizational transformation is a multi-year process and these ongoing 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 that are administered via a governance process. 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.

Based on Mayoral guidance, agencies will revisit their strategic business plans and update them as needed to match city-wide needs and priorities. While performance measures should ideally remain constant to provide historical

Table 2-1

District PBB Phases of Implementation¹

FY 2003 - Phase I

Department of Public Works	Department of Transportation
Metropolitan Police Department	Department of Motor Vehicles
Fire and Emergency Medical Services Department	Department of Human Services
Office of the Chief Financial Officer	

FY 2004 - Phase II

Office of the Mayor	Office of the City Administrator
Office of Human Resources	Office of Contracting and Procurement
Office of the Chief Technology Officer	Office of Property Management
Department of Housing and Community Development	Office of the Deputy Mayor for Planning and Economic Development
Department of Employment Services	Department of Corrections
Department of Consumer and Regulatory Affairs	Office of Cable Television and Telecommunications
Department of Insurance, Securities, and Banking	Commission on the Arts and Humanities
D.C. Emergency Management Agency	Office of the Chief Medical Examiner
Department of Health	Office of Human Rights
Office on Aging	Department of Recreation and Parks
Department of Mental Health	Child and Family Services Agency
State Education Office	Office of the Attorney General
Office of Planning	

¹ Not all agencies represented in the District's budget will be transitioned to PBB. Those not transitioning to PBB are regional enterprises and/or enterprise funds that do not report to the Mayor and/or Council.

Table 2-1(continued)

District PBB Phases of Implementation**FY 2005 - Phase III**

Office of the Secretary	Customer Service Operations
D.C. National Guard	Corrections Information Council
Commission on Judicial Disabilities and Tenure	Office of Motion Picture and Television Development
Office of Police Complaints	Criminal Justice Coordinating Council
Judicial Nomination Commission	D.C. Energy Office
Office on Latino Affairs	Office of Veteran Affairs
Office of Asian and Pacific Islander Affairs	D.C. Taxicab Commission
D.C. Lottery and Charitable Games Control Board	D.C. Public Library
University of the District of Columbia	Office of the Peoples' Counsel
Public Service Commission	Department of Small and Local Business Development
Office of Zoning	Alcohol and Beverage Regulation Administration
Board of Real Property Assessments and Appeals	D.C. Sentencing Commission

FY 2006 - Phase IV

Advisory Neighborhood Commissions	Office of the D.C. Auditor
Contract Appeals Board	Board of Elections & Ethics
Office of Campaign Finance	Public Employee Relations Board
Office of Employee Appeals	Office of the Inspector General
Office of Administrative Hearings	D.C. Office of Risk Management
Office of Finance and Resource Management	

FY 2007 – Phase V

Department of Youth Rehabilitation Services	Office of Unified Communications
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FY 2007 – Phase VI

Department of the Environment	
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information, agencies have the opportunity to update their strategic goals, program, activities and services. These revisions may lead to updated or enhanced performance measures, as some agencies gain experience using the performance measures throughout the year as a management tool.

PBB Impact on Budget Development and Budget Execution

Moving to PBB blurs the 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. PBB 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.

² For a complete list, please see the glossary under Agency Management Program.

Performance-Based Budgeting also impacts budget execution. Because an agency's new 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 reductions based on policy priorities is not new. However, if structures are not in place to show the work performed, cuts 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 that

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

As part of the process for developing the FY 2005 proposed budget, the funding and FTE count for all OCFO FTEs assigned to the agencies were separated into a program called Agency Financial Operations (AFO). 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 20 services for which it requested service-level costing information. Service-level budgeting has value in that it allows for greater clarity and transparency in agency budgets, informing stakeholders about the operations of government. Table 2-2 identifies which activities are presented at the service level in FY 2008.

³ For more detail on the Agency Financial Operations program, please see the glossary.

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.

As part of the FY 2008 budget process, PBB agencies were asked to develop benchmarks at the program level. These benchmarks are included in the Special Studies chapter of the District's budget volumes.

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

Table 2-2

Service-Level Budgets for the FY 2008 Budget and Financial Plan

Metropolitan Police Department (FA0)	Fire and Emergency Medical Services (FB0)
Regional Field Operations	Fire/Rescue Operations
Investigative Field Operations	Special Operations
Special Field Operations	Homeland Security
Police Business Services	
Organizational Change	Office of the Attorney General (CB0)
Professional Responsibility	Child Support Enforcement
Security Operations	
Homeland Security & Counter Terrorism	

linked to the application. Links to published monthly financial reports and strategic business plans gives users the necessary information to effectively monitor their agencies.

Since its initial release upgrades to CFO\$ource have provided users with enhanced managerial tools. 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 2008 budget was created through the implementation of the budget web-forms application 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 web-forms budget application is the creation of a much improved position budgeting module, which should enhance position control across the District by more accurately forecasting future salary and benefit costs per employee. Use of the CFO\$ource application has expanded to about 800 users, to include members of the District Council.

City-wide Accountability Program (CapStat)

The Mayor has implemented the City-wide Accountability Program (CapStat), which supports daily management and long-term planning by using databases to track government performance. During weekly CapStat review sessions with the Mayor and the City

Administrator, all stakeholder agencies will review performance outcomes for selected service delivery areas with the purpose of improving efficiency and effectiveness.

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 3 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 2008 through FY 2011 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 2008 Budget and its impact on FY 2009 through FY 2011.

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. The annual deposits of sales tax revenue into the School Modernization fund are shown as expenditures (transfer out) so that the true level of revenue from taxes can be seen and, thus provides for greater transparency in the flow of funds from the School Modernization Fund.

3. Dedicated Taxes - This line includes taxes dedicated for the following funds: (a) the Neighborhood Investment Fund; (b) Comprehensive Housing Task Force Fund; (c) Housing Production Trust Fund (HPTF); (d) Nursing Facility Quality of Care Fund; and (e) Ball Park Fund.

a. 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 community revitalization development projects, including commercial, residential, and civic uses for 12 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. 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.

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 Housing Production Trust Fund 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.

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. FY 2007 includes \$49 million of revenues from the proceeds of the securitization of the Tobacco Settlement Funds allocated for the Community Access to Healthcare Program.

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. General Fund Revenues – This line reflects the sum of lines 1 through 6.

8. Effect of Tax Changes – This line shows the impact on tax revenues as a result of policy decisions made during the formulation of the FY 2007 budget.

9. Adjusted General Fund Revenues – This is the sum of lines 7 through 9.

10. 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.

11. Payment-in-Lieu-of-Taxes from WASA – This line represents payment-in-lieu-of-taxes (PILOT) made by the Water and Sewer Authority WASA) to the District. The revenues

are recorded on a gross basis (related expenditures are included in the expenditure section). The expenditures have been in the Department of Public Works.

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

13. 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.

14. 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.

15. NCRC and AWC shall cease 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 liabilities of both entities to the Mayor. Until final disposition by the District, the expenditure budgets of both entities are temporarily placed in the Non-Departmental account within the Financing and Other appropriation title. In prior years, both were classified as Enterprise Funds and were not included in the District’s five year Financial Plan. Consequently, there are no revenue and expenditure projections for the out years of the Financial Plan.

16. 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 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 16a in Table 3-2 shows the amount of fund balance used to help balance the

FY 2007 and FY 2008 operating budgets as a result of the Gross Sales Tax revenues dedicated to the School Modernization Program. Line 16c in FY 2008 equals \$210.8 million of proposed one-time expenditures. The \$210.8 million includes \$138.0 million of unreserved and undesignated local fund balance, \$29.9 million to be transferred to the Trust Fund for Other Post Employment Benefits (OPEB), \$20 million of a projected local operating surplus at the end of FY 2007, \$11.6 million of fund balance that was originally designated for OPEB but which will be used for general operating purposes, \$9 million of O-type fund balances that are to be shifted to local and \$2.3 million from miscellaneous residual reserves.

17. Revenue Proposals - This line reflects one-time revenues in FY 2008 and proposed revenue changes that are detailed in the Revenue chapter of this volume. Table 3-2 shows a number of policy proposals that would reduce local revenues by \$23.8 million. This includes a reduction of approximately \$12.7 million by providing tax relief in different forms including increasing homestead deductions, standard deductions, and personal exemptions. This line also includes a policy proposal for Small Business Commercial Property Tax Relief of \$11 million from FY 2008 in the form of rebates, refunds, credits or grants as will be determined by the Council. Table 3-4 shows various proposed special purpose initiatives estimated to produce \$83.4 million to result from consolidating the various revenue streams (rights-of-way fee, parking tax revenue, bus shelter advertising revenue, parking meter revenue and public space rental fee) into one Unified Fund for the Department of Transportation (DDOT). The DDOT Unified Fund will not result in new resources available to DDOT; however, it will shift some revenues from the Capital Fund to the General Fund.

18. Total General Fund Resources – This line shows the sum of the individual revenue and fund balance items presented in lines 2 through 17 above.

Expenditures

20. Expenditures (by Appropriation Title) – Lines 21 - 26 are agency expenditures. These items reflect agency expenditures by appropriation title.

27. 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 lines 27 and 28.

28. Cash Reserve (Budgeted Contingency) – The District is required to budget for a cash reserve of \$50 million each year, to provide budgetary stability in the absence of the budgeted reserve, which was eliminated after FY 2003.

29. Lease Purchase Costs – This line represents the District's Master Lease Program to acquire equipment, cars and other short-term assets.

30. Subtotal, Operating Expenditures - This line shows the sum of lines 21 through 29.

31. 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.

32. Paygo Capital – This line reflects a transfer to the capital fund to increase capital financing for FY 2007.

33. 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 beginning in FY 2008 in accordance with the Governmental Accounting Standards Board (GASB) ruling on the treatment of such costs.

34. Transfer to Enterprise Funds – This line 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.

35. Total General Fund Expenditures – This is the sum of lines 30 through 34.

36. Operating Margin, Budget Basis – This is the difference between Total General Fund Resources and Expenditures (line 18 minus line 35).

37. Line intentionally left blank.

Fund Balance, GAAP Adjustments and Transfers

38. 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.

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

40. 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.

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

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

43. Fund Balance Use. – The amount of prior-year fund balance that is used in the current year (line 16) must be subtracted when calculating the current year-end fund balance.

44. 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 38 through 43).

45. Line intentionally left blank.

46. Composition of Fund Balance

47. 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.

48. 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.

49. 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.

Table 3-1

FY 2008 - 2011 Proposed Budget and Financial Plan: GENERAL FUND

(\$ thousands)

	FY 2006 Actual	FY 2007 Approved	FY 2007 Adjusted	FY 2008 Proposed	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
1 Revenues							
2 Taxes	4,238,950	4,412,599 ^A	4,557,068	4,872,436	5,163,384	5,460,545	5,761,140
3 Dedicated Taxes	0	50,587	48,060	142,052	140,925	142,833	145,475
4 General Purpose Non-Tax Revenues	361,951	317,277	327,417	326,111	326,357	325,403	328,215
5 Special Purpose (O-type) Revenues	375,389	417,657	433,976	367,034	348,802	358,276	352,689
6 Transfer from Lottery	73,800	72,100	72,100	72,100	72,100	72,100	72,100
7 Sub-total General Fund Revenues	5,050,090	5,270,220	5,438,621	5,779,733	6,051,568	6,359,157	6,659,619
8 Effect of Tax Changes	0	(276)	0	0	0	0	0
9 Adjusted General Fund Revenues	5,050,090	5,269,944	5,438,621	5,779,733	6,051,568	6,359,157	6,659,619
10 Bond Proceeds for Issuance Costs	10,494	30,000	30,000	60,000	30,000	30,000	30,000
11 Payment-in-Lieu-of-Taxes from WASA	0	1,551	1,551	0	0	0	0
12 Transfer from Federal and Private Resources	0	6,502	6,502	6,646	6,794	6,958	7,133
13 Transfer from Enterprise Fund (HPTF) for Debt Service	0	6,000	0	12,000	12,000	12,000	12,000
14 Transfer from Capital Funds (Bus Shelter Revenue) for Debt Svc	0	2,091	2,091	9,714	19,312	19,310	19,311
15 Transfer In from AWC and NCRC for Economic Development Authority	0	0	0	55,646 ^B	0	0	0
16 Fund Balance Use	528,432	284,287	382,287	339,989	0	0	0
17 Revenue Proposals	0	113,268	181	59,564	58,004	56,322	54,733
18 Total General Fund Resources	5,589,016	5,713,643	5,861,233	6,323,292	6,177,678	6,483,747	6,782,796
19							
20 Expenditures (by Appropriation Title)							
21 Governmental Direction and Support	333,547	433,759	440,706	387,642	354,138	367,048	376,923
22 Economic Development and Regulation	251,762	288,974	318,127	348,211	289,480	296,785	300,023
23 Public Safety and Justice	894,748	943,295	932,703	1,036,665	1,004,810	1,044,922	1,078,264
24 Public Education System	1,170,703	1,223,971	1,260,273	1,284,003	1,286,133	1,315,972	1,345,556
25 Human Support Services	1,389,575	1,423,138	1,502,654	1,573,805	1,594,311	1,666,925	1,735,322
26 Public Works	363,798	405,318	370,817	573,070	558,204	604,321	584,193
27 Financing and Other	432,124	586,296	520,556	712,693	711,034	774,197	820,389
28 Cash Reserve (Budgeted Contingency)	0	50,000	500	50,000	50,000	50,000	50,000
29 Lease Purchase Costs	24,574	43,955	39,955	43,755	44,623	53,384	64,557
30 Sub-total, Operating Expenditures	4,860,831	5,398,706	5,386,291	6,009,844	5,892,734	6,173,553	6,355,229
31 School Modernization Fund	0	100,000	100,000	108,152	106,000	112,360	119,102
32 Paygo Capital	265,023	87,987	117,175	0	0	0	0
33 Transfer to Trust Fund for Post-Employment Benefits	138,000	4,700	4,700	110,907	86,200	91,800	97,700
34 Transfer to Enterprise Funds - HPTF and Baseball Revenue Fund	0	120,418	102,740	92,930	91,744	92,822	94,466
35 Total General Fund Expenditures and Transfers	5,263,855	5,711,811	5,710,906	6,321,833	6,176,678	6,470,535	6,666,497
36 Operating Margin, Budget Basis	325,161	1,832	150,327	1,459	1,000	13,212	116,299
37							
38 Beginning General Fund Balance	1,584,683	1,435,142	1,435,142	1,183,182	824,652	805,652	798,864
39 Operating Margin, Budget Basis	325,161	1,832	150,327	1,459	1,000	13,212	116,299
40 Projected GAAP Adjustments (Net)	53,729	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
41 Deposits into Reserve Funds (From Fund Balance)	0	0	0	0	0	0	0
42 Deposits into Reserve Funds (To Cash Reserves)	0	0	0	0	0	0	0
43 Fund Balance Use	(528,432)	(284,287)	(382,287)	(339,989)	0	0	0
44 Ending General Fund Balance	1,435,142	1,132,687	1,183,182	824,652	805,652	798,864	895,163
45							
46 Composition of Fund Balance							
47 Emergency Cash Reserve Balance (2%, formerly 4%)	76,952	81,607	81,607	101,902	105,408	117,505	117,505
48 Contingency Cash Reserve Balance (4%, formerly 3%)	216,697	163,458	216,697	216,697	216,697	235,363	235,363
49 Fund Balance not in Emergency & Contingency Reserves	1,141,493	887,622	884,878	506,053	483,547	445,996	542,295
50 Ending General Fund Balance (Line 44)	1,435,142	1,132,687	1,183,182	824,652	805,652	798,864	895,163

^A The annual deposits of sales tax revenue into the School Modernization fund are shown as expenditures (transfer out) so that the true level of revenue from taxes can be seen and, thus, provides for greater transparency in the flow of funds from the School Modernization Fund. Total revenues and expenditures include \$49 million from the proceeds of the securitization of the Tobacco Settlement Funds, allocated for the Community Access to Healthcare Program.

^B NCRC and AWC shall cease 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 liabilities of both entities to the Mayor. Until final disposition by the District, the expenditure budgets of both entities are temporarily placed in the Non-Departmental account within the Financing and Other appropriation title. In prior years, both were classified as Enterprise Funds and were not included in the District's five year Financial Plan. Consequently, there are no revenue and expenditure projections for the out years of the Financial Plan.

Table 3-2

Local Funds Component of the GENERAL FUND

(\$ thousands)

	FY 2006 Actual	FY 2007 Approved	FY 2007 Adjusted	FY 2008 Proposed	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
1 Revenues							
2 Taxes	4,238,950	4,412,599 ^A	4,557,068	4,872,436	5,163,384	5,460,545	5,761,140
4 General Purpose Non-Tax Revenues	361,951	317,277	327,417	326,111	326,357	325,403	328,215
6 Transfer from Lottery	73,800	72,100	72,100	72,100	72,100	72,100	72,100
7 Sub-total Local Fund Revenues	4,674,701	4,801,976	4,956,585	5,270,647	5,561,841	5,858,048	6,161,455
8 Effect of Tax Changes	0	(276)	0	0	0	0	0
9 Adjusted Local Fund Revenues	4,674,701	4,801,700	4,956,585	5,270,647	5,561,841	5,858,048	6,161,455
10 Bond proceeds for Issuance Costs	10,494	30,000	30,000	60,000	30,000	30,000	30,000
11 Payment-in-Lieu-of-Taxes from WASA	0	1,551	1,551	0	0	0	0
12 Transfer from Federal and Private Resources	0	6,502	6,502	6,646	6,794	6,958	7,133
13 Transfer from Enterprise Fund (HPTF) for Debt Service	0	6,000	0	12,000	12,000	12,000	12,000
14 Transfer from Capital Funds (Bus Shelter Revenue) for Debt Svc	0	2,091	2,091	9,714	19,312	19,310	19,311
16a Fund Balance Use: To Replace Dedicated Gross Sales Taxes	0	46,477	46,477	65,385	0	0	0
16b Fund Balance Use: Transfers to Capital and Trust Fund	403,023	87,987	87,987	0	0	0	0
16c Fund Balance Use: One-time Expenditures in FY	101,416	41,866	41,866	210,754	0	0	0
16d Fund Balance Use: Other	0	0	78,416	0	0	0	0
17a Revenue Proposals - Council actions - misc.	0	0	181	(23,811)	(32,192)	(34,242)	(36,570)
17b Revenue Proposals- Tax Compliance Initiatives	0	49,000	0	0	0	0	0
17c Revenue Proposals - Council actions incl. deed tax, Care First, etc	0	49,117	0	0	0	0	0
18 Total Local Fund Resources	5,189,634	5,122,291	5,251,656	5,611,335	5,597,755	5,892,074	6,193,329
19							
20 Expenditures (by Appropriation Title)							
21 Governmental Direction and Support	303,103	330,101	336,927	337,173	314,929	326,960	337,268
22 Economic Development and Regulation	118,198	128,468	131,905	152,259	132,442	136,252	139,805
23 Public Safety and Justice	839,975	888,003	906,337	963,108	947,664	986,494	1,020,468
24 Public Education System	1,166,809	1,203,492	1,251,021	1,261,690	1,268,798	1,298,248	1,328,024
25 Human Support Services	1,356,563	1,369,566	1,466,037	1,531,417	1,558,149	1,630,199	1,698,874
26 Public Works	322,272	351,396	353,525	409,248	430,931	474,194	455,472
27 Financing and Other	432,124	562,791	519,522	643,167	657,019	718,971	765,760
28 Cash Reserve (Budgeted Contingency)	0	50,000	500	50,000	50,000	50,000	50,000
29 Lease Purchase Costs	24,574	43,955	39,955	43,755	44,623	53,384	64,557
30 Sub-total, Operating Expenditures	4,563,618	4,927,772	5,005,729	5,391,817	5,404,555	5,674,702	5,860,228
31 Paygo to School Modernization Capital Fund	0	100,000 ^A	100,000	108,152	106,000	112,360	119,102
32 Paygo Capital	265,023	87,987	117,175	0	0	0	0
33 Transfer to Trust Fund for Post-Employment Benefits	138,000	4,700	4,700	110,907	86,200	91,800	97,700
35 Total Local Fund Expenditures and Transfers	4,966,641	5,120,459	5,227,604	5,610,875	5,596,755	5,878,862	6,077,030
36 Operating Margin, Budget Basis	222,993	1,832	24,052	460	1,000	13,212	116,299

^A The annual deposits of sales tax revenue into the School Modernization fund are shown as expenditures (transfer out) so that the true level of revenue from taxes can be seen and, thus, provides for greater transparency in the flow of funds from the School Modernization Fund.

Table 3-3

Dedicated Taxes Component of the GENERAL FUND

(\$ thousands)

	FY 2006 Actual	FY 2007 Approved	FY 2007 Adjusted	FY 2008 Proposed	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
1 Revenues							
3a Dedicated Taxes for the Neighborhood Investment Trust	0	0	0	9,875	10,000	10,000	10,000
3b Dedicated Taxes for the Comprehensive Housing Trust Fund	0	0	0	28,247	28,181	29,011	30,009
3c Dedicated Taxes for the Housing Production Trust Fund	0	50,587	48,060	46,533	46,437	47,810	49,454
3d Dedicated Taxes for the Nursing Facility Quality of Care Fund	0	0	0	11,000	11,000	11,000	11,000
3e Dedicated Taxes for the Ballpark Fund	0	0	0	46,397	45,307	45,012	45,012
9 Sub-total Dedicated Taxes	0	50,587	48,060	142,052	140,925	142,833	145,475
16 Fund Balance Use: Neighborhood Investment Trust	0	0	0	4,841	0	0	0
17 Revenue Policy Proposals	0	15,151	0	0	0	0	0
18 Total Dedicated Taxes	0	65,738	48,060	146,893	140,925	142,833	145,475
19							
20 Expenditures (by Appropriation Title)							
21 Governmental Direction and Support	0	0	0	0	0	0	0
22 Economic Development and Regulation	0	0	0	42,963	38,181	39,011	40,009
23 Public Safety and Justice	0	0	0	0	0	0	0
24 Public Education System	0	0	0	0	0	0	0
25 Human Support Services	0	0	0	10,000	11,000	11,000	11,000
26 Public Works	0	0	0	0	0	0	0
27 Financing and Other	0	0	0	0	0	0	0
28 Sub-total, Operating Expenditures	0	0	0	52,963	49,181	50,011	51,009
34a Transfer to HPTF Special Revenue Fund (Enterprise Fund)	0	65,738	48,060	46,533	46,437	47,810	49,454
34b Transfer to Baseball Revenue Fund (Enterprise Fund)	0	0	0	46,397	45,307	45,012	45,012
35 Total Dedicated Taxes Expenditures and Transfers	0	65,738	48,060	145,893	140,925	142,833	145,475
36 Operating Margin, Budget Basis	0	0	0	1,000	0	0	0

Table 3-4

Special Purpose Revenue Component of the GENERAL FUND

(\$ thousands)

	FY 2006 Actual	FY 2007 Approved	FY 2007 Adjusted	FY 2008 Proposed	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
1 Revenues							
5 Special Purpose (O-type) Revenues	375,389	417,657 ^A	433,976	367,034	348,802	358,276	352,689
9 Sub-total Special Purpose Revenue Funds	375,389	417,657	433,976	367,034	348,802	358,276	352,689
15 Transfer in from AWC and NCRC for Economic Development Authority	0	0	0	55,646 ^B	0	0	0
16a Fund Balance Use	23,993	109,875	127,541	70,027	0	0	0
16b Fund Balance Certified but not used	0	(1,918)	0	(11,018)	0	0	0
17 Revenue Proposals/Policy Proposals	0	0	0	83,375	90,196	90,564	91,303
18 Total Special Purpose Revenue Funds	399,382	525,614	561,517	565,064	438,998	448,840	443,992
20 Expenditures (by Appropriation Title)							
21 Governmental Direction and Support	30,444	103,658	103,779	50,469	39,209	40,088	39,655
22 Economic Development and Regulation	133,564	160,506	186,222	152,989	118,857	121,522	120,209
23 Public Safety and Justice	54,773	55,292	26,366	73,557	57,146	58,428	57,796
24 Public Education System	3,894	20,479	9,252	22,313	17,335	17,724	17,532
25 Human Support Services	33,012	53,572	36,617	32,388	25,162	25,726	25,448
26 Public Works	41,526	53,922	17,292	163,822	127,273	130,127	128,721
27 Financing and Other	0	23,505	1,034	69,526	54,015	55,226	54,629
30 Subtotal, Operating Expenditures	297,213	470,934	380,562	565,064	438,998	448,840	443,992
34 Transfer to Enterprise Funds - HPTF	0	54,680	54,680	0	0	0	0
35 Total Special Purpose Revenue Funds component of General Funds	297,213	525,614	435,242	565,064	438,998	448,840	443,992
36 Operating Margin, Budget Basis	102,169	0	126,275	0	0	0	0

^A Total revenues and expenditures include \$49 million from the proceeds of the securitization of the Tobacco Settlement Funds, allocated for the Community Access to Healthcare Program.

^B NCRC and AWC shall cease 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 liabilities of both entities to the Mayor. Until final disposition by the District, the expenditure budgets of both entities are temporarily placed in the Non-Departmental account within the Financing and Other appropriation title. In prior years, both were classified as Enterprise Funds and were not included in the District's five year Financial Plan. Consequently, there are no revenue and expenditure projections for the out years of the Financial Plan.

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 12 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.

A 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 3-5

Federal and Private Resources Financial Plan

(\$ thousands)

	FY 2006	FY 2007	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Approved	Adjusted	Proposed	Projected	Projected	Projected
Revenues							
F1 Federal Grants	1,694,725	2,008,024	2,109,935	2,004,286	2,140,222	2,257,991	2,382,921
F2 Federal Payment/Contribution	70,421	36,400	137,498	62,400	37,258	38,099	38,960
F3 Private Grants	21,147	6,850	14,727	7,875	8,799	9,076	9,363
F4 Federal & Private Resources	1,786,293	2,051,274	2,262,160	2,074,561	2,186,279	2,305,166	2,431,244
F5 Fund Balance Use	0	0	0	0	0	0	0
F6 Transfer to General Fund	0	(6,502)	(6,502)	(6,646)	(6,794)	(6,958)	(7,133)
F7 Total Federal & Private Resources	1,786,293	2,044,772	2,255,658	2,067,915	2,179,485	2,298,208	2,424,111
Expenditures (by Appropriation Title)							
F10 Governmental Direction and Support	107,977	157,746	196,361	24,244	25,311	26,434	27,588
F11 Economic Development and Regulation	130,444	133,742	143,226	140,085	144,356	148,809	153,379
F12 Public Safety and Justice	11,668	7,398	14,680	107,260	109,826	112,462	115,161
F13 Public Education System	201,650	226,462	297,543	275,466	284,047	292,975	302,132
F14 Human Support Services	1,321,035	1,500,033	1,554,548	1,500,218	1,594,545	1,695,332	1,802,838
F15 Public Works	7,068	19,391	47,854	20,642	21,400	22,196	23,013
F16 Financing and Other	4,196	0	1,446	0	0	0	0
F17 Total Federal & Private Expenditures	1,784,038	2,044,772	2,255,658	2,067,915	2,179,485	2,298,208	2,424,111
F18 Operating Margin, Budget Basis	2,255	0	0	0	0	0	0
Beginning Federal & Private Fund Balance							
F20 Beginning Federal & Private Fund Balance	117,947	161,310	161,310	161,310	161,310	161,310	161,310
F21 Operating Margin, Budget Basis	2,255	0	0	0	0	0	0
F22 Projected GAAP Adjustments (Net)	41,108	0	0	0	0	0	0
F23 Fund Balance Use	0	0	0	0	0	0	0
F24 Ending Federal & Private Fund Balance	161,310						

Revenue

Introduction

In this chapter, the revenue outlook for the District of Columbia's General Fund is presented for the FY 2007 to FY 2011 period. Since revenues are affected by the performance of the D.C. economy, this chapter begins with a discussion of the economic outlook for the District of Columbia. This part of the chapter includes a description of the revenue estimating assumptions for both the short run (FY 2007 and FY 2008) and over the longer term (FY 2009 – FY 2011).

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 revenue, which consists of fees, fines, assessments, and reimbursements dedicated to the District of Columbia agencies that collect 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 tax revenues, which are not available to the General Fund, are transferred to the following funds: Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's operating and capital funds, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, and the Nursing Facility Quality of Care 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 taxes and collects, and how much revenue these taxes and non-tax revenues yield.

Summary

The economic outlook for the District of Columbia for the period covered by the FY 2008 Budget and Financial Plan is similar to that which most economists have projected for the nation as a whole: although the national economy is currently experiencing a slowdown in inflation-adjusted economic activity, no major disruptions are anticipated, and employment, wages, and income are expected to continue to grow. Accordingly, in FY 2007 and all the way through to FY 2011, local revenues are projected to continue to grow at a steady pace.

In percentage terms, FY 2007 gross revenues (before earmarking) are expected to increase by 6.5 percent. This is slightly above the 5.5 percent growth in FY 2006. For FY 2008 revenue growth (again, before earmarking) slows to 6.1 percent and declines somewhat each year through FY 2011 when it will be 5.0 percent. The pattern of revenue increases is much the same for revenues after earmarking. Revenue after earmarking is expected to grow 3.9 percent in FY 2007 and 6.3 percent in FY 2008, compared to 4.7 percent in FY 2006. For FY 2009 through the end of the Financial Plan period, annual increases slow to 5.2 percent in FY 2011.

¹Before the earmarking of tax revenue for the Convention Center, Tax Increment Financing, the Ballpark Fund, the Highway Trust Fund, the District Department of Transportation's operating and capital funds, the School Modernization Fund, the Housing Production Trust Fund, the Comprehensive Housing Task Force Fund, the Neighborhood Investment Fund, and the Nursing Facility Quality of Care Fund. The revenue number excludes "O" type revenues.

The District's economy continues to benefit from national economic growth and the presence of the federal government will continue to provide a measure of stability. Currently, however, the District's economy has been growing at rates somewhat less than at the national level. In the first quarter of FY 2007, for example, the District's rate of growth in employment was 1.1 percent, compared to 1.5 percent for the U.S. as a whole. The residential real estate market is soft and the rate of increase in federal spending appears to be slowing.

The estimating assumptions for FY 2007 and FY 2008, respectively, include 1.0 percent and 0.7 percent growth in total jobs; 5.1 percent and 4.8 percent increases in the personal income of District residents; and inflation of 3.0 and 2.3 percent. Most of the increases in jobs and wages will be in the District's leading private sector service industries: professional and business services, education, health, retail, hospitality, and organizations.

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—property values, personal and business incomes, and sales. An example of the value of diverse revenue sources is evident in FY 2007: higher real property tax revenues in FY 2007 offset a slowdown in individual income tax collections. In FY 2008, revenue growth picks up because real property revenues remain strong and individual income taxes also grow. For the remaining years of the Financial Plan, real property, income, and sales taxes all contribute to the steady growth in revenues. In each year of the FY 2008 Budget and Financial Plan, revenues before earmarking are expected to grow a little bit faster than the growth in the District's personal income, due primarily to the progressive nature of the individual income tax system and the growth in real estate values.

A key question for revenues in the District of Columbia is "What will happen in the market for real property?" Rising real estate assessments and sales were both major sources of the extraordinary revenue gains in fiscal years 2003 through 2005. Real estate market participants tell us that the longer run fundamentals affecting the District's real estate markets remain strong: the District's economy is growing, individuals and businesses both continue to demonstrate a desire to locate in the District, and

the supply of land for residential and commercial development cannot increase very rapidly. Nonetheless, the real estate market, especially its residential side, is changing somewhat; residential prices are moderating and the volume of sales in both residential and commercial property are below the level of FY 2005.

In FY 2005 and 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 30.7 percent and 13.4 percent, respectively. Growth in the assessed market value of all taxable real property is estimated to have accelerated by another 26.4 percent for FY 2007. For FY 2008, a further gain of 16.8 percent is estimated in the assessed market-value base (which is based on property values as of January 1, 2007). Real property tax revenue gains in FY 2007 are predicted to be 18.5 percent in FY 2007 and 16.5 percent in FY 2008, with the proportion of the tax paid by commercial property rising in each of those years.

In FY 2007 and FY 2008, real property tax revenue derived from owner-occupied residential property will grow more slowly than underlying market value assessments because of recent changes to the residential portion of the real property tax. Tax policy changes adopted in FY 2006 and FY 2007 that moderate the revenue impact of the rising residential assessments in FY 2007 and FY 2008 are residential class tax rate reductions (applied to all residential property whether owner-occupied or not), an increased homestead exemption amount to \$60,000, annual homestead tax increases capped at 10 percent, and a residential assessment parity adjustment by trigroup.

The total value of taxable real property sales (both residential and commercial) fell 9.5 percent in FY 2006, following a 37.6 percent increase in FY 2005. For FY 2007 the value of all transactions is expected to be 26.7 percent below the level of FY 2006, declining another 4.7 percent in FY 2008. Revenues from real estate transactions—deed recordation, deed transfer and economic interest taxes—declined 2.1 percent in FY 2006 (before transfers to the Housing Production Trust Fund), but are expected to increase 3.4 percent in FY 2007 due to both an increase in the deed recordation and deed transfer tax rate which took effect

in FY 2007 and to an unexpected increase in economic interest tax collections. In FY 2008, however, collections for the transaction taxes are expected to decline 14.6 percent. The decline in the underlying value of deed transfer, deed recordation, and economic interest transfers, together with the beginning of earmarking for the Comprehensive Housing Strategy Fund, will offset most of the additional revenues accruing to the General Fund from the higher deed recordation and transfer tax rates.

In other areas, growth in personal income and gains in financial markets will expand the individual income tax base. FY 2006 individual income tax revenues increased 6.3 percent, but revenues in FY 2007 are now expected to decline by 1.9 percent due primarily to rate reductions. In FY 2008, however, individual income tax revenues are forecast to rebound with an 8.3 percent growth rate. Business franchise tax revenues, which have grown at double digit rates for the past 4 years, are expected once again to grow 19.1 percent in FY 2007, with growth slowing to 4.7 percent in FY 2008.

General sales tax revenues (before earmarking) are expected to increase 5.1 percent in FY 2007, down from 5.6 percent in FY 2006 and a remarkable 17.4 percent in FY 2005. In FY 2008 growth picks up to 6.4 percent. Developments that gave a special boost to sales tax revenues in FY 2005 include the presidential inauguration, the return of Major League Baseball, the full operation of the new Convention Center, and the opening of two new attractions on the Mall—the World War II Memorial and the National Museum of the American Indian. The dedication of the parking tax to DDOT and earmarking of general sales tax revenues to help pay for the baseball stadium and for Tax Increment Financing districts, meant that net revenue growth (after earmarking) for FY 2006 was 0.9 percent. The transfer of \$100 million of sales tax revenue to school modernization begins in FY 2007, which will result in a net decline of unrestricted sales tax revenue of 7.6 percent for FY 2007. In FY 2008 the growth of unrestricted revenue is expected to be 6.3 percent.

After taking account of all earmarks, total unrestricted local revenue available for General Fund purposes in FY 2007 is forecast to be 3.9

percent above FY 2006, rising to 6.3 percent in FY 2008.

Although the national and local economies continue to show considerable strength, recent developments point to a number of possible risks. For example, the U.S. economy has been growing fairly slowly for most of the past year, investment (particularly in housing) is down, and consumers are heavily indebted, with net saving rates close to zero. Were consumers to cut back on spending or businesses to reduce investment even more, the additional slowing of the U.S. economy could adversely affect the District's economy.

Also, driven by higher oil 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. 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, as could a general decline in real estate prices nationally. Although there is more lead time involved in the real property revenue impact of economic changes, the uncertainties involved in projecting changes in real estate markets are comparable with those encountered a few years earlier in trying to anticipate the performance of the stock market, which had such a large impact on income tax revenues.

The S&P 500 stock market index for April 2007 was 12.4 percent higher than a year earlier, but it is unclear how long the substantial growth that has occurred in FY 2007 can be sustained. A sharp decline, or a prolonged period of stagnation in the U.S. stock market, would adversely affect the District's revenues, particularly individual income tax revenues as stock market returns for the current year are a significant determinant of the changes to income tax revenue in the year that follows.

Another source of risk is the pattern of federal expenditures. Federal spending is the significant economic underpinning of the entire Washington D.C. Metropolitan area, including the District of Columbia itself. In FY 2004 fed-

eral 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. According to the George Mason Center for Regional Analysis, however, the annual increases in federal procurement in the Washington D.C. metropolitan area will be less in the next 5 years than it has been in the most recent 5-year period. Efforts to reduce government 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 2008-2011 Revenue Estimates and Financial Plan

The U.S. Economy

Growth in the national economy has been slowing since the summer of 2006. According to the U.S. Bureau of Economic Analysis, U.S. Real Gross Domestic Product in the quarter ending March 31, 2007, was 2.1 percent over the same quarter a year earlier, down from 3.1 percent in the previous quarter. Nominal Gross Domestic Product and personal income in the quarter that ended March 31, 2007 were 4.8 percent and 5.8 percent higher, respectively, than in the same quarter of 2006. (See table 4-1.) In the quarter ending March 31, 2007, employment was up 1.5 percent, and wage and salary earnings were up 5.5 percent from the prior year

Table 4-1

Selected U.S. Economic Indicators, CY 2005.4 to 2007.1

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

GDP	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1
Real	3.1	3.7	3.5	3.0	3.1	2.1
Nominal	6.4	6.9	6.9	6.0	5.7	4.8
Employment (wage and salary)	1.8	2.1	1.9	1.7	1.7	1.5
Income						
Wages	5.1	7.5	6.8	5.5	5.6	5.5
Total Personal Income	4.6	6.7	6.4	6.6	5.5	5.8
Inflation (CPI)	3.7	3.6	4.0	3.3	1.9	2.4
S & P 500 (Level)	1230	1283	1282	1288	1390	1425
Change from Prior Quarter	0.5	4.3	-0.1	0.5	7.9	2.6
Change from Prior Year	5.9	7.7	7.7	5.2	12.9	11.1
Interest Rate (10-yr. Treasuries)	4.5	4.6	5.1	4.7	4.6	4.7

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

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:

- *Somewhat slower GDP growth.* In real terms, economic growth is forecast by both Blue Chip Economic Indicators and the CBO to decline modestly in FY 2007, and then grow faster in FY 2008, but at a rate still below the pace in FY 2005 and FY 2006. In nominal terms, the increases for FY 2007 and FY 2008 also fall below the pace of FY 2005 and FY 2006. Growth rates in nominal GDP for the U.S. are expected by CBO to be 4.4 percent in FY 2007 and 4.8 percent in FY 2008. While this represents significant growth in a low-inflation environment, they would also be the slowest rates of growth in 4 years.
- *Continued wage and salary growth.* According to the CBO, wage and salary growth will be 5.1 percent and 4.9 percent, respectively, in FY 2007 and FY 2008, compared to 5.1 percent in FY 2005. Associated with CBO's estimate of a rise in wage and salary growth relative to GDP in FY 2007 and FY 2008 is an estimate of a falling profit share.
- *Inflation will fall.* According to CBO, the Consumer Price Index (CPI), which increased 3.7 percent in FY 2006, is expected to decline to 1.9 percent in FY 2007 and then rise only slightly to 2.3 percent in FY 2008. The forecast assumes that energy prices recede somewhat and productivity gains and imports continue to moderate the price impact of wage increases. It should be noted, however, that in the first quarter of CY 2007 the CPI increased at a rate of 2.4 percent above the same quarter of 2006.
- *No significant change in interest rates.* The interest rate on 10-year Treasury securities is expected to remain close to the 4.8 percent rate experienced in FY 2006. According to CBO, in FY

2007 and FY 2008 the rates are anticipated to be 4.8 percent and 5.0 percent, respectively. The Financial Plan assumes the interest rate on 10-year Treasury securities will be 4.7 percent in FY 2007 and 4.9 percent in FY 2008.

- *Moderate stock market gains.* Global Insight expects the stock market to grow in FY 2007 at 11.0 percent and in FY 2008 at 3.9 percent, compared to 6.6 percent growth in FY 2006. The Financial Plan adopts the Global Insight estimate of the stock market.

The District of Columbia Economy

The outlook for the District of Columbia is favorable if things go well nationally—and if there is no sharp cutback in government spending that affects the D.C. area and if slowness now evident in the real estate markets does not materially worsen. The growth in output and income measures for the District's economy in FY 2007 and FY 2008 are expected to lag slightly behind the U.S. economy in terms of percentage changes in employment and income growth. In FY 2006 D.C.'s rate of job growth was below the U.S. rate (0.9 percent versus 1.8 percent), and the U.S. growth rate of personal income was also greater (6.0 percent versus 5.1 percent). (See tables 4-2 and 4-3 for key variables reflecting the District's economy.)

The driving forces in expected gains in output, income, and employment in FY 2007 and FY 2008 are private sector services along with federal government spending. (Federal government employment will not increase, however.) The Financial Plan also assumes that inflation will decline in FY 2007, that real estate markets will continue to remain soft in FY 2007 and FY 2008, and that resident employment and the number of households will increase.

The economic assumptions underlying the revenue outlook are provided in table 4-2. These include:

- *Slower growth in D.C.'s nominal Gross Domestic Product.*² Growth rates in FY 2007 and FY 2008 are projected to be 4.6 percent and 4.8 percent, respectively, somewhat less than the 5.6 percent growth for FY 2006. The slower growth rates in part reflect the trends in the national and region-

² 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.

al economies, including some slowing in government spending that affects the D.C. area. A range of private sector services—professional and business services, information and financial 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 2007 is expected to show a net increase of 6,900 (1.0 percent), then increase another 5,200 (0.7

percent) in FY 2008, with all gains in the private sector. The gain in FY 2006 was 6,100 jobs (0.9 percent).

- *Continued growth of personal income.*³ Growth rates in FY 2007 and FY 2008 are projected to be 5.1 percent and 4.8 percent, respectively, compared to 5.1 percent for FY 2006. Increases in the number of households residing in D.C. contribute to the growth in personal income that is occurring.
- *Lower inflation.* The Financial Plan assumes the D.C. Consumer Price Index will be 3.0

Table 4-2

Estimated Key Variables for the D.C. Economy for the Forecast Period, FY 2005 through FY 2011

	FY 2005 Actual	FY 2006 Actual	FY 2007 Est.	FY 2008 Est.	FY 2009 Est.	FY 2010 Est.	FY 2011 Est.
Gross State Product (nominal; billions of \$)	80.91	85.46	89.39	93.71	98.23	102.63	107.30
	6.7%	5.6%	4.6%	4.8%	4.8%	4.5%	4.6%
Personal Income (billions of \$)	30.44	31.98	33.60	35.23	37.03	38.84	40.71
	6.9%	5.1%	5.1%	4.8%	5.1%	4.9%	4.8%
Earnings of DC Residents (billions of \$)	22.59	23.73	24.87	25.95	27.17	28.41	29.70
	7.0%	5.0%	4.8%	4.4%	4.7%	4.6%	4.5%
Population (thousands)	581.7	581.7	582.4	583.3	586.5	590.3	594.2
	0.4%	0.0%	0.1%	0.2%	0.6%	0.6%	0.7%
Households (thousands)	255.2	256.7	258.5	260.2	262.0	263.7	265.6
	0.6%	0.6%	0.7%	0.6%	0.7%	0.7%	0.7%
At-place Employment (thousands)	680.3	686.5	693.4	698.6	704.7	710.7	716.6
	1.3%	0.9%	1.0%	0.7%	0.9%	0.9%	0.8%
Civilian Labor Force (thousands)	313.9	314.8	318.4	320.1	322.2	324.4	326.6
	2.2%	0.3%	1.1%	0.5%	0.7%	0.7%	0.7%
Resident Employment (thousands)	292.5	296.0	299.7	301.6	303.6	305.7	307.9
	2.9%	1.2%	1.3%	0.6%	0.7%	0.7%	0.7%
Unemployment Rate (percent)	7.1	6.1	5.9	5.8	5.8	5.8	5.7
Housing Starts	2,473	3,621	1,901	1,973	2,165	2,352	2,551
Housing Stock (thousands)	281.0	283.3	285.4	287.5	289.3	291.1	293.4
Sale of Housing Units	9,798	8,228	7,515	7,350	7,400	7,450	7,500
	0.1%	-16.0%	-8.7%	-2.2%	0.7%	0.7%	0.7%
Average Housing Price (\$)	494,800	522,000	527,000	528,500	537,500	546,600	555,900
	19.0%	5.5%	1.0%	0.3%	1.7%	1.7%	1.7%
Washington Area CPI (% change from prior year)	3.9	3.9	3.0	2.3	2.2	2.2	2.2
Interest Rate on 10-year Treasury Notes (%)	4.2	4.8	4.7	4.9	5.1	5.2	5.2
Change in S&P Index of Common Stock (%)	7.9	6.6	11.0	3.9	5.8	5.6	7.5

Sources: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by Global Insight (Spring 2007) and Economy.com (November 2006); on forecasts of the national economy prepared by the Congressional Budget Office (January 2007) and Blue Chip Economic Indicators (April 2007); on Bureau of Labor Statistics labor market information from March 2007; on Bureau of Economic Analysis estimates of D.C. personal income (March 2007); on D.C. housing sales data (March 2007) from the Metropolitan Regional Informational System (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 2007).

³ 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.

Table 4-3

Revenue and Economic Indicators of the District of Columbia, FY 2000 through FY 2006

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Local Source Revenue ('000)	\$3,426,609	\$3,683,474	\$3,552,396	\$3,748,245	\$4,185,043	\$4,657,273	\$4,929,877
Growth	8.9%	7.5%	-3.6%	5.5%	11.6%	11.3%	5.8%
Employment							
No. of Employees in DC (thousands)	645.2	654.4	661.8	665.9	671.4	680.3	686.5
Growth	4.0%	1.4%	1.1%	0.6%	0.8%	1.3%	0.9%
No. of Gov't. Employees (thousands)	224.0	224.3	231.4	231.1	230.4	233.7	233.4
Growth	0.7%	0.1%	3.2%	-0.2%	-0.3%	1.4%	-0.1%
Population							
No. of DC Residents (thousands)	571.8	576.3	578.8	577.9	579.1	581.7	581.7
Growth	2,400	4,500	2,500	-900	1,200	2,600	0
Single Family Housing Sales							
No. of Single Family Sales	5,514	5,340	5,488	5,700	5,867	5,372	4,276
Growth	12.5%	-3.2%	2.8%	3.9%	2.9%	-8.4%	-20.4%
Single Family Sales Prices							
Median (thousands of \$)		\$187	\$254	\$285	\$346	\$436	\$478
Growth			35.9%	12.2%	21.4%	25.9%	9.7%
Avg. (thousands of \$)		\$323	\$372	\$397	\$470	\$571	\$620
Growth			11.7%	6.8%	18.4%	21.5%	8.6%
Condo Sales							
No. of Condo Sales		2,656	3,066	3,586	3,919	4,426	3,953
Growth			15.4%	17.0%	9.3%	12.9%	-10.7%
Condo Sales Prices							
Median (thousands of \$)		\$166	\$204	\$246	\$300	\$356	\$364
Growth			23.0%	20.4%	21.8%	18.7%	2.2%
Avg. (thousands of \$)		\$199	\$236	\$277	\$334	\$402	\$416
Growth			18.2%	17.5%	20.6%	20.4%	3.5%
Commercial Office Space							
Total Inventory (million sq. ft.)	101.60	104.42	106.41	109.29	111.22	113.69	117.66
Growth		2.8%	1.9%	2.7%	1.8%	2.1%	3.6%
Vacancy Rate (includes sublet)	4.2%	5.2%	6.7%	6.7%	6.4%	6.1%	6.2%

Note: NA indicates data not available. Local source revenue is after earmarks have been deducted.

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of the Census; Metropolitan Regional Information System (MRIS), accessed through Greater Capital Area Association of Realtors (GCAAR); Delta Associates; OCF0/OTR.

percent in FY 2007 and 2.3 percent in FY 2007. The rate in FY 2006 was 3.9 percent.

- *Declining home sales and stationary prices.* The housing picture is mixed. The number of housing sales (the combined total of single

family and condominium units) is projected to continue to decline through FY 2008, while the average prices rise but slightly.⁴ In FY 2007 the number of housing sales is expected to decrease about 8.7 percent and

⁴ 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 the Metropolitan Regional Information System (MRIS), as accessed through the Greater Capital Area Association of Realtors. The MRIS system reports only sales handled by brokers.

Table 4-4

Percent Change in Wage and Salary Employment in D.C., the Washington Metropolitan Area, and the U.S., CY 2005.4 to 2007.1

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

	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1
Total Employment						
DC	1.1	0.9	0.7	0.9	1.0	1.1
US	1.9	2.1	1.9	1.7	1.7	1.5
Metro Area	1.7	2.2	1.9	1.3	1.5	1.6
Private Sector						
DC	1.6	1.3	1.4	1.4	1.7	2.0
US	2.0	2.4	2.1	1.9	1.8	1.6
Metro Area	1.9	2.3	2.0	1.5	1.6	1.7

Source: Bureau of Labor Statistics

Table 4-5

D.C. Wage and Salary Employment by Sector in the Quarter Ending March 31, 2007

Sector	Level	Change from one year ago	
		Amount	Percent
Government	230,000	-1,500	-0.7%
Federal Government	191,800	-900	-0.5%
Local Government	38,100	-600	-1.6%
Private Sector	458,800	+9,200	+2.0%
Professional and Business	156,600	+6,600	+4.4%
Information and Financial	52,000	+300	+0.6%
Education and Health	95,600	-900	+0.9%
Trade and Hospitality	76,200	+700	+0.9%
Organizations and Other Services	60,000	+1,000	+1.7%
All Other	19,100	-300	-1.4%
Total	688,800	+7,600	+1.1%

Note: Percent changes calculated from unrounded numbers. Details may not add to totals due to rounding.

Source: Bureau of Labor Statistics

Table 4-6

Hospitality Sector Indicators for the Quarter Ending March 31, 2007

	Level	Change from one year ago	
		Amount	Percent
Hotel Occupancy Rate (percent)	69.3	+4.0	6.1%
Hotel Room Rate (\$)	\$199.40	+\$9.46	5.0%
Amount Spent for Hotel Stays (millions of \$)	\$327.5	+\$35.3	12.1%

Note: Percent changes calculated from unrounded numbers.

Source: Smith Travel Research

another 2.2 percent in FY 2008, following the 16.0 percent decline in FY 2006. However, the average price of units sold is expected to hold steady, rising 1.0 percent in FY 2007 and 0.3 percent in FY 2008. This increase in prices is down from the 19.0 percent increase experienced in FY 2005 and the 5.5 percent increase in FY 2006. Sales level and values in the commercial real estate market are also expected in FY 2007 and FY 2008 to be below the level of FY 2006.

- *Households and resident employment rise.* In FY 2007 and 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. The Financial Plan assumes estimated households in FY 2007 of 258,500, up 1,800 (0.7 percent) from FY 2006, and 260,200 in FY 2008 (up another 1,700 or 0.6 percent). The unemployment rate is expected to fall to 5.9 percent in FY 2007 and to 5.8 in FY 2008. Resident employment is forecast to increase by 1.3 percent in FY 2007 and 0.6 percent in FY 2008.

Employment

The forecast of employment growth is 1.0 percent in FY 2007 and 0.7 percent in FY 2008—compared to 0.9 percent in FY 2006. Of the 12,100 increase in employment from FY 2006 through FY 2008, virtually all of the increase is expected to be in professional and business services, education, health, trade, and

hospitality. Government employment is expected to decline by 1,900 jobs.

Employment in the District grew quite strongly in the last quarter of FY 2006 and the first two quarters of FY 2007. (See table 4-4.) In the quarter ending March 31, 2007, the private sector increase over the same quarter of 2006 was a robust 2.0 percent. Of the 9,200 net increase in private sector employment that occurred in that quarter, professional and business services and service organizations accounted for 82.6 percent of the gain. (See table 4-5.)

Trade and hospitality are important sources of employment and tax revenue. In the quarter ending March 31, 2007, these sectors added 700 jobs, a 0.9 percent gain. (See table 4-5.) In the quarter ending March 31, 2007, revenues earned from guests by hotels were up 12.1 percent from a year earlier. (See table 4-6.)

Wages and Salaries

Wages and salaries earned in the District of Columbia are expected to grow by 4.8 percent in FY 2007 and 3.9 percent during FY 2008, down from the 5.3 percent increase in FY 2006. During FY 2004 and FY 2005, wage growth was stronger in the District than for the United States as a whole, although this was no longer true in FY 2006 (see table 4-7), and it is not expected to be true in FY 2007 and FY 2008. Professional and business services and the federal government will account for about 56 percent of the increase in wages earned in the District of Columbia over the two-year period from FY 2006 to FY 2008.

Table 4-7

Growth in Wages and Salaries in D.C., the Washington Metropolitan Area, and the U.S., FY 2004 –FY 2006

(Percent change from the prior year)

	FY 2004	FY 2005	FY 2006
Wages and Salaries			
DC			
Earned in DC	6.8	5.6	5.3
Earned by DC Residents	8.0	6.3	5.6
US	5.2	5.2	6.2
Washington Metropolitan Area	7.5	6.7	7.3

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

Table 4-8

Sales of Residential and Commercial Office Real Estate, CY 2005.4 – 2007.1

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

	2005Q4	2006Q1	2006Q2	2006Q3	2006Q4	2007Q1
Value of Sales (millions of \$)						
Residential	1.032	1.062	1.205	0.996	0.975	1.086
Commercial Office Space	0.534	1.381	1.078	1.483	0.023	1.147
Total	1.566	2.444	2.283	2.479	0.998	2.233
Percent Change from Prior Year						
Residential	4.2	-9.1	-20.7	-14.8	-5.4	2.2
Commercial Office Space	116.3	-0.3	-23.3	18.5	-95.7	-16.9
Total	26.6	-4.3	-21.9	2.4	-36.2	-8.6

Source: Delta Associates and MRIS.

Table 4-9

D.C. Residential Real Estate Transactions, FY 2004 – FY 2006

	FY 2004	FY 2005	FY 2006
Level			
Sales	9,786	9,798	8,229
Value of Transactions (millions of \$)	\$4,067.3	\$4,850.0	\$4,295.9
Percent Change from Prior Year			
Sales	5.4%	0.1%	-16.0%
Value of Transactions	24.9%	19.2%	-11.4%

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 4-10

Single Family and Condominium Home Sales for FY 2006

Single Family	Level	Change from one year ago	
		Amount	Percent
Units Sold	4,276	-1,096	-20.4%
Average Price	\$620,201	+\$48,940	+8.6%
Median Price	\$478,535	+\$42,601	+9.8%
Total Value of Transactions (millions of \$)	\$2,652.0	-\$416.8	-13.6%
Condominium			
Units Sold	3,953	-473	-10.7%
Average Price	\$415,867	+\$13,851	+3.4%
Median Price	\$363,959	+\$7,998	+2.2%
Total Value of Transactions (millions of \$)	\$1,643.9	-\$135.4	-7.6%

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

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

D.C. Real Estate Markets

Table 4-8 shows the value of residential and commercial office sales over the past six quarters. The value of residential sales fell during each quarter of CY 2006 compared to the same quarter in CY 2005, although in the first quarter of CY 2007 they were up 2.2 percent compared to the comparable quarter of 2006. In the case of commercial office space, the value of sales in the first two quarters of CY 2007 was below that of the same quarters in CY 2006.

As noted earlier, the assessed value of real estate will continue to increase during FY 2007 and FY 2008 because assessments for these years, which incorporate increases in value and new construction that have already occurred, are now substantially complete. The value of residential and commercial sales in both FY 2007 and FY 2008 is expected to be lower than the FY 2006 level.

Residential Markets

For FY 2007 and FY 2008 the outlook for the residential market is mixed. Whereas the number of residential sales is expected to decline, average sale prices are expected to remain close to their existing levels. (See tables 4-2 and 4-9.) However, 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 attrac-

tive 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 FY 2006 price appreciation in the residential market slowed sharply from the prior two years, with average prices for sold single family homes and condominiums up 8.6 percent and 3.4 percent respectively. Due to falling sales volume, the total value of transactions in FY 2006 decreased by 13.6 percent and 7.6 percent, respectively, in the single family and condominium markets. (See table 4-10.) In the quarter ending March 31, 2007 the number of sales of single family units sold declined 9.0 percent from the same period of 2006, but condominium sales were up 16.4 percent. In the March 31, 2007 quarter, the average price of single family units increased 9.2 percent (a rate higher than the 8.6 percent increase for all of FY 2006), while condominium average prices fell 8.4 percent. (See table 4-11.)

The price appreciation in the single family residential market reflects high demand combined with limited supply. Where the supply of housing can be increased, prices can be significantly affected. Currently, it appears that this is one reason that prices are reported to be declining in the condominium market where a signifi-

Table 4-11

Single Family and Condominium Home Sales for the Quarter Ending March 31, 2007

Single Family	Level	Change from one year ago	
		Amount	Percent
Units Sold	1,002	-99	-9.0%
Average Price	\$641,878	+\$53,977	+9.2%
Median Price	\$461,904	+\$8,922	+2.0%
Total Value of Transactions (millions of \$)	\$643	-\$4.1	-0.6%
Condominium			
Units Sold	1,151	+162	+16.4%
Average Price	\$384,394	-\$35,406	-8.4%
Median Price	\$333,237	-\$26,968	-7.5%
Total Value of Transactions (millions of \$)	\$442	+\$27.2	+6.6%

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

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

Table 4-12

DC Area Office Vacancy Rates for CY 2005.1, 2006.1, 2007.1

	D.C.	No. Virginia	Suburban MD	Metro Area
March 31, 2005	6.4%	10.3%	10.2%	9.0%
March 31, 2006	6.1%	9.1%	8.4%	8.0%
March 31, 2007	7.6%	9.8%	10.2%	9.2%

Note: Data are for the end of the quarter.

Source: Delta Associates (includes sublet space).

cant number of units are under construction. Delta Associates reports that as of March 31, 2007, there were 6,715 condominiums and 2,867 apartment units under construction in the District of Columbia, and approximately 4,109 additional new condominiums and 3,390 additional apartment units are likely to be built by some time in CY 2010. 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. With an accurate accounting of the net change in dwelling units unavailable, no definite assessment of the size of the city's housing stock can be made.

Commercial Real Estate Markets

Market participants say that the Washington area commercial market remains strong and attractive to investors from around the world. While new buildings are under construction or in the active planning stage, the amount of office space under construction or renovation slowed considerably in the last quarter of 2006. Within the Metropolitan

area and the nation, D.C.'s vacancy rates for commercial office space remain low (see table 4-12), but they did rise in the last quarter.

In the quarter ending March 31, 2007, the inventory of commercial office space was up by 5.38 million square feet (4.7 percent) from the prior year, but the vacancy rate (including space for sublet) also rose to 7.6 percent (still low compared to the rest of the nation) from 6.1 percent. (See table 4-13.) In FY 2006, the number of square feet sold (10.39 million square feet) represented an increase of 6.6 percent from the prior year. However, the average price per square foot in those transactions fell by 2.1 percent, with the result that the overall value of transactions rose by 4.4 percent. For Fiscal Year 2005, the increase in the value of transactions was 26.5 percent. For the first half of FY 2007, however, the value of commercial office building sales is down 38.9 percent from the same period of FY 2006.

The District remains a top commercial office market in the nation as a result of a growing office tenant base comprised of the federal

Table 4-13

Commercial Office Space in the District of Columbia, CY 2005.1, 2006.1, 2007.1

(Million square feet unless otherwise indicated)

	March 31, 2005	March 31, 2006	March 31, 2007
Inventory	113.11	114.34	119.72
Vacancy Rate (no sublet)	5.4%	5.1%	6.7%
Vacancy Rate (with sublet)	6.4%	6.1%	7.6%
Under Construction	6.78	7.63	6.19
Net Increase in Leased Space from Prior Year	+3.24	+1.51	+3.19

Note: Data are for the end of the quarter.

Source: Delta Associates.

Table 4-14

Labor Force, Resident Employment, and Unemployment in Quarter Ending March 31, 2007

	Level	Change from one year ago	
		Amount	Percent
Labor Force	317,800	+6,400	2.0
Resident Employment	299,200	+6,000	2.1
Resident Unemployment	18,500	+300	1.8
Unemployment Rate	5.8	0.0	--

Source: Bureau of Labor Statistics

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 a recent study, however, Delta Associates noted some signs that the increase in office space rental may be beginning to lag behind the increase in employment, reflecting a market response to uncertainties about future job growth, rising rents, and opportunities for telecommuting.

Population and D.C. Labor Market

For the quarter ending March 31, 2007, the District's labor force increased by 6,400 persons compared to the same quarter of 2006. (See table 4-14.) The number of employed residents rose by 6,000 compared to the prior year, and the number of unemployed residents grew by 300.

The Financial Plan projects that households and resident employment will increase in FY 2007 and the years following. The District's housing and employment markets are very active and continued construction should result in a net increase in the District's occupied housing stock even though the rate of new construction is expected to remain below the FY 2006 level for the duration of the Financial Plan period. Unless housing vacancies rise or a large numbers of units are demolished, households, population, labor force, and employed residents will increase as well.

The FY 2008 Budget and Financial Plan estimate reflects a judgment that housing construction and renovation, together with improve-

ments in city services and amenities, are attracting more households, resulting in greater resident employment and increasing population. Unfortunately, detailed information about the dynamics of changes in the District's households (size and age distributions), housing stock (new units, units going out of existence), labor force, and resident employment is limited.

The U.S. Bureau of the Census shows, in a report dated December 2006, that the District's population has grown since the 2000 Census. The population in July 2006 was estimated to be 581,530, down 530 from the preceding year but up about 9,500 (1.7 percent) from the 2000 Census count of 572,059.

Longer Term (Fiscal Years 2009-2011)

In looking further ahead to FY 2009 to FY 2011, the consensus among forecasters of the U.S. economy is that steady, low-inflationary growth will continue, with accompanying gains in employment and wages and modest increases in interest rates. 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 4.6 percent per year, and close to 6,000 additional jobs will be added each year. While significant, growth in the District's economy is forecast to continue to lag somewhat behind that occurring in the U.S. as a whole. Inflation is expected to stay low (CPI increases by 2.2 percent each year), interest rates rise modestly (to a 5.2 percent rate for 10-year Treasury securities), and the stock

Table 4-15

Operating Revenue by Source, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Property Taxes						
Real Property (gross)	1,153,795	1,367,153	1,593,410	1,717,176	1,839,990	1,958,254
<i>Transfer to TIF Fund</i>	<i>(1,652)</i>	<i>(2,333)</i>	<i>(2,128)</i>	<i>(2,233)</i>	<i>(2,206)</i>	<i>(2,206)</i>
Real Property (net)	1,152,143	1,364,820	1,591,282	1,714,943	1,837,784	1,956,048
Personal Property (gross)	65,514	66,818	67,620	68,364	69,116	69,807
<i>Transfer to Neighborhood Investment Fund</i>	<i>(9,966)</i>	<i>(9,735)</i>	<i>(9,875)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>
Personal Property (net)	55,548	57,083	57,745	58,364	59,116	59,807
Total Property Taxes (net of dedicated taxes)	1,207,691	1,421,903	1,649,027	1,773,307	1,896,900	2,015,855
Sales And Excise Taxes						
General Sales (gross)	908,884	955,085	1,016,135	1,067,625	1,124,525	1,184,499
<i>Convention Center Transfer</i>	<i>(79,706)</i>	<i>(82,694)</i>	<i>(86,002)</i>	<i>(89,614)</i>	<i>(93,467)</i>	<i>(97,486)</i>
<i>Transfer to TIF Fund</i>	<i>(11,562)</i>	<i>(10,617)</i>	<i>(9,733)</i>	<i>(9,628)</i>	<i>(9,653)</i>	<i>(9,653)</i>
<i>Transfer to DDOT capital (parking tax)</i>	<i>(33,586)</i>	<i>(32,614)</i>	<i>(32,744)</i>	<i>(32,908)</i>	<i>(33,072)</i>	<i>(33,237)</i>
<i>Transfer to Ballpark Fund</i>	<i>(8,664)</i>	<i>(12,500)</i>	<i>(19,808)</i>	<i>(18,596)</i>	<i>(18,301)</i>	<i>(18,301)</i>
<i>Transfer to School Modernization Fund</i>	-	<i>(100,000)</i>	<i>(106,000)</i>	<i>(112,360)</i>	<i>(119,102)</i>	<i>(126,248)</i>
General Sales (net)	775,366	716,660	761,848	804,519	850,930	899,573
Alcohol	5,070	4,977	4,944	4,780	4,719	4,658
Cigarette	22,993	21,234	19,223	20,186	19,682	19,190
Motor Vehicle	42,563	46,303	48,599	50,590	52,879	55,273
Motor Fuel Tax	24,960	26,844	26,938	27,032	27,221	27,221
<i>Transfer to Highway Trust Fund</i>	<i>(24,960)</i>	<i>(26,844)</i>	<i>(26,938)</i>	<i>(27,032)</i>	<i>(27,221)</i>	<i>(27,221)</i>
Total Sales Taxes (net of dedicated taxes)	845,992	789,174	834,614	880,075	928,210	978,694
Income Taxes						
Individual Income	1,233,602	1,210,306	1,310,764	1,393,956	1,474,708	1,552,150
Corporation Franchise	215,283	252,702	259,021	272,134	283,160	298,144
U. B. Franchise	142,598	173,420	187,119	205,413	225,443	248,496
Total Income Taxes	1,591,483	1,636,428	1,756,904	1,871,503	1,983,311	2,098,790

Table 4-15 (continued)

Operating Revenue by Source, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Gross Receipts Taxes						
Public Utility (gross)	155,157	156,542	156,699	156,856	157,012	157,169
<i>Transfer to Ballpark Fund</i>	<i>(10,356)</i>	<i>(9,303)</i>	<i>(9,424)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>
Public Utility (net)	144,801	147,239	147,275	147,310	147,466	147,623
Toll Telecommunication (gross)	56,611	58,132	58,190	58,248	58,307	58,365
<i>Transfer to Ballpark Fund</i>	<i>(2,055)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>
Toll Telecommunication (net)	54,556	54,967	55,025	55,083	55,142	55,200
Insurance Premiums	51,495	56,500	48,500	48,500	48,500	48,500
Healthcare Provider Tax	9,107	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(9,107)</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	15,952	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	<i>(15,952)</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)	250,852	258,706	250,800	250,893	251,108	251,323
Other Taxes						
Estate	30,125	55,575	31,650	32,283	32,000	32,000
Deed Recordation (gross)	197,528	195,038	190,747	187,122	191,988	197,748
<i>Transfer to HPTF</i>	<i>(28,504)</i>	<i>(29,256)</i>	<i>(28,612)</i>	<i>(28,068)</i>	<i>(28,798)</i>	<i>(29,662)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>		<i>(17,930)</i>	<i>(17,536)</i>	<i>(17,202)</i>	<i>(17,647)</i>	<i>(18,179)</i>
Deed Recordation (net)	169,024	147,852	144,599	141,851	145,543	149,906
Deed Transfer (gross)	132,615	125,362	119,474	122,460	126,747	131,944
<i>Transfer to HPTF</i>	<i>(19,106)</i>	<i>(18,804)</i>	<i>(17,921)</i>	<i>(18,369)</i>	<i>(19,012)</i>	<i>(19,792)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>		<i>(11,238)</i>	<i>(10,712)</i>	<i>(10,979)</i>	<i>(11,364)</i>	<i>(11,830)</i>
Deed Transfer (net)	113,509	95,319	90,841	93,112	96,371	100,323
Economic Interests	30,274	52,111	8,000	8,000	8,000	8,000
Total Other Taxes (net of dedicated taxes)	342,932	350,857	275,091	275,246	281,914	290,229
Tax Revenue Net of Dedicated Taxes	4,238,950	4,457,068	4,766,436	5,051,024	5,341,443	5,634,892
Non-Tax Revenue						
Licenses & Permits	72,184	72,141	69,235	72,329	69,320	72,320
Fines & Forfeits	112,456	111,920	111,920	111,290	111,290	111,290
Charges for Services	47,646	49,846	46,291	46,291	46,291	46,291
Miscellaneous	129,665	93,510	98,665	96,447	98,502	98,314
Total Non-Tax Revenue	361,951	327,417	326,111	326,357	325,403	328,215

Table 4-15 (continued)

Operating Revenue by Source, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Lottery/Interfund Transfer	73,800	72,100	72,100	72,100	72,100	72,100
Revenue Net of Dedicated Taxes	4,674,701	4,856,585	5,164,647	5,449,481	5,738,946	6,035,207
<i>plus</i> Total Dedicated Tax Revenue (see Exhibit C)	255,176	392,033	405,597	414,701	427,554	441,526
<i>less</i> Dedicated Tax Revenue Transferred to Special Purpose (O-Type) Funds:	66,683	49,904	-	-	-	-
Nursing Facility Quality of Care Fund	9,107	11,000	-	-	-	-
Housing Production Trust Fund	47,610	-	-	-	-	-
Comprehensive Housing Task Force Fund	-	29,169	-	-	-	-
Neighborhood Investment Fund	9,966	9,735	-	-	-	-
<i>plus</i> Special Purpose (O-Type) Fund Revenue	375,389	384,976	367,034	348,802	358,276	352,689
Total Revenue	5,238,583	5,583,692	5,937,279	6,212,984	6,524,776	6,829,423

Table 4-15 (continued)

EXHIBIT A: General Fund Components

(\$ thousands)

Revenue Source	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenue Net of Dedicated Taxes	4,674,701	4,856,585	5,164,647	5,449,481	5,738,946	6,035,207
School Modernization Fund	-	100,000	106,000	112,360	119,102	126,248
Local Fund Revenue	4,674,701	4,956,585	5,270,647	5,561,841	5,858,048	6,161,455
Dedicated Taxes	-	48,060	142,052	140,926	142,833	145,475
Nursing Facility Quality of Care Fund	-	-	11,000	11,000	11,000	11,000
Housing Production Trust Fund	0	48,060	46,533	46,437	47,810	49,454
Comprehensive Housing Task Force Fund	0	0	28,247	28,181	29,011	30,009
Neighborhood Investment Fund	-	-	9,875	10,000	10,000	10,000
Ballpark Fund	-	-	46,397	45,307	45,012	45,012
Special Purpose (O-Type) Fund Revenue	375,389	384,976	367,034	348,802	358,276	352,689
General Fund Revenue	5,050,090	5,389,622	5,779,734	6,051,569	6,359,157	6,659,619

Table 4-15 (continued)

EXHIBIT B: Policy Proposals Impacting General Fund Revenue

(\$ thousands)

Revenue Source	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Local Fund Revenue	4,674,701	4,956,585	5,270,647	5,561,841	5,858,048	6,161,455
plus Local Fund Revenue Proposals:	-	-	(18,988)	(21,119)	(23,169)	(25,497)
Reduced "Taxable Income" for Certain UB Taxpayers	-	-	(35)	(35)	(35)	(35)
Increased Homestead Deduction	-	-	(2,900)	(4,000)	(5,000)	(6,100)
Increased Standard Deduction	-	-	(10,900)	(11,600)	(12,300)	(13,100)
Increased Personal Exemption Amount	-	-	(5,153)	(5,484)	(5,834)	(6,262)
Postpone Indexing of the School Modernization Fund (Impact on Revenue Net of Dedicated Taxes)	-	-	6,000	6,360	6,742	7,146
Postpone Indexing of the School Modernization Fund (Impact on School Modernization Fund)	-	-	(6,000)	(6,360)	(6,742)	(7,146)
DDOT Parking Ticket Revenue	-	-	6,000	-	-	-
DDOT Moving Violation Ticket Revenue	-	-	250	-	-	-
Local Fund Revenue with Policy Proposals	4,674,701	4,956,585	5,257,909	5,540,722	5,834,879	6,135,958
Dedicated Taxes	0	48,060	142,052	140,926	142,833	145,475
Special Purpose (O-Type) Fund Revenue	375,389	384,976	367,034	348,802	358,276	352,689
plus Special Purpose Fund Revenue Proposals:	0	0	83,375	90,196	90,564	91,303
RET: Extend Current Programs and Add New Programs	-	-	12,800	12,800	12,800	12,800
Transfer of Right of Way Fee from Capital to Special Purpose	-	-	38,049	38,049	38,049	38,049
Transfer of Parking Tax from Capital to Special Purpose	-	-	30,000	30,000	30,000	30,000
Transfer of Bus Shelter Revenue from Capital to Special Purpose	-	-	2,526	3,097	3,465	4,204
DDOT Parking Ticket Revenue	-	-	-	6,000	6,000	6,000
DDOT Moving Violation Ticket Revenue	-	-	-	250	250	250
Special Purpose Fund Revenue with Policy Proposals	375,389	384,976	450,409	438,998	448,840	443,992
General Fund Revenue with Policy Proposals	5,050,090	5,389,622	5,850,371	6,120,646	6,426,552	6,725,425

Table 4-15 (continued)

EXHIBIT C: Dedicated Tax Revenues

(\$ thousands)

Revenue Source	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Convention Center						
<i>Sales Tax</i>	79,706	82,694	86,002	89,614	93,467	97,486
Tax Increment Financing						
<i>Real Property Tax</i>	1,652	2,333	2,128	2,233	2,206	2,206
<i>Sales Tax</i>	11,562	10,617	9,733	9,628	9,653	9,653
Ballpark Fund						
<i>Sales Tax</i>	8,664	12,500	19,808	18,596	18,301	18,301
<i>Public Utility Tax</i>	10,356	9,303	9,424	9,546	9,546	9,546
<i>Toll Telecommunications Tax</i>	2,055	3,165	3,165	3,165	3,165	3,165
<i>Baseball Gross Receipts Tax</i>	15,952	14,000	14,000	14,000	14,000	14,000
Highway Trust Fund						
<i>Motor Fuel Tax</i>	24,960	26,844	26,938	27,032	27,221	27,221
DDOT Capital (proposed DDOT Unified Fund in FY08)						
<i>Parking Tax</i>	33,586	32,614	32,744	32,908	33,072	33,237
School Modernization Fund						
<i>Sales Tax</i>	-	100,000	106,000	112,360	119,102	126,248
Housing Production Trust Fund						
<i>Deed Tax</i>	47,610	48,060	46,533	46,437	47,810	49,454
Comprehensive Housing Task Force Fund						
<i>Deed Tax</i>	-	29,169	28,247	28,181	29,011	30,009
Neighborhood Investment Fund						
<i>Personal Property Tax</i>	9,966	9,735	9,875	10,000	10,000	10,000
Nursing Facility Quality of Care Fund						
<i>Healthcare Provider Tax</i>	9,107	11,000	11,000	11,000	11,000	11,000
Total Dedicated Tax Revenue	255,176	392,033	405,597	414,701	427,554	441,526
Policy Proposals Affecting Dedicated Tax Revenue	0	0	(6,000)	(6,360)	(6,742)	(7,146)
Postpone Indexing of the School Modernization Fund for One Year	-	-	(6,000)	(6,360)	(6,742)	(7,146)
Total Dedicated Tax Revenue with Policy Proposals	255,176	392,033	399,597	408,341	420,812	434,380

Table 4-15 (continued)

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

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Revenue Net of Dedicated Taxes	4,674,701	4,856,585	5,164,647	5,449,481	5,738,946	6,035,207
<i>plus</i> Local Fund Revenue Policy Proposals	-	-	(18,988)	(21,119)	(23,169)	(25,497)
<i>plus</i> Total Dedicated Tax Revenue with Policy Proposals	255,176	392,033	399,597	408,341	420,812	434,380
<i>less</i> Dedicated Tax Revenue Transferred to Special Purpose (O-Type) Funds*	66,683	49,904	-	-	-	-
Nursing Facility Quality of Care Fund	9,107	11,000	-	-	-	-
Housing Production Trust Fund	47,610	-	-	-	-	-
Comprehensive Housing Task Force Fund	-	28,104	-	-	-	-
Neighborhood Investment Fund	9,966	9,735	-	-	-	-
<i>plus</i> Splus Special Purpose (O-Type) Revenue with Policy Proposals	375,389	384,976	456,659	438,998	448,840	443,992
Total Revenue with Policy Proposals	5,238,583	5,583,692	6,001,916	6,275,701	6,585,429	6,888,082

* Dedicated taxes currently classified as Special Purpose Fund revenue.

Table 4-15 (continued)

EXHIBIT E: Gross Tax Revenue Before Policy Proposals

(\$ thousands)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Tax Revenue Net of Dedicated Taxes	4,238,950	4,457,068	4,766,436	5,051,024	5,341,443	5,634,892
<i>plus</i> Dedicated Tax Revenue (see Exhibit C)	255,176	392,033	405,597	414,701	427,554	441,526
Gross Tax Revenue (Before Transfer of Dedicated Taxes)	4,494,126	4,849,102	5,172,033	5,465,725	5,768,997	6,076,418

Table 4-16

Tax Reductions Enacted Since FY 2004

(thousands of dollars)

PROPERTY TAX CALCULATED RATE REDUCTION	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Property tax rate reduction from 92 cents per \$100 of assessment to 88 cents per \$100 of assessment			(17,000)	(18,547)	(19,790)
FY 2007 LOCAL REVENUE POLICY PROPOSALS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Income Tax Proposals					
Quality Teacher Incentive Act of 2006			(257)	(269)	(283)
Property Tax Proposals					
Unfoldment, Inc., Equitable Real Property Relief			(88)	0	0
TOTAL POLICY CHANGES			(345)	(269)	(283)
TAX REDUCTIONS TRIGGERED BY MAY 2006 CERTIFICATION LETTER	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
New Columbia Community Land Trust		(163)	(12)	(12)	(13)
Parkside Terrace Economic Development		(250)	(60)	(65)	(75)
National Community Re-investment Coalition		(416)	(201)	(226)	(255)
Triangle Community Garden		(79)	(3)	(3)	(3)
Total Revenue Reductions		(908)	(276)	(307)	(346)
TAX REDUCTIONS TRIGGERED BY DECEMBER 2005 CERTIFICATION LETTER	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Triennial Group Taxable Assessment Disparity Correction Act of 2005		(19,151)	(21,035)	(22,802)	(24,410)
Disabled Person Tax Reduction Act of 2005		(3,630)	(3,680)	(3,780)	(3,780)
Disabled Property Owners Tax Reduction Act of 2005		(1,492)	(1,639)	(1,776)	(1,902)
TOTAL POLICY CHANGES		(24,273)	(26,354)	(28,358)	(30,092)
TAX REDUCTIONS TRIGGERED BY SEPTEMBER 2005 CERTIFICATION LETTER	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Residential Property Tax Rate and Cap Reduction Act of 2005		(20,908)	(22,964)	(24,894)	(26,649)
Limited Equity Cooperative Tax Fairness Act of 2005		(203)	(223)	(242)	(259)
Affordable Housing Preservation Tax Assessment Act of 2005		(415)	(456)	(494)	(529)
Total, Tax Reductions Triggered by September 2005 Certification		(21,526)	(23,643)	(25,630)	(27,437)
POLICY PROPOSALS IN FY 2006 BUDGET AFFECTING GENERAL PURPOSE REVENUE	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Budget Support Act Subtitles Impacting Revenue					
Catholic University of America Property Tax Exemption		(1,000)	-	-	-
Carver 2000 Low-Income and Senior Housing Tax Exemption		(50)	(50)	(50)	(50)
Dupont Commons Low-Income Housing Tax Exemption		(100)	0	0	0
The Way of the Cross Church of Christ Tax Exemption		(10)	0	0	0
Appalachian State University Tax Exemption		(20)	(20)	(20)	(20)
Family Property Recordation and Transfer Tax Exemption		(44)	(44)	(44)	(44)
American Psychological Association Tax Exemption Continuation		(940)	(970)	(1,010)	(1,040)
Recyclable Materials Sales Tax Clarification		(373)	(100)	(100)	(100)
Subtotal, Budget Support Act Subtitles		(2,537)	(1,184)	(1,224)	(1,254)
Income Tax Relief Proposals					
Expand Local EITC Match to 35%		(7,125)	(9,500)	(10,100)	(10,600)
Extend EITC Benefits to Non-Custodial Parents		(300)	(300)	(300)	(300)
Increase the Standard Deduction to \$2,500		(3,375)	(4,600)	(4,800)	(4,900)
Increase the Personal Exemption to \$1,500		(3,525)	(4,800)	(5,000)	(5,100)
Subtotal, Income Tax Proposals		(14,325)	(19,200)	(20,200)	(20,900)
Property Tax Relief Proposals					
Increase the Homestead Deduction to \$60,000		(18,700)	(19,600)	(20,600)	(21,600)
Low-Income Property Tax Deferral		(2,000)	(2,300)	(2,100)	(1,900)
Subtotal, Property Tax Proposals		(20,700)	(21,900)	(22,700)	(23,500)
Total, Tax Reductions in FY 2006 Budget		(37,562)	(42,284)	(44,124)	(45,654)
FISCAL IMPACT OF TAX POLICIES ENACTED IN FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Lowering of Property Tax Cap (from 25% to 12%)	(18,846)	(20,269)	(23,259)	(26,231)	(30,100)
Increase in Homestead Exemption (from \$30K to \$38K)	(6,553)	(6,553)	(6,553)	(6,553)	(6,553)
Tax Parity Restart	(24,000)	(77,129)	(141,000)	(141,000)	(141,000)
Deed Tax Rate Reduction (from 1.5% to 1.1% in FY 2005 & 2006, increased to 1.45% starting in FY 2007)	(89,525)	(102,273)	(32,371)	(32,502)	(32,767)
Trigger Activated PUTT Gross Receipts Tax Rate Reduction (from 11% to 10%)	(15,432)	(20,864)	(21,162)	(21,244)	(21,244)
Total, Tax Reductions Enacted in FY 2004	(154,356)	(227,088)	(224,345)	(227,530)	(231,664)
Total, Tax Reductions Enacted since FY 2004	(154,356)	(311,357)	(334,247)	(344,764)	(355,266)

market grows at a steady pace (a gain of 20 percent over the 3-year period).

In some areas the period of FY 2009 to FY 2011 is expected to show some improvements over FY 2007 and FY 2008. The pace of new housing starts is forecast to increase, with about 7,000 units being started. An increase of 5,400 households over the years FY 2009 through FY 2011 is also forecast, representing a gain of about 2.1 percent from FY 2008.

In the FY 2009 to FY 2011 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. The number of housing unit sales (the combined total of single family and condominium units) is forecast to increase about 0.7 percent each year, and the average price of all units sold is forecast to increase by 1.7 percent.

Revenues

The revised FY 2007 and FY 2008 estimates show General Fund local revenues (net of dedicated taxes) of \$4.857 billion and \$5.165 billion, respectively. (See table 4-15.) These amounts include local source General Purpose Tax and Non-Tax revenues. Table 4-15 reports estimated revenue by revenue source for the period FY 2007 to FY 2011, along with actual FY 2006 revenues. Tables 4-33 and 4-34, at the end of this chapter, provide information on year-to-year percentage and absolute changes.

Table 4-16 provides estimates, over a similar time period, of the fiscal impact on District revenues of those tax policies that were enacted since FY 2004. Figure 4-1 shows the FY 2007 distribution of local revenues net of dedicated taxes by the source of revenue.

Specific Revenue Sources

Property Tax

Real Property Tax

The District taxes real property based on 100 percent of assessed value and bills taxpayers twice annually. The District divides properties into three separate tax classes depending on the use of the real property. Each class is taxed at a different rate. The three real property classes in the District are

residential, commercial and vacant/abandoned. The major difference between the District and other jurisdictions is the large proportion of real property that is exempt from paying the District's real property tax—amounting to roughly 57 percent of the city's land area and 33 percent of the total assessed value. 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.

Real Property Tax Base

The value of all real property in the District grew 21.6 percent from \$130.1 billion in 2005 to \$158.2 billion in 2006. The total value of all taxable commercial properties amounted to \$40.4 billion or 25.5 percent of all property in the District. The total value of all residential properties amounted to \$58.1 billion or 36.7 percent of all property in the District. The total value of all exempt properties amounted to \$59.7 billion, 37.7 percent of all property in the District.

In 2006, the total value of taxable commercial properties grew 9.5 percent, taxable residential properties grew 16.2 percent, and the value of all exempt property grew 38.1 percent. With only 62.3 percent of the value of all real property in the District being taxable in 2006, the commercial sector accounted for 41.0 percent of the 2006 tax base, down from 42.5 percent in 2005, and the residential sector accounted for 59.0 percent of the 2006 tax base, up from 57.5 percent in 2005. In FY 2006, the District's total taxable real property had an assessed value of \$98.5 billion.

Real Property 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 4-17.) Class 1 properties are residential properties (owner-occupied and rental), of which there are approximately 155,000. The tax rate for these properties was lowered from \$0.92 per \$100 of assessed value in FY 2006 to \$0.88 per \$100 of assessed value in FY 2007 via the "Calculated Residential Property Tax Rate Establishment Act of 2005". This legislation limits the growth in total residential real property taxes to 9 percent in FY 2007. It was estimated in September 2006

that the growth in total Class 1 real property tax revenue would be 15 percent (even after the application of the 10 percent tax cap and other relevant tax relief). Subsequently, to limit real property tax revenue growth to 9 percent, the CFO calculated the FY 2007 tax rate to be \$0.88 per \$100 of assessed value. This legislation also limits the growth in residential real property taxes to 8 percent in FY 2008. In May 2007, it was estimated that Class 1 revenue for FY 2008 would yield an additional 13 percent in tax revenue at the \$0.88 per \$100 of assessed value tax rate compared to FY 2007. Subsequently, to limit real property tax revenue growth to the statutory 8 percent, it was calculated that the Class 1 tax rate for FY 2008 would be \$0.85 per \$100 of assessed value.

Class 2 properties are commercial properties, of which there are approximately 9,000. These properties are taxed at the commercial rate of \$1.85 per \$100 of assessed value.

Class 3 properties are vacant and/or abandoned properties, of which there are approximately 2,800. 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 providing an incentive to develop vacant or abandoned properties. There are several exemptions from this higher

tax rate for both residential and commercial properties that might potentially be affected, such as for buildings that are under construction, for sale, or have been damaged by flood or fire.

Real Property Tax Assessments Annual Assessments

The District operated under a triennial assessment system from FY 1999 to FY 2003. In FY 2004 all real property in the District was assessed on an annual basis for the first time since 1998. The return to annual assessments has meant that assessment values are more indicative of market values. But, the return to annual assessments, combined with the continuously strong demand to own real property in the District, has helped bring about increases in annual property tax liability of 30 percent and higher for many properties in FYs 2004 to 2006.

In an effort to ameliorate the rapidly escalating financial burden of real property tax bills for residential tax payers, numerous legislative remedies have been implemented in recent years. The "Owner-Occupant Residential Tax Credit Act of 2001" stipulated that District homeowners will pay no property tax on the assessment increase above 25 percent (i.e., a 25 percent tax cap) of the prior year's assessment. When a tax cap is applied

Figure 4-1

FY 2007 Distribution of General Fund Local Revenue

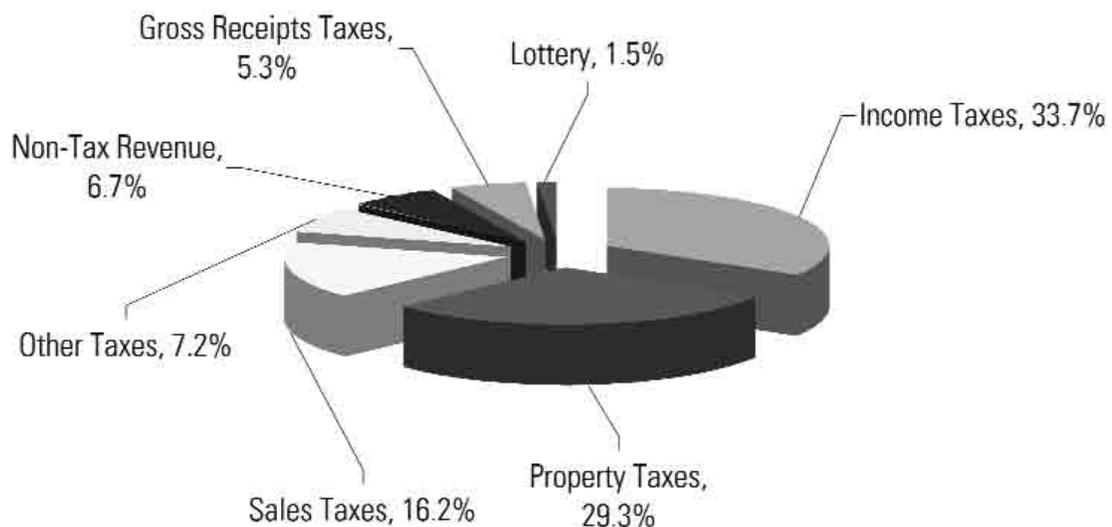


Table 4-17

Real Property Tax Classes and Rates for FY 2007

Real Property Tax Class	Tax Rate
Class 1 (Residential)	\$0.88 per \$100 of assessed value
Class 2 (Commercial/ Non Class 1 & 3 Properties)	\$1.85 per \$100 of assessed value
Class 3 (Vacant/Abandoned)	\$5.00 per \$100 of assessed value

to a property's tax bill, the assessed value determined by the Office of Tax and Revenue is not affected in any way. A tax cap only limits the annual tax liability for affected properties.

The "Owner-Occupant Residential Tax Credit and Homestead Deduction Clarification Emergency Act of 2004" specified that, beginning in FY 2004, District homeowners will pay no property tax on the assessment increase above 12 percent of the prior year's assessment. The legislation also increased the annual homestead deduction from \$30,000 to \$38,000. The "Real Property Tax Relief Act of 2005" increased the annual homestead deduction by \$22,000, from \$38,000 to \$60,000. The "Residential Property Tax Rate and Cap Reduction Act of 2005" lowered the tax rate for all residential properties from \$0.96 per \$100 of assessed value to \$0.92 per \$100 of assessed value, and it stipulated that, beginning in FY 2006, annual property taxes for District homeowners will increase no more than 10 percent annually.

The "Triennial Group Taxable Assessment Disparity Correction Act of 2005" adjusted all FY 2006 assessments for homestead properties in triennial groups 1 and 2 to reflect a 12 percent tax

cap dating back to 2001. (Prior to this legislation in 2005, these properties were subject to the 25 percent cap in 2002 and 2003 unlike properties in triennial group 3 which have only been subject to the 12 percent cap.) And lastly, the "Calculated Residential Property Tax Rate Establishment Act of 2005" limited the growth in total Class 1 real property tax revenue to 9 percent in 2007 and 8 percent in 2008. Because growth in total Class 1 real property tax revenue in 2007 was estimated to be 15 percent, the tax rate was lowered for all residential properties from \$0.92 to \$0.88 per \$100 of assessed value in FY 2007 to yield only the legally allowable amount of tax revenue from this source. The growth in total Class 1 real property tax revenue in 2008 was estimated to be 13 percent. Consequently, the tax rate was again lowered for all residential properties to \$0.85 per \$100 of assessed value in FY 2008 in compliance with District law.

Real Property Revenue

Actual FY 2006 and projected FY 2007 to FY 2011 revenue from the real property tax is shown in table 4-18. In FY 2006, collections under the

Table 4-18

Property Tax Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Real Property (gross)	1,153,795	1,367,153	1,593,410	1,717,176	1,839,990	1,958,254
<i>Transfer to TIF</i>	<i>(1,652)</i>	<i>(2,333)</i>	<i>(2,128)</i>	<i>(2,233)</i>	<i>(2,206)</i>	<i>(2,206)</i>
Real Property (net)	1,152,143	1,364,820	1,591,282	1,714,943	1,837,784	1,956,048
Personal Property (gross)	65,514	66,818	67,620	68,364	69,116	69,807
<i>Transfer to Neighborhood Investment Fund</i>	<i>(9,966)</i>	<i>(9,735)</i>	<i>(9,875)</i>	<i>(10,000)</i>	<i>(10,000)</i>	<i>(10,000)</i>
Personal Property (net)	55,548	57,083	57,745	58,364	59,116	59,807
Public Space	22,206	20,310	20,960	21,588	22,236	22,859
<i>Transfer to DDOT</i>	<i>(22,206)</i>	<i>(20,310)</i>	<i>(20,960)</i>	<i>(21,588)</i>	<i>(22,236)</i>	<i>(22,859)</i>
Total Property Taxes	1,207,691	1,421,903	1,649,027	1,773,307	1,896,900	2,015,855

real property tax constituted 24.7 percent of local revenue, making the real property tax the second largest source of local revenue after the individual income tax. In FY 2007, real property tax revenue collections are expected to account for 28.2 percent of Local Fund revenue. The robust increase in revenue is a direct consequence of the robust growth in property assessments across all property tax classes and in all parts of the city.

In FY 2006 several pieces of major legislation were enacted to provide additional real property tax relief for residential property. The major pieces of legislation in this package 1) lowered the FY 2006 residential assessments for homesteads in triennial groups 1 and 2 to reflect a 12 percent cap in FY 2002 to FY 2005; 2) lowered the tax rate from \$0.96 to \$0.92 per \$100 of assessed value; and 3) increased the homestead exemption by \$22,000 to \$60,000. These newly implemented fiscal policy changes suppressed the underlying natural growth rate in real property tax revenue in FY 2006. This legislative tax relief package reduced FY 2006 revenue by \$63.3 million and limited revenue growth to only 8.8 percent compared to FY 2005. Real property tax revenue is projected to continue to grow vigorously at a rate of 18.5 percent in FY 2007 and at a rate of 16.5 percent in FY 2008. The calculated tax rate for residential property reduced FY 2007 real property tax revenue by \$17.1 million and FY 2008 real property tax revenue by \$17.5 million.

Real property tax revenue for any given year is based on assessments completed two years prior. This time frame includes one year for property owners to contest their assessment, if they choose, before tax payment is due. Therefore FY 2007 real property tax revenue reflects market conditions in 2005. Considering that a phenomenal number of property sales at ever increasing sale prices have taken place over the past six years, calendar year 2005 was the year when property sale prices were at their highest in the city both in terms of their level and annual percentage changes. Between CY 2001 and CY 2005, annual home sales have increased by an average of 4.6 percent. But, median sale prices for single family homes and condominiums increased annually by an average of 21.9 and 19.5 percent respectively.

For this same time period, over 200 large commercial office buildings were sold in the city and the average annual sales price for these properties increased 13.9 percent.

Calendar year 2006 was a year when property sales were below sales in the previous year and average sale prices began to decline. These developments in the realm of property sales have caused some in the local real estate industry to consider 2005 as the peak year of the current real estate market cycle. Given that there is approximately a two to three year lag between the real property tax revenue collected in any given year, the slowing real estate market is not expected to impact real property tax revenue until FY 2009. So while real property tax revenue is expected to grow at a rate of 18.5 percent in FY 2007 and at a rate of 16.5 percent in FY 2008, the growth rate in FY 2009 slows to 7.8 percent. The annual growth rate continues to decline gradually to 6.4 percent in 2011.

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 2007, the percentage of real property tax collections dedicated to the repayment of principal and interest on the District's General Obligation Bonds is 45 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 but excluding inventories held for sale. The strength of the District's economy in recent years has resulted in greater investment in personal property used for commercial purposes.

In FY 2006, gross total personal property tax collections totaled \$65.5 million (see table 4-18), a 4.8 percent increase over FY 2005 collections of \$62.1 million. The growth in personal property tax revenue for FYs 2007 to 2011 is not expected to match that of FY 2006. Based on national and regional economic indicators that suggest that economic growth will continue over the next several years, this growth is expected to occur at a

slower annual rate. Instead, total personal property tax collections are expected to amount to only \$66.8 million in FY 2007 and grow about 1.1 percent per annum for FYs 2008 to 2011.

In 2004 District legislation created a Neighborhood Investment Fund (NIF) and a Neighborhood Investment Program which 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 2006, nearly \$10.0 million of personal property tax revenue was diverted to the NIF and it is estimated that \$9.7 million and \$9.9 million will go to the NIF in FY 2007 and FY 2008, respectively. Therefore net personal property tax collections are expected to be \$57.1 million in 2007 and \$57.7 million in 2008.

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 2006, revenue from public space rentals amounted to \$22.2 million (see table 4-18), a 42.1 percent increase from FY 2005. This surge in additional revenue in FY 2006 was a result of the strong growth in the assessment values of vaults in commercial buildings. The "Public Space Rental Fees Amendment Act of 2006" increased rental rates by 20 percent beginning in FY 2007. This is expected to increase revenue from this source by 10.7 percent in 2007 compared to the previous year. However, beginning in FY 2008 Public Space rental collections are expected to grow 2.1 percent per annum to FY 2011.

Recent legislation also affected the impact of Public Space Rental tax collections on total General Fund revenue beginning in FY 2006. The "Highway Trust Fund and District Department of Transportation Emergency Amendment Act of 2005" requires that all revenue from the public space rentals be deposited annually into the District Department of Transportation Operating Fund. Although, this tax is expected to produce over \$25 million each year for the foreseeable future, the revenue will no longer be available to the General Fund, but is to be used for local road construction and maintenance and related debt servicing.

Table 4-19

Estimated Sales Tax Base and Payments by Tax Type, FY 2006

(\$ Millions)

	Retail	Liquor	Restaurant	Parking	Hotel	Total
Base	6,871.3	233.3	2,638.0	307.5	1,324.1	11,374.2
Rate	5.75%	9%	10%	12%	14.5%	
Collections	430.1	21.0	239.1	36.9	181.8	908.9
<i>Convention Center Transfer</i>	-	-	23.9	-	55.8	79.7
<i>TIF Transfer</i>	3.8	0.2	2.2	3.3	2.1	11.6
<i>Parking Tax Transfer</i>	-	-	-	33.6	-	33.6
<i>Ballpark Transfer</i>	-	-	8.7	-	-	8.7
Local Fund	426.3	20.8	204.3	-	123.9	775.4

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

Table 4-20

General Sales and Use Tax Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
General Sales and Use	908,884	955,085	1,016,135	1,067,625	1,124,525	1,184,499
<i>Convention Center Transfer</i>	<i>(79,706)</i>	<i>(82,694)</i>	<i>(86,002)</i>	<i>(89,614)</i>	<i>(93,467)</i>	<i>(97,486)</i>
<i>Transfer to TIF</i>	<i>(11,562)</i>	<i>(10,617)</i>	<i>(9,733)</i>	<i>(9,628)</i>	<i>(9,653)</i>	<i>(9,653)</i>
<i>Transfer to DDOT capital (parking tax)</i>	<i>(33,586)</i>	<i>(32,614)</i>	<i>(32,744)</i>	<i>(32,908)</i>	<i>(33,072)</i>	<i>(33,237)</i>
<i>Transfer to Ballpark Fund</i>	<i>(8,664)</i>	<i>(12,500)</i>	<i>(19,808)</i>	<i>(18,596)</i>	<i>(18,301)</i>	<i>(18,301)</i>
<i>Transfer to School Modernization Fund</i>	-	<i>(100,000)</i>	<i>(106,000)</i>	<i>(112,360)</i>	<i>(119,102)</i>	<i>(126,248)</i>
General Sales and Use (net)	775,366	716,660	761,848	804,519	850,930	899,573

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). 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).

From a policy perspective, the multiplicity of rates is ostensibly intended to accomplish different goals, including revenue generation from visitors to the District and support for the hospitality industry via the Convention Center transfer. The multiplicity of rates, with special exemptions provided in each category, complicates the administration of the 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.

Net revenue collected under the sales and use tax in FY 2006 was \$775.4 million (see table 4-19), net of the Convention Center transfer of \$79.7 million, a TIF transfer of \$11.6 million, a transfer to DDOT (Parking Tax) of \$33.6 million, and a Ballpark Fund transfer of \$8.7 million. For FY

2007, sales and use tax collections are projected to be the third largest source of District General Fund local revenue, comprising 19.7 percent of total revenue net of dedicated taxes. The sales and use tax applies to businesses on their purchases of supplies and equipment as well as to a wide range of ordinary consumer purchases. The general U.S. economy grew at a rate of 6.5 percent in FY 2006 and a 4.7 percent rate is expected for FY 2007 (nominal GDP). U.S. personal income increased 6.1 percent in FY 2006 and is expected to increase 5.3 percent for FY 2007. When people have rising income they tend to spend a portion of this increase on vacation spending. Thus, the District is expected to see the tourism spending, which grew at a slower rate in FY 2006 than in FY 2005, to continue to grow in FY 2007 but at a slower rate than in FY 2006 due to the projected slowing of the national economy. This slower growth in tourist spending and the increased transfers provide a basis for decreased sales tax revenues for FY 2007 to \$716.7 million (see table 4-20), net of the Convention Center Transfer of \$82.7 million, a TIF transfer of \$10.6 million, a DDOT (parking tax) transfer of \$32.6 million, a Ballpark Fund transfer of \$12.5 million, and the School Modernization Fund transfer of \$100.0 million. The growth rates in both sales tax revenue and personal income will slowly increase for the out years. 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.

Table 4-21

Sales Tax Forecast for the Convention Center Fund, Fiscal Years 2007-2011

(\$ thousands)

	FY 2007	FY 2008	FY 2009	FY 2010	FY2011
Restaurant Sales Tax	25,552	26,575	27,691	28,881	30,123
Hotel Sales Tax	57,142	59,427	61,923	64,586	67,363
Total	82,694	86,002	89,614	93,467	97,486

Convention Center Transfer

After recovering from the FY 2002 drop, the Convention Center transfer grew by approximately 4.6 million or 8.5 percent in FY 2003 over FY 2002. The Convention Center transfer continued its growth in FY 2004, expanding 5.2 percent from FY 2003; and there was a 24.6 percent increase for FY 2005 over FY 2004. This growth in the Convention Center transfer can be attributed to the facility coming completely online in FY 2005 and the Center's target occupancy rate of 75 percent for FY 2004 through FY 2006. A 3.7 percent increase is expected for FY 2007 over FY 2006, based on growing tourist spending in the District from increased U.S. personal incomes growing at a rate of 5.3 percent.

Restaurant Sales Tax

Restaurant sales tax receipts are estimated to be \$263.8 million in FY 2006, up \$17.7 million or 7.2 percent from \$246.1 million in FY 2005.

Hotel Sales Tax

Hotel sales tax revenues are estimated to be \$192.0 million in FY 2006, up \$20.0 million or 11.6 percent from \$172.0 million in FY 2005.

As noted earlier, a portion of restaurant and hotel sales tax revenues are transferred to the Convention Center Fund. Table 4-21 shows the amounts projected to be transferred over the FY 2007 to FY 2011 period.

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, \$10.6 million in sales tax revenue is expected to be transferred to the TIF program, which is a 8.2 percent decrease from FY 2006.

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 estimated to be \$33.6 million, down \$1.1 million or 3.2 percent from \$34.7 million in FY 2005. In FY 2007, parking tax revenue is expected to be \$32.6 million, which is \$1.0 million (2.9 percent) below FY 2006 parking tax revenue.

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 included 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 2006, \$8.7 million was transferred to the Ballpark Fund. In FY 2007, \$12.5 million is expected to be transferred to the Ballpark Fund. This is a \$3.8 million (44.3 percent) increase over the amount of revenue transferred in FY 2006. For more information, 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 establishes the Public School Capital Improvement Fund for the purpose of funding

capital improvements throughout the District of Columbia school system. The revenue source for this fund, beginning in FY 2007, is \$100 million of sales tax revenue. Beginning in FY 2008, the amount of funds transferred to the Public School Capital Improvement Fund is increased by the Construction Cost Index.

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. Alcohol consumption has been declining in the United States since 1990, a trend reflected in the District's tax collections for alcoholic beverages. Alcohol tax collections are expected to be \$5.0 million and \$4.9 million in FY 2007 and FY 2008, respectively (see table 4-22). Alcohol tax collections are expected to decrease throughout the FY 2007 through FY 2011 projection period because alcohol consumption is expected to decrease moderately. After a peak in the first half of FY 2004, tax collected from alcoholic beverages declined and appears to be moderating since then. There has been no change in the tax rate since 1990, which suggests the change in tax collected is directly linked to consumption patterns.

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 2006 was approximately \$23 million. Revenues are estimated to be lower in FY 2007 (\$21.2 million) and to fall further in FY 2008 (to \$19.2 million). We project revenue to decline very slightly between FY 2008 and FY 2011 (see table 4-22).

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 \$42.6 million in FY 2006, a 0.4 percent increase in collections from FY 2005. This tax is largely dependent on car purchases by District residents. Soaring car sales in the late 1990s and early 2000s gave way to the fall-out from a slow economy following September 11. Automakers attempted to curtail this decline starting in FY 2002 by incentives such as zero percent financing and cash

Table 4-22

Selective Sales and Excise Tax Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY2006 Actual	FY2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Alcoholic Beverages	5,070	4,977	4,944	4,780	4,719	4,658
Cigarette	22,993	21,234	19,223	20,186	19,682	19,190
Motor Vehicle Excise	42,563	46,303	48,599	50,590	52,879	55,273
Total Selective Sales and Excise	70,626	72,514	72,766	75,556	77,280	79,121

Table 4-23

Income Tax Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY2006 Actual	FY2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Individual Income	1,233,602	1,210,306	1,310,764	1,393,956	1,474,708	1,552,150
Corporate Franchise	215,283	252,702	259,021	272,134	283,160	298,144
U. B. Franchise	142,598	173,420	187,119	205,413	225,443	248,496
Total Income Taxes	1,591,483	1,636,428	1,756,904	1,871,503	1,983,311	2,098,790

rebates. During FY 2003, auto sales seemed to recover from September 11 levels.

The District's Department of Motor Vehicles (DMV) has reported that there have been improvements in the administration of imposing the excise tax on all newly titled vehicles. The Department has programmed computers to ensure the application of the correct excise tax rate on a more consistent method of Fair Market Valuation. This improvement may have contributed to the 4.8 percent increase in collections in FY 2005. Collections are projected to increase on average by 4.4 percent per year between FY 2008 and FY 2011 (see table 4-22). The measured growth rate is a combination of continued moderate growth in the numbers of cars sold, the price of cars sold, and the percentage of cars sold that are in the heavier category. This has been the trend since about 2001.

Income Taxes

The individual income tax, the corporate franchise tax, and the unincorporated business franchise tax are significant sources of District revenue. In FY 2006, these taxes accounted for 34 percent of local source revenue. In FY 2007, their share of local source revenue is projected to be 34 percent. Actual FY 2006 revenue from these sources is shown in table 4-23. This table also shows projected revenue from each of these taxes for the period FY 2007 through FY 2011.

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, the District's largest single source of tax revenue, accounted for 26.4 percent of total local source revenue in FY 2006. Table 4-24 reports the tax rates and brackets scheduled to be applied to net taxable income (NTI) across the planning period. For FY 2007, the tax rate is 4 percent for NTI up to \$10,000. For 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 4-24 suggests that the District has a progressive tax system.

The cost of the Tax Parity Act of 1999, which sought to reduce tax rates in the District of Columbia and is expected to be fully implemented by FY 2007, is anticipated to be a \$64 million additional reduction in revenue in FY 2007. The cumulative decline in revenue is estimated to be

\$117 million. With the full implementation by FY 2007, there would be no additional reduction in revenue in FY 2008 and FY 2009.

FY 2006

In FY 2006, individual income tax revenue grew by approximately 6 percent, which is about half of the 11 percent growth rate that was experienced in FY 2005 and the 12 percent growth rate in FY 2004. The earnings of District residents increased by slightly more than 5 percent in FY 2006, which is a slowdown from the 7 percent growth rate in FY 2005 and the 9 percent growth rate in FY 2004. In FY 2006, the wages and salaries of the District's residents increased by approximately 6 percent, while in FY 2005 they increased by just over 6 percent and by approximately 8 percent in FY 2004. The withholding component of the individual income tax, which is tied directly to wages and salaries, grew by approximately 6 percent in FY 2006, which was up from the 5 percent growth rate in FY 2005, but lower than the almost 7 percent growth rate in FY 2004.

The declarations component (also called estimated payments) of total revenue from individual income increased by slightly more than 11 percent in FY 2006, which was lower than the 15 percent growth rates in FY 2004 and FY 2005. A 5 percent increase in property income (interest, dividends and rents) was experienced in FY 2006, which was slightly lower than the growth that was experienced in FY 2005, but higher than the 3 percent in FY 2004. The stock market had a weaker performance in FY 2006 than in fiscal years 2004 and 2005. Also contributing to revenue changes was growth in payments accompanying returns in FY 2006 of 12 percent, which was the same rate of growth as experienced in FY 2005, but lower than the 29 percent that was experienced in FY 2004. The lower growth rate in the stock market in FY 2006

relative to fiscal years 2004 and 2005 contributed to smaller growth rates in the declarations component of the individual income tax.

FY 2007-FY 2011

In FY 2007 the District anticipates \$1,210 million in individual income tax revenue. In FY 2008 it is anticipated that there would be approximately 8.3 percent growth in individual income tax revenue resulting in revenue of \$1,311 million. For FY 2009-2011, revenue is projected to be \$1,394 million, \$1,475 million and \$1,552 million respectively. The roughly 1.9 percent revenue decrease in FY 2007 is expected to be followed by 8.3 percent growth in revenue in FY 2008. Revenue is expected to grow by 6.3 percent in FY 2009 and by about 5.8 percent in FY 2010 and by 5.3 percent in FY 2011. Figure 4-2 shows the anticipated growth rates.

As the national and regional economies continue to strengthen and the District population becomes wealthier, as recent Census figures indicate, we expect continued strong revenue growth in the individual income tax. However, the individual income tax revenue will continue to be a major source of volatility in the District's revenue system because its growth is so closely tied to the stock market. As the District's population becomes wealthier, we expect the volatility in this revenue source to increase, as a greater share of taxable income will be tied to capital gains.

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

Table 4-24

Income Tax Rates, Fiscal Years 2006-2011

Net Taxable Income	FY2006	FY2007	FY 2008	FY 2009	FY 2010	FY 2011
\$0 - \$10,000	4.5%	4.0%	4.0%	4.0%	4.0%	4.0%
\$10,001 - \$40,000	7.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Greater than \$40,000	8.7%	8.5%	8.5%	8.5%	8.5%	8.5%

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

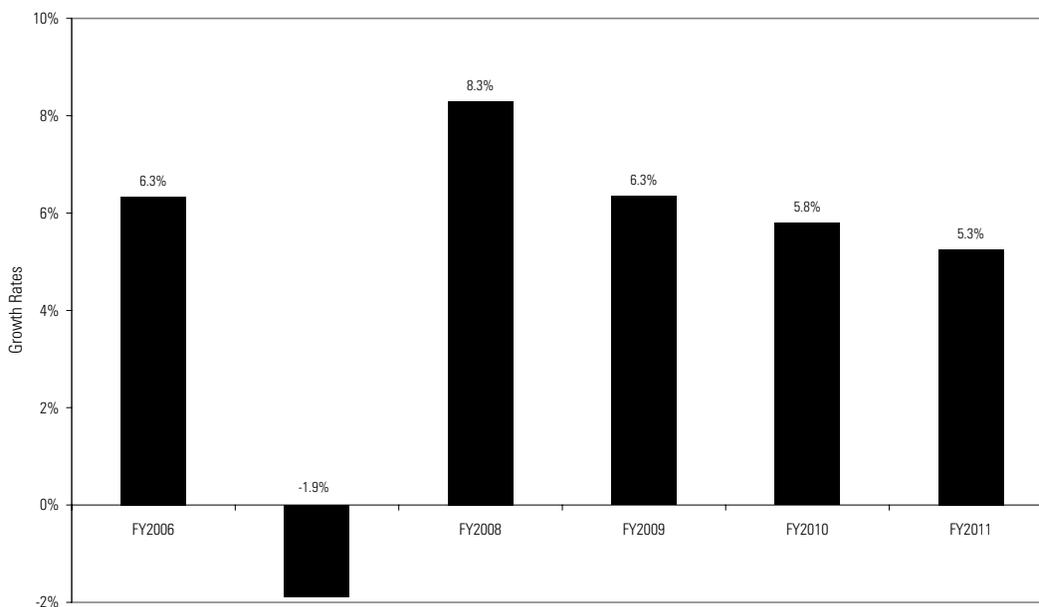
Corporate franchise tax revenue as a share of total local fund revenues has declined as a percentage of total revenues. Corporations have increasingly used tax planning to lower their taxable income. As a result, many corporations, regardless of the amount of their gross profits, have only a minimum 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 \$259.0 million of corporate franchise tax revenue in FY 2008 (see table 4-23), a 2.5 percent increase over the \$252.7 million estimate for FY 2007. We project annual average growth of approximately 4.8 percent from FY 2008 to FY 2011. Our estimate is based partly on recent record growth in productivity—corporations have been able to do more with fewer workers, and on the recovery of

Figure 4-2

Estimated Individual Income Tax Revenue Growth Rates (FY 2006-FY2011)



the stock market since the latter half of 2003. Franchise tax revenues lag the stock market by about a year. We expect the growth in revenue from the corporate franchise tax to be less than the stock market's growth because the relationship between the stock market and corporate franchise tax is not one to one.

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 \$187.1 million in unincorporated business franchise tax revenue in FY 2008 (see table 4-23), a 7.9 percent increase over the FY 2007 revenue estimate of \$173.4 million. We project average annual growth of approximately 9.9 percent between FY 2008 and FY 2011.

Many District unincorporated business tax filers who pay taxes on unincorporated business income are real estate investors. 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, the strong growth in unincorporated business collections in recent years is largely due to the strong growth in the real estate industry. Although the industry is expected to remain strong, the growth rate is expected to slow somewhat during the FY 2008 to FY 2011 period.

Private consultants also pay the unincorporated business tax. As a result of increased federal contracting because of Homeland Security projects, we anticipate growth from this sector of unincorporated business filers to be strong. In addition, with an expected rebound in the stock market, we forecast strong growth in collections from unincorporated business in FY 2008 and the following years.

Table 4-25

Gross Receipts Tax Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Public Utility (gross)	155,157	156,542	156,699	156,856	157,012	157,169
<i>Transfer to Ballpark Fund</i>	<i>(10,356)</i>	<i>(9,303)</i>	<i>(9,424)</i>	<i>(9,546)</i>	<i>(9,546)</i>	<i>(9,546)</i>
Public Utility (net)	144,801	147,239	147,275	147,310	147,466	147,623
Toll Telecommunication (gross)	56,611	58,132	58,190	58,248	58,307	58,365
<i>Transfer to Ballpark Fund</i>	<i>(2,055)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>	<i>(3,165)</i>
Toll Telecommunication (net)	54,556	54,967	55,025	55,083	55,142	55,200
Insurance Premiums	51,495	56,500	48,500	48,500	48,500	48,500
Healthcare Provider Tax	9,107	11,000	11,000	11,000	11,000	11,000
<i>Transfer to Nursing Facility Quality of Care Fund</i>	<i>(9,107)</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	15,952	14,000	14,000	14,000	14,000	14,000
<i>Transfer to Ballpark Fund</i>	<i>(15,952)</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	250,852	258,706	250,800	250,893	251,108	251,323

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*. With the appeals process ended, the Office of Tax and Revenue will begin to take the appropriate step of rejecting all pending claims for refunds of unincorporated business franchise tax payments that are based on the Superior Court decision, which was reversed by the D.C. Court of Appeals.

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 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, and a tax of 6 percent on nursing home providers, and a sliding scale tax on D.C. gross receipts over \$5,000,000 with this revenue dedicated to the Ballpark Fund.

Table 4-25 shows actual revenue in FY 2006, estimates for FY 2007 and FY 2008 and projected revenue from public utilities, toll telecommunications and insurance premiums for fiscal years 2009 through 2011.

Public Utility Taxes

The public utility tax is imposed on the gross receipts of gas, electric and local telephone companies. Washington Gas and Pepco are the lead-

ing 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.

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 or heating oil was \$0.0703 from 12/02/05 to 9/28/06 and \$0.0707 from 09/29/06. For non-residential users, the tax per therm of natural gas or heating oil was \$0.0703 from 12/02/05 to 9/28/06 and \$0.0707 plus \$0.00707 from 09/29/06. The additional surcharge on non-residential customer 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 revenue from public utilities taxes (before the 1 percent charge to baseball stadium funding is taken) to be \$156.5 million in FY 2007 and \$156.7 million in FY 2008. Gross revenue from public utility taxes is estimated to increase by only 0.1 percent a year from FY 2008 through FY 2011.

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.

The telecommunications industry has faced challenges in recent years. 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.

A relatively new technology known as Voice Over Internet Protocol (VOIP) may reduce the toll telecommunications tax related to overseas calls in the coming years. We expect the capacity of lines locally to be reduced in the coming years. We also expect the telecommunications sector to recover at a moderate pace.

We estimate revenue from the Toll Telecommunications tax (before the 1 percent charge to baseball stadium funding) to be \$58.1 million in FY 2007 and \$58.2 million in FY 2008. We project gross revenue to grow by only 0.1 percent a year from FY 2008 through FY 2011.

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 other premiums (including business, health, property and motor vehicle) making up the other half. Since September 11, insurance rates have risen nationally. Insurers have begun to either substantially increase the price for terrorism coverage or drop the coverage completely. However, District regulators reached an agreement that capped premium increases for terrorism coverage at 24 percent.

Insurance costs rose in 2002 and 2003 with the declining stock market. Investments that had previously helped offset underwriting losses for many insurance companies have turned into losses themselves. As a result of the increased premium charges and the reduction in insurance investment income, premiums and the tax collected from them rose after 2003. In FY 2006, revenue collected from insurance premium tax was \$51.5 million. Collections from taxes on insurance premiums are estimated to be \$56.5 million in FY 2007 and \$48.5 million in FY 2008, and to remain at that level during the period FY 2009 to FY 2011, 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 in FY 2008 through FY 2011. 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.

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 component sources of deed tax revenue: the commercial sales, the housing sector and commercial refinancing. In FY 2005, it is estimated that the commercial sales sector accounted for 50.3 percent of deed tax collections, the housing sector accounted for 30.2 percent, and the commercial refinancing sector accounted for 19.5 percent. Refinancing activity is measured by the difference between deed recordation and deed transfer taxes. Deed tax revenue from commercial property sales was 15.3 percent lower in FY 2006 than in FY 2005, while deed tax revenue from residential property sales was down 12.4 percent and commercial refinancing was 43.5 percent higher. As stated earlier, the city’s real estate market for calendar years 2001 to 2005 was spectacular. This period experienced a great number of property sales at ever increasing sale prices. But CY 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. These developments are reflected in the total annual deed tax revenue amounts for each year

Using normalized deed tax data, deed recordation tax revenue in FY 2005 grew by 32.7 percent over revenue in FY 2004. Deed transfer tax collections grew by 38.3 percent in FY 2005 over FY 2004. However, 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. Clearly the market began a transition in FY 2006 and buyers and sellers of city property

have begun to make adjustments in their expectations. It appears that most buyers of property have begun to shy away from the rapidly escalating average sale prices. This is forcing sellers of property to lower their expectations for sale prices and rates of return. This adjustment period appears likely to continue until FY 2009. It is expected that baseline deed recordation activity (prior to FY 2007 fiscal policy changes) will decline 24.0 percent, 2.2 percent, and 1.9 percent in FYs 2007, 2008 and 2009, respectively. Baseline deed transfer activity (prior to FY 2007 fiscal policy changes) will decline 26.7 percent and an additional 4.7 percent in FY 2007 and FY 2008. Baseline deed transfer activity is expected to grow 2.5 percent in 2009.

Although the forecast for FYs 2007 and 2008 may suggest a very weak and declining property market, the market fundamentals are quite strong. There remains strong overall demand for and a limited supply of real estate in the District. Furthermore, this is taking place in an environment where the annual growth in jobs, personal income, and business income in the city is expected to remain strong. Federal jobs in the city are expected to remain relatively stable, and interest rates are not likely to rise sharply in the coming years. The market softening that began in 2006, which is likely to continue until 2009, is more of a transition from a phase of frenzied market activity to a more balanced and disciplined phase.

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 newly dedicated to housing production are projected to be \$48.1 million in FY 2007 and \$46.5 million in FY 2008. The “Fiscal Year 2007 Budget Support Act of 2006” establishes 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 \$29.2 million in FY 2007 and \$28.2 million in FY 2008.

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 \$147.9 million in 2007 and is \$144.6 million in 2008. (See table 4-26.) This is a 12.5 percent decrease in net revenue to the General Fund in FY 2007 and a 2.2 percent decrease in FY 2008. Net deed transfer revenue expected to go to the General Fund is estimated to be \$95.3 million in 2007 and \$90.8 million in 2008. This is a 16.0 percent decrease in net revenue to the General Fund in FY 2007 and a 4.7 percent decrease in FY 2008.

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. If either of these two elements is present, then the tax rate is 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.

The value of transactions subject to the economic interest tax reached record proportions in FY 2006 and revenue amounted to \$30.3 million in FY 2006. This appears to be related to the heightened level of activity in the District's commercial real property market in 2005 and 2006. However, for the first seven months of FY 2007, cash collections for this revenue sources amounted to \$46 million. This is primarily due to an unusually large tax payment that resulted from the sale of the CarrAmerica Realty portfolio of District properties in 2006. It is expected that total revenue from economic interest transfers will total \$52.1 million in FY 2007. But given

Table 4-26

Other Tax Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Estate	30,125	55,575	31,650	32,283	32,000	32,000
Deed Recordation (gross)	197,528	195,038	190,747	187,122	191,988	197,748
<i>Transfer to HPTF</i>	<i>(28,504)</i>	<i>(29,256)</i>	<i>(28,612)</i>	<i>(28,068)</i>	<i>(28,798)</i>	<i>(29,662)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>		<i>(17,930)</i>	<i>(17,536)</i>	<i>(17,202)</i>	<i>(17,647)</i>	<i>(18,179)</i>
Deed Recordation (net)	169,024	147,852	144,599	141,851	145,543	149,906
Deed Transfer (gross)	132,615	125,362	119,474	122,460	126,747	131,944
<i>Transfer to HPTF</i>	<i>(19,106)</i>	<i>(18,804)</i>	<i>(17,921)</i>	<i>(18,369)</i>	<i>(19,012)</i>	<i>(19,792)</i>
<i>Transfer to Comp. Housing Strategy Fund</i>		<i>(11,238)</i>	<i>(10,712)</i>	<i>(10,979)</i>	<i>(11,364)</i>	<i>(11,830)</i>
Deed Transfer (net)	113,509	95,319	90,841	93,112	96,371	100,323
Economic Interests	30,274	52,111	8,000	8,000	8,000	8,000
Total Other Taxes (net of dedicated taxes)	342,932	350,857	275,091	275,246	281,914	290,229

the slowing commercial real estate market and the high degree of volatility and unpredictability in annual collections for this tax, it is expected that on average the District will receive \$8.0 million annually from the economic interest tax for FY 2008 through 2011. (See table 4-26.)

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:

- Lowers tax rates for the largest estates;
- Raises the current exemption level from \$1.5 million to \$2 million in 2006, and further to \$3.5 million in 2009; and
- Eliminates 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 is \$2 million in FY 2007 the District threshold is \$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 thresh-

olds 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.

One of the provisions of EGTRRA eliminates the federal estate tax (and consequently the District estate tax) by 2009. 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 enhanced their wealth positions in recent years. And this is believed to have been a factor in \$29.3 million being collected in FY 2005 and \$30.1 million being collected in FY 2006. These are 10.5 percent and 3.0 percent increases, respectively. Like the economic interest tax, the estate tax also received unexpectedly large tax payments in FY 2007. Consequently, it is expected that total revenue from the estate tax will total \$55.6 million in FY 2007. But, annual revenue is expected to revert back to its recent trend level of about \$31.7 million in FY 2008 and grow an additional 2 percent in FY 2009. It is expected that total revenue will amount to \$32.0 million per year in FYs 2010 and 2011. (See table 4-26.)

Non-Tax Revenues

General Purpose Non-Tax Revenues

Total general purpose non-tax collections were \$362.0 million in FY 2006. (See table 4-27.) This was \$9.5 million or 2.7 percent more than FY 2005 non-tax revenue collections. Factors contributing to this increase in general purpose non-tax revenue in FY 2006 include the following:

- Collections from licenses and permits were 2.5 percent lower than FY 2005 estimated revenues. This was due to a \$5.6 million decrease in insurance licenses due to the fact that some insurance licenses are renewed every other year, creating a cyclical trend in annual collections.
- Collections from fines and forfeitures were 4.1 percent higher in FY 2006 than in FY 2005 due to a \$7.0 million increase in traffic fine collections in FY 2006.
- Collections from charges for services were 7.2 percent lower in FY 2006 than in FY 2005 due to a \$374 thousand decrease in reproduction of reports, a \$1.7 million reduction in deed recordation fees, and a \$431 thousand decrease in corporate recordation charges.
- Collections from miscellaneous revenues were 8.9 percent higher in FY 2006 than in FY 2005, primarily due to a \$26.6 million increase in interest income.

For FY 2007, total general purpose non-tax collections are expected to be \$327.4 million (see table 4-27), which is down \$34.5 million (9.5 percent) from FY 2006. Contributing factors to this decrease in general purpose non-tax revenue in FY 2007 include:

- Collections from licenses and permits are expected to be slightly lower than in FY 2006. This is due to a \$1.7 million decrease in securities registration fees; a \$4.4 million decrease in building structures and equipment; and a \$0.3 million decrease in electrical permits.
- A \$0.5 million (0.5 percent) decrease in fines and forfeitures is expected in FY 2007. This decrease is due to an expected decrease in red light camera traffic fines of \$4.1 million.

- A \$36.2 million (27.9 percent) decrease in miscellaneous revenue is expected in FY 2007. This is due to expected decreases in interest income (\$10.8 million or a 20.6 percent decrease); unclaimed property (\$4.7 million or a 14.8 percent decrease); and other revenue (\$16.6 million or a 89.2 percent decrease).
- A \$2.2 million (4.6 percent) increase in charges for services is expected in FY 2007. This is due to expected increases in emergency ambulance fees (\$1.4 million or a 12.5 percent increase); motor vehicle inspections (a \$5.0 million increase); and deed recordation fees (\$1.7 million or a 19.2 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 2008 the District is anticipating \$367.0 million in revenue and \$70.0 million of fund balance use has been certified. This provides a total of \$437.1 million in resources to cover the cost of performing the functions associated with the District’s special purpose revenue funds. The use

Table 4-27

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2006-2008

(\$ thousands)

COMP. OBJ. CODE	AGENCY	OBJECT TITLE	FY 2006 Actual	FY 2007 Revised	FY 2008 Original
BUSINESS LICENSES AND PERMITS					
3001	SRO	Insurance License	7,201	12,500	9,600
3002	DHO	Electrical Permit	3	0	0
3003	DHO	Natural Gas License	2	0	0
3006	TCO	Hackers License	389	365	365
3007	SRO	Security Broker Dealer License	1,948	1,901	1,895
3007	SRO	Securities Registration Fee	9,700	8,000	8,000
3010	SRO	Other Business License	405	83	83
3010	TCO	Other Business License	98	80	80
3011	CRO	Occupational & Professional License	9	0	0
3011	KAO	Other Business License & Permit	23	10	10
3012	CRO	Building Structures & Equipment	15,886	11,500	11,500
3013	CRO	Certificate of Occupancy	388	400	400
3014	CRO	Refrigeration & Plumbing Permit	2,765	2,800	2,800
3015	CRO	Electrical Permit	2,660	2,500	2,500
3016	CRO	Public Space Excavation Permit	4	10	10
3021	ATO	Vendor Bonds (Net Of Refunds)	872	872	872
3023	RMO	Other License Fees	9	10	10
TOTAL BUSINESS LICENSES AND PERMITS			42,444	40,951	38,045
NONBUSINESS LICENSES & PERMITS					
3100	TCO	Hack & Limo Licenses Test	0	55	55
3101	KVO	Drivers License	3,721	3,750	3,750
3105	KVO	Cancel Road Test Fee	51	0	0
3106	KVO	Change of Address Fee	5	0	0
3110	FAO	Bike Registration	10	0	0
3120	FAO	Boat Registration	219	185	185
3140	KVO	Reciprocity Permit	474	500	500
3145	KVO	Personalized Tags	80	0	0
3147	KVO	DCTC Issuances	311	0	0
3148	KVO	Temporary Tags	24	0	0
3149	KVO	Transfer of Tags	47	0	0
3150	KVO	Vehicle Registration	24,771	26,700	26,700
3160	KVO	Associated Fee for One Year	27	0	0
TOTAL NONBUSINESS LICENSES & PERMITS			29,740	31,190	31,190
TOTAL LICENSES & PERMITS			72,184	72,141	69,235

Table 4-27 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2006-2008

(\$ thousands)

COMP. OBJ. CODE	AGENCY	OBJECT TITLE	FY 2006 Actual	FY 2007 Revised	FY 2008 Original
FINES & FORFEITURES					
5000	TC0	Hackers Fines	3	0	0
5010	FA0	Traffic Fines-Red Light Cameras	9,120	5,000	5,000
5010	KV0	Traffic Fines RSC 1501	80,005	79,000	79,000
5011	FA0	Photo Radar Enforcement	20,818	24,900	24,900
5020	KTO	Sale of Abandoned Property	1,431	1,591	1,591
5030	KTO	Booting Fees	320	540	540
5040	KTO	Towing Fees-RSC 1505	202	250	250
5050	KTO	Impoundment Fees-RSC 1506	318	400	400
5060	FA0	Fines for CRF Violations	27	27	27
5060	LQ0	Fines & Forfeitures - Other	104	104	104
5060	FA0	Fines & Forfeitures - Other	108	108	108
TOTAL FINES & FORFEITURES			112,456	111,920	111,920
MISCELLANEOUS					
5300	LA0	WASA - P.I.L.O.T.	11,823	11,109	12,280
5600	ATO	Interest Income	52,626	41,800	46,749
5700	ATO	Unclaimed Property	31,627	26,938	26,939
6101	KA0	Bus Shelter Advertising RSC 1255	1,221	0	0
6100	AM0	Sale of Surplus Prop	0	436	436
6103	AA0	Reimbursements	7	0	0
6103	AS0	Reimbursements	153	175	150
6103	DLO	Reimbursements	1	0	0
6103	FLO	Reimbursements	-2,389	3,500	3,000
6104	KTO	Other Revenue Freedom of Info	1	0	0
6106	ATO	Other Revenues	566	0	0
6106	BDO	Other Revenues	8	0	0
6106	BJO	Other Revenues	1,356	0	0
6106	BN0	Other Revenues	130	100	100
6106	CB0	Other Revenues	348	300	250
6106	CJO	Other Revenues	2	0	0
6106	CRO	Other Revenues	168	150	150
6106	DH0	Vending Machine Sales	9	0	0
6106	FA0	Other Revenues	379	300	300
6106	FB0	Other Revenues	168	150	150
6106	FLO	Other Revenues	194	200	200
6106	FS0	Other Revenues	34	0	0
6106	KA0	Other Revenues	0	500	400
6106	KTO	Other Revenues	8	215	215
6106	PO0	Other Revenues	4	0	0
6106	SR0	Other Revenues	3	0	0
6106	TO0	Other Revenues	6	0	0
6107	CRO	Civil Infractions	125	2	3
6107	KTO	Other Revenue-Fleet Auto Auction	35	30	25
6108	DH0	COCOT Registration	4	2	3
6109	KTO	Other Revenue-Contract Bids	35	30	30
6111	9AT	Other Revenue	18,621	2,000	1,500
6111	ATO	Other Revenue	5,469	0	0
6111	AM0	Other Revenue	3,433	1,247	1,100
6111	DB0	Appr. Charges-Other Services	217	0	0

Table 4-27 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2006-2008

(\$ thousands)

COMP. OBJ. CODE	AGENCY	OBJECT TITLE	FY 2006 Actual	FY 2007 Revised	FY 2008 Original
6111	DBO	Appr Rehab Loan Repay	60	0	0
6111	FAO	Other Revenue	37	30	25
6111	FBO	Other Revenue	6	6	6
6111	GAO	Other Revenue	4	0	0
6111	GDO	Other Revenue	207	150	150
6118	HCO	Prior Year Cost Recovery	2,256	4,000	4,000
9007	ATO	Other Revenue-Miscellaneous	12	0	0
9200	RMO	Miscellaneous Other Revenue	624	500	450
9205	RMO	Soda Commissions	2	4	4
9206	ATO	Other Rev-ROD Copy & Subscriptions	62	0	0
TOTAL MISCELLANEOUS			129,665	93,510	98,665
CHARGES FOR SERVICES					
3200	DHO	TELECO Registration	7	10	10
3201	CRO	Home Occupation License	32	40	40
3202	CRO	Boiler Inspection Permits	93	100	100
3204	CRO	Elevator Inspection	46	45	45
3206	FAO	Fingerprints, Photos	355	375	375
3207	DHO	Other Service Charges	51	0	0
3207	FLO	Other Service Charges - Other	131	122	122
3207	KVO	Reinstatement /Insurance Lapse Fees	3,255	2,442	2,442
3208	CRO	Reproduction of Reports	21	20	20
3208	FAO	Reproduction of Reports	46	0	0
3208	KVO	Reproduction of Reports	1,930	1,000	1,000
3209	FBO	Emergency Ambulance Fees	11,558	13,000	13,000
3209	RMO	Medical Records Fee	3	0	0
3210	ATO	Transcript of Records	1	0	0
3210	FAO	Transcript of Records	259	260	260
3210	ATO	Tax Certificates	176	100	100
3211	ATO	Firearm User Fee	37	0	0
3211	FAO	Firearm User Fee	371	400	342
3214	KVO	Motor Vehicle Inspection	-1,021	4,000	4,000
3214	KVO	Inspection Sticker Replacement	21	0	0
3215	KVO	Vehicle Titles RSC 1259	2,013	2,400	2,000
3216	KTO	Solid Waste Disposal Fees	4,195	1,500	1,500
3217	KVO	Re-Inspection Fee	172	150	125
3219	CRO	Wharves And Markets	493	250	250
3220	CRO	Surveyor Fees	541	425	425
3221	ATO	Deed Recordation Fees	8,811	10,500	10,000
3221	KVO	Recordation Fee (RSC 1275)	454	500	500
3222	CRO	Corp Recordation	8,553	8,500	7,000
3223	KVO	Parking Fees/Permits RSC 1314	1,514	2,300	1,200
3227	CRO	Condo/Coop Certificate	35	30	30
3228	CRO	Condo Registration	131	100	100
3234	CRO	Other Service Charges-Other	32	0	0
3234	DLO	Other Service Charges	1	0	0
3234	KA0	Other Service Charges-Other	1	2	2
3234	KA0	Lost Nextel DDOT	2	0	0
3235	CRO	Special Purpose Revenues	99	0	0
3238	CRO	Nuisance Abatement Recoveries	19	0	0

Table 4-27 (continued)

General Purpose Non-Tax Revenue, by Source, Fiscal Years 2006-2008

(\$ thousands)

COMP. OBJ. CODE	AGENCY	OBJECT TITLE	FY 2006 Actual	FY 2007 Revised	FY 2008 Original
3320	ATO	Other Revenue-Rentals	55	983	983
3310	SRO	Investment Advisors Act	16	292	320
3402	KAO	Meter Bagging	20	0	0
3403	KAO	Public Space Rental	103	0	0
4601	ICO	IDCR	2,976	0	0
9230	RMO	Tower Fees	38	0	0
CHARGES FOR SERVICES			47,646	49,846	46,291
TOTAL NON TAX REVENUE			361,951	327,417	326,111

of fund balance is a one-time revenue source and as such is not projected for future years. Table 4-37 (at the end of this chapter) shows the dedicated non-tax revenue by special purpose revenue 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 pre-paid 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. (See table 4-21 for more information.)

Highway Trust Fund. The motor fuel tax is assessed at \$0.20 per gallon. 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.

The motor fuel tax is levied on fuel wholesalers, and yearly variations in tax collections are primarily a function of fuel consumption. District fuel tax cash collections for FY 2006 were \$25.0 million (see table 4-28), which is 3.7 percent less than in FY 2005. This decline was likely affected by the surge in national gas prices in the first half of 2006 and the subsequent decline in national fuel demand by 0.9 percent in 2006 as reported by the Energy Information Agency. With gas prices expected to remain stable for the foreseeable future and the forecast for the local economy remaining relatively strong and based on a time series analysis of recent fuel tax revenue trends, fuel tax revenues are projected to amount to \$26.8 million in FY 2007 and to grow on average approximately 0.3 percent per year beginning in FY 2008.

Table 4-28

Motor Fuel Tax Dedicated to the Highway Trust Fund, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Motor Fuel Tax	24,960	26,844	26,938	27,032	27,221	27,221

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

- The incremental revenue from a 20 percent increase in the right-of-way fees paid by utility companies, which is estimated to generate \$6.5 million in FY 2007.
- The incremental revenue from a 20 percent increase in the public space rental fees paid on underground vaults, which is estimated to generate \$4.3 million in FY 2007.
- The incremental revenue from charging cable companies 20 percent of the revised right-of-way fee rates paid by utility companies, which is estimated to generate \$4.1 million in FY 2007.

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 4-29), 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 4-30 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 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, heating oil companies, and gas companies. One-eleventh of this fee is deposited into the Ballpark Revenue Fund to be used for debt service on the Baseball Stadium Bonds. The District also collects a tax of \$0.007 for each kilowatt-hour of electricity delivered to non-

Table 4-29

Ballpark Fund Revenue, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Ballpark Fee	15,952	14,000	14,000	14,000	14,000	14,000
Utility Taxes Dedicated to Ballpark	12,411	12,468	12,589	12,711	12,711	12,711
Stadium Revenue	8,664	12,500	19,808	18,596	18,301	18,301
Rent Payment*	0	0	3,500	3,750	4,000	4,500
Total Ballpark Fund Revenue	37,026	38,968	49,897	49,057	49,012	49,512

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

Table 4-30

Ballpark Fee Schedule

Gross Receipts	Fee	Approximate # of Feepayers
\$5,000,000 - \$8,000,000	\$5,500	342
\$8,000,001 - \$12,000,000	\$10,800	270
\$12,000,001 - \$16,000,000	\$14,000	135
Greater than \$16,000,000	\$16,500	495

residential end-users in the District of Columbia. \$0.0007 out of every \$0.007 is deposited into the Ballpark Revenue Fund to be used for debt service on the Baseball Stadium Bonds. Taxes are remitted to the District monthly. The District expects to receive about \$12.5 million in FY 2007 and \$12.6 million in FY 2008 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 \$12.5 million in FY 2007 and \$19.8 million in FY 2008 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 are not deposited in the Ballpark Revenue Fund. Those rent payments are 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 receives 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. (See table 4-31.)

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 are projected to be \$48.1 million in FY 2007 and \$46.5 million in FY 2008. (See table 4-32.)

Comprehensive Housing Task Force Fund. The “Fiscal Year 2007 Budget Support Act of 2006” establishes the Comprehensive Housing

Table 4-31

Neighborhood Investment Fund, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
	Actual	Revised	Original	Projected	Projected	Projected
Personal Property Tax	9,966	9,735	9,875	10,000	10,000	10,000

Task Force Fund and increases 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 will be the funding source for this fund. This fund will support a number of affordable housing initiatives including rent supplements, workforce housing and energy assistance. In FY 2008 the estimated amount being transferred to the fund is \$28.2 million. (See table 4-32.)

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. The revenue source for this fund, beginning in FY 2007, is the first \$100 million of non-dedicated sales tax revenue. Beginning in FY 2008, the amount of funds transferred to the Public School Capital Improvement Fund will be increased by the Construction Cost Index. (See table 4-20 for the projected amount of sales tax transferred to the Public Capital Improvement Fund in each year of the Financial Plan.)

Policy Proposals

A number of policy proposals would affect District of Columbia revenues:

- Reduce taxable income for certain unincorporated businesses;
- Increase and index the homestead deduction amount;
- Increase and index the standard deduction amount;
- Increase and index the personal exemption amount;
- Postpone indexing of the Public School Capital Improvement Fund;

- Implement fines and penalties for parking tickets and moving violations;
- Establish a District Department of Transportation Unified Fund; and
- Extend existing RETF programs and add new programs.

Reduce Taxable Income for Certain Unincorporated Businesses

Under current law, the taxable income of an unincorporated business is the amount of net income derived from sources within the District that is in excess of a \$5,000 exemption. The Budget Support Act proposal excludes from taxable income the gross income of a qualified community development entity (as defined in section 45D(c)(1) of the Internal Revenue Code of 1986) that has received an allocation or suballocation of new markets tax credits pursuant to section 45D(f) of the Internal Revenue Code of 1986, but only to the extent that the gross income is derived from one or more qualified low income community investments, as defined in section 45D(d)(1) of the Internal Revenue Code of 1986. This proposal is estimated to reduce revenue by \$35,000 in FY 2008.

Increase and Index the Homestead Deduction Amount

District of Columbia Property Tax payers who are owner-occupants are currently allowed a \$60,000 homestead deduction. This proposal increases the homestead deduction amount to \$64,000. In addition, the homestead deduction will be increased annually beginning October 1, 2008 by a cost-of-living adjustment. The cost-of-living adjustment will be determined using a formula based on the Consumer Price Index for the Washington-Baltimore Statistical Area for all urban consumers published by the U.S. Department of Labor. This

Table 4-32

Estimated Deed Tax Receipts Transferred to the Housing Production Trust Fund and the Comprehensive Housing Task Force Fund, Fiscal Years 2006-2011

(\$ thousands)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Deed Tax Transfer to HPTF	(47,610)	(48,060)	(46,533)	(46,437)	(47,810)	(49,454)
Deed Tax Transfer to CHTFF	-	(29,169)	(28,247)	(28,181)	(29,011)	(30,009)
Total	(47,610)	(77,229)	(74,780)	(74,619)	(76,821)	(79,463)

proposal is estimated to reduce property tax revenue by \$2.9 million in FY 2008.

Increase and Index the Standard Deduction Amount

District of Columbia Income Tax filers who file single individual, head of household, surviving spouse, or married person filing jointly tax returns, and who choose to use the standard deduction, are currently allowed a \$2,500 standard deduction. For a married person filing separately tax return, the standard deduction is currently \$1,250. This proposal raises the standard deduction amount to \$4,000 for those filing single individual, head of household, surviving spouse, or married person filing jointly returns for tax year 2007, and to \$2,000 for those filing a married person filing separately return. The proposal also adjusts future standard deduction amounts annually beginning January 1, 2009 by a cost-of-living adjustment. The cost-of-living adjustment will be determined using a formula based on the Consumer Price Index for the Washington-Baltimore Statistical Area for all urban consumers published by the U.S. Department of Labor. This proposal is estimated to reduce individual income tax revenue by \$10.9 million in FY 2008.

Increase and Index the Personal Exemption Amount

District of Columbia Income Tax filers are currently allowed a \$1,500 personal exemption. The taxpayer is entitled to an exemption and receives an additional exemption(s) if he or she is filing as a head of household, is age 65 or over, or is blind. Additional exemptions can be claimed for each dependent. If the taxpayer is married and filing a joint return, or is filing separately on the same return, an exemption can be claimed for the taxpayer's spouse. If the taxpayer's spouse is age 65 or over or is blind an additional exemption(s) can be claimed. This proposal raises the personal exemption amount to \$1,675. The proposal also adjusts future personal exemption amounts annually beginning January 1, 2009 by a cost-of-living adjustment. The cost-of-living adjustment will be determined using a formula based on the Consumer Price Index for the Washington-Baltimore Statistical Area for all urban consumers pub-

lished by the U.S. Department of Labor. This proposal is estimated to reduce individual income tax revenue by \$5.2 million in FY 2008.

Postpone Indexing of the Public School Capital Improvement Fund

The School Modernization Financing Act of 2006 directed that, beginning in FY 2007, the first \$100 million of nondedicated sales tax revenue be deposited into the Public School Capital Improvement Fund. This amount was to be increased annually, beginning in FY 2008, by using a cost-of-construction adjustment, which is determined using a formula based on a Construction Cost Index published by RSMeans. Under the proposal in the Budget Support Act, \$100 million will be deposited in the Public School Capital Improvement Fund in FY 2008 rather than an adjusted amount. The Budget Support Act also directs that \$106 million, \$112.359 million, and \$119.102 million be deposited into the Fund in fiscal years 2009-2011, respectively. Indexing, based on the RSMeans Construction Cost Index for Washington, DC, will begin in FY 2012

Increase Parking Fines Revenue

The Department of Public Works plans to increase the salary structure for parking control officers to increase their retention rates. The program is expected to generate an estimated \$6 million in fines and penalties for parking violations in FY 2008.

Establish a DDOT Unified Fund

The Budget Support Act includes a provision establishing the District Department of Transportation Unified Fund. This Unified Fund consolidates five revenue streams that are currently allocated to the District Department of Transportation's Operating Fund (which is a Special Purpose Revenue Fund), and the Local Roads Construction and Maintenance Fund (which is outside the General Fund) into one single fund. In addition, two new revenue streams will also be dedicated to the Unified Fund – revenue derived from the collection of fines and penalties due for parking tickets and moving violation tickets issued by the District Department

of Transportation's traffic control officers. The total estimated FY 2008 revenue for the proposed Unified Fund is \$118.1 million. This projected revenue comes from: rights-of-way fee revenue (\$38.0 million), up to \$30 million of parking tax revenue, bus shelter advertising revenue (\$2.5 million), parking meter revenue (\$16.2 million), public space rental fee revenue (\$25.1 million) and \$250,000 in fines for moving violations).

Extend Existing RETF Programs and Add New Programs

The Reliable Energy Trust Fund (RETF) is a Special Purpose Revenue fund within the District Department of the Environment (DDOE). Currently, the RETF consists of sixteen programs, which are funded by a charge on the electric utility bills of District residents. The various programs fall into three broad categories – renewable energy programs, awareness and education programs, and low income programs. Thirteen of the current programs are scheduled to expire on May 31, 2007. The DDOE has submitted a request to the Public Service Commission (PSC) to extend these expiring programs. In addition, the DDOE has submitted a request to the PSC for approval of six new RETF programs. Depending on the decision of the PSC regarding the extension of the expiring programs and the DDOE-proposed new RETF programs, up to \$12.8 million of additional revenue could be received by the RETF in FY 2008.

Procedures for Estimating Revenue

The process of estimating revenue begins a year in advance. The estimates for FY 2008, for instance, began in September 2006. In 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 the economy is 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 23 percent 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

Tables 4-33 through 4-37 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 4-33

Percentage Changes in General Fund Local Revenue by Source

(percentage changes from prior FY, except where noted)

	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Proj.	FY 2010 Proj.	FY 2011 Proj.
Revenue Source						
Real Property (gross)	8.8%	18.5%	16.5%	7.8%	7.2%	6.4%
<i>Transfer to TIF Fund</i>	-34.9%	41.2%	-8.8%	4.9%	-1.2%	0.0%
Real Property (net)	8.9%	18.5%	16.6%	7.8%	7.2%	6.4%
Personal Property (gross)	-9.1%	2.0%	1.2%	1.1%	1.1%	1.0%
<i>Transfer to Neighborhood Investment Fund</i>	-0.3%	-2.3%	1.4%	1.3%	0.0%	0.0%
Personal Property (net)	-10.5%	2.8%	1.2%	1.1%	1.3%	1.2%
Public Space	42.1%	10.7%	2.1%	2.1%	2.1%	2.1%
<i>Transfer to DDOT</i>	NA	10.7%	2.1%	2.1%	2.1%	2.1%
Total Property Taxes	6.3%	17.7%	16.0%	7.5%	7.0%	6.3%
General Sales (gross)	5.6%	5.1%	6.4%	5.1%	5.3%	5.3%
<i>Convention Center Transfer</i>	2.9%	3.7%	4.0%	4.2%	4.3%	4.3%
<i>Transfer to TIF Fund</i>	71.7%	-8.2%	-8.3%	-1.1%	0.3%	0.0%
<i>Transfer to DDOT capital (parking tax)</i>	NA	-2.9%	0.4%	0.5%	0.5%	0.5%
<i>Transfer to Ballpark Fund</i>	1.4%	44.3%	58.5%	-6.1%	-1.6%	0.0%
<i>Transfer to School Modernization Fund</i>	NA	NA	6.0%	6.0%	6.0%	6.0%
General Sales (net)	0.9%	-7.6%	6.3%	5.6%	5.8%	5.7%
Alcohol	0.4%	-1.8%	-0.7%	-3.3%	-1.3%	-1.3%
Cigarette	2.9%	-7.7%	-9.5%	5.0%	-2.5%	-2.5%
Motor Vehicle	0.4%	8.8%	5.0%	4.1%	4.5%	4.5%
Motor Fuel Tax	-3.7%	7.5%	0.4%	0.3%	0.7%	0.0%
<i>Transfer to Highway Trust Fund</i>	-3.7%	7.5%	0.4%	0.3%	0.7%	0.0%
Total Sales Taxes	0.9%	-6.7%	5.8%	5.4%	5.5%	5.4%
Individual Income	6.3%	-1.9%	8.3%	6.3%	5.8%	5.3%
Corporate Franchise	10.1%	17.4%	2.5%	5.1%	4.1%	5.3%
U. B. Franchise	22.0%	21.6%	7.9%	9.8%	9.8%	10.2%
Total Income Taxes	8.1%	2.8%	7.4%	6.5%	6.0%	5.8%

Table 4-33 (continued)

Percentage Changes in General Fund Local Revenue by Source

(percentage changes from prior FY, except where noted)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Proj.	FY 2010 Proj.	FY 2011 Proj.
Public Utility (gross)	-10.9%	0.9%	0.1%	0.1%	0.1%	0.1%
Transfer to Ballpark Fund	28.7%	-10.2%	1.3%	1.3%	0.0%	0.0%
Public Utility (net)	-12.8%	1.7%	0.0%	0.0%	0.1%	0.1%
Toll Telecommunication (gross)	2.0%	2.7%	0.1%	0.1%	0.1%	0.1%
Transfer to Ballpark Fund	126.1%	54.0%	0.0%	0.0%	0.0%	0.0%
Toll Telecommunication (net)	0.0%	0.8%	0.1%	0.1%	0.1%	0.1%
Insurance Premiums	5.3%	9.7%	-14.2%	0.0%	0.0%	0.0%
Healthcare Provider Tax	NA	20.8%	0.0%	0.0%	0.0%	0.0%
Transfer to Nursing Facility Quality of Care Fund	NA	20.8%	0.0%	0.0%	0.0%	0.0%
Baseball Gross Receipts Tax	-1.6%	-12.2%	0.0%	0.0%	0.0%	0.0%
Transfer to Ballpark Fund	-1.6%	-12.2%	0.0%	0.0%	0.0%	0.0%
Total Gross Receipts Taxes	-6.9%	3.1%	-3.1%	0.0%	0.1%	0.1%
Estate	3.0%	84.5%	-43.0%	2.0%	-0.9%	0.0%
Deed Recordation (gross)	3.9%	-1.3%	-2.2%	-1.9%	2.6%	3.0%
Transfer to HPTF	0.0%	2.6%	-2.2%	-1.9%	2.6%	3.0%
Transfer to Comp. Housing Strategy Fund	NA	NA	-2.2%	-1.9%	2.6%	3.0%
Deed Recordation (net)	4.6%	-12.5%	-2.2%	-1.9%	2.6%	3.0%
Deed Transfer (gross)	-9.7%	-5.5%	-4.7%	2.5%	3.5%	4.1%
Transfer to HPTF	-13.3%	-1.6%	-4.7%	2.5%	3.5%	4.1%
Transfer to Comp. Housing Strategy Fund	NA	NA	-4.7%	2.5%	3.5%	4.1%
Deed Transfer (net)	-9.1%	-16.0%	-4.7%	2.5%	3.5%	4.1%
Economic Interests	185.8%	72.1%	-84.6%	0.0%	0.0%	0.0%
Total Other Taxes	5.1%	2.3%	-21.6%	0.1%	2.4%	2.9%
TOTAL TAXES	4.9%	5.1%	6.9%	6.0%	5.7%	5.5%
Licenses & Permits	-2.5%	-0.1%	-4.0%	4.5%	-4.2%	4.3%
Fines & Forfeits	4.1%	-0.5%	0.0%	-0.6%	0.0%	0.0%
Charges for Services	-7.2%	4.6%	-7.1%	0.0%	0.0%	0.0%
Miscellaneous	8.9%	-27.9%	5.5%	-2.2%	2.1%	-0.2%
TOTAL NON-TAX	2.7%	-9.5%	-0.4%	0.1%	-0.3%	0.9%
Lottery/Interfund Transfer	3.3%	-2.3%	0.0%	0.0%	0.0%	0.0%
TOTAL REVENUE NET OF DEDICATED TAXES	4.7%	3.9%	6.3%	5.5%	5.3%	5.2%

Table 4-34

Changes in General Fund Local Revenue by Source

(\$ thousands change from prior FY)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Real Property (gross)	93,158	213,358	226,257	123,766	122,814	118,264
<i>Transfer to TIF Fund</i>	885	(681)	205	(105)	27	-
Real Property (net)	94,043	212,677	226,462	123,661	122,841	118,264
Personal Property (gross)	(6,554)	1,304	802	744	752	691
<i>Transfer to Neighborhood Investment Fund</i>	34	231	(140)	(125)	-	-
Personal Property (net)	(6,520)	1,535	662	619	752	691
Public Space	6,578	2,369	516	527	538	549
<i>Transfer to DDOT</i>	(22,206)	(2,369)	(516)	(527)	(538)	(549)
Total Property Taxes	71,895	214,212	227,124	124,280	123,593	118,955
General Sales (gross)	47,806	46,201	61,050	51,490	56,900	59,974
Convention Center Transfer	(2,216)	(2,988)	(3,308)	(3,612)	(3,853)	(4,019)
<i>Transfer to TIF Fund</i>	(4,829)	945	884	105	(25)	-
<i>Transfer to DDOT capital (parking tax)</i>	(33,586)	972	(130)	(164)	(164)	(165)
<i>Transfer to Ballpark Fund</i>	(117)	(3,836)	(7,308)	1,212	295	-
<i>Transfer to School Modernization Fund</i>	-	(100,000)	(6,000)	(6,360)	(6,742)	(7,146)
General Sales (net)	7,058	(58,706)	45,188	42,671	46,411	48,644
Alcohol	19	(93)	(33)	(164)	(61)	(61)
Cigarette	657	(1,759)	(2,011)	963	(504)	(492)
Motor Vehicle	183	3,740	2,296	1,991	2,289	2,394
Motor Fuel Tax	(962)	1,884	94	94	189	-
<i>Transfer to Highway Trust Fund</i>	962	(1,884)	(94)	(94)	(189)	-
Total Sales Taxes	7,917	(56,818)	45,440	45,461	48,135	50,485
Individual Income	73,528	(23,296)	100,458	83,192	80,752	77,442
Corporate Franchise	19,791	37,419	6,319	13,113	11,026	14,984
U. B. Franchise	25,732	30,822	13,699	18,294	20,030	23,053
Total Income Taxes	119,051	44,945	120,477	114,599	111,808	115,479
Public Utility (gross)	(18,928)	1,385	157	157	156	157
<i>Transfer to Ballpark Fund</i>	(2,310)	1,053	(121)	(122)	-	-
Public Utility (net)	(21,238)	2,438	36	35	156	157
Toll Telecommunication (gross)	1,126	1,521	58	58	59	58
<i>Transfer to Ballpark Fund</i>	(1,146)	(1,110)	-	-	-	-
Toll Telecommunication (net)	(20)	411	58	58	59	58
Insurance Premiums	2,607	5,005	(8,000)	-	-	-
Healthcare Provider Tax	9,107	1,893	-	-	-	-
<i>Transfer to Nursing Facility Quality of Care Fund</i>	(9,107)	(1,893)	-	-	-	-
Baseball Gross Receipts Tax	(255)	(1,952)	-	-	-	-
<i>Transfer to Ballpark Fund</i>	255	1,952	-	-	-	-
Total Gross Receipts Taxes	(18,651)	7,854	(7,906)	93	215	215

Table 4-34 (continued)

Changes in General Fund Local Revenue by Source

(\$ thousands change from prior FY)

Revenue Source	FY 2006 Actual	FY 2007 Revised	FY 2008 Original	FY 2009 Projected	FY 2010 Projected	FY 2011 Projected
Estate	868	25,450	(23,925)	633	(283)	-
Deed Recordation (gross)	7,480	(2,490)	(4,291)	(3,625)	4,866	5,760
<i>Transfer to HPTF</i>	3	(752)	644	544	(730)	(864)
<i>Transfer to Comp. Housing Strategy Fund</i>	-	(17,930)	395	333	(445)	(532)
Deed Recordation (net)	7,483	(21,172)	3,253	(2,748)	3,691	4,364
Deed Transfer (gross)	(14,314)	(7,253)	(5,888)	2,986	4,287	5,197
<i>Transfer to HPTF</i>	2,933	302	883	(448)	(643)	(780)
<i>Transfer to Comp. Housing Strategy Fund</i>	-	(11,238)	527	(268)	(385)	(466)
Deed Transfer (net)	(11,381)	(18,190)	(4,478)	2,271	3,259	3,951
Economic Interests	19,681	21,837	(44,111)	-	-	-
Total Other Taxes	16,651	7,925	(75,767)	156	6,668	8,315
TOTAL TAXES	196,863	218,118	309,368	284,588	290,419	293,449
Licenses & Permits	(1,826)	(43)	(2,906)	3,094	(3,009)	3,000
Fines & Forfeits	4,444	(536)	-	(630)	-	-
Charges for Services	(3,698)	2,200	(3,555)	-	-	-
Miscellaneous	10,604	(36,155)	5,155	(2,218)	2,055	(188)
TOTAL NON-TAX	9,524	(34,534)	(1,306)	246	(954)	2,812
Lottery/Interfund Transfer	2,350	(1,700)	-	-	-	-
TOTAL REVENUE NET OF DEDICATED TAXES	208,737	181,884	308,062	284,834	289,465	296,261

Table 4-35

Summary of Major Taxes in the District of Columbia, Fiscal Year 2007

PART A—GENERAL FUND TAXES

TAX	DESCRIPTION OF WHAT IS TAXED	RATE	FY 2006 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.	\$1,152,143(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>	\$55,548(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.</i>	\$775,366 (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	\$5,070
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	\$22,993
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	\$42,563
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 2007: 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	\$1,233,602
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.	\$215,283
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.	\$ 142,598
PUBLIC UTILITY TAX	Gross receipts of gas, electric and local telephone companies. <i>D.C. Code Citation: Title 47, Chapter 25</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>	\$144,801(d)
TOLL TELECOMMUNICATIONS TAX	Gross receipts of companies providing toll telecommunication service in the District. <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>	\$54,556 (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	\$51,495

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..	\$30,125
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>	\$169,024 (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>	\$113,509 (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	\$30,274
TOTAL GENERAL FUND TAXES:			\$4,238,950 (a) (b) (c) (d) (e)

PART B—OTHER SELECTED TAXES

TAX	DESCRIPTION OF WHAT IS TAXED	RATE	FY 2006 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)	\$24,960

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, and TIF.
- (d) Amount is net of transfers to the Ballpark Fund.
- (e) Amount is net of transfers to the Housing Production Trust Fund.

Table 4-36
Local General Fund Revenues, FY1996-FY2006
 (\$ thousands)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Real Property	624,382	617,694	616,935	597,566	610,896	633,172	726,014	822,845	947,690	1,058,100 (a)	1,152,143 (a)
Personal Property	65,201	60,392	68,475	73,928	70,133	64,144	65,208	67,294	63,558	62,068 (b)	55,548 (b)
Public Space	12,052	9,513	10,030	8,056	11,752	10,107	12,167	11,749	16,728	15,628	0 (c)
Total Property	701,635	687,599	695,440	679,550	692,781	707,423	803,389	901,888	1,027,976	1,135,796	1,207,691
General Sales and Use	467,527	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)
Alcohol	5,100	5,460	4,702	4,821	4,779	4,743	4,721	4,619	5,090	5,051	5,070
Cigarette	18,676	18,946	17,592	17,107	17,177	16,329	17,189	21,344	20,765	22,336	22,993
Motor Vehicle Excise	31,668	30,271	29,838	31,329	36,693	38,825	34,573	37,066	40,437	42,380	42,563
Hotel Occupancy	7,420	3,806	9,287	(26)	0	25	0	0	0	0	0
Total Selective Sales	62,864	58,483	57,501	53,231	58,649	59,922	56,483	63,029	66,292	69,767	70,626
Individual Income	689,408	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
Corporate Franchise	123,114	144,563	174,729	163,699	190,594	233,237	142,647	156,777	168,353	195,492	215,283
Unincorporated Business Franchise	31,031	38,942	46,868	53,896	70,624	68,812	68,602	81,707	88,347	116,866	142,598
Total Income	843,553	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
Insurance Premiums	33,121	42,625	37,096	26,944	30,882	33,356	35,502	41,281	47,452	48,888	51,495
Public Utility	144,842	141,901	141,069	128,472	132,849	149,125	140,931	166,743	169,494	166,039 (g)	144,801 (g)
Toll Telecommunication	45,464	52,994	56,732	51,874	48,280	51,259	55,353	53,324	54,951	54,576 (g)	54,556 (g)
Health Care Provider Fee	11,530	(8,278)	1,740	0	0	0	0	0	0	0	0
Total Gross Receipts	234,957	229,242	236,637	207,290	212,011	233,740	231,786	261,348	271,897	269,503	250,852

Table 4-36 (continued)

Local General Fund Revenues, FY1996-FY2006

(\$ thousands)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Estate	32,175	27,314	32,256	26,247	35,992	51,072	125,889	29,944	26,466	29,257	30,125
Deed Recordation	33,099	30,821	53,863	70,398	60,418	75,936	89,951	134,262	164,522 (h)	161,541 (h)	169,024 (h)
Deed Transfer	26,701	27,162	42,597	47,001	44,660	62,086	62,228	99,052	121,747 (h)	124,890 (h)	113,509 (h)
Economic Interests	10	10,081	11,166	3,687	540	1,640	5,078	4,934	16,269	10,593	30,274
Total Other Taxes	91,985	95,378	139,882	147,333	141,610	190,734	283,146	268,192	329,004	326,281	342,932
TOTAL TAX REVENUES	2,402,521	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
Business Licenses & Permits	29,663	28,268	31,050	28,607	24,969	21,767	29,875	35,195	35,471	47,936	42,443
Non-Business Licenses & Permits	19,737	17,221	17,073	17,927	18,785	19,627	20,320	24,566	26,034	26,074	29,741
Total Licenses & Permits	49,400	45,489	48,123	46,534	43,754	41,394	50,195	59,761	61,505	74,010	72,184
Total Fines and Forfeitures	40,792	51,664	53,177	47,688	53,216	57,052	86,539	88,455	99,478	108,012	112,456
Total Charges for Services	46,134	43,810	34,752	31,055	37,257	63,938	55,472	65,736	53,705	51,344	47,646
Interest Income	13,917	18,599	32,478	27,542	12,779	33,317	9,645	9,906	7,890	26,052	52,628
Other	28,100	52,320	66,658	59,198	89,379	106,983	70,908	79,999	101,121	93,009	77,037
Tobacco Settlement	0	0	0	0	16,049	13,289	0	0	0	0	0
Total Miscellaneous	42,017	70,919	99,136	86,740	118,207	153,589	80,553	89,905	109,011	119,061	129,665
Lottery Transfer	75,250	69,200	81,300	64,225	69,450	84,000	63,000	72,050	73,500	71,450	73,800
TOTAL NON-TAX REVENUES	253,593	281,082	316,488	276,242	321,884	399,973	335,759	375,907	397,199	423,877	435,751
TOTAL TAX & NON-TAX REVENUES	2,656,114	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

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 a District Department of Transportation.Special Purpose Revenue 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 a District Department of Transportation Capital Fund.

(g) Amount excludes transfer to the Ballpark Fund.

(h) Amount excludes transfer to the Housing Production Trust Fund.

Table 4-37 Special Purpose (0-type) Revenue Funds, by Source: May 2007 Certifications

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
A. Governmental Direction and Support										
Office of the City Administrator (AE0)	13,202,963	2,500,000	8,758,000	11,258,000	0	0	0	0	0	0
0620 Crime Victims Assistance Fund	13,202,963	2,500,000	8,758,000	11,258,000	0	0	0	0	0	0
Office of Property Management (AM0)	1,733,785	4,873,427	1,494,240	6,367,667	7,412,903	1,494,240	8,907,143	8,154,193	8,969,612	9,866,574
1150 Utilities Payments for Non-DC Agencies	173,023	0	0	0	0	0	0	0	0	0
1450 Facility Operations: Parking Fees	0	375,000	0	375,000	512,000	0	512,000	563,200	619,520	681,472
1459 Asset Management/Lease Management: Rent	1,494,240	4,498,427	1,494,240	5,992,667	6,900,903	1,494,240	8,395,143	7,590,993	8,350,092	9,185,102
1460 Eastern Market Enterprise Fund	66,521	0	0	0	0	0	0	0	0	0
Office of Finance and Resource Management (AS0)	472,685	0	0	0	0	0	0	0	0	0
1150 Utilities Payment for Non-DC Agencies	472,685	0	0	0	0	0	0	0	0	0
Office of the Chief Financial Officer (AT0)	6,150,872	32,992,108	2,029,281	35,021,389	35,054,108	1,068,454	36,122,562	23,054,108	23,054,108	23,054,108
0602 Payroll Service Fees	0	350,000	0	350,000	350,000	0	350,000	350,000	350,000	350,000
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	650,000	0	650,000	650,000	0	650,000	650,000	650,000	650,000
0606 Recorder of Deeds Surcharge	5,210,044	1,500,000	1,168,454	2,668,454	1,600,000	1,068,454	2,668,454	1,600,000	1,600,000	1,600,000
0607 Miscellaneous Revenue	0	68,000	0	68,000	80,000	0	80,000	80,000	80,000	80,000
0610 Bank Fees	0	4,600,000	0	4,600,000	4,600,000	0	4,600,000	4,600,000	4,600,000	4,600,000
0611 Tax Collection Fees	0	15,900,000	0	15,900,000	17,000,000	0	17,000,000	5,000,000	5,000,000	5,000,000
0612 Tax Increment Financing (TIF)	0	100,000	0	100,000	0	0	0	0	0	0
0613 Unclaimed Property Contingency Fund	0	3,500,000	0	3,500,000	3,500,000	0	3,500,000	3,500,000	3,500,000	3,500,000
0614 Defined Contribution Plan Administration	0	150,000	0	150,000	150,000	0	150,000	150,000	150,000	150,000
0615 Federal Retirement Benefits Processing	0	350,000	0	350,000	0	0	0	0	0	0
0617 Baseball Financing Review Fund	80,000	0	0	0	0	0	0	0	0	0
0618 Compliance and Real Property Tax Admin. Fund	860,827	3,700,000	860,827	4,560,827	5,000,000	0	5,000,000	5,000,000	5,000,000	5,000,000
0619 DC Lottery Reimbursement	0	1,074,108	0	1,074,108	1,074,108	0	1,074,108	1,074,108	1,074,108	1,074,108
Office of the Secretary (BA0)	0	415,901	0	415,901	415,901	0	415,901	415,901	415,901	415,901
1243 Distribution Fees	0	415,901	0	415,901	415,901	0	415,901	415,901	415,901	415,901
D.C. Department of Human Resources (BE0)	0	577,085	0	577,085	559,454	0	559,454	577,636	596,409	615,793
0615 Defined Benefits Retirement Program	0	496,968	0	496,968	384,667	0	384,667	397,168	410,076	423,404
1555 Reimbursables from Other Governments	0	80,117	0	80,117	174,787	0	174,787	180,468	186,333	192,389
Office of the Attorney General (CB0)	7,005,214	3,704,500	3,283,534	6,988,034	2,755,346	2,019,744	4,775,090	2,756,000	2,756,000	2,756,000
0601 Driving Under the Influence (DUI) Fund	0	105,000	0	105,000	105,346	0	105,346	106,000	106,000	106,000
0602 Anti-Trust Fund	583,638	200,000	267,606	467,606	200,000	190,852	390,852	200,000	200,000	200,000
0603 Child Support - TANF/AFDC Collections	4,138,201	2,100,000	2,303,870	4,403,870	2,100,000	1,000,000	3,100,000	2,100,000	2,100,000	2,100,000
0604 Child Support - Reimbursements & Fees	113,520	0	0	0	0	0	0	0	0	0
0605 Child Support - Interest Income	163,477	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	610,233	1,199,500	288,933	1,488,433	250,000	452,516	702,516	250,000	250,000	250,000
0612 Anti-Fraud Fund	1,289,005	100,000	423,125	523,125	100,000	376,376	476,376	100,000	100,000	100,000
Office of Contracting and Procurement (P00)	570,126	883,757	443,346	1,327,103	787,330	437,879	1,225,209	1,000,000	1,000,000	1,000,000
4010 D.C. Surplus Personal Property Sales Fund	126,781	445,878	0	445,878	300,000	0	300,000	500,000	500,000	500,000
6102 D.C. Supply Schedule Sales Discount	443,346	437,879	443,346	881,225	487,330	437,879	925,209	500,000	500,000	500,000
Office of the Chief Technology Officer (T00)	223,290	0	0	0	100,000	0	100,000	0	0	0
0601 Tech City	223,290	0	0	0	0	0	0	0	0	0
1200 SERVUS Support	0	0	0	0	100,000	0	100,000	0	0	0
Sub-total: Governmental Direction and Support	29,358,934	45,946,778	16,008,401	61,955,179	47,085,042	5,020,317	52,105,359	35,957,838	36,792,031	37,708,375

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
B. Economic Development and Regulation										
Office of Planning (BD0)	8,580	15,000	0	15,000	15,000	0	15,000	15,000	15,000	15,000
2001 Historic Landmark & District Application Fees	8,580	15,000	0	15,000	15,000	0	15,000	15,000	15,000	15,000
Commission on the Arts and Humanities (BX0)	209,765	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
0600 Special Purpose Revenue	68,834	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
0610 Party Animals Revenue	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)	29,850,511	26,999,614	0	26,999,614	32,151,166	0	32,151,166	32,151,166	32,151,166	32,151,166
0600 Special Purpose Revenue Fund	1,433,379	0	0	0	0	0	0	0	0	0
0610 Workers' Compensation - Special Fund	7,844,069	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 Fund	13,398,655	15,398,226	0	15,398,226	17,551,166	0	17,551,166	17,551,166	17,551,166	17,551,166
0612 UI Interest/Penalties	681,059	601,388	0	601,388	600,000	0	600,000	600,000	600,000	600,000
0623 DOES Relocation Fund	616,063	0	0	0	0	0	0	0	0	0
0624 UI Administrative Assessment Tax	5,877,286	4,000,000	0	4,000,000	7,000,000	0	7,000,000	7,000,000	7,000,000	7,000,000
Dept. of Consumer and Regulatory Affairs (CR0)	20,107,813	9,091,898	4,806,876	13,898,774	15,116,019	3,844,700	18,960,719	8,878,460	14,990,000	8,878,460
6005 Condo Conversion	0	20,000	0	20,000	0	0	0	0	0	0
6006 Nuisance Abatement	8,411,369	2,367,975	1,500,000	3,867,975	5,000,000	2,500,000	7,500,000	2,300,000	5,000,000	2,300,000
6008 Real Estate Guarantee and Education Fund	2,639,379	1,029,481	0	1,029,481	612,637	0	612,637	1,000,000	600,000	1,000,000
6009 Real Estate Appraisal Fund	0	55,000	0	55,000	142,000	0	142,000	55,000	140,000	55,000
6010 OPLA Special Fund	1,655,614	1,635,264	0	1,635,264	2,098,382	0	2,098,382	1,635,264	2,000,000	1,635,264
6011 Special Events Fund	0	30,000	0	30,000	30,000	0	30,000	30,000	30,000	30,000
6012 Boxing and Wrestling Fund	0	60,000	0	60,000	70,000	0	70,000	60,000	70,000	60,000
6013 Basic Business License Fund	4,477,792	3,022,178	2,601,204	5,623,382	5,500,000	714,741	6,214,741	2,923,196	5,500,000	2,923,196
6014 Fire Protection Fund	0	100,000	0	100,000	100,000	0	100,000	100,000	100,000	100,000
6020 Board of Engineers Fund	1,102,828	172,000	0	172,000	563,000	0	563,000	175,000	550,000	175,000
6025 Construction/Zoning Compliance Mgmt. Fund	1,820,831	600,000	705,672	1,305,672	1,000,000	629,959	1,629,959	600,000	1,000,000	600,000
Office of Cable TV and Telecommunications (CT0)	5,191,478	5,503,000	65,000	5,568,000	5,605,000	1,641,367	7,246,367	6,500,000	6,750,000	7,000,000
0600 Franchise Fees & Tape Sales	5,191,478	5,503,000	65,000	5,568,000	5,605,000	1,641,367	7,246,367	6,500,000	6,750,000	7,000,000
Office of the Tenant Advocate (CQ0)	1,153,542	0	0	0	950,000	350,000	1,300,000	550,000	950,000	550,000
6005 Condo Conversion	1,153,542	0	0	0	450,000	350,000	800,000	450,000	450,000	450,000
6006 Rental Accommodation Fees	0	0	0	0	500,000	0	500,000	100,000	500,000	100,000
Dept. of Housing and Community Development (DB0)	25,250,591	8,271,233	171,784	8,443,017	9,213,070	19,698,865	28,911,935	9,279,298	9,391,692	9,391,692
0602 Home Purchase Assistance Program Repayment	19,021,144	6,124,215	0	6,124,215	6,309,707	14,603,438	20,913,145	6,563,789	6,817,871	6,817,871
0603 Land Acquisition for Housing Dev. Opportunities	2,420,511	416,000	0	416,000	416,000	2,278,823	2,694,823	416,000	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	3,428,333	400,000	0	400,000	378,920	1,826,617	2,205,537	450,000	450,000	450,000
0607 Low Income Housing Tax Credit Program	121,161	785,018	0	785,018	849,509	318,203	1,167,712	849,509	849,509	849,509
0623 Home Again Revolving Fund	182,184	500,000	171,784	671,784	500,000	671,784	1,171,784	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 6006	0	0	0	0	258,934	0	258,934	0	0	0
Public Service Commission (DH0)	69,925	8,000,010	0	8,000,010	8,645,124	0	8,645,124	8,645,124	8,645,124	8,645,124
0631 Utilities Regulation	69,925	8,000,010	0	8,000,010	8,645,124	0	8,645,124	8,645,124	8,645,124	8,645,124
Office of the People's Counsel (DJ0)	73,467	4,596,020	0	4,596,020	4,883,003	0	4,883,003	4,883,003	4,883,003	4,883,003
0631 Advocate for Consumers	73,467	4,596,020	0	4,596,020	4,883,003	0	4,883,003	4,883,003	4,883,003	4,883,003

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
B. Economic Development and Regulation (continued)										
Office of the Deputy Mayor for Econ. Develop. (EBO)	20,942,695	58,026,268	6,252,268	64,278,536	27,250,000	5,260,636	32,510,636	27,250,000	27,250,000	27,250,000
0609 Industrial Revenue Bond Program	2,701,910	2,587,268	487,268	3,074,536	2,250,000	82,084	2,332,084	2,250,000	2,250,000	2,250,000
0622 Commercial Trust Fund	1,090,926	600,000	500,000	1,100,000	0	0	0	0	0	0
0635 Comprehensive Housing Strategy Fund	0	28,104,000	0	28,104,000	0	0	0	0	0	0
1011 Neighborhood Investment Fund	17,094,800	9,735,000	5,265,000	15,000,000	0	5,178,552	5,178,552	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	17,000,000	0	17,000,000	25,000,000	0	25,000,000	25,000,000	25,000,000	25,000,000
Dept. of Small and Local Business Development (ENO)	1,090,926	0	0	0	0	500,336	500,336	0	0	0
0622 Commercial Trust Fund	1,090,926	0	0	0	0	500,336	500,336	0	0	0
Housing Production Trust Fund Subsidy (HPO)	124,413,297	0	65,078,157	65,078,157	0	0	0	0	0	0
1261 Housing Production Trust Fund	124,413,297	0	65,078,157	65,078,157	0	0	0	0	0	0
Alcoholic Beverage Regulation Administration (LQ0)	4,215,273	4,006,000	547,638	4,553,638	4,226,056	1,612,930	5,838,986	4,206,000	4,206,000	4,206,000
6017 ABC Import and Class License Fees	4,096,640	4,000,000	547,638	4,547,638	4,220,056	1,612,930	5,832,986	4,200,000	4,200,000	4,200,000
6018 ABC Keg Registration Fees	118,633	6,000	0	6,000	6,000	0	6,000	6,000	6,000	6,000
Dept. of Insurance, Securities and Banking (SR0)	1,496,914	27,250,000	0	27,250,000	28,003,353	0	28,003,353	27,700,000	27,700,000	28,498,000
0615 Junior Supersavers Club	9,000	0	0	0	0	0	0	0	0	0
2100 HMO Assessment Fee	185,258	950,000	0	950,000	981,063	0	981,063	1,100,000	1,100,000	1,100,000
2200 Insurance Assessment Fee	1,302,656	9,000,000	0	9,000,000	9,000,000	0	9,000,000	9,000,000	9,000,000	9,270,000
2300 Securities/ Broker Dealer Licenses Fees	0	4,500,000	0	4,500,000	4,500,000	0	4,500,000	4,500,000	4,500,000	4,635,000
2500 Investment Advisors Licenses Fees	0	340,000	0	340,000	340,000	0	340,000	340,000	340,000	350,200
2600 Securities Registration Fees	0	7,760,000	0	7,760,000	7,760,000	0	7,760,000	7,760,000	7,760,000	7,992,800
2800 Captive Insurance Premium	0	2,200,000	0	2,200,000	2,623,411	0	2,623,411	2,500,000	2,500,000	2,575,000
2900 Banking Fees	0	2,500,000	0	2,500,000	2,798,879	0	2,798,879	2,500,000	2,500,000	2,575,000
Sub-total: Economic Development and Regulation	234,074,777	152,159,043	76,921,723	229,080,766	136,457,791	32,908,834	169,366,624	130,458,051	137,331,985	131,868,445

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
C. Public Safety and Justice										
Metropolitan Police Department (FA0)	1,118,832	12,036,516	0	12,036,516	13,532,811	0	13,532,811	13,858,500	13,885,540	13,913,662
1431 Data Processing	0	130,804	0	130,804	130,804	0	130,804	150,000	150,000	150,000
1555 Reimbursable From Other Governments	0	650,000	0	650,000	650,000	0	650,000	676,000	703,040	731,162
1607 Sale Of Unclaimed Property	69,696	392,106	0	392,106	392,106	0	392,106	250,000	250,000	250,000
1614 Miscellaneous Reimbursements	0	2,100,000	0	2,100,000	3,212,500	0	3,212,500	3,212,500	3,212,500	3,212,500
1616 Drug Elimination	0	0	0	0	0	0	0	0	0	0
1660 Automated Traffic Enforcement	0	7,090,750	0	7,090,750	7,597,125	0	7,597,125	8,000,000	8,000,000	8,000,000
1988 Drug Interdiction	416,801	0	0	0	0	0	0	0	0	0
2531 Narcotics Proceeds	8,799	792,266	0	792,266	650,000	0	650,000	650,000	650,000	650,000
2532 Gambling Proceeds	0	19,565	0	19,565	250,277	0	250,277	270,000	270,000	270,000
7278 Asset Forfeiture	623,537	861,025	0	861,025	650,000	0	650,000	650,000	650,000	650,000
Fire and Emergency Medical Services Dept. (FB0)	0	0	0	0	0	0	0	0	0	0
1613 Training Fund	0	0	0	0	0	0	0	0	0	0
Office of Victim Services (FE0)	13,202,963	0	0	0	2,500,000	4,786,000	7,286,000	2,500,000	2,500,000	2,500,000
0620 Crime Victims Assistance Fund	13,202,963	0	0	0	2,500,000	4,786,000	7,286,000	2,500,000	2,500,000	2,500,000
Department of Corrections (FL0)	0	25,755,491	0	25,755,491	36,100,000	0	36,100,000	32,800,000	32,800,000	32,800,000
0600 Inmate Federal Reimbursement Fund	0	25,055,491	0	25,055,491	35,300,000	0	35,300,000	32,000,000	32,000,000	32,000,000
0601 Concession Income	0	700,000	0	700,000	800,000	0	800,000	800,000	800,000	800,000
Office of Administrative Hearings (FS0)	0	50,000	0	50,000	50,000	0	50,000	0	0	0
0614 Adjudication Fines and Fees	0	50,000	0	50,000	50,000	0	50,000	0	0	0
Office of the Chief Medical Examiner (FX0)	88,905	150,000	0	150,000	165,000	0	165,000	170,775	176,752	182,938
0601 Medical Examiner Fees	88,905	150,000	0	150,000	165,000	0	165,000	170,775	176,752	182,938
Office of Unified Communications (UC0)	6,751,685	13,790,000	4,023,446	17,813,446	13,685,000	2,728,239	16,413,239	13,685,000	13,685,000	13,685,000
1630 911 & 311 Assessments	6,751,685	13,790,000	4,023,446	17,813,446	13,685,000	2,728,239	16,413,239	13,685,000	13,685,000	13,685,000
Sub-total: Public Safety and Justice	21,162,385	51,782,007	4,023,446	55,805,453	66,032,811	7,514,239	73,547,050	63,014,275	63,047,292	63,081,600

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
D. Public Education System										
District of Columbia Public Library (CE0)	1,074,206	273,000	382,815	655,815	273,000	364,000	637,000	273,000	273,000	273,000
0101 Miscellaneous	59,273	8,000	12,000	20,000	8,000	12,000	20,000	8,000	8,000	8,000
0102 Bookstore	37,954	80,000	10,815	90,815	80,000	12,000	92,000	80,000	80,000	80,000
0103 Restricted - Fines	452,207	125,000	135,000	260,000	125,000	135,000	260,000	125,000	125,000	125,000
0104 Gifts-Donations	5,863	0	0	0	0	0	0	0	0	0
0108 Copies and Printing	30,120	60,000	25,000	85,000	60,000	5,000	65,000	60,000	60,000	60,000
0109 Miscellaneous Customer Service	7,931	0	0	0	0	0	0	0	0	0
0140 Restricted - Gifts & Donations	7,293	0	0	0	0	0	0	0	0	0
0150 SLD E-Rate Reimbursement	445,718	0	200,000	200,000	0	200,000	200,000	0	0	0
0190 Franklin Restitution Payment	27,847	0	0	0	0	0	0	0	0	0
District of Columbia Public Schools (GA0)	5,059,200	16,827,023	4,251,954	21,078,977	8,504,023	1,500,000	10,004,023	8,926,216	9,426,216	9,426,216
0601 Special Escrow (Lease Inc - Security Deposits)	7,643	0	0	0	0	0	0	0	0	0
0602 ROTC	906,926	909,998	906,926	1,816,924	910,000	0	910,000	861,155	861,155	861,155
0603 Lease Income	1,499,395	4,500,000	1,499,395	5,999,395	4,000,000	0	4,000,000	4,500,000	5,000,000	5,000,000
0604 Pepco/Washington Gas	180,216	180,000	180,216	360,216	215,610	0	215,610	215,610	215,610	215,610
0607 Custodial	446,249	430,000	446,249	876,249	271,780	0	271,780	271,780	271,780	271,780
0608 Nonresident	1,299,604	1,030,000	500,000	1,530,000	625,000	500,000	1,125,000	625,000	625,000	625,000
0609 Security Deposits	403,292	430,000	403,292	833,292	223,392	0	223,392	174,992	174,992	174,992
0611 Cafeteria	121,663	1,000,000	121,663	1,121,663	1,234,216	0	1,234,216	1,234,216	1,234,216	1,234,216
0613 Vending Machine Sales	23,488	335,000	23,488	358,488	375,000	0	375,000	379,438	379,438	379,438
0621 Parking Fees	0	99,025	0	99,025	99,025	0	99,025	99,025	99,025	99,025
0623 Hoop Dreams Scholarship Fund	51,010	0	51,010	51,010	0	0	0	0	0	0
0626 TDL Career Cluster Project at Cardozo	14,543	0	14,543	14,543	0	0	0	0	0	0
0627 BOE - Real Property Improvement Fund	105,173	7,598,000	105,173	7,703,173	400,000	1,000,000	1,400,000	400,000	400,000	400,000
0630 Teacher Certification Fees	0	315,000	0	315,000	150,000	0	150,000	165,000	165,000	165,000
Public Charter School Board (GB0)	0	0	0	0	1,350,000	0	1,350,000	1,400,000	1,450,000	1,500,000
6632 Administrative Fee	0	0	0	0	1,350,000	0	1,350,000	1,400,000	1,450,000	1,500,000
State Education Office (GD0)	10,431,424	37,000	10,371,243	10,408,243	22,000	10,300,432	10,322,432	17,000	17,000	17,000
0601 Other Fund (Defaulted Student Loans)	0	7,000	0	7,000	15,000	0	15,000	10,000	10,000	10,000
0610 Charter School Credit Enhancement Fund	10,371,243	0	10,371,243	10,371,243	0	10,300,432	10,300,432	0	0	0
6007 Site Evaluation Visits	0	30,000	0	30,000	7,000	0	7,000	7,000	7,000	7,000
6010 Licensing Fees (OPLA - Special Account)	60,181	0	0	0	0	0	0	0	0	0
Sub-total: Public Education System	16,564,830	17,137,023	15,006,012	32,143,035	10,149,023	12,164,432	22,313,455	10,616,216	11,166,216	11,216,216

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
E. Human Support Services										
Department of Parks and Recreation (HA0)	1,257,799	1,900,000	400,000	2,300,000	1,900,000	600,000	2,500,000	1,957,000	2,015,710	2,076,181
0602 Enterprise Fund Account	1,257,799	1,900,000	400,000	2,300,000	1,900,000	600,000	2,500,000	1,957,000	2,015,710	2,076,181
Department of Health (HC0)	29,713,630	26,597,068	13,639,826	40,236,894	14,716,457	1,889,819	16,606,276	14,918,920	15,295,040	13,345,622
0601 Medical Examiners Fees	33,022	0	0	0	0	0	0	0	0	0
0605 SHPDA Fees	797,079	536,000	0	536,000	540,000	127,000	667,000	545,000	556,308	572,998
0606 Vital Records Revenue	2,726,627	3,750,000	542,253	4,292,253	3,950,000	513,412	4,463,412	4,125,000	4,248,000	4,315,500
0608 Drug Interdiction Fund	755,800	300,000	400,000	700,000	309,000	0	309,000	318,270	327,818	330,000
0610 Methadone Fees	9,433	0	0	0	0	0	0	0	0	0
0612 Food Handlers Certification	1,804,646	500,000	1,650,000	2,150,000	1,100,000	100,000	1,200,000	550,000	1,200,000	600,000
0613 Adjudication Hearings (Community Hygiene)	0	0	0	0	0	0	0	0	0	0
0614 Adjudication Fines	71,631	0	0	0	0	0	0	0	0	0
0617 Office of Professional Licensing	63,496	10,000	50,000	60,000	0	0	0	0	0	0
0621 UDC Health Clinic Reimbursement	79,050	924,363	0	924,363	868,425	0	868,425	877,110	885,881	894,740
0630 General Counsel-FICA	0	3,705	0	3,705	3,816	0	3,816	3,931	4,049	0
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	0
0632 Pharmacy Protection	412,153	400,000	135,000	535,000	410,000	76,000	486,000	422,300	434,969	0
0638 Animal Control Dog License Fees and Fines	140,507	80,000	35,000	115,000	88,000	33,000	121,000	88,880	89,769	90,667
0641 Other Medical Licenses and Fees	22,174	0	0	0	0	0	0	0	0	0
0642 Medicaid Reimbursement - APRA	14,847	0	0	0	0	0	0	0	0	0
0643 Board of Medicine	921,731	4,360,000	300,000	4,660,000	4,000,000	428,000	4,428,000	4,500,000	4,000,000	4,500,000
0649 Health Facility Fee	70,483	68,000	20,000	88,000	68,680	0	68,680	69,367	70,060	70,762
0650 Human Services Facility Fee	302,441	77,000	58,000	135,000	79,310	22,000	101,310	81,689	84,140	84,981
0651 Health Benefits Plans-Bill of Rights Act	376,773	386,000	100,000	486,000	397,580	0	397,580	409,507	421,793	425,000
0652 DC Superior Courts PHSA Agreement	0	380,000	0	380,000	405,441	0	405,441	409,496	413,591	417,727
0655 SHPDA Admission Fee	562,319	450,000	120,000	570,000	477,000	372,768	849,768	492,000	515,000	537,000
0656 EMS Fees	5,802	50,000	0	50,000	51,055	0	51,055	52,020	53,061	0
0658 Public Health Laboratory Fees	272,301	175,000	150,000	325,000	176,750	0	176,750	178,518	180,304	182,107
0661 ICF/MR Fees and Fines	70,866	30,000	0	30,000	30,900	0	30,900	31,827	32,782	33,110
0662 Civil Monetary Penalties	115,846	50,000	50,000	100,000	50,500	50,000	100,500	51,005	51,515	52,030
0670 HCSN Revolving Fund	10,810,374	1,417,000	10,029,573	11,446,573	0	0	0	0	0	0
0672 MAA Nursing Facility Quality of Care Fund	9,106,591	11,000,000	0	11,000,000	0	0	0	0	0	0
0673 Enforcement Activities	167,639	150,000	0	150,000	210,000	167,639	377,639	213,000	226,000	239,000
Department of Human Services (JA0)	0	3,200,000	0	3,200,000	3,200,000	0	3,200,000	2,800,000	2,800,000	2,800,000
0602 DC Village Maintenance Reimbursement	0	400,000	0	400,000	400,000	0	400,000	0	0	0
0603 SSI Payback	0	2,500,000	0	2,500,000	2,500,000	0	2,500,000	2,500,000	2,500,000	2,500,000
0613 Food Stamps Collections	0	300,000	0	300,000	300,000	0	300,000	300,000	300,000	300,000
Department on Disability Services (JM0)	714,587	7,400,000	0	7,400,000	7,400,000	0	7,400,000	7,350,000	7,350,000	7,350,000
0610 Vocational Rehab Services 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	2,200,000	0	2,200,000	2,200,000	0	2,200,000	2,100,000	2,100,000	2,100,000
0616 Randolph Shepherd Unassigned Facilities	714,217	5,000,000	0	5,000,000	5,000,000	0	5,000,000	5,000,000	5,000,000	5,000,000
Child and Family Services Agency (RL0)	0	750,000	0	750,000	750,000	0	750,000	750,000	750,000	750,000
0601 Other Revenue: SSI/SSA Reimbursement	0	750,000	0	750,000	750,000	0	750,000	750,000	750,000	750,000
Department of Mental Health (RM0)	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 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 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	31,686,016	43,655,188	14,039,826	57,695,014	31,774,577	2,489,819	34,264,396	31,384,040	31,818,870	29,929,924

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
F. Public Works										
District Department of Transportation (KA0)	9,094,504	41,534,996	0	41,534,996	42,050,996	2,031,155	44,082,151	42,577,996	43,115,996	43,664,996
6000 Special Events	0	84,000	0	84,000	84,000	0	84,000	84,000	84,000	84,000
6140 Tree Fund (est. DC Act 14-614)	154,824	0	0	0	0	0	0	0	0	0
6261 Reimbursable Street Repairs	0	34,232	0	34,232	34,232	0	34,232	34,232	34,232	34,232
6425 Federal Transit 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 Program	0	165,000	0	165,000	165,000	0	165,000	165,000	165,000	165,000
6551 Wilson Bridge	0	64,200	0	64,200	64,200	0	64,200	64,200	64,200	64,200
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	55,000	0	55,000	55,000	55,000	55,000
6900 DDOT Operating Fund	8,936,858	40,756,940	0	40,756,940	41,272,940	2,031,155	43,304,095	41,799,940	42,337,940	42,886,940
6967 Abandoned Vehicle Program	2,823	0	0	0	0	0	0	0	0	0
District Department of the Environment (KG0)	12,149,298	14,303,609	4,038,276	18,341,885	14,085,842	3,654,280	17,740,122	14,271,500	14,481,694	14,698,195
0602 Air Quality Construction Permits	282,627	263,000	32,794	295,794	197,760	0	197,760	203,692	209,803	216,097
0603 Fishing License	215,805	85,000	45,000	130,000	70,857	0	70,857	72,982	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	1,090,046	385,069	0	385,069	404,223	0	404,223	416,349	428,840	441,705
0609 LUST Trust Fund	119,321	25,000	80,000	105,000	25,000	14,321	39,321	25,000	25,000	25,000
0610 Petroleum Violation Escrow Funds	56,858	0	0	0	0	0	0	0	0	0
0611 Radioactive Waste Fees	116,306	20,000	0	20,000	50,817	0	50,817	52,341	53,911	55,529
0620 Utility Discount Programs Funds	218,478	0	0	0	0	218,478	218,478	0	0	0
0633 Radiation Protection	228,493	33,000	0	33,000	46,078	0	46,078	47,460	48,884	50,350
0634 Soil Erosion/Sediment Control	1,614,600	477,444	0	477,444	703,093	0	703,093	724,186	745,911	768,288
0645 Pesticide Product Registration	1,884,150	800,000	670,000	1,470,000	804,171	0	804,171	828,296	853,145	878,739
0646 Storm Water Fees	50,318	15,000	0	15,000	14,207	0	14,207	14,633	15,072	15,525
0648 Asbestos Certification and Abatement Fee	54,352	205,000	54,352	259,352	156,044	0	156,044	160,726	165,547	170,514
0654 Storm Water Permit Review	0	1,950,001	0	1,950,001	7,240,000	0	7,240,000	7,240,000	7,240,000	7,240,000
0661 RETF - PEPCO	3,759,608	7,913,334	3,156,130	11,069,464	2,194,877	0	2,194,877	2,260,723	2,328,545	2,398,401
0663 Brownfields Revitalization	60,027	24,233	0	24,233	15,767	0	15,767	0	0	0
0664 Adjudication Hearings (Air Quality)	26,100	18,000	0	18,000	24,545	0	24,545	24,545	25,281	26,040
0665 Adjudication Hearings (Water Quality)	241,206	33,575	0	33,575	66,286	0	66,286	66,286	68,275	70,323
0669 Lead Based Paint Abatement & Control	86,031	164,957	0	164,957	181,121	0	181,121	186,555	192,151	197,916
0674 EHA - Hazardous Waste Regulatory Enforcement	77,635	77,635	0	77,635	77,635	0	77,635	79,964	82,363	84,834
6101 Stripperwell II	91,844	0	0	0	0	91,844	91,844	0	0	0
6201 Economy II (ECON2)	0	48,001	0	48,001	48,001	0	48,001	49,441	50,924	52,452
6202 Residential Aid Discount (RAD)	40,692	51,465	0	51,465	51,465	0	51,465	53,009	54,599	56,237
6203 Residential Essential Services (RES)	39,907	43,372	0	43,372	43,372	0	43,372	44,673	46,013	47,393
6204 WASA Utility Discount Program (UDP)	46,061	70,523	0	70,523	70,523	0	70,523	72,639	74,818	77,062
6300 Natural Gas Trust Fund (NGTF)	1,729,638	1,600,000	0	1,600,000	1,600,000	3,329,638	4,929,638	1,648,000	1,697,440	1,748,363

Table 4-37 Special Purpose (O-type) Revenue Funds, by Source (continued)

	FY 2006 End of Year Fund Balance	FY 2007 Certified Revenues 5/07 Cert.	FY 2007 Certified Fund Balance Use 5/07 Cert.	FY 2007 Certified Resources 5/07 Cert.	FY 2008 Certified Revenues 5/07 Cert.	FY 2008 Certified Fund Balance Use 5/07 Cert.	FY 2008 Certified Resources 5/07 Cert.	FY 2009 Certified Revenues 5/07 Cert.	FY 2010 Certified Revenues 5/07 Cert.	FY 2011 Certified Revenues 5/07 Cert.
F. Public Works (continued)										
Department of Public Works (KTO)	3,111,115	8,644,499	600,521	9,245,020	10,441,429	80,000	10,521,429	10,441,429	10,441,429	10,441,429
6000 Fleet Services Reimbursements	0	778,499	0	778,499	778,499	0	778,499	778,499	778,499	778,499
6010 Super Cans	0	24,000	0	24,000	24,000	0	24,000	24,000	24,000	24,000
6072 District Recycling Program	1,292,444	1,100,000	300,000	1,400,000	1,100,000	0	1,100,000	1,100,000	1,100,000	1,100,000
6082 Solid Waste Disposal Fee Special Account	0	5,400,000	0	5,400,000	7,196,930	0	7,196,930	7,196,930	7,196,930	7,196,930
6564 Lorton Landfill	0	47,000	0	47,000	47,000	0	47,000	47,000	47,000	47,000
6591 Nuisance Abatement (Clean City)	1,180,736	1,295,000	300,521	1,595,521	1,295,000	80,000	1,375,000	1,295,000	1,295,000	1,295,000
6967 Abandoned Vehicle Program	637,934	0	0	0	0	0	0	0	0	0
Department of Motor Vehicles (KV0)	7,205,766	9,318,249	1,937,852	11,256,101	8,421,780	4,089,429	12,511,209	9,545,200	9,545,200	9,545,200
6000 General O-type Revenue Sources	4,271,191	4,180,249	0	4,180,249	3,110,000	4,089,429	7,199,429	4,465,200	4,465,200	4,465,200
6221 Drivers Education Program	512,324	400,000	0	400,000	400,000	0	400,000	400,000	400,000	400,000
6258 Motor Vehicle Inspection Station	2,422,251	4,550,000	1,937,852	6,487,852	4,723,410	0	4,723,410	4,500,000	4,500,000	4,500,000
6785 Commercial Drivers License Program	0	188,000	0	188,000	188,370	0	188,370	180,000	180,000	180,000
D.C. Taxicab Commission (TC0)	451,338	495,000	163,428	658,428	535,000	74,735	609,735	535,000	535,000	535,000
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	451,338	455,000	163,428	618,428	495,000	74,735	569,735	495,000	495,000	495,000
Sub-total: Public Works	32,012,022	74,296,353	6,740,077	81,036,430	75,535,047	9,929,599	85,464,646	77,371,125	78,119,319	78,884,820
District-Wide Total	364,858,964	384,976,392	132,739,485	517,715,877	367,034,291	70,027,240	437,061,530	348,801,545	358,275,713	352,689,380

Operating Expenditures

This chapter examines the District's operating expenditures from FY 2004 to FY 2008 proposed budget compared to the previous year, and also analyzes expenditure growth patterns through the FY 2008 proposed budget.

In FY 2006, the District's Local Fund expenditures increased by 17.6 percent over FY 2005. Expenditures have grown by an average of 10.7 percent annually in recent years. (please refer to Figure 5-1).

The \$742.595 million increase in FY 2006 was a result of several factors that included:

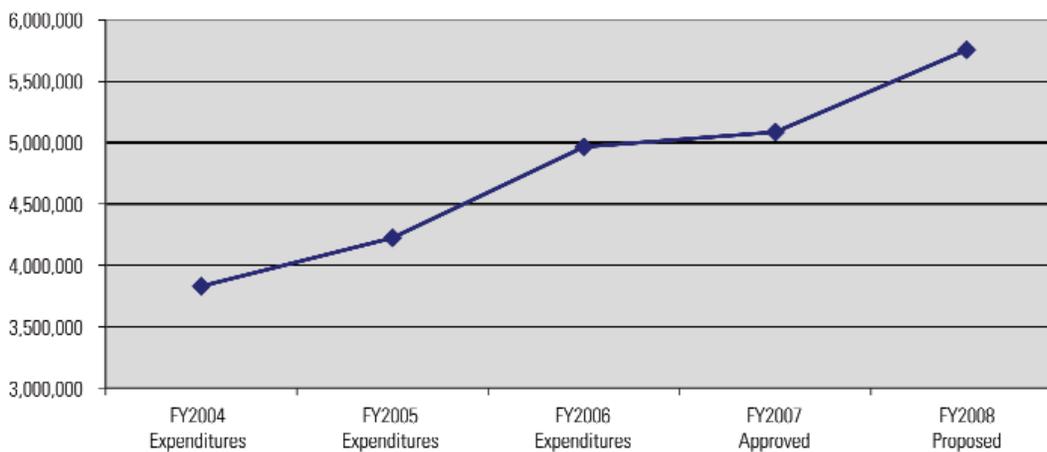
- An increase in the public education area that included budget growth for the District of Columbia Public Schools, Public Charter Schools, and the District of Columbia Public Library;
- An increase in non-discretionary financing costs included:
 - Required contributions to the defined benefit pension plans for police officers, teachers, and firefighters;
 - Repayment of general obligation bonds to finance capital projects;

Figure 5-1

Local Fund Expenditures (includes Dedicated Taxes), FY 2004 - FY 2008

Does not include Enterprise Funds

Dollars (thousands)



- Contribution to Other Post Employment Benefits (OPEB) to provide for the cost of healthcare for retired employees.
- Substantial growth in the health and human services area, including for expansion of the D.C. Healthcare Safety Net program.
- Continued growth in the public safety area as a result of expansion of the police and fire departments and continued involvement of the District's homeland security functions since the District is the nation's capital.

During the past 4 years, annual local expenditure growth has averaged 10.7 percent District-wide. After a decrease in Local funds expenditures in FY 2004, Health and Human Services has again become one of the fastest-growing appropriation titles, averaging growth of 8.8 percent per year during the past 4 years. Public Education has continued to increase for the second year in a row, averaging 5.4 percent growth annually.

Public Safety and Justice expenditures grew at 7.4 percent, which, for the first time in 3 years, is a rate lower than District expenditures as a whole.

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:

- Examines the growth in expenditures from FY 2004 to the FY 2008 proposed budget by area of spending (agency and function);
- Examines the growth by such categories as personnel, contractual services, and subsidies and transfers.

This chapter focuses primarily on the District's Local funds and Dedicated Tax expenditures. It does not discuss capital expenditures, which are described in the Capital Appendices volume.

Expenditure Growth by Agency and Function, FY 2004 to FY 2008 Proposed Budget

Tables 5A-2 and 5A-3, in Appendix I to this chapter, provide additional detail on local and gross expenditures in the largest District agencies from FY 2004 through FY 2008, to provide a constant timeframe.

Human Support Services

Local funds expenditures for 3 major agencies in the Human Support Services appropriation title have grown at an annual average of 8.8 percent since FY 2004. Some of the major trends in this appropriation title are:

- **Department of Human Services (DHS).** DHS operates a number of federal entitlement programs, such as Temporary Assistance for Needy Families (TANF) and homeless services programs. Its Local funds expenditures have decreased 6.9 percent annually between FY 2004 and 2008. The growth rate decreased because part of the agency's budget and functions, representing \$51.4 million, were removed to create a new agency, the Department of Youth Rehabilitation Services. DHS gross funds expenditures, including the federal funds it administers, have decreased by 5.2 percent annually. In FY 2006, the Department received \$19.1 million of Local Funds supplemental appropriations/reserve funds to address shortfalls in court-mandated services in the Mental Retardation and Developmental Disabilities Administration (MRDDA) program. In FY 2008, the MRDDA program will change its name to Intellectual and Developmental Disabilities Administration (IDDA). It serves approximately 2,000 persons annually many of whom receive a variety of high-intensity levels of custodial care and treatment.
- **Department of Health (DOH).** The Department is one of the largest in the District and operates a wide variety of public health programs as well as administering the District's Medicaid program.
 - 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. Total expenditures for this program in FY 2006 were \$105,416,460 with an average monthly enrollment of 32,612.
 - Medicaid Assistance Administration. In FY 2006, 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 total Medicaid expenditures in FY 2006 were \$964,668. Medicaid and the public provider agencies represent 63 percent of the budget for Human Support Services (\$1.2 billion and 17 percent of the total local operating budget). In FY 2003, the District incurred a \$99 million Medicaid receivables write-off. To avoid recurrence, a Medicaid Reserve Fund of approximately \$44 million was created in FY 2004. In FY 2006, agency budgets were adjusted to reflect the necessary dollars to account for Medicaid.

- **Child and Family Services Agency and Department of Mental Health.** In the Child and Family Services Agency in FY 2005, there was an increase of \$3,884,954 in non-personal services for subsidized adoptions

and an additional increase of \$8,511,577 to align programs and services. In FY 2006 the District expanded adoption and child care programs for grandparents who take custody or serve as primary caregivers for their grandchildren. The Department of Mental Health has seen growth as a result of increased personal services costs for agency staff from ratified collective bargaining agreements, increased cost of pharmaceutical drugs and expanded mental health services.

Public Education System

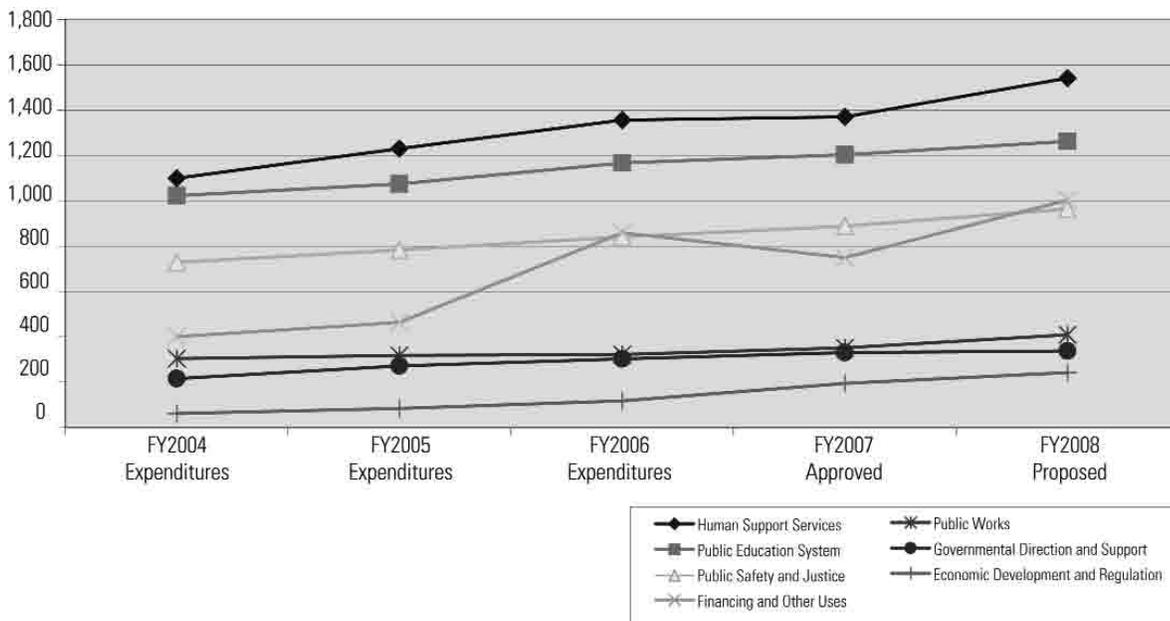
Major agencies in the public education system include: District of Columbia Public Schools, District of Columbia Public Charter Schools, the Teachers' Retirement System, the University of the District of Columbia and the District of Columbia Public Library. The public education system has experienced one of the highest budget growth rates in the District, averaging 5.4 percent annually for the past 4 years.

Figure 5-2

Local Fund Expenditures (includes Dedicated Taxes) by Appropriation Title, FY 2004 - FY 2008

Does Not Include Enterprise Funds

Dollars (millions)



- **District of Columbia Public Schools.** Local fund expenditures by the District of Columbia Public Schools (DCPS) are higher than for any other District agency. This is due in part to the fact that DCPS serves as both the local school district and also contains many components of state-level department of education. DCPS employs approximately one third of all District employees and personnel costs are a key cost driver for the agency. There has also been a significant increase in costs for non-public tuition as a result of increased enrollment in special education under the federal Individuals with Disability Education Act (IDEA) law and increased operational costs for special education. In recent years, enrollment has steadily declined at DCPS, but the budget has increased as a result of several factors that include:
 - Inflationary and statutory changes to the Uniform Per Student Funding Formula that has annually increased the amount of funding provided to DCPS under the formula;
 - Ratified collective bargaining agreements that have increased personnel costs;
 - Increased fixed costs for DCPS facilities as result of an increase in utility costs;
 - The special education transportation division of DCPS has been under court-ordered administration and its cost has substantially increased;
 - Increased costs for non-public tuition, where DCPS students are enrolled in private schools to provide legally mandated special education services.
- **Public Charter Schools.** Enrollment and the number of open charter schools has increased annually. Public Charter Schools receive the same level of funding under the Uniform Per Student Funding Formula as for students enrolled in DCPS, but each charter school also receives a facilities allotment that is based in part on the DCPS capital budget that has been increasing, which is driving the increase in the facilities allotment for the charter schools.
- **Teachers' Retirement System.** Under provisions of the 1997 National Capital

Revitalization and Self-Government Improvement Act of 1997, the federal government assumed the cost of payment of retirement pensions and a portion of the cost for disability payments for District teachers for service accrued prior to June 30, 1997. Benefits earned subsequently are the responsibility of the Government of the District of Columbia. The District of Columbia Retirement Board administers the pension fund, and retains an actuary to calculate the annual required contribution under the regulations set forth in Section 1-907 of the District's Official Code. From FY 2002 to FY 2004, no District contribution was required as determined by the actuary. In FY 2006 the contribution had reached \$15.4 million. It decreased in FY 2007 to \$14.6 million and to \$6 million for FY 2008; however, the FY 2008 decrease is attributable to the effects of salary raises that had not been implemented at the time of the actuarial valuation; an increased number of plan participant terminations and above projected investment return.

- **University of the District of Columbia (UDC).** The FY 2006 Local budget for UDC was \$57.9 million, an increase of 16.7 percent above FY 2005. This increase was attributable to increased personal services costs from ratified collective bargaining agreements and expanded staffing and programs.
- **District of Columbia Public Library.** The Local funds budget increased by 7.4 percent over FY 2005, to \$32.4 million, primarily as a result of expanded services and hours at the main and branch libraries. Computerization costs have played a role in costs as library services have expanded beyond books to the internet.

Further information on the public schools:

Table 5-1 shows enrollment and expenditure trends for DCPS and PCS.

DCPS and PCS 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 PCS 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 the school systems could better match their expenditures to the school calendar. For example, in the fourth quarter of FY 2001 (July, August, and September 2001), DCPS had appropriation authority to spend up to 10 percent of its pending FY 2002 appropriation, or about \$71 million, in addition to completing its spending of its 2001 appropriation.

The 2 systems similarly had authority to spend against their pending FY 2003 appropriations at the end of FY 2002. Along with DCPS and PCS, UDC was granted this authority in FY 2003. Until FY 2004, the District's Comprehensive Annual Financial Report (CAFR) for a given fiscal year included funds spent in that fiscal year, regardless of the appropriation year. Thus, until 2005, the CAFR included funds each school system spent during the fiscal year.

This is the sum of:

- Appropriation year (AY) 2006 expenditures;
- Less AY 2006 funds spent during FY 2005; and
- Plus AY 2007 funds spent in FY 2006.

Table 5-2 provides a crosswalk between the AY and FY expenditures for the 2 systems. The FY data are used throughout this chapter, although the AY data reflect more comparable data over time.

Public Safety and Justice

Expenditures in this area increased in FY 2006. The Police and Fire Departments have shown steady annual growth in recent years, as has the required contribution to the defined benefit pension plan for covered employees of those departments.

- **Metropolitan Police Department.** One of the largest District departments, MPD budgets for a strength level of 3,800 sworn police officers. Expenditures have grown at over 7.9 percent annually, as a result of approved salary increases for staff, additional staffing, and additional services. MPD plays a leading role in the District's homeland security, and also is required to assist the United States Secret Service in protecting the president and other dignitaries in their travel through the District. During the summer and fall of 2006 the Police Chief declared a "crime emergency" as a result of a temporary spike in criminal activity, and the District Council provided additional funds to MPD, amounting to \$13.1M in actual expenditures for the crime emergency.
- **Fire and Emergency Medical Services Department.** The department's budget is primarily personal services and the 4.6 percent increase for FY 2006 is largely reflective of the effects of ratified collective bargaining agreements. Overtime is also a cost driver for the department because the schedule must be back-filled through overtime due to vacant positions and employees on leave to ensure that all stations are properly manned at all times.

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*
2004	61,653	769,385	13,575	161,969	75,228	931,354	12,380
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	808,331	22,239	266,066	74,520	1,074,397	14,418

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

Table 5-2:

Expenditures by Appropriation Year and Fiscal Year, Two School Systems and University (Local Funds Only)

(Dollars in thousands)

D.C. Public Schools	2004	2005	2006
Expenditures, current AY and FY	762,723	776,578	812,830
PLUS: AY expenditures in prior FY		6,662	4,799
EQUALS: Total AY expenditures	762,723	783,240	817,629
LESS: AY expenditures in prior FY		-6,662	-4,799
PLUS: FY expenditures from following AY	6,662	4,799	2,943
EQUALS: Total FY expenditures (as shown in CAFR and table 5-1 above)	769,385	781,377	815,773
Public Charter Schools			
Expenditures, current AY and FY	115,513	129,905	161,069
PLUS: AY expenditures in prior FY	34,399	46,456	58,419
EQUALS: Total AY expenditures	149,912	176,361	219,488
LESS: AY expenditures in prior FY	-34,399	-46,456	-58,419
PLUS: FY expenditures from following AY	46,456	58,419	66,121
EQUALS: Total FY expenditures (as shown in CAFR and table 5-1 above)	161,969	188,324	227,190
University of the District of Columbia			
Expenditures, current AY and FY	50,781	51,581	61,266
PLUS: AY expenditures in prior FY	566	80	0
EQUALS: Total AY expenditures	51,347	51,661	61,266
LESS: AY expenditures in prior FY	-566	-80	0
PLUS: FY expenditures from following AY	80	0	0
EQUALS: Total FY expenditures	50,861	51,581	61,226

- **Department of Corrections.** The DOC budget has increased annually in recent years, including a 0.1 percent increase in Local funds for FY 2006. The department has seen many changes in recent years that included:
 - Under terms of the 1997 National Capital Revitalization and Self-Government Improvement Act, the federal government took over housing the District's convicted felonious inmate population and the District's prison in Lorton, Virginia was closed. When Lorton was closed, supplies and equipment on hand was transferred to the D.C. Jail. Many of these remaining resources were used up in recent years, resulting in increased costs for DOC subsequently.
 - Prior to FY 2002, the inmate medical care unit was under court-ordered receivership, with separately budgeted costs. Since FY 2002, DOC costs have increased as the receivership ended and DOC reabsorbed medical costs, that have increased at the rate of medical inflation, that is a higher rate than general inflation. DOC also has a high percentage of inmates with HIV/AIDS and other costly medical conditions.
 - Additionally, certain changes were made to DOC operations that resulted in the 2002 lifting of a long-standing court-ordered cap in the inmate population at the DC Jail.

Due to the down-sizing of the department's staff during the Lorton closure period, a high percentage of the current correctional officer staff at the D.C. Jail is approaching retirement. Consequently, in the near future, DOC will need to develop an expanded recruitment and hiring program.

- **Police Officers' and Fire Fighters' Retirement System.** Under provisions of the 1997 National Capital Revitalization and Self-Government Improvement Act of 1997, the federal government assumed the cost of payment of retirement pensions and a portion of the cost for disability payments for District teachers for service accrued prior to June 30, 1997. Benefits earned subsequently are the responsibility of the Government of the District of Columbia. The District of Columbia Retirement Board administers the pension fund, and retains an actuary to calculate the annual required contribution under the regulations set forth in Section 1-907 of the District's Official Code. Key cost drivers within the prescribed actuarial calculation are salaries and the number of personnel. Pay raises for police and fire personnel covered by the plan have averaged slightly more than 4 percent annually, and the number of personnel has increased in each department, which drives the increased cost in the retirement system contribution. For FY 2004 to FY 2008 proposed budget, it increased 9.1 percent.
- **Office of the Chief Medical Examiner.** After emerging from a period of management difficulties, OCME had a 37 percent increase in its Local funds budget for FY 2006. This substantial increase was driven by expanded unionization and ratified collective bargaining agreements that resulted in staff pay increases; fully funding vital positions that had been persistently vacant so that they could be recruited for and filled; and to expand the agency's mission through the establishment of several fatality review committees.
- **Homeland Security Grants.** The District of Columbia has received over \$100 million in grants from the United States Department of

Homeland Security. These federal grants are received by the Office of the City Administrator, and funds are provided to various District agencies for approved costs and projects through the Intra-District budget process.

Financing and Other

Agencies in the Financing and Other appropriation title include various debt service functions as well as the District's reserve funds. After experiencing a decrease in expenditures, the appropriation title has resumed steady growth.

- **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 2006, the District issued \$250 million of revenue anticipation notes on December 14, 2005 for this purpose. 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 may issue 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 District has approximately \$3.80 billion of general obligation bonds outstanding.
- **Certificates of Participation.** The District has a payment obligation with respect to approximately \$324.5 million of outstanding Certificates of Participation with varying maturities. The Certificates are not (or will not be) debt of the District and 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.

- **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. As of March 31, 2007, the District had financed approximately \$173 million of its capital equipment needs through the Program, and had approximately \$64 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 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. The District has issued, and expects to issue, revenue debt on behalf of various for-profit and non-profit undertakings beneficial to the District.
- **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 will be deposited into the School Modernization fund dedicated to the Public School Capital Improvement Fund. In fiscal year 2008 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.
- **Settlements and Judgments.** Funds in this category are used to settle claims and lawsuits and pay judgments in most types of civil cases filed against the District of Columbia. The Office of the Attorney General anticipates approximately 1,500 to 2,000 new lawsuits in FY 2008, a slight increase over the previous 2 years.
- **Workforce Investments.** The Workforce Investments program is a fund created to pool costs of potential pay increases that have not been approved by the Council prior to the Mayor's submission of the FY 2008 proposed budget to Council. Once approved the budgets are distributed to agencies whose employees receive the pay increases. These labor cost increases can include negotiated wage agreements with the district's unions, nonunion wage increases, and labor costs associated with District-wide classification and compensation reforms.
- **Non-Departmental.** Funds in this category are set-aside for anticipated costs that were not allocated to specific agencies during the development of the proposed budget to ensure that specific use requirements are met.
- **Cash Reserve.** Funds in this category are used to protect the District's financial stability against unforeseen expenditure needs and revenue short-falls. The reserve dollars are to be expended and obligated in accordance with the directives of the Chief Financial Officer, the D. C. Council, the Mayor, and Congress.
- **Other Post Employment Benefits (OPEB).** The District Retiree Health Contribution contributes to the funding of the District's portion of OPEB liabilities of District retirees and their dependents who were first employed after September 30, 1987. (The federal government is responsible for funding OPEB costs or retirees who were first employed before that date.) Each year's budget represents the District's contribution to the funding of its OPEB liabilities as calculated on an actuarial basis. The FY 2008 proposed budget is composed of \$81 million of actuarial estimates for FY 2008 contributions plus \$30 million to fund its FY 2006 underpayment and associated interest expense on that underpayment.

Governmental Direction & Economic Development

Expenditures in these 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, and the Offices of Personnel, Office of the Attorney General, and the Chief Financial Officer. Expenditures in this appropriation title have shown an increase in growth at 11.9 percent annually from FY 2004 to FY 2008 proposed budget; and
- **Economic Development and Regulation.** This is the smallest of the appropriations titles, but expenditures showed a marked increase from FY 2004 to FY 2005, 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. DOES received additional funding for the Mayor's Summer Youth Program, as well as the Youth Opportunity Grant.

Public Works

This area includes agencies that support the District's infrastructure and public transportation services. Due to expanded costs for the Metrorail system as well as expanded public infrastructure services, this area has seen steady growth.

- **Department of Public Works and Department of Transportation.** DDOT was separated from DPW into a separate agency that is funded through special purpose revenue, and focuses on the maintenance and improvement of the public roadways and rights of way. DDOT had no local funds budget for FY 2006. The Department of Public Works retains a large local funds budget, that increased by 6.7 percent annual-

ly from FY 2004 to FY 2008 proposed budget. Increased costs are primarily from salary adjustments and the inflationary increase in the garbage disposal contract.

- **Washington Metropolitan Transit Authority (WMATA).** This budget represents the District's required contribution to the authority that operates the Metrorail subway system. The budget for WMATA from FY 2004 to FY 2008 proposed budget increased 7.8 percent as a result of the implementation of several capital improvement projects as well as increased operating costs. The District also contracts with WMATA to operate certain District-specific bus routes.

Summary of Local Funds Expenditure Growth by Agency and Function

All of the appropriation titles experienced increases in expenditures from FY 2005. Public Safety, Public Education, and Health and Human Services continued to grow at a steady rate, and for the first time Governmental Direction and Economic Development grew at a much higher rate than previous years. During the past 4 years, expenditures for MPD have increased at a steady rate, comparable to the rest of the Public Safety and Justice appropriation title. In FY 2008, local fund proposed budget increased by \$47 million from FY 2007, mainly due to a new labor contract for police officers that led to the implementation of 2 years' of pay raises in one fiscal year.

Public Education remains the second largest appropriation title, and expenditures continued to increase in FY 2006. 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 continued its steady increase in enrollment, as well as expenditures.

Federal Funds Expenditures

During FY 2006, the District received a \$4.196 million Federal Payment for reimbursement of incurred emergency planning and security costs. The payment was divided among D.C. MPD (approximately \$2.508 million), Emergency Management Agency (about \$0.024 million),

and FEMS (approximately \$1.409 million), District Department of Transportation (approximately \$0.147 million), and Department of Public Works (approximately \$0.108 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 helps offset costs that are, in part, influenced by the presence of the federal government within the District.

Federal grant expenditures are increasing for the District as a whole, with an annual growth rate from 2004 to 2008 of 5.5 percent (see table 5.3). The Department of Health receives and spends the greatest amount of federal grants, with Medicaid making up most of the grant dollars. Four of the other six agencies with the greatest grant expenditures also spend Medicaid funds.

Expenditure Growth by Object Class, FY 2004 to FY 2008 Proposed Budget

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 2004 through FY 2008. Since 2004, 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.

Personal Services expenditures, which make up about 34 percent of all expenditures, rose at an average annual rate of 6.7 percent between FY 2004 and 2008. Fringe benefits expenditures have increased at a 9.4 percent annual rate since FY 2004, mostly because of increasing costs of health insurance premiums for District employees.

Local funds overtime expenditures increased by about \$35 million, or 64 percent from FY 2005 to FY 2006 (see table 5-4). MPD experienced the greatest increase. In FY 2004, federal emergency funds covered \$7 million in expenditures to defray

costs associated with emergency planning and security, including overtime costs for officers. This decrease was a one-time event. Nine agencies have consistently spent 93 to 94 percent of the District's entire overtime expenditures.

NPS expenditures increased at a 13.3 percent average annual rate between FY 2004 and FY 2008. Within NPS categories, debt service expenditures increased by an average 12.0 percent annually. Subsidies and transfers, the largest NPS component, increased by 14.7 percent annually—from \$1.2 billion to approximately \$2.0 billion in 4 years. The subsidies and transfers category includes the District's contributions to Medicaid providers and other entitlement programs, as well as to Public Charter Schools, whose growth has been described previously. The other driver of growth has been the contractual services category, in which expenditures rose by 10.3 percent annually.

See the Financial Plan chapter for a summary of projections for expenditures for FY 2009, 2010 and 2011.

Growth by Object Class

Personal Services

- **Proposed budgets for salary and wage increases** are based on bargaining unit contracts already in place plus estimated increases of other employee groups that follow those negotiated agreements. Approved changes in the workforce size are also budgeted.
- **Additional Gross and Overtime**, the categories including overtime, differential pay (for night or weekend work, for example), holiday pay, and bonuses grow at the same rate as base salaries. As salaries increase, the cost of extra pay that is tied to salaries increases proportionally.
- **Fringe benefits** have been growing faster than other PS expenditures. About half of the District's fringe benefit expenditures have been for health insurance, and this proportion has been increasing in recent years, due to substantial increases in premium rates. Other fringe benefits typically grow at the same rate as base salaries, because the cost of

Table 5-3

Federal Grant Expenditures (including Medicaid), FY 2004 - FY 2008**(Includes Enterprise Funds)**

Dollars in thousands)

	2004 Expenditures	2005 Expenditures	2006 Expenditures	2007 Approved	2008 Proposed	Annual Growth Rate 2004-2008
Department of Health	1,063,370	1,052,137	1,088,155	1,253,358	1,272,733	4.6%
Department of Human Services	188,315	187,593	176,041	191,936	163,588	-3.5%
DC Public Schools	117,638	116,983	111,925	156,060	174,930	10.4%
Child and Family Services	44,190	33,465	24,602	33,470	29,884	-9.3%
Department of Employment Services	42,627	34,259	28,491	34,039	37,524	-3.1%
Department of Housing and Community Development	41,412	56,159	99,888	98,019	100,764	24.9%
Department of Mental Health	5,993	2,874	2,674	4,706	2,425	-20.2%
Subtotal, Selected Agencies	1,503,545	1,483,470	1,531,776	1,771,588	1,781,849	4.3%
All other agencies	110,945	155,242	167,819	229,933	215,791	18.1%
Subtotal - General Operating Funds	1,614,490	1,638,712	1,699,595	2,001,521	1,997,640	5.5%
Enterprise Funds	15,502	14,578	15,954	18,580	18,214	4.1%
Total - District of Columbia	1,629,992	1,653,290	1,715,549	2,020,101	2,015,854	5.5%

most other fringe benefits, most notably District employees' retirement plans, are tied to base salaries.

Budgeting for Pay Increases

- **Workforce Investments Fund.** Pay raises approved by the District Council and Mayor are reflected in agency budgets. Pay raises and reforms that are expected in the budget year but are not finalized are budgeted in Workforce Investments. Employees covered (union and nonunion) and dollar amounts budgeted in Workforce Investments vary from year to year, depending on what compensation changes are final or still outstanding at the time the budget is proposed to the Mayor.

Nonpersonal Services

- One exception to the general NPS growth rate is for the category of contractual services, in which expenditures have been rising much faster than general NPS expenditure growth.

This is because a great deal of contractual services spending is for salaries (of contractors) rather than for purchases of goods.

- Two other NPS categories should be mentioned—debt service and subsidies and transfers. These 2 categories are important to certain agency-specific or program-specific forecasts expenditures. Some are described below. For example, most debt service expenditures are in one of several debt service agencies detailed below. Only a small portion is in operating agencies, through the master lease program. Similarly, much of the District's subsidy and transfer expenditures are in Medicaid and several retirement funds, which are detailed below.

Growth by Agency or Program

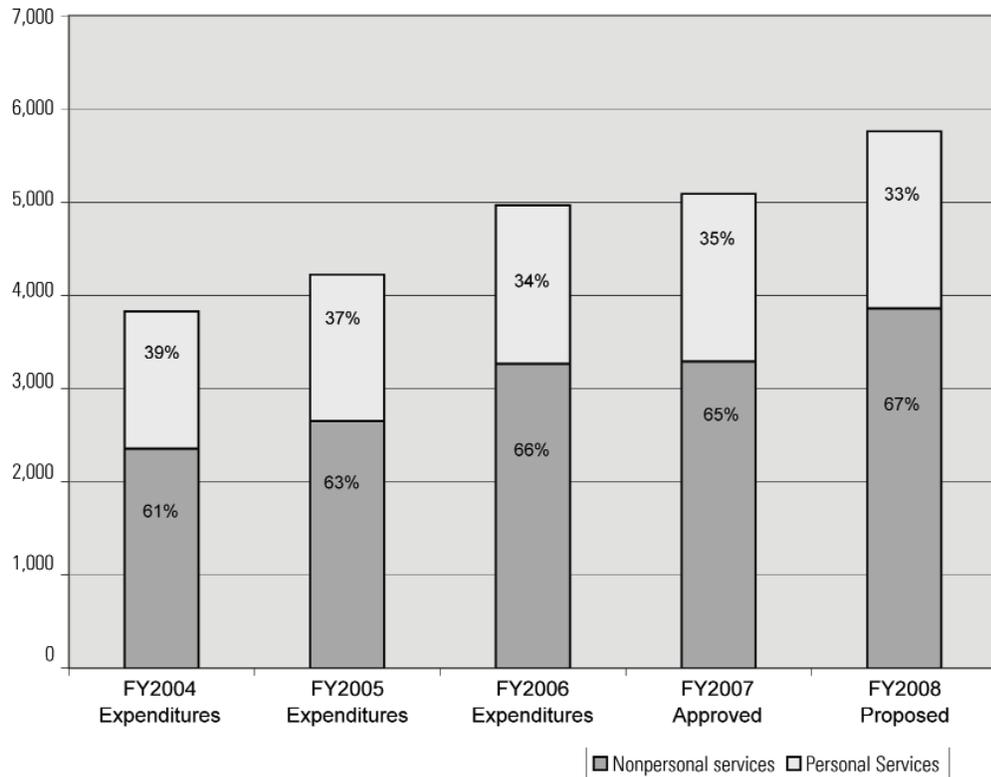
Expenditures in the following agencies or programs are assumed to grow at rates that differ from the general assumptions for each object class:

Figure 5-3

Local (including Dedicated Taxes) Personal Services and Nonpersonal Services Expenditures, FY 2004 – FY 2008

Does Not Include Enterprise Funds

Dollars (millions)



D.C. Public Schools and Public Charter Schools

Expenditures in the Local Education Agency (LEA) portion of the DCPS budget are driven by enrollment and by a legislative formula that funds the LEA portion of the DCPS budget. It covers much of the PS and NPS costs in the DCPS budget. The formula and its application are detailed in the DCPS agency chapter.

- Enrollments will remain constant over the next 3 years.
- Growth according to the legislated funding formula will be sufficient to meet DCPS needs in the coming years.
- If students transfer from one system to the other in future years, expenditures will increase due to increased facility costs for PCS.

- If students leave the 2 systems to attend private schools under the new voucher program, and if funding with federal funds will be introduced, expenditures in the 2 systems should decline.

Medicaid

Medicaid expenditures reflect increases in health care costs that are likely to exceed the general rate of inflation.

Subsidies and Transfers Related to PS Expenditures

Expenditures in 2 agencies are classified as transfers that are, in fact, related to PS costs. They are:

- Unemployment Compensation Fund
- Disability Compensation Fund Expenditures
- Police and Fire Retirement System

Table 5-4

Overtime Expenditures from Local Funds

(Dollars in thousands)

Agency Name	2004	2005	2006	2007	2008
Metropolitan Police Department	11,469	22,813	49,600	15,063	14,954
Fire and Emergency Medical Services	12,191	8,052	8,087	2,291	4,291
District of Columbia Public Schools	6,705	5,777	8,028	5,310	3,790
Department of Corrections	2,884	1,301	5,692	-	3,063
Department of Human Services	3,497	4,894	844	625	540
Department of Transportation	400	109	258	-	-
Child and Family Services	2,640	787	1,517	571	661
Department of Mental Health	2,767	4,600	5,313	2,853	2,843
Department of Public Works	2,453	3,512	2,917	2,555	1,650
Rest of District	3,048	3,453	8,505	5,525	5,768
Total	48,054	55,298	90,760	34,793	37,559

■ Teachers' Retirement System

Table 5A-1, in the appendix to this chapter, shows federal payments awarded to District agencies from FY 2004 to FY 2008. Table 5A-2 summarizes local funds expenditures for selected large agencies for the same period. Table 5A-3 summarizes gross funds expenditures for the same agencies, also for the period FY 2004 to FY 2008.

For information on out-years costs, please refer to the Financial Plan chapter in this volume.

Appendix I: Data Tables for Operating Expenditures

Table 5A-1:

Federal Payments Awarded to the District in its Appropriations Act, FY 2004 - 2008

(Dollars in thousands)

Agency	FY 2004	FY 2005	FY 2006	FY 2007 Approved	FY 2008 Proposed
Banking and Financial Institutions	5,965				
Business Services and Economic Development/Planning					
Child and Family Services Agency	8,947	3,224	1,733	1,733	0
Citizen's Complaint Review Board*					
Commission on Arts and Humanities		397			
D.C. Office of Personnel					
D.C. Public Charter Schools	1,988				
D.C. National Guard			495		
D.C. Public Library	199				
D.C. Public Schools	17,397	19,146	12,870	12,870	13,000
Department of Mental Health	3,877	1,240			
Department of Health					
Department of Housing and Community Development					
Department of Human Services					
Department of Transportation	3,479		990	990	
Emergency Management Agency (and others)	497				
Emergency Planning and Security Costs	10,935	14,880	13,365	8,533	3,000
Fire and Emergency Medical Services Department					
Inaugural Expenses					
Incentives for the Adoption of Children					
Metropolitan Police Department					
Metropolitan Police Department — Capital					
Office of the Chief Financial Officer	199	99			
Office of the Chief Medical Examiner					
Office of the Chief Technology Officer					
Office of the City Administrator / Criminal					
Justice Coordinating Council	1,293	1,290	1,287	1,287	1,300
Resident Tuition Assistance / State Education Office	16,898	25,395	32,868	32,868	35,100
State Education Office, Other	6,959	13,888	12,870	12,870	13,000
Various					5,000
Various - Capital	47,370	24,112	15,296	34,850	32,000
Washington Council of Government	1,491				
Washington Metropolitan Transit Authority		2,480			
Total	127,494	106,150	91,774	106,001	102,400

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 2007 Various - Capital includes the Combined Sewer Overflow payment to WASA (\$6.93M), consolidated forensics lab (\$4.95M), Anacostia waterfront initiative (\$2.97M) and various transportation related upgrades (\$20M).

FY 2008 Various includes the proposed amount to reimburse the FBI for laboratory services (\$5M).

FY 2008 Various - Capital includes the proposed amounts for Combined Sewer Overflow payment to WASA (\$12M), library improvement (\$10M), and consolidated laboratory facility construction (\$10M).

FY 2008 amounts subject to both Congressional approval/adjustments and Federal rescissions

Table 5A-2

Local Funds Expenditures by Fiscal Year for Selected Large Agencies

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

Agency	FY 2004	FY 2005	FY 2006	FY 2007 Approved	FY 2008 Proposed	Annual Growth Rate 2004-2008
Metropolitan Police Department	345,028	371,494	418,560	420,044	466,816	7.9%
Fire and Emergency Services Department	148,503	149,226	157,228	169,202	178,111	4.6%
Police and Fire Retirement System	96,700	112,100	117,500	140,100	137,000	9.1%
Department of Corrections	116,895	123,091	109,832	111,392	117,171	0.1%
Subtotal, selected public safety	707,126	755,910	803,121	840,738	899,098	6.2%
D.C. Public Schools	769,385	781,377	815,773	808,331	796,247	0.9%
Teacher's Retirement System	-	9,147	15,431	14,600	6,000	-13.1%
Public Charter Schools	161,969	188,324	227,190	266,066	320,366	18.6%
Subtotal, selected public education	931,354	978,848	1,058,394	1,088,997	1,122,613	4.8%
Department of Human Services	238,564	268,940	253,856	244,776	179,567	-6.9%
Child and Family Services Agency	126,402	158,577	165,874	173,702	188,306	10.5%
Department of Mental Health	137,771	189,341	196,723	173,304	209,980	11.1%
Department of Health	459,436	516,778	561,762	594,624	677,613	10.2%
Medicaid Reserve	44,096					-100.0%
Subtotal, selected health and human services	1,006,269	1,133,637	1,178,215	1,186,406	1,255,467	5.7%
Department of Public Works	91,730	88,869	97,588	105,361	118,792	6.7%
Department of Transportation	20,293	26,989	1,805	-	17,667	-3.4%
WMATA Subsidy	159,122	165,303	187,615	198,487	214,909	7.8%
Repayment of Loans and Interest	303,397	342,683	370,128	405,114	440,707	9.8%
Grant Disallowance	65,896	-	-			-100.0%
Subtotal, selected public works, financing, and other	640,438	623,844	657,135	708,962	792,075	5.5%
All other agencies	544,808	731,804	1,269,773	1,261,095	1,687,515	32.7%
District total	3,829,995	4,224,042	4,966,637	5,086,198	5,756,768	10.7%

Table 5A-3

Gross Funds Expenditures by Fiscal Year for Selected Large Agencies (Dollars in thousands)
(Including Enterprise agencies and Excluding Intra-District Funds)

Agency	FY 2004	FY 2005	FY 2006	FY 2007 Approved	FY 2008 Proposed	Annual Growth Rate 2004-2008
Metropolitan Police Department	375,707	385,969	440,074	434,562	482,946	
Fire and Emergency Services Department	149,058	149,226	157,674	169,231	178,111	
Police and Fire Retirement System	96,700	112,100	117,500	140,100	137,000	
Department of Corrections	117,671	123,376	135,207	137,148	153,271	
Subtotal, Selected Public Safety	739,136	770,671	850,455	881,041	951,328	6.5%
D.C. Public Schools	904,455	931,684	948,580	991,970	1,000,144	
Teacher's Retirement System		9,147	15,431	14,600	6,000	
Public Charter Schools	163,957	188,324	227,190	266,066	320,366	
Subtotal, Selected Public Education	1,068,412	1,129,155	1,191,201	1,272,636	1,326,510	5.6%
Department of Human Services	429,102	464,377	438,374	443,567	346,439	
Child and Family Services Agency	172,792	198,023	194,002	209,672	280,944	
Department of Mental Health	148,079	197,951	201,873	181,818	216,214	
Department of Health	1,554,710	1,582,669	1,670,389	1,879,758	1,966,784	
Medicaid Reserve	44,096	-	-	-	-	
Subtotal, Selected Health and Human Services	2,348,779	2,443,021	2,504,638	2,714,815	2,748,400	4.0%
Department of Public Works	98,280	92,175	100,633	109,115	129,313	
Department of Transportation	26,005	39,015	38,133	43,056	131,893	
WMATA Subsidy	162,602	167,783	187,615	198,487	214,909	
Repayment of Loans and Interest	303,397	342,683	370,128	405,114	440,707	
Grant Disallowance	65,896	-	-	-	-	
Subtotal, Selected Public Works, Financing, and Other	656,180	641,656	696,509	755,772	916,827	8.7%
All other agencies	950,831	1,211,837	1,859,138	2,059,984	2,841,580	26.7%
Subtotal, General Operating Funds	5,763,338	6,196,339	7,101,941	7,684,247	8,389,748	9.8%
Enterprise and Other Funds	676,265	666,084	753,085	1,490,178	1,435,355	20.7%
TOTAL DISTRICT OF COLUMBIA	6,439,603	6,862,423	7,855,026	9,174,425	9,825,103	11.1%

NOTES: 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 2004	FY 2005	FY 2006	FY 2007 Approved	FY 2008 Proposed	Annual Growth Rate, 2004-2008
Regular salaries and wagesa (0011 & 0012)	1,211,657	1,295,217	1,351,414	1,490,912	1,581,412	6.9%
Extra payb (0013 & 0015)	96,235	93,693	145,877	74,088	75,234	-6.0%
Fringe benefitsc (0014)	169,659	183,742	205,196	232,044	242,854	9.4%
Subtotal, PS	1,477,551	1,572,653	1,702,488	1,797,045	1,899,500	6.5%
FDO - PS paid by NPS (0050) - Police/Fire	96,700	112,100	117,500	140,100	137,000	9.1%
GX0 - PS paid by NPS (0050) - Teachers Retirement	-	9,147	15,431	14,600	6,000	N/A
Subtotal, PS with Police, Fire, Teachers Retirement	1,574,251	1,693,899	1,835,419	1,951,745	2,042,500	6.7%
Fixed costsd (0030-0035)	191,816	209,423	214,338	241,147	261,971	8.1%
Subsidies and transfers (0050, less FDO & GX0)	1,181,033	1,329,329	1,871,225	1,775,299	2,046,319	14.7%
Debt service (0080)	324,690	385,246	421,490	525,944	608,519	17.0%
Contractual services (0041)	371,724	379,037	363,560	351,714	549,238	10.3%
Other NPS (0020, 0040, 0070, 0060, 0080, 0082, 0084 0091)	186,481	227,108	260,606	240,349	248,222	7.4%
Subtotal, NPS excluding Retirement	2,255,745	2,530,143	3,131,218	3,134,453	3,714,269	13.3%
Total	3,829,996	4,224,042	4,966,637	5,086,198	5,756,768	10.7%

NOTES:

Details may not sum to totals because of rounding.

^aFull- and part-time, continuing and term, and unknown payroll postings.^bIncludes overtime, bonuses, and differentials for nights, weekends, and holidays.^cIncludes contributions to Police and Fighters' Retirement System and Teachers' Retirement System.^dUtilities, telecommunications, and rent.^eExcludes contributions to Police and Fighters' Retirement System and Teachers' Retirement System

FY 2008 - FY 2013 Capital Improvements Plan

Introduction

The District's proposed FY 2008-FY 2013 capital budget continues to fulfill the commitment to schools that was made during FY 2006, and it also makes major investments in parks and recreation centers, mass transit, libraries, and other areas. The proposed capital budget calls for financing \$585 million of general capital expenditures in FY 2008 from the following sources:

- \$401 million of General Obligation (G.O.) bonds;
- \$108 million of pay-as-you-go (Paygo) capital financing, a transfer of funds from the General Fund to the General Capital Improvements Fund;
- \$71 million through the master equipment lease/purchase program;
- \$4 million from a sale of assets; and
- \$1 million from federal grants.

Other sources are proposed to finance several large-scale capital projects in FY 2008 and FY 2009, including the East Washington Traffic Initiative, which will rebuild the 11th Street and Sousa Bridges, and the consolidated laboratory facility.

The FY 2008 Paygo total of \$108 million consists primarily of the second year's installment of the plan for schools modernization for the D.C. Public Schools (DCPS), as enacted in the School Modernization Financing Act of 2006. The plan calls for operating budget revenue to be transferred each year to DCPS. This financing will supplement G.O. bond-financed capital projects, for which DCPS is already scheduled to receive budget authority.

This chapter summarizes

- The proposed FY 2008-FY 2013 capital budget and planned expenditures,
- 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 Streets Maintenance Fund.

The Proposed FY 2008-FY 2013 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

Table 6-1

Overview

(Dollars in thousands)*

Total number of projects receiving funding	186
Number of ongoing projects receiving funding	127
Number of new projects receiving funding	59
FY 2008 new budget allotments	\$585,045
Total FY 2008 to FY 2013 planned funding	\$3,311,552
Total FY 2008 to FY 2013 planned expenditures	\$3,311,552
FY 2008 Appropriated Budget Authority Request**	\$1,395,007
FY 2008 Planned Debt Service (G.O. Bond)	\$440,707
FY 2008-FY 2011 Planned Debt Service (G.O. Bond)	\$1,993,643

* Local funds and federal grant only; excludes projects financed through Local Streets Maintenance Fund, Highway Trust Fund, revenue bonds, Certificates of Participation, financing for baseball, or other one-time borrowing, except where noted.

** From all funds.

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 2008 - FY 2013 CIP proposes a net increase in budget authority of \$1.395 billion during the next six fiscal years (an increase of \$1.608 billion of new budget authority offset by \$213 million of rescissions).

Planned capital expenditures from local sources and federal grants in FY 2008 total \$585 million, of which \$509 million is to be funded by G.O. bonds and Paygo financing (transfers from the District's General Fund). To finance this \$509 million of expenditures, the District plans to borrow \$401 million in new G.O. bonds and fund the remaining \$108 million using Paygo financing.

As in FY 2007, the District plans to borrow \$50 million more in FY 2008 than it budgets in new allotments. Actual G.O. bond borrowing will be \$451 million, excluding special financings, although only \$401 million will be made available for FY 2008 capital expenditures. The other \$50 million will go toward deficit reduction for the capital fund (see the section "Shortfall in the Capital Fund" below).

In recent years, the District has increased its expenditures to reinvest in its infrastructure. However, even today, it is not able to fund all its identified capital needs.

The District is limited by funding as well as multiple competing demands on capital. As a result of these demands, the District has taken action to meet its priorities while also maintaining a fiscally sound CIP. First, it has prioritized its capital projects and rescinded budget authority from those it deemed less important. Second, it has reallocated funding to high priority projects - both existing and new - so that it can meet its most pressing infrastructural needs.

Figure 6-1 illustrates FY 2008 capital budget allotments by major agency. Funding for the Office of Public Education Facilities Modernization (OFM), which will manage projects to modernize D.C. Public Schools (DCPS) facilities, constitutes the largest share of the planned expenditures. OFM and DCPS will have a total of \$302.2 million available from multiple sources of capital project financing in FY 2008:

- New G.O. bond allotments (\$111.2 million)
- Paygo transfer from sales tax revenue (\$100.0 million)
- Master equipment lease/purchase (\$1.0 million)
- The second portion of the Schools Modernization fund (\$90 million, estimated; not included in figure 6-1).

In addition, as with all agencies, unspent capital budget allotments from prior years will be available to be spent in FY 2008.

Large shares of funding also go toward the Washington Metropolitan Area Transit Authority, Office of Property Management, Department of Parks and Recreation, D.C. Public Library, and the Office of the Chief Technology Officer.

Table 6-2 summarizes planned expenditure amounts for FY 2008 and budget authority requests for FY 2008-FY 2013. It includes local funds (G.O. bonds, Paygo, and master equipment lease/purchase), federal grants, and special financings that are discussed in greater detail below.

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 Volume 5 of the FY 2008 Proposed Budget and Financial Plan include projects receiving new allotments in FY 2008 through FY 2013 as included in the pro forma, totaling \$585.0 million in FY 2008.

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 impact on the operating budget is the debt service cost,

Figure 6-1

FY 2008 Capital Allotments, by Major Agency

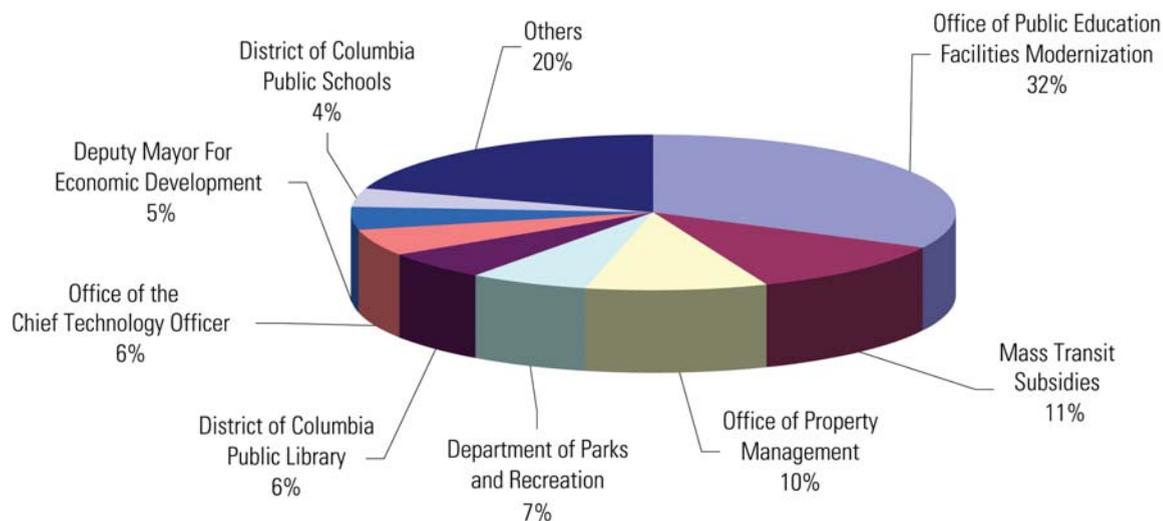


Table 6-2

Proposed FY 2008 Expenditures and FY 2008-FY 2013 Capital Budget Authority

(Dollars in thousands)

Source	Proposed FY 2008 Expenditures	Proposed FY 2008-FY 2013 Budget Authority
G.O. Bonds	400,754	
PAYGO capital funding (transfer from the General Fund)	108,152	
Master Equipment Lease/Purchase financing	70,873	
Sale of assets	4,044	
Federal grants	1,223	
Subtotal	585,045	781,239
Additional G.O. bond borrowing:		
Capital fund deficit reduction	50,000	50,000
Schools Modernization Fund	90,000	0
Government Centers buildings	100,000	0
East Washington Traffic Initiative	100,000	0
Consolidated Laboratory	25,000	150,000
Revenue bonds:		
New Communities (HPTF Revenue)	75,000	75,000
Financing for baseball stadium (team contribution and additional revenue)	TBD	42,200
Subtotal, Including Additional Borrowing and Financing	1,025,045	1,098,439
Local Street Maintenance Fund:		
Rights-of-way funds	37,000	37,000
Parking tax revenue	27,500	27,500
One-time PAYGO revenue	8,760	8,760
Highway Trust Fund:		
Federal Highway Administration grants	184,785	184,785
Local match (from motor fuel tax and other sources)	38,523	38,523
Total, District of Columbia	1,321,613	1,395,007
Additional: Federal Payment for Consolidated Laboratory Facility	10,000	10,000
Additional: Federal Payment for Central Library and Branch Location	10,000	10,000

Table 6-3

Capital Fund Pro Forma

(Dollars in thousands; excludes Highway Trust and Local Streets Maintenance Funds and special financings)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Total, FY 2008- Percent of FY 2013 of FY 2008	
Sources:								
G.O. Bonds	400,754	397,674	392,985	383,571	375,179	332,779	2,282,944	
Pay-As-You-Go (PAYGO)	108,152	106,000	112,359	119,102	130,279	149,447	725,339	
Master Equipment Lease	70,873	61,024	44,239	42,939	44,464	34,464	298,003	
Sale of Assets	4,044	0	0	0	0	0	4,044	
Federal Grants	1,223	0	0	0	0	0	1,223	
Total, Sources	585,045	564,698	549,584	545,613	549,922	516,691	3,311,552	
Uses:								
Office of Public Education Facilities Modernization	189,994	208,986	221,903	235,724	254,275	274,287	1,385,169	32.5%
Mass Transit Subsidies	66,900	60,900	73,400	86,200	80,000	80,000	447,400	11.4%
Office of Property Management	56,662	40,520	28,000	20,600	19,220	15,600	180,602	9.7%
Department of Parks and Recreation	38,070	55,800	51,500	42,520	41,520	38,520	267,930	6.5%
District of Columbia Public Library	33,802	22,533	23,470	38,148	46,516	16,820	181,289	5.8%
Office of the Chief Technology Officer	32,732	21,954	21,814	18,954	19,314	16,514	131,282	5.6%
Deputy Mayor For Economic Development	27,750	8,500	0	0	0	0	36,250	4.7%
District of Columbia Public Schools	22,203	19,464	14,532	14,478	14,550	14,600	99,827	3.8%
Department of Mental Health	15,000	13,300	6,500	5,500	5,500	5,500	51,300	2.6%
Fire and Emergency Medical Services	13,696	30,516	27,768	17,850	17,200	17,200	124,230	2.3%
Metropolitan Police Department	12,950	7,700	7,200	6,700	6,200	5,950	46,700	2.2%
University of the District of Columbia	10,250	14,200	16,015	4,215	3,800	2,500	50,980	1.8%
Department of Public Works	9,495	8,720	10,775	8,635	8,800	8,800	55,225	1.6%
Dept. of Consumer and Regulatory Affairs	8,750	8,750	7,750	7,750	7,750	0	40,750	1.5%
Office of Unified Communications	8,400	0	0	0	0	0	8,400	1.4%
Department of Transportation	7,240	6,400	9,100	5,500	6,500	6,500	41,240	1.2%
Department of Motor Vehicles	5,400	0	0	0	0	0	5,400	0.9%
Office of the Chief Financial Officer	5,200	15,200	6,200	6,200	3,200	0	36,000	0.9%
Dept. of Housing and Comm. Development	3,600	9,350	7,750	6,550	5,950	11,200	44,400	0.6%
State Education Office	3,000	3,000	3,000	5,000	5,000	0	19,000	0.5%
Department of Youth Rehabilitation Services	3,000	0	0	0	0	0	3,000	0.5%
Department of Health	2,800	0	0	0	0	0	2,800	0.5%
Child and Family Services Agency	2,445	0	0	0	0	0	2,445	0.4%
Office of Municipal Planning	1,706	1,706	1,706	1,706	1,706	0	8,532	0.3%
Commission on Arts and Humanities	1,650	2,500	2,700	2,700	2,700	2,700	14,950	0.3%
Department of Corrections	1,500	4,449	5,750	10,082	220	0	22,001	0.3%
Office of the Chief Medical Examiner	500	0	0	0	0	0	500	0.1%
Department of Human Services	349	250	2,750	600	0	0	3,949	0.1%
Total, Uses:	585,045	564,698	549,584	545,613	549,922	516,691	3,311,552	100.0%

Note: Details may not sum to totals due to rounding.

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 2008 operating budget and financial plan.

Details on the District's Sources of Funds for Capital Expenditures

The District's proposed FY 2008-2013 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,
- Sale of Assets, and
- Federal Grants.

Projects funded by these sources are detailed in the Project Description Forms (PDFs) in Volume 5 of the FY 2008 Proposed Budget and Financial Plan.

Additional G.O. Bond borrowing of \$50 million annually is proposed for deficit reduction in the capital fund.

Table 6-4
FY 2008-FY 2011 Debt Service Expenditure Estimates

	FY 2008	FY 2009	FY 2010	FY 2011
Existing General Obligation (G.O.) Bonds Debt Service (Agency DS0)	\$425,279,701	\$423,060,327	\$426,918,018	\$368,195,676
Prospective G.O. Bonds Debt Service				
- FY 2008 Bonds (\$675.8 M)	\$15,427,375	\$48,779,750	\$48,778,500	\$48,779,500
- FY 2009 Bonds (\$697.7 M)		\$19,213,563	\$53,122,125	\$53,123,900
- FY 2010 Bonds (\$493.0 M)			\$13,557,225	\$37,484,450
- FY 2011 Bonds (\$433.6 M)				\$11,923,175
Total G.O. Bonds Debt Service (Agency DS0)*	\$440,707,076	\$491,053,640	\$542,375,868	\$519,506,701
Schools Modernization G.O. Bonds Debt Service (Agency SM0):				
- FY 2007 Issuance (\$60 M)	\$4,185,833	\$4,184,863	\$4,184,550	\$4,181,150
- FY 2008 Issuance (assumed \$90 M)	\$2,250,000	\$6,525,000	\$6,523,750	\$6,522,500
School Modernization Fund Subtotal	\$6,435,833	\$10,709,863	\$10,708,300	\$10,703,650
Payments on Certificates of Participation (COPs) (Agency CP0)**	\$32,287,719	\$32,540,850	\$32,789,831	\$33,045,131
Payments on Revenue Bonds for Housing Production Trust Fund (Agency DT0)	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Total Long-term Debt Service	\$491,430,629	\$546,304,352	\$598,066,362	\$575,790,207
Interest on Short-term Borrowing (Agency ZA0)	\$13,333,333	\$13,333,333	\$13,333,333	\$13,333,333
Total Debt Service	\$504,763,962	\$559,637,685	\$611,207,333	\$588,588,816

* 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.

The District also proposes to use additional G.O. bond borrowing, revenue bonds, and a one-time borrowing to finance specific projects:

Schools Modernization Fund: The proposed budget includes \$90 million of borrowing in FY 2008 for the Schools Modernization Fund through issuing G.O. bonds. This fund received \$150 million of budget authority in the FY 2006 budget. Because DCPS has recently revised its Master Facilities Plan, it is now starting to spend against this authority. The District's recently completed FY 2007 borrowing included borrowing of \$60 million of these funds, with the remainder of the borrowing to occur in FY 2008.

Government Center Buildings: The proposed budget includes \$100 million of borrowing 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. During FY 2006, the District reprogrammed \$18.2 million of the \$200 million of budget authority to enable it to purchase a building at 95 M St. SW for the Department of Motor Vehicles (DMV), and in FY 2007, the District received additional \$18.2 million of budget authority to restore the Government Centers total to \$200 million. 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 plans to issue 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). The District received \$75 million of capital budget authority in the FY 2006 and FY 2007 budgets for this project. Use of \$6 million of HPTF revenue for debt service is budgeted for FY 2007. The FY 2008 budget proposal enables an additional \$75 million of capital budget authority for this project, for a total of \$150 million, which would require up to \$12 million of debt service to be paid starting in FY 2008.

Baseball Stadium: The District currently has \$630.8 million of capital budget authority for construction of the baseball stadium (of which the District will contribute \$610.8 million and Major League Baseball or the team will contribute \$20.0 million). The FY 2008 capital budget authority request includes an additional \$42.2 million for the stadium, to allow spending from two revenue sources. First, the team has indicated that it will contribute additional funding to the construction project. Because the stadium is a District capital project, the District needs budget authority to spend additional revenues contributed by the team. The proposed budget includes \$30 million of additional budget authority for the District to do so. Second, an estimated \$12.2 million of dedicated taxes was collected above the amount needed for the 2006 debt service payment on the revenue bonds, and these funds may only be used for completion of the capital project as required under the terms of the baseball bonds trust indenture and District law. See the March Special Study chapter on "Baseball in the District of Columbia" for more information.

East Washington traffic initiative: In the FY 2006 budget, the District received \$230 million of budget authority for this project, the major components of which are the rebuilding of the 11th Street and Sousa (Pennsylvania Avenue) bridges. Parking tax revenue (50 percent of the revenue) supports this project, and federal funds are also anticipated to support this project. Borrowing is planned in FY 2008 and FY 2009, with debt service to be paid by the parking tax revenue stream.

Consolidated Laboratory Facility: 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, the District proposes to begin borrowing G.O. bonds for this project, and the District will also seek additional federal funding. An additional \$10 million federal payment for the facility was included in the President's proposed FY 2008 budget, however the final amount appropriated is subject to both Congressional approval and any federal rescission for FY 2008.

New Central Library: Plans for a new central library are under discussion but have not been finalized. A \$10 million federal payment for a central library and branch locations was included in the President's proposed FY 2008 budget, however the final amount appropriated is

Table 6-5

Proposed G.O. Bond Borrowing, FY 2007 Through FY 2010

(Dollars in thousands)

Source	FY 2007	FY 2008	FY 2009	FY 2010
G.O. bonds, general, including deficit reduction	422,280	450,754	447,674	442,985
G.O. bonds for Schools Modernization (FY 2006 additional authorization)	60,000	90,000	0	0
G.O. bonds for Government Center buildings	25,000	100,000	75,000	0
G.O. bonds for Great Streets (debt service backed by bus shelter revenue)	64,000	0	0	0
G.O. bonds for East Washington traffic initiative (debt service backed by parking tax revenue)	0	100,000	100,000	0
G.O. bonds for Consolidated Laboratory Facility	0	25,000	75,000	50,000
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.

subject to both Congressional approval and any federal rescission for FY 2008.

Table 6-5 shows expected G.O. bond borrowing amounts for FYs 2007 through 2010 for general capital needs and specific projects. It excludes New Communities and the Baseball Stadium, which are 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;
- 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 from these sources are detailed in Volume 6 of these budget documents, *FY 2008-FY 2013 Highway Trust Fund*.

Shortfall in 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 (see table 6-6). 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 two large financings in FY 2006, from which very little was spent, the accumulated deficit became an accumulated surplus in FY 2006.

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 pushed 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. This shortfall needs to be cured 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.

In addition, the District transferred \$265.0 million of Paygo capital from the General Fund to the capital fund in FY 2006. Of this total, \$53.8 million went to directly reduce the capital fund's shortfall, while the remainder was used to finance some past unfinanced expenditures as well as some FY 2006 budget allotments.

Without these borrowings and the Paygo transfer in FY 2006, the capital fund would still have been in deficit, albeit at a lower level than in prior years. Because the prob-

Table 6-6

Fund Balance in the General Capital Improvements Fund, FY 1998-FY 2006

(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

ceeds of these two financings and the Paygo transfer will be spent in upcoming years, the District must still keep a close watch on the underlying status of the capital fund, notwithstanding the current surplus. The solution to the capital fund shortfall includes development of, and monitoring against, agency spending plans for their capital projects, to manage overall expenditures each year against that year's revenues. The District will also 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.

Details on the deficit and the progress made toward its resolution are in the chapter "Capital Fund Deficit: An Update," in the March Special Studies volume.

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.

Highway Trust Fund

The Highway Trust Fund (HTF) consists of federal-aid funds and motor fuel 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 expenditures of \$205.7 million (local share) during the six-year period FY 2008 through FY 2013. Over the same period, the Federal Aid Match (Federal Aid) anticipates expenditures of \$890.5 million. Thus, total Highway Trust Fund planned expenditures are \$1.096 billion.

Local Roads Construction and Maintenance Fund

The Local Roads Construction and Maintenance Fund was created in FY 2002 and funded with Rights-of-Way 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 \$52 million per year from FY 2008 through FY 2013: \$37 million from Rights-of-Way fees and \$15 million from parking tax revenues. In addition, in FY 2008, much of the other 50 percent of parking tax revenues (an additional \$12.5 million) will be spent through this fund on the East Washington Traffic Initiative. The District anticipates borrowing in FY 2008 to finance a large-scale investment in this project, as mentioned above. Once the borrowing occurs, the second 50 percent of parking tax revenues will be devoted to debt service on the borrowing. Finally, in FY 2008, the District will supplement this funding with Pay-as-you-go capital financing.

For more details on the Highway Trust Fund and Local Roads Construction and Maintenance Fund, see Volume 6 of the FY 2008 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 processes 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 as follows:

- 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 proceeds).

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

It is the policy of the District government to comply with requirements for establishing and maintaining the District of Columbia's Cash Set Aside as established under Section 202(J)(2) of Pub.L. 104-8, as amended by Pub. L. 107-96, 115 Stat. 955.

Background: The District is required to establish a Cash Set Aside (or Cumulative Cash Reserve), in addition to other reserve requirements, in the amount of \$50 million for FY 2004 and FY 2005. The District may spend these funds only in accordance with the following guidelines:

- The CFO shall certify that funds are available;
- The amounts shall be obligated or expended in accordance with laws enacted by the Council in support of such obligation or expenditure;
- The amounts may not be used to fund District government agencies under court receivership; and
- The Mayor must notify the Committees on Appropriations of the House of Representatives and the Senate in writing 30 days in advance of any obligation or expenditure.

After the District has complied with these guidelines, the Reserve funds are available for expenditure and remain available until expended.

To maintain the required balance, the District shall replenish the fund in the fiscal year following the fiscal year of expenditure.

Emergency 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 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 Reserve. If these interest payments are not sufficient to maintain the fund at its prescribed level, the District shall budget 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 was required, by FY 2004, to build and maintain a cash Emergency Reserve Fund equaling 4 percent of the total local source budget appropriated for operating expenditures for a fiscal year. Operating expenditures do not include debt service or general obligation bonds which is supported by a separate reserve account referred to as bond escrow. The Emergency Reserve was funded at this required 4 percent level at the end of FY 2002, two years prior to the required time. The requirement has since been reduced to 2 percent.

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 by Federal Law. The Emergency 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, beginning with FY 2005, only after a projection by the CFO that the entire Contingency 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 reserve fund during the preceding fiscal year.

Contingency 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 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 Reserve. If these interest payments are not sufficient to maintain the fund at its prescribed level, the District shall budget 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 was required to establish and maintain a cash Contingency Reserve Fund equaling at least 3 percent of the total local source budget appropriated for operating expenditures for a fiscal year by FY 2007. Operating expenditures do not include debt service or general obligation bonds which is supported by a separate reserve account referred to as bond escrow. The Contingency Reserve was funded at this required 3 percent level at the end of FY 2002, 5 years prior to the required time. The requirement has since been increased to 4 percent.

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 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.

Finally, the District shall allocate sufficient funds each fiscal year in the budget process to replenish any amounts allocated from the Contingency Reserve Fund during the preceding fiscal year.

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. Under both the FY 2003 and FY 2004 Appropriations Acts, a congressionally approved Supplemental Appropriation is required to increase the District's Special Purpose Revenue appropriation ceiling. However, 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.

Background: 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 differences 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 12/16/02.

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 monthly projections of year-end spending to the agency head and agency chief financial officer, with summarized reports being forwarded to the CFO.

Employees are prohibited from, among other violations,

- making or authorizing an expenditure or obligation exceeding an amount available in an appropriation or fund;
- involving the District in a contract or obligation for the payment of money before an appropriation is made unless authorized by law;
- approving a disbursement without appropriate authorization; or
- 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.

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 must submit quarterly reports to the Mayor and the Council on actual expenditures and obligations compared to planned levels. The CFO must also begin quarterly apportionments of agency budgets and complete the transition of all agencies to apportionment by April 2006.

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 tool is the Tax Increment Financing Program whereby incremental tax revenues from a project are pledged to pay debt service on Tax Increment Bonds to finance 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.

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 the District's 2006 fiscal year, 34 District agencies spent more than \$1.72 billion 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 awarded to expand the services of a grant and to increase the impact of the original fund allocation. Depending 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 an additional cash expenditure by the recipient of a certain amount. For example, a direct match may require that the grantee expend from its own resources an additional amount equal to 25.0 percent of the total grant award.

An **in-kind match** entails the commitment of staff resources, 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. Resources to meet match requirements can be obtained from Local, Private, or Federal funds, subject to restrictions within the specific grant award.

Maintenance of Effort

Some federal grants contain a maintenance of effort requirement. 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 is funding that may be equal to or exceeds 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 funds 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 (OBP) within the Office of the Chief Financial Officer requests all District agencies receiving grant awards to report the required grant matches and maintenances of efforts 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 FY 2008 as reported by the respective District agencies to OBP. In alignment with the proposed budget, the agencies are grouped by appropriations title:

A. Governmental Direction and Support

Within this appropriations title, 4 agencies have budgeted \$24,243,993 in federal grants. The largest grant awards are with the Office of the Attorney General (CB0) and represent the office's responsibility to enforce child support laws within the District of Columbia. The agencies report that the budgeted grants require \$13,408,000 in grant matches, with no maintenances of effort.

Table A

Governmental Direction and Support (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
RS0	Serve DC	ASF000	AMERICORPS STATE FORMULA GRANT	725	725	0
		CITYER	CITYYEAR COMPETITIVE GRANT	750	750	0
		HEADUP	HEADS UP COMPETITIVE	951	853	0
		LSACBO	LEARN AND SERVE COMMUNITY BASED PROGRAM	117	27	0
		LSAHL5	LEARN AND SERVE HOMELAND SECURITY	95	25	0
		LSASE0	LEARN AND SERVE AMERICA STATE EDUCATION	276	286	0
		PDATAD	PDAT ADMIN TO STATE COMMISSIONS ALT. ADM	138	169	0
		Grants with no Match or MOE		154	0	0
		RS0 TOTAL		3,206	2,835	0
CB0	DC Attorney General	91CSEF	CHILD SUPPORT ENFORCEMENT PROGRAM	18,260	9,130	0
		CB0 Total		18,260	9,130	0
AD0	Office of the Inspector General	DC0310	MEDICAID FRAUD CONTROL UNIT	1,900	566	0
		AD0 Total		1,900	566	0
AT0	Office of the Chief Financial Officer	EBT901	EBT GRANT	877	877	0
		AT0 Total		877	877	0
			GRAND TOTAL	24,243	13,408	0

B. Economic Development and Regulation

Within this appropriations title, 6 agencies have budgeted \$139,869,166 in federal grants. The largest grant awards are Community Development grants from the United States Department of Housing and Urban Development, and various employment program grants. The agencies report that these grants require \$1,431,000 in grant matches and \$812,000 in maintenances of effort.

Table B

Economic Development and Regulation (Dollars and Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
EB0	Office of the Deputy Mayor for Planning and Economic Development	Grants with no Match or MOE		350	0	0
		EB0 Total		350	0	0
BD0	Office of Planning	BDHP07	HISTORIC PRESERVATION	225	0	90
		BDHP08	HISTORIC PRESERVATION	225	0	90
		BD0 Total		450	0	180
DB0	Department of Housing and Community Development	00 HOME	HOME	22,137	900	0
		Grants with no Match or MOE		78,618	0	0
		DB0 Total		100,755	900	
CF0	Department of Employment Services	645OSH	OSHA	459	459	0
		648SEP	SCSEP	518	72	0
		Grants with no Match or MOE		36,548	0	0
		CF0 Total		37,524	531	0
DH0	Public Service Commission	Grants with no Match or MOE		159	0	0
		DH0 Total		159	0	0
BX0	Commission on Arts and Humanities	AIEDU8	ARTS IN EDUCATION	50	0	50
		AIUSC8	ARTS IN UNDERSERVED COMMUNITIES	71	0	71
		BASIC8	BASIC STATE PLAN	327	0	327
		CA0008	CHALLENGE AMERICA	102	0	102
		FOLK07	FOLK ART GRANT	30	0	30
		MASTER	AMERICAN MASTERPIECE	52	0	52
		BX0 Total		632	0	632
		GRAND TOTAL		139,870	1,431	812

C. Public Safety and Justice

Within this appropriations title, these 5 agencies have budgeted \$105,759,938 in federal grants. The largest grants are in the Homeland Security and Emergency Management Agency and represent the grants to the District from the federal Department of Homeland Security. The agencies report these grants require \$4,942,000 in grant matches and no maintenances of effort.

Table C
Public Safety and Justice (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
FA0	Metropolitan Police Department	BOAT8F	BOATING SAFETY	756	3,621	0
		BOATSF	BOATING SAFETY T	129	239	0
		MCS07F	MOTOR CARRIER SAFETY	729	146	0
		MSC08F	MOTOR CARRIER SAFETY	302	60	0
		Grants with no Match or MOE		482	0	0
		FA0 Total		2,397	4,067	0
FK0	District of Columbia National Guard	DCYCP6		1,252	162	0
		Grants with no Match or MOE		1,935	0	0
		FK0 Total		3,187	162	0
BN0	Homeland Security and Emergency Management Agency	202861	DEPARTMENT OF TRANSPORTATION	73	18	0
		CAPSSE	COMMUNITY ASSISTANCE STATE PROGRAM	32	11	0
		FMAPSF	FEMA PLANNING	10	3	0
		Grants with no Match or MOE		90,365	0	0
		BN0 Total		90,480	32	0
FE0	Office of Victims Services	CVA003	CRIME VICTIMS ASSISTANCE	2,385	474	0
		Grants with no Match or MOE		1,637	0	0
		FE0 Total		4,022	474	0
FO0	Justice Grants Administration	JA9001	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK	520	52	0
		JJD401	TITLE V FORMULA GRANT (FY 96)	80	40	0
		JJD902	TITLE II FORMULA GRANT FY 96)	746	60	0
		RST901	RESIDENTIAL SUBSTANCE ABUSE - TREATMENT.	233	55	0
		Grants with no Match or MOE		4,095	0	0
		FO0 Total		5,674	207	0
			GRAND TOTAL	105,760	4,942	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 \$208,313,646 in federal grants, the majority of which represent education grants for the District of Columbia Public Schools (DCPS). The agencies report that these awards require \$27,470,000 in grant matches and \$735,133,000 in maintenances of effort. Approximately \$734 million of the maintenance of effort is reported by DCPS for the United States Department of Education Title I grant, which requires continued total expenditures of 90 percent of the prior years' actual expenditures. For additional information, DCPS can be contacted directly.

Table D

Public Education System (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
GD0	State Education Office	21MSSI	STATE STUDENT INCENTIVE GRANT	219	438	0
		22MSSI	STATE STUDENT INCENTIVE GRANT/SUPPLEMENT	363	727	0
		GEAR00	GEAR UP	1,781	1,781	0
		SAE001	STATE ADMINISTRATIVE EXPENSE	699	563	108
		TEF001	TEMPORARY EMERGENCY FOOD ASSISTANCE PROG	179	49	0
		Grants with No Match or MOE		29,299	0	0
		GD0 Total		32,541	3,558	108
CE0	D.C. Public Library	72LSTA	LIBRARY SERVICES & TECHNOLOGY ACT	842	0	829
		CE0 Total		842	0	829
GA0	D.C. Public Schools	000CSF	CHARTER SCHOOL FACILITIES AID	1,958	22,198	0
		000EAA	TITLE I - LOCAL ADMINISTRATION	3,687	0	734,196
		000ZAF	HEADSTART	6,586	1,715	0
		Grants with No Match or MOE		162,699	0	0
		GA0 Total		174,930	23,913	734,196
		GRAND TOTAL	208,313	27,470	735,133	

E. Human Support Services

Within this appropriations title, 7 agencies have budgeted \$349,702,788 in federal grants. The agencies report that these awards require \$70,028,000 in grant matches and \$209,295,000 in maintenances of effort.

Table E

Human Support Services (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
JA0	Department of Human Services	72FSFV	DOMESTIC VIOLENCE	702	351	0
		81IDCR	FY08 INDIRECT COST RECOVERY	6,500	0	7,711
		81JAFS	FY08 FOOD STAMP ADMINISTRATION	9,095	9,095	0
		82DCCF	CHILD CARE & DEVELOPMENT FUND	28,812	0	5,610
		82DCHS	HEAD START COLLABORATION	85	45	0
		89AFTF	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	71,251	0	75,543
		Grants with no Match or MOE		39,089	0	0
		JA0 Total		155,534	9,491	88,864
RL0	Child and Family Services Agency	81ADOP	TITLE IV-E - ADOPTION	12,500	12,500	0
		81FOST	TITLE IV-E FOSTER CARE	13,979	13,973	0
		81CWEL	CHILD WELFARE	358	119	0
		82EVTS	CHAFFEE FOSTER CARE INDEPENDENCE	255	64	0
		82FAMP	FAMILY PRESERVATION	1,468	489	0
		82INDL	CHAFFEE FOSTER CARE INDEPENDENCE	1,092	364	0
		Grants with no Match or MOE		233	0	0
		RL0 Total		29,884	27,509	0
RM0	Department of Mental Health	71SEOH	ORAL HEALTH WORKFORCE ACTIVITIES	39	15	0
		81MHTH	TRANSITION FR HOMELESSNESS	300	100	0
		82MHBG	STATE MENTAL HEALTH BLOCK GRANT	827	0	90,219
		Grants with no Match or MOE		1,260	0	0
		RM0 Total		2,425	115	90,219
JM0	Department on Disability Services	81IDCR	INDIRECT COST RECOVERY	2,700	0	2,570
		82RSBS	BASIC SUPPORT PROGRAM	9,558	0	7,192
		Grants with no Match or MOE		8,253	0	0
		JM0 Total		20,511	0	9,762

Table E (continued)

Human Support Services (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE	
HC0	Department of Health	71NCPC	NATL. CANCER PREVENTION AND CONTROL PROGRAM	950	261	0	
		71PHCD	CHRONIC DISEASE PREVENTION	526	76	0	
		71PHDP	DIABETES CONTROL PROGRAM	153	27	0	
		81HAER	HIV EMERGENCY RELIEF PROJECT GRANTS	15,692	0	10,225	
		81HATT	RYAN WHITE CARE ACT II	9,872	0	10,225	
		81NCPC	NATL. CANCER PREVENTION AND CONTROL	247	87	0	
		81PHCD	CHRONIC DISEASE CONTROL	109	25	0	
		81PHDP	DIABETES PREVENTION	140	27	0	
		81PSFM	FARMERS MARKET PROGRAM	273	82	0	
		81SHOI	OCCUPATIONAL INJURIES PROGRAM	68	68	0	
		82APBG	SUBSTANCE ABUSE AND PREVENTION BLOCK	6,948	22,265	0	
		82PHBG	PREVENTIVE HEALTH BLOCK GRANT	724	3,545	0	
		82PSAE	ABSTINENCE EDUCATION TARGETING	106	107	0	
		82PSMB	MATERNAL/CHILD HEALTH SERVICES BLOCK GRANT	7,441	5,318	0	
			Grants with no Match or MOE		91,328	0	0
			HC0 Total		134,578	31,887	20,449
HM0	Office of Human Rights	Grants with no Match or MOE		354	0	0	
		HM0 Total		354	0	0	
BY0	District of Columbia Office on Aging	3B1320	SUPPORT SERVICES	1,074	161	0	
		3C1712	CONGREGATE MEALS	1,919	288	0	
		3C1713	HOME BOUND MEALS	900	135	0	
		3E1719	FAMILY CAREGIVERS PROGRAM	781	203	0	
		3F1717	PREVENTIVE HEALTH	107	16	0	
		7A1715	OMBUDSMAN ACTIVITY	70	11	0	
		7B1716	ELDER ABUSE PREVENTION	25	4	0	
		ADMIN1	ADMINISTRATION SERVICES (1)	672	101	0	
		DCAACP	DC AWARENESS & CARE PROGRAM	264	106	0	
			Grants with no Match or MOE		603	0	0
			BY0 Total		6,415	1,025	0
			GRAND TOTAL		349,703	70,028	209,295

F. Public Works

Within this appropriations title, 2 agencies have budgeted \$20,141,608 in federal grants. The agencies report that these awards require \$4,559,000 in grant matches and no maintenance of effort.

Table F

Public Works (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
KA0	Department of Transportation	PLANNG	METROPOLITAN PLANNING	606	91	0
		UTREE1	URBAN AND COMMUNITY FORESTRY	1,440	0	0
		TRANSP	TRANSP. FOR EDERLY AND DISABLED	844	169	0
		Grants with no Match or MOE		0	0	0
		KA0 Total		2,890	259	0
KG0	Department of the Environment	42EHCP	CORE PROGRAM COOPERATIVE	30	3	0
		51EHBE	MEANINGFUL BAY EXPERIENCE/ DC STUDENTS	32	12	0
		51EHNI	NONPOINT SOURCE IMPLEMENTATION	75	50	0
		61EHCB	CHESAPEAKE BAY PROGRAM	767	767	0
		61EHWS	WILD LIFE SURVEY	184	153	0
		63EHET	WATERSHED EDUCATION AND TRAINING PROGRAM	52	5	0
		63EHMB	MIGROTORY BIRD SURVEY	85	70	0
		63EHNI	NON POINT SOURCE	150	100	0
		72EHNS	NATIONAL INNOVATIVE SW TREATMENT	400	133	0
		73EHNI	NON POINT SOURCE	255	170	0
		81EVAP	AIR POLLUTION CONTROL	900	1,142	0
		81EVAR	AQUATIC RESOURCE CENTER MAINT.	56	19	0
		81EVFM	FISHERIES MANAGEMENT COORDINATION	240	120	0
		81EVFS	FISHERIES MANAGEMENT STUDIES	418	199	0
		81EVHW	HAZARDOUS WASTE MANAGEMENT	256	86	0
		81EVIR	STATE INDOOR RADON GRANT	110	110	0
		81EVLU	LEAKING UNDERGROUND STORAGE TANK	345	39	0
		81EVPP	PERFORMANCE PARTNERSHIP (PESTICIDE)	185	73	0
		81EVST	UNDERGROUND STORAGE TANK	118	72	0
		81EWVP	WATER POLLUTION CONTROL PROGRAM	1,103	276	0
		84EVNI	NONPOINT SOURCE IMPLEMENTATION	1,050	700	0
		Grants with no Match or MOE		10,442	0	0
			KG0 Total		17,252	4,300
		GRAND TOTAL	20,142	4,559	0	

G. Financing and Other

There are no agencies under this appropriations title with federal grants budgeted for FY 2008.

H. Enterprise and Other Funds

The University of the District of Columbia (UDC) is the only agency under this appropriations title that has federal grants budgeted for FY 2008. The University reports a total of \$18,213,785 in budgeted federal grant funds that require \$2,717,000 in grant matches and no maintenance of effort requirements.

Table H

Enterprise and Other Funds (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
GF0	University of the District of Columbia	6F0100	DC COOPERATIVE EXTENSION SERV.	1,476	619	0
		6F2100	AES STATE PROGRAM	684	382	0
		6F4200	WATER RESOURCE RESEARCH	125	65	0
		6FF400	FY 00-02 ADULT EDUCATION	1,738	1,650	0
		Grants with no Match or MOE		14,192	0	0
		GRAND TOTAL		18,214	2,717	0

I. Medicaid Funding

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 30 percent of the costs for services provided to District residents. The federal government also reimburses the District 50 percent with the District responsible for the remaining 50 percent for administering the program.

The Medicaid program, currently budgeted at approximately \$1.1 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 Medicaid fund or the intra-District fund depending on whether the agency receives Medicaid funds directly or via the intra-District budget process from another District agency.

J. Direct Medicaid Funds

Two District agencies, the Department of Health (DOH) and the Department of Disability Services (DDS), receive Direct Medicaid funds in their annual budget. In the agency budgets, these expenses appear in Fund 0250-Medicaid.

For FY 2008, the 2 agencies will budget a total of \$1,145,901,000 in Medicaid funds, that the agencies report requires \$343,770,000 in matching funds.

Table J

Direct Medicaid (Dollars in Thousands)

Agency Code	Agency Name	Grant Number	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
HC0	Department of Health	81MMMD	MEDICAID MEDICAL			
			ASSISTANCE PAYMENT	1,137,847	341,354	0
		RM0 Total		1,137,847	341,354	0
JM0	Department on Disability Services	81JAMA	MEDICAID ENTITLEMENT	8,054	2,416	0
		JM0 Total		8,054	2,416	0
			GRAND TOTAL	1,145,901	343,770	0

K. Intra-District Medicaid Funds (Public Provider Agencies)

Three District agencies District of Columbia Public Schools (DCPS), the Child and Family Services Agency (CFSA), and the Department of Mental Health (DMH) are Public Provider Agencies who have their Medicaid funds transferred to them by the Department of Health (DOH) via the intra-District budget process. In the agency budgets, these budget expenses appear in Fund 0700-intra-District.

For FY 2008, the 3 agencies will budget a total of \$96,452,000 in Medicaid funds that require \$28,936,000 in matching funds.

Note: The amounts budgeted as expenses are also captured within the DOH Direct Provider Medicaid and should not be double-counted when considering the District’s overall Medicaid budget.

Table K
Public Provider Agencies (Receive Medicaid Funds Through Intra-District Budget Process) (Dollars in Thousands)

Agency Code	Agency Name	Grant Name	FY 2008 Budget	Amount of Grant Match	Amount of MOE
GA0	D.C. Public Schools	Intra-District	18,500	5,550	0
GA0 Total			18,500	5,550	0
RLO	Child and Family Services Agency	Intra-District	50,707	15,212	0
RLO Total			50,707	15,212	0
RM0	Department of Mental Health	Intra-District	27,245	8,173	0
RM0 Total			27,245	8,173	0
Grand Total			96,452	28,936	0

More information on federal grants budgeted by District agencies can be found within the agency chapters and on Schedule 80 within the operating appendices.

D.C. Statistical Profile

**Source:
Comprehensive Annual
Financial Report (CAFR),
year ended
September 30, 2006**

Statistical Section

This section contains statistical tables that reflect financial trends information, revenue capacity information, debt capacity information, demographic and economic information, and operating information. These tables differ from the financial statements because they usually cover more than two fiscal years and may present non accounting data.

The Statistical Section is divided into 5 sections as follows:

Section	<u>Page</u>
1. Financial Trends	129
2. Revenue Capacity	135
3. Debt Capacity	141
4. Demographic and Economic Information	145
5. Operating Information	147

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1. Financial Trends

These schedules contain trend information to better understand how the District's financial performance and well-being have changed over time.

Net Assets By Component
Last Five Fiscal Years

(accrual basis of accounting, dollars in thousands)

NET ASSETS	2002	2003	2004	2005	2006
Governmental activities					
Invested in capital assets, net of related debt	\$ 656,901	\$ 518,223	\$ 774,533	\$ 1,069,731	\$ 958,597
Restricted	834,006	870,284	807,839	930,021	987,650
Unrestricted	(625,908)	(593,786)	(370,474)	(249,088)	167,779
Total governmental activities net assets	864,999	794,721	1,211,898	1,750,664	2,114,026
Business-type activities					
Invested in capital assets, net of related debt	1,495	1,354	17,927	16,183	17,391
Restricted	271,361	262,148	288,224	322,893	347,938
Unrestricted	1,990	37,442	34,829	34,968	29,000
Total business-type activities net assets	274,846	300,944	340,980	374,044	394,329
Primary government					
Invested in capital assets, net of related debt	658,396	519,577	792,460	1,085,914	975,988
Restricted	1,105,367	1,132,432	1,096,063	1,252,914	1,335,588
Unrestricted	(623,918)	(556,344)	(335,645)	(214,120)	196,779
Total primary government net assets	\$ 1,139,845	\$ 1,095,665	\$ 1,552,878	\$ 2,124,708	\$ 2,508,355

Note: As a result of GASB 34 implementation in FY2002, only five fiscal years are presented.

Source: Information was extracted from Exhibit 1-a, Statement of Net Assets, Page 38.

**Changes in Net Assets
Last Five Fiscal Years** **Exhibit S-1B**
(accrual basis of accounting, dollars in thousands)

	2002	2003	2004	2005	2006
Governmental activities					
Expenses					
Governmental direction and support	\$ 471,609	\$ 525,072	\$ 554,614	\$ 641,964	\$ 574,097
Economic development and regulation	323,804	252,716	253,311	283,186	391,203
Public safety and justice	920,599	936,797	1,007,755	1,036,120	1,124,896
Public education system	1,153,719	1,168,545	1,301,807	1,374,538	1,486,112
Human support services	2,267,597	2,572,881	2,537,195	2,663,556	2,967,372
Public works	279,506	312,704	313,580	307,247	351,917
Public transportation	184,883	272,726	162,602	167,783	187,615
Interest on long-term debt	175,241	178,301	189,697	201,882	269,725
Total governmental activities expenses	5,776,958	6,219,742	6,320,561	6,676,276	7,352,937
Program revenues					
Charges for services, fees, fines & forfeitures:					
Fines and forfeitures	88,495	90,237	102,828	111,146	112,919
Licenses and permits	52,003	62,189	62,968	82,093	81,222
Charges for services	145,546	170,735	134,314	133,923	131,272
Operating grants & contributions	1,890,544	1,833,060	2,060,973	2,098,723	2,155,035
Capital grants & contributions	161,450	176,449	151,334	112,704	119,715
Total governmental activities program revenues	2,338,038	2,332,670	2,512,417	2,538,589	2,600,163
Net expenses	(3,438,920)	(3,887,072)	(3,808,144)	(4,137,687)	(4,752,774)
General revenues					
Taxes:					
Property taxes	809,069	899,665	1,017,653	1,150,672	1,272,998
Sales and use taxes	750,060	779,920	828,391	957,394	1,004,471
Income and franchise taxes	1,160,423	1,167,452	1,299,009	1,472,432	1,591,483
Gross receipts taxes	231,786	261,643	271,897	295,819	278,453
Other taxes	283,146	273,191	379,521	377,213	390,542
Grants and contributions - unrestricted	-	25,070	24,543	-	-
Investment earnings	19,283	13,341	16,211	39,811	73,207
Miscellaneous	333,943	325,529	314,596	311,662	431,182
Special items	(171,094)	-	-	-	-
Transfers	63,000	37,574	73,500	71,450	73,800
Total governmental activities general revenues	3,479,616	3,783,385	4,225,321	4,676,453	5,116,136
Change in net assets --- governmental activities	\$ 40,696	\$ (103,687)	\$ 417,177	\$ 538,766	\$ 363,362
Business activities					
Expenses					
Lottery and games	\$ 148,670	\$ 166,185	\$ 167,938	\$ 164,066	\$ 193,907
Unemployment compensation	191,043	165,045	113,888	92,728	102,749
Nursing home services	-	34,687	33,023	35,066	35,548
Total business-type activities expenses	339,713	365,917	314,849	291,860	332,204
Program revenues					
Charges for services, fees, fines & forfeitures:					
Lottery and games	211,151	237,890	241,133	234,931	266,391
Nursing home services	-	34,124	30,907	32,184	29,154
Operating grants & contributions	49,308	55,356	26,588	16,707	14,825
Capital grants & contributions	-	-	15,464	-	-
Total business-type activities program revenues	260,459	327,370	314,092	283,822	310,370
Net expenses	(79,254)	(38,547)	(757)	(8,038)	(21,834)
General revenues					
Taxes:					
Other taxes	104,945	82,626	97,196	92,985	95,888
Investment earnings	18,978	19,332	16,847	18,887	19,321
Miscellaneous	-	261,000	250,000	680	710
Transfers	(63,000)	(37,574)	(73,500)	(71,450)	(73,800)
Total business-type activities general revenues	60,923	64,645	40,793	41,102	42,119
Change in net assets --- business-type activities	\$ (18,331)	\$ 26,098	\$ 40,036	\$ 33,064	\$ 20,285
Total primary government					
Expenses	\$ 6,116,671	\$ 6,585,659	\$ 6,635,410	\$ 6,968,136	\$ 7,685,141
Program revenues	2,598,497	2,660,040	2,820,257	2,822,411	2,910,533
Net (expenses)/revenues	(3,518,174)	(3,925,619)	(3,815,153)	(4,145,725)	(4,774,608)
General revenues	3,540,539	3,848,030	4,272,366	4,717,555	5,158,255
Change in net assets --- primary government	\$ 22,365	\$ (73,090)	\$ 457,213	\$ 571,830	\$ 383,647

Note: As a result of GASB 34 implementation in FY2002, only five fiscal years are presented.
Source: Information was extracted from Exhibit 1-b, Statement of Activities, Page 39.

Fund Balances, Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting, dollars in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund					
Reserved	\$ 545,414	\$ 568,243	\$ 607,903	\$ 1,110,770	\$ 1,045,560
Unreserved	319,914	329,114	607,112	473,913	389,582
Total general fund	<u>865,328</u>	<u>897,357</u>	<u>1,215,015</u>	<u>1,584,683</u>	<u>1,435,142</u>
All other governmental funds					
Reserved, reported in:					
Special revenue funds	292,936	249,434	239,291	249,911	321,878
Capital project funds	148,760	52,607	43,914	86,530	732,602
Unreserved, reported in:					
Special revenue funds	31,751	-	-	-	-
Capital project funds	(472,305)	(169,287)	(273,432)	(312,161)	-
Total all other governmental funds	<u>\$ 1,142</u>	<u>\$ 132,754</u>	<u>\$ 9,773</u>	<u>\$ 24,280</u>	<u>\$ 1,054,480</u>

Note: As a result of GASB Statement No. 34 implementation in FY2002, only five fiscal years are presented.

Source: Information was extracted from Exhibit 2-a, Balance Sheet - Governmental Funds, Page 40.

**Changes in Fund Balances, Governmental Funds
Last Five Fiscal Years**

Exhibit S-1D

(modified accrual basis of accounting, dollars in thousands)

	2002	2003	2004	2005	2006
REVENUES					
Taxes	\$ 3,229,809	\$ 3,384,093	\$ 3,806,906	\$ 4,251,191	\$ 4,472,845
Fines and forfeits	88,495	90,238	102,828	111,146	112,919
Licenses and permits	52,003	62,189	62,968	82,093	81,222
Charges for services	145,546	170,736	134,314	133,923	131,273
Investment earnings	19,283	13,341	16,211	39,811	73,206
Miscellaneous	332,861	320,460	305,039	311,573	489,067
Federal contributions	490,373	380,100	393,928	382,966	362,075
Operating grants	1,561,621	1,555,404	1,842,922	1,828,461	1,912,675
Total revenues	5,919,991	5,976,561	6,665,116	7,141,164	7,635,282
EXPENDITURES					
Governmental direction and support	366,981	415,591	483,185	590,344	611,620
Economic development and regulation	223,760	224,811	236,220	267,335	348,091
Public safety and justice	899,116	907,670	984,062	1,034,456	1,133,800
Public education system	1,143,281	1,155,297	1,284,448	1,340,767	1,439,510
Human support services	2,249,303	2,445,336	2,563,646	2,657,848	2,952,637
Public works	149,302	164,753	164,231	175,300	184,200
Public transportation	184,883	272,726	162,602	167,783	187,615
Debt service:					
Principal	138,575	149,792	152,086	183,845	205,654
Interest and other charges	189,006	178,301	189,697	202,387	225,195
Fiscal charges	-	15,338	13,721	9,277	31,958
Total debt service	327,581	343,431	355,504	395,509	462,807
Subtotal expenditures	5,544,207	5,929,615	6,233,898	6,629,342	7,320,280
Capital outlay	905,418	762,145	666,649	615,089	901,204
Total expenditures	6,449,625	6,691,760	6,900,547	7,244,431	8,221,484
Excess (deficiency) of revenues over (under) expenditures	(529,634)	(715,199)	(235,431)	(103,267)	(586,202)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds	408,180	1,019,873	325,726	386,370	1,459,087
Premium (discount) from sale of bonds	-	-	-	14,478	39,944
Payment to escrow agent	(69,487)	(234,179)	-	-	(136,137)
Proceeds from bond escrow restructuring	-	-	9,557	89	-
Proceeds from capital lease	-	-	503	19	-
Equipment financing program	51,944	17,094	20,822	15,036	30,167
Transfers in	63,000	77,119	109,717	193,439	685,206
Transfers out	-	(34,476)	(36,217)	(121,989)	(611,406)
Total other financing sources	453,637	845,431	430,108	487,442	1,466,861
Net change in fund balances	\$ (75,997)	\$ 130,232	\$ 194,677	\$ 384,175	\$ 880,659
Other capital expenditures beside capital outlay	31,262	49,529	23,960	33,706	65,197
Total capital expenditures	936,680	811,674	690,609	648,795	966,401
Debt service as a percentage of noncapital expenditures	5.94%	5.84%	5.72%	6.00%	6.38%

Note: As a result of GASB Statement No. 34 implementation in FY2002, only five fiscal years are presented.

Source: Information was extracted from Exhibit 2-b, Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, Page 41.

**Tax Revenues by Source, Governmental Funds
Last Five Fiscal Years**
(modified accrual basis of accounting, dollars in thousands)

Exhibit S-1E

Fiscal Year	Property Tax			Sales and Use	Income and Franchise	Gross Receipts	Other Taxes	Total
	Real	Personal	Rental					
2002	\$ 726,014	\$ 65,208	\$ 13,172	\$ 750,060	\$ 1,160,423	\$ 231,786	\$ 283,146	\$ 3,229,809
2003	822,845	67,294	11,749	779,920	1,167,452	261,643	273,191	3,384,094
2004	947,690	63,558	16,840	828,391	1,299,009	271,897	379,521	3,806,906
2005	1,058,100	72,068	18,165	957,394	1,472,432	295,819	377,213	4,251,191
2006	1,163,598	55,548	22,336	970,885	1,591,483	278,453	390,542	4,472,845

Note: As a result of GASB Statement No. 34 implementation in FY2002, only five fiscal years are presented.

Source: Information was extracted from Exhibit 2-b, Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, Page 41.

2. Revenue Capacity

These schedules contain information regarding the District's most significant local revenue sources: property, income, and sales and use taxes.

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**
(dollars in thousands)

Exhibit S-2A

Fiscal Year	Estimated Actual Value		Total Taxable	Tax Exempt	Total Value	Total Direct Tax Rate	Tax exempt as a % of total estimated actual
	Commercial Property	Residential Property					
		(1) (2) (3) (4)					
1997	\$ 19,373,225	\$ 22,884,675	\$ 42,257,900	\$ 30,170,470	\$ 72,428,370	N/A	41.7%
1998	19,726,319	23,461,404	43,187,723	31,517,981	74,705,704	N/A	42.2%
1999	18,734,933	23,710,565	42,445,498	30,620,782	73,066,280	N/A	41.9%
2000	19,357,631	23,912,435	43,270,066	30,900,682	74,170,748	1.43	41.7%
2001	21,960,148	22,268,968	44,229,116	32,086,134	76,315,250	1.45	42.0%
2002	27,619,604	24,902,543	52,522,147	33,812,037	86,334,184	1.39	39.2%
2003	29,684,430	28,379,237	58,063,667	35,728,289	93,791,956	1.38	38.1%
2004	33,752,889	32,701,220	66,454,109	43,234,068	109,688,177	1.35	39.4%
2005	36,905,213	49,982,554	86,887,767	43,219,725	130,107,492	1.37	33.2%
2006	40,400,447	58,090,888	98,491,335	59,664,865	158,156,200	1.34	37.7%

Note: Assessed value is 100 percent of estimated actual value

Total direct tax rate for years 1997 - 1999 could not be determined

(1) After deduction of homestead exemption and credits against tax

(2) Does not reflect the 2002 & 2003 Cap Assessment of 25% for Class 01 with Homestead Exemptions

(3) Does not reflect the 2004 & 2005 Cap Assessment of 12% for Class 01 with Homestead Exemptions

(4) Does not reflect the 2006 Cap Assessment of 10% for Class 01 with Homestead Exemptions

Source: Office of Tax and Revenue

**Direct Property Tax Rates
Last Six Fiscal Years**

Exhibit S-2B

Fiscal Year	Direct Property Tax Rate (Per \$100 Assessed Valuation)			Total Direct
	Basic Rate	General Obligation Debt Service	Redevelopment Program	
2000	0.73	0.70	-	1.43
2001	0.75	0.70	-	1.45
2002	0.79	0.60	-	1.39
2003	0.78	0.60	-	1.38
2004	0.90	0.45	-	1.35
2005	0.92	0.45	-	1.37
2006	0.94	0.40	-	1.34

Note:

Information prior to FY2000 is not available.

The total direct rate is the weighted rate of all taxable real property. The basic rate is the direct rate, less general obligation debt service and redevelopment program costs per \$100.

Source: Office of Tax and Revenue

Major Tax Rates
Last Ten Fiscal Years

Exhibit S-2C

Fiscal Year	Property (per \$100 of assessed value)					Sales and Use			Income and Franchise		Gross Receipt Public Utility (6)		
	Residential		Commercial			Personal	General (1)	Cigarette (2)	Motor Fuel (3)	Individual (4)	Business (5)	Commercial	Residential
	Owner occupied	Tenant occupied	Hotels	Improved	Unimproved								
1997	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.20	.060-.095	0.09975	0.10	0.10
1998	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.20	.060-.095	0.09975	0.10	0.10
1999	0.96	1.54	1.85	2.15	5.00	3.40	0.0575	0.65	0.20	.060-.095	0.09975	0.10	0.10
2000	0.96	1.34	1.85	2.05	2.05	3.40	0.0575	0.65	0.20	.050-.095	0.09975	0.10	0.10
2001	0.96	1.15	1.85	1.95	1.95	3.40	0.0575	0.65	0.20	.050-.093	0.09975	0.10	0.10
2002	0.96	0.96	1.85	1.85	1.85	3.40	0.0575	0.65	0.20	.050-.093	0.09975	0.10	0.10
2003	0.96	0.96	1.85	1.85	5.00	3.40	0.0575	1.00	0.20	.050-.093	0.09975	0.11	0.11
2004	0.96	0.96	1.85	1.85	5.00	3.40	0.0575	1.00	0.20	.050-.093	0.09975	0.11	0.11
2005	0.96	0.96	1.85	1.85	5.00	3.40	0.0575	1.00	0.20	.050-.090	0.09975	0.11	0.10
2006	0.92	0.92	1.85	1.85	5.00	3.40	0.0575	1.00	0.20	.045-.087	0.09975	0.11	0.10

Source: Office of Tax and Revenue

- (1) Of sales value
- (2) Per package of 20
- (3) Per gallon
- (4) Of taxable income
- (5) Of net income
- (6) Of gross charges (gas, lighting, telephone)

Principal Property Taxpayers
Current Year and Nine Years Ago
(dollars in thousands)

Exhibit S-2D

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	* Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
MANUFACTURERS LIFE INSURANCE	\$ 348,411	1	0.354%	\$ 114,481	5	0.271%
13TH & F ASSOCIATES LP	288,142	2	0.293%	137,008	4	0.324%
WASHINGTON SQUARE LIMITED PARTNERSHIP	281,135	3	0.285%	193,642 **	1	0.458%
CARR CRIP PROPERTIES LLC	263,842	4	0.268%	165,640 **	2	0.392%
WARNER INVESTMENTS LP	255,096	5	0.259%	101,383 **	6	0.240%
HARBOUR I LLC	220,000	6	0.223%	57,491 **	9	0.136%
WELLS REIT/INDEPENDENCE SQUARE LLC	219,744	7	0.223%	142,638 **	3	0.338%
1301 K STREET LP	218,194	8	0.222%	95,717	8	0.227%
TEACHERS INSURANCE & ANNUITY ASSOCIATION	212,478	9	0.216%	90,069 **	7	0.213%
PARCEL 49C LIMITED PARTNERSHIP	205,780	10	0.209%	10,780 ***		0.026%

- * Source 1997 RPT Account Status Report (Folio)
- ** Different ownership in 1997
- *** 1997 exact rank can not be determined

Source: Office of Tax and Revenue

Ten Highest Assessed Values For Tax Exempt Properties
Current Year
(dollars in thousands)

Exhibit S-2E

Property	Value
INTERNATIONAL FINANCE CORPORATION	\$ 407,780
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	340,772
GEORGETOWN UNIVERSITY	262,281
INTER-AMERICAN DEVELOPMENT BANK	257,799
INTERNATIONAL MONETARY FUND	243,827
INTERNATIONAL MONETARY FUND	227,225
PROTESTANT EPISCOPAL CATHEDRAL FND DC	176,072
AMERICAN UNIVERSITY	173,648
WASHINGTON HOSPITAL CENTER	150,333
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	140,640

Source: Office of Tax and Revenue

Note: Duplicate property listings resulted from properties with multiple addresses.

Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

Exhibit S-2F

Fiscal Year Ended Sep 30	Taxes Levy	Tax Collections (1)			Percent of Collections to Levy	
		Current	Subsequent Years (2)	Total	Current	Total
1997	\$ 648,166	\$ 606,435	\$ 21,002	\$ 627,437	93.6%	96.8%
1998	638,569	590,249	30,548	620,797	92.4%	97.2%
1999	637,647	554,064	29,078	583,142	86.9%	91.5%
2000	613,385	569,190	23,587	592,777	92.8%	96.6%
2001	669,016	576,965	58,359	635,324	86.2%	95.0%
2002	740,387	649,895	57,729	707,624	87.8%	95.6%
2003	847,980	774,989	63,110	838,099	91.4%	98.8%
2004	1,011,891	898,352	47,701	946,053	88.8%	93.5%
2005	1,198,319	1,021,836	46,314	1,068,150	85.3%	89.1%
2006	1,234,062	1,102,954	47,422	1,150,376	89.4%	93.2%

(1) Approximately 40% of real property tax collections are deposited with fiscal agents, such as commercial banks, for payment of matured bonds and interest.

(2) Subsequent year collections related to collections on prior year levies.

Calculations for Exhibit S-2F were done based on methodology used for the FY2003 CAFR. Current year tax levy amounts include new billings for prior year penalties and interest. Subsequent year collections relate to collections on prior year levies.

Source: Office of Tax and Revenue

**Personal Income Tax Rates
Last Ten Fiscal Years**

Exhibit S-2G

Year	Top Rate	Top Income Tax Rate Is Applied to Taxable Income in Excess of			* Average Effective Rate
		Single	Married Filing Jointly	Head of Household	
1997	9.50%	20,000	20,000	20,000	6.32%
1998	9.50%	20,000	20,000	20,000	6.39%
1999	9.50%	20,000	20,000	20,000	6.47%
2000	9.50%	20,000	20,000	20,000	6.39%
2001	9.30%	30,000	30,000	30,000	6.60%
2002	9.30%	30,000	30,000	30,000	6.55%
2003	9.30%	30,000	30,000	30,000	6.66%
2004	9.30%	30,000	30,000	30,000	6.65%
2005	9.00%	30,000	30,000	30,000	6.68%
2006	8.70%	40,000	40,000	40,000	N/A

N/A: Not Available

* Fiscal year personal income tax collections divided by prior-year personal income.

Source: Office of Tax and Revenue

**Personal Income Tax Filers and Liability by Income Level
Current Year and Nine Years Ago**

Exhibit S-2H

Income Level	2006				1997			
	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$100,001 and higher	31,800	11.11%	\$ 586,347,984	56.91%	17,372	6.05%	\$ 274,911,804	42.64%
\$75,001 -- \$100,000	17,005	5.94%	94,204,648	9.14%	10,846	3.78%	66,174,296	10.26%
\$50,001 -- \$75,000	33,500	11.70%	122,903,167	11.93%	23,714	8.26%	96,732,747	15.00%
\$25,001 -- \$50,000	76,406	26.68%	142,878,370	13.87%	70,668	24.62%	144,917,839	22.48%
\$10,001 -- \$25,000	65,025	22.71%	42,956,067	4.17%	80,585	28.08%	56,409,900	8.75%
\$10,000 and lower	62,606	21.86%	41,001,765	3.98%	83,796	29.20%	5,579,571	0.87%
Total	286,342	100.00%	\$ 1,030,292,001	100.00%	286,981	100.00%	\$ 644,726,157	100.00%

Source: Office of Tax and Revenue

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3. Debt Capacity

These schedules present information showing the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

**Ratios of General Obligation Bonds Outstanding
Last Ten Fiscal Years**
(dollars in thousands, except per capita)

Exhibit S-3A

<u>Fiscal Year</u>	<u>General Obligation Bonds (GO)</u>	<u>Actual Value of Taxable Property</u>	<u>GO Bonds as a Percentage of Actual Value of Taxable Property</u>	<u>GO Debt Per Capita *</u>
1997	\$ 3,084,763	\$ 42,257,900	7.30%	\$ 5,433
1998	3,091,403	43,187,723	7.16%	5,469
1999	3,098,582	42,445,498	7.30%	5,426
2000	3,109,728	43,270,066	7.19%	5,436
2001	2,582,017	44,229,116	5.84%	4,472
2002	2,670,573	52,522,147	5.08%	4,613
2003	3,251,118	58,063,667	5.60%	5,630
2004	3,418,933	66,454,109	5.14%	5,898
2005	3,632,198	86,887,767	4.18%	6,240
2006	3,773,863	98,491,335	3.83%	6,490

* The prior year per capita amounts were updated to reflect the revised census population estimates.

**Pledged-Revenue Coverage
Last Four Fiscal Years**
(dollars in thousands)

Exhibit S-3B

<u>Fiscal Year</u>	<u>Tax Increment Financing Debts</u>				<u>Coverage</u>
	<u>Sales Tax Increment</u>	<u>Real Property Tax</u>	<u>Debt Service</u>		
			<u>Principal</u>	<u>Interest</u>	
2002	\$ 33	\$ -	\$ -	\$ 33	100.00%
2003	1,236	-	1,104	132	100.00%
2004	2,222	112	1,515	4,265	40.38%
2005	6,733	2,537	6,484	4,933	81.19%
2006	11,562	1,652	7,219	5,348	105.15%

Note: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Exhibit S-3C

Fiscal Year	Governmental Activities								Total Debt	Personal Income	Total Debt as a Percentage of			Total Debt Per Capita	Total "Tax Supported Debt" Per Capita**
	General Obligation Bonds	TIF Bonds	Qualified Zone Academy Bonds	Certificates of Participation	Capital Leases	Baseball Bonds	Tobacco Bonds*	Personal Income			Personal Income	Population			
1997	\$ 3,084,763	\$ -	\$ -	\$ -	\$ 129,715	\$ -	\$ -	\$ 3,214,478	\$ 19,579,959	16.4%	567,736	\$ 5,662	\$ 5,662		
1998	3,091,403	-	-	-	124,181	-	-	3,215,584	20,562,335	15.6%	565,230	5,689	5,689		
1999	3,098,582	-	-	-	132,189	-	-	3,230,771	21,114,995	15.3%	571,042	5,658	5,658		
2000	3,109,728	-	-	-	131,167	-	-	3,240,895	23,102,223	14.0%	572,059	5,665	5,665		
2001	2,582,017	6,900	-	-	121,564	-	521,105	3,231,586	25,525,115	12.7%	577,357	5,597	4,695		
2002	2,670,573	126,545	3,582	-	157,057	-	514,280	3,472,037	25,786,286	13.5%	578,907	5,998	5,109		
2003	3,251,118	125,524	3,327	129,530	90,458	-	506,550	4,106,507	27,168,871	15.1%	577,476	7,111	6,234		
2004	3,418,933	124,009	3,071	128,345	84,456	-	502,740	4,261,554	29,277,663	14.6%	579,720	7,351	6,484		
2005	3,632,198	117,525	2,815	120,760	76,390	-	498,740	4,448,428	31,010,231	14.3%	582,049	7,643	6,786		
2006	3,773,863	109,895	5,221	278,100	67,942	534,800	742,284	5,512,105	N/A	N/A	581,530	9,479	8,202		

Note: There are no business type activities with outstanding debt.
 Convention Center bonds are neither reported nor included in this table.
 * Tobacco bonds are not supported by general tax revenues and are not included in the Total "Tax Supported Debt" Per Capita calculation.
 ** The prior year per capita amounts were updated to reflect the revised census population estimates.

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Debt Service Cost Margin Calculation for Fiscal Year 2006:

General fund revenue	\$ <u>5,152,072</u>
Debt service cost limitation (17% of general fund revenue)	875,852
Debt expenditure applicable to limit:	
Principal	\$ 188,095
Interest	<u>177,474</u>
Subtotal for current year	<u>365,569</u>
Highest future year debt service cost	<u>\$ 383,659</u>
Total debt service cost subject to the limitation	<u>383,659</u>
Debt service cost margin	<u>\$ 492,193</u>

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt service cost limitation	\$ 530,194	\$ 573,851	\$ 608,902	\$ 688,754	\$ 718,024	\$ 622,331	\$ 627,516	\$ 735,472	\$ 823,558	\$ 875,852
Highest future year debt service cost	428,918	400,504	346,992	327,044	270,910	284,114	319,160	339,003	359,735	383,659
Debt service cost margin	\$ 101,276	\$ 173,347	\$ 261,910	\$ 361,710	\$ 447,114	\$ 338,217	\$ 308,356	\$ 396,469	\$ 463,823	\$ 492,193
Total debt service cost subject to the limit as a percentage of debt service cost limit	80.9 %	69.8 %	57.0 %	47.5 %	37.7 %	45.7 %	50.9 %	46.1 %	43.7 %	43.8 %
Debt limit ratio	11.3 %	15.8 %	12.7 %	9.7 %	6 %	7.8 %	8.6 %	7.8 %	7.4 %	7.4 %

Note: Under the District of Columbia Self-Government and Governmental Reorganization Act, no long term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long term debt to exceed 17 percent of the revenues of the fiscal year in which the debt is issued. The debt service percent is calculated using the highest fiscal year debt service divided by the total revenues. The debt service percent limitation was increased from 14 to 17 percent in fiscal year 1998 as a result of the National Capital Revitalization and Self-Government Improvement Act of 1997, accounting for the decrease in revenues from the repeal of the Federal payment in lieu of taxes and the loss of court revenues.

4. Demographic and Economic Information

These schedules offer demographic and economic data to help explain the environment within which the District's financial activities take place. This information also facilitates comparisons of financial statement information over time and among governments.

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Exhibit S-4A

Fiscal Year	Popula- tion (1)	Personal Income (2)(3)	Per Capita Income (2)	Median Age (1)	Employ- ment (4)	Unemploy- ment Rate (4)	Claims	Claims
							Accepted (5)	Rejected (5)
1997	567,736	19,579,959	34,488	36.0	619,100	8.3%	38,851	15,898
1998	565,230	20,562,335	36,379	36.3	614,600	8.2%	28,202	8,412
1999	571,042	21,114,995	37,030	37.2	620,600	6.9%	22,440	7,475
2000	572,059	23,102,223	40,456	34.7	645,200	5.8%	22,113	6,002
2001	577,357	25,525,115	44,834	34.9	654,400	6.0%	18,189	6,514
2002	578,907	25,786,286	45,670	35.0	661,800	6.6%	26,166	10,706
2003	577,476	27,168,871	48,703	35.0	665,900	7.0%	21,527	7,342
2004	579,720	29,277,663	52,825	35.0	670,500	7.8%	18,554	6,450
2005	582,049	31,010,231	56,329	35.2	677,900	7.5%	17,223	6,074
2006	581,530	N/A	N/A	N/A	689,300	5.7%	17,021	6,212

N/A: Not Available

- (1) Source: Federal Bureau of the Census (As of July 1 - Updated each year for all of the years after the 2000 census)
- (2) Source: Federal Department of Commerce, Bureau of Economic Analysis (BEA). BEA does not incorporate the latest census population estimates in its calculation of per capita income.
- (3) In thousands
- (4) Source: D.C. Department of Employment Services
- (5) Source: D.C. Unemployment Compensation Office

**Principal Employers
Current Year and Nine Years Ago ****

Exhibit S-4B

Employer	2005 **			1996		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Howard University	*	1	*	*	4	*
Georgetown University	*	3	*	*	1	*
The George Washington University	*	2	*	*	8	*
Washington Hospital Center	*	4	*	*	2	*
Children's National Medical Center	*	5	*	*	7	*
Fannie Mae	*	6	*	*	10	*
Georgetown University Hospital	*	7	*	*	9	*
American University	*	8	*	*	11	*
Howard University Hospital	*	9	*	*	13	*
Providence Hospital	*	10	*	*	12	*
George Washington University Hospital	*	16	*	*	3	*
Washington Post	*	12	*	*	5	*
Potomac Electric Power Company	*	30	*	*	6	*
Total	47,880		10.9%	40,950		10.8%

* This data is produced through the Quarterly Covered Employment and Wage (QCEW) Program, a Bureau of Labor Statistics federal/state cooperative statistical program. Release of data under this program is subject to the Confidential Information Protection and Statistical Efficiency Act of 2002. The District cannot release company specific employment information without the written consent of each of the companies that are included in the release of such data. As a result, we are only presenting rank and total employment information for the top ten principal employers.

** 2006 data will not be available until fiscal year 2007

5. Operating Information

These schedules contain service and infrastructure data to better understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	Operating Indicators									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>GOVERNMENTAL DIRECTION AND SUPPORT</u>										
Bond rating by S&P	B	BB	BBB	BBB	BBB+	BBB+	A-	A	A+	A+
Bond rating by Moody's	Ba2	Ba1	Baa3	Baa3	Baa1	Baa1	Baa1	A2	A2	A2
Bond rating by Fitch	BB	BB+	BBB	BBB	BBB+	BBB+	A-	A-	A	A
<u>ECONOMIC DEVELOPMENT AND REGULATION</u>										
Taxable retail sales (\$ millions)	6,640	6,892	7,730	8,298	7,367	7,485	7,683	8,342,682	10,486,545	10,051,365
Commercial construction units	57	127	45	36	38	59	59	115	125	121
Value	1,003,761	343,121	362,692	301,372	889,830	919,252	418,049	1,720,869	1,466,587	1,366,931
Residential construction units	165	165	40	42	422	448	499	506	861	815
Value	91,170	35,851	6,746	8,217	100,366	102,861	68,931	117,803	192,609	186,685
<u>Housing Finance Agency</u>										
Number of Single-Family Units Financed	329	314	486	527	503	161	5	0	0	67
Amount of Single-Family Financing Provided (\$ 000s)	300,000	31,217	56,200	67,922	61,300	19,600	612	0	0	16,820
Number of Multi-Family Units Financed	36	736	1,509	1,115	1,555	1,893	1,237	525	7,623	1,165
Amount of Multi-Family Financing Provided (\$ 000s)	1,997	53,160	70,870	45,647	98,534	101,205	76,358	36,051	133,510	71,543
Total Number of Housing Units Financed	365	1,050	1,995	1,642	2,058	2,054	1,242	525	7,623	1,232
Total Amount of Housing Financing Provided (\$ 000s)	301,997	84,377	127,070	113,569	159,834	120,805	76,970	36,051	133,510	88,363
<u>PUBLIC SAFETY AND JUSTICE</u>										
<u>Police</u>										
Crime Index Offenses	58,378	48,819	42,671	39,651	40,305	40,213	39,797	36,246	32,678	32,311
Number of Police Officers	3,657	3,537	3,484	3,599	3,601	3,666	3,711	3,800	3,800	3,800
<u>Fire</u>										
Number of Fire Fighters	1,233	1,206	1,179	1,204	1,282	1,294	1,388	1,426	1,500	1,536
Number of Fire Alarms	148,774	146,457	155,497	115,601	125,371	118,416	119,582	119,846	187,242	161,361
Inspections	27,594	34,978	18,595	22,983	23,923	20,303	13,055	26,703	29,072	28,636
<u>EMS</u>										
Number Emergency Medical Personnel	298	304	328	321	331	354	377	342	331	264
Number of Emergency Responses	71,475	70,196	72,337	71,998	75,008	86,175	89,817	N/A	114,823	149,395
<u>PUBLIC LIBRARY</u>										
Number of Volumes	2,863,749	2,562,452	2,562,452	2,756,244	2,715,332	2,721,119	2,609,062	2,559,601	2,333,957	2,873,518

Operating Indicators by Function/Program
Last Ten Fiscal Years
(Continued)

Exhibit S-5A

Function/Program	Operating Indicators									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>PUBLIC EDUCATION SYSTEM</u>										
<u>D.C. Public School System</u>										
Number of School Teachers	5,062	5,482	5,267	5,030	4,850	4,938	4,365	5,206	4,938	4,614
Number of School Students	78,648	77,111	71,899	70,762	68,925	67,522	65,093	62,306	62,306	56,943
Number of High School Graduates	2,853	2,777	2,675	2,695	2,808	2,894	2,723	2,740	2,680	2,450
<u>University of the District of Columbia</u>										
Number of Teachers	N/A	N/A	233	223	N/A	260	260	208	219	215
Number of Students	4,754	5,284	5,181	5,358	5,456	5,468	5,241	5,424	5,364	5,772
Number of Graduates	961	692	576	581	511	466	483	508	503	573
<u>PUBLIC WORKS/PUBLIC TRANSPORTATION</u>										
Street Resurfaced (includes reconstruction); regular cover; pavement restoration (miles)	56.1	31.8	31.9	39.4	78.8	103.1	27.8	36.5	90.0	65.2
Potholes Repaired	N/A	N/A	N/A	5,354	5,802	7,005	7,679	9,177	** 180,000	341,530
Refuse collected (tons per day)	513	538	505	526	466	491	511	506	485	425
Recyclables collected (tons per day)	* 0	* 0	80	79	82	78	83	84	85	86
Tons of Bulk Trash Removed	N/A	N/A	N/A	N/A	N/A	4,898	4,994	5,362	4,956	4,610
Tons of Leaves Removed	N/A	N/A	N/A	N/A	N/A	8,983	8,014	6,651	9,569	9,588
Tons of Snow Removed	1,336,034	1,994	2,313,133	3,070,883	1,475,619	638,106	8,056,083	2,472,659	880,000	855,712
* In FY's 1997 and 1998 recycling was suspended.										
**FY2005 Potholes Repaired (5,272) was understated based on new definition of a pothole effective FY2005 & FY2006										
<u>Department of Motor Vehicles</u>										
Number of motor vehicle registrations (1/1 - 12/31)	130,203	270,242	237,832	288,866	N/A	231,848	235,907	243,874	250,602	260,662
Number of operator licenses issued (1/1 - 12/31)	86,983	102,095	120,755	148,216	N/A	70,491	78,022	96,760	80,765	90,456
Number of operator licenses outstanding (1/1 - 12/31)	N/A	N/A	N/A	N/A	N/A	N/A	241,304	237,526	314,650	357,569
<u>D.C. WATER AND SEWER AUTHORITY</u>										
Number of Customer locations	130,645	130,920	130,000	127,882	124,749	130,000	122,502	122,802	123,062	123,465
Average daily water consumption (MGD)	137	133	139	134	132	135	86	87	86	87
Daily maximum sewer capacity (MGD)	740	740	740	740	740	1,076	370	370	370	370
Peak 4 Hour Flow, through complete process (MGD)	740	740	740	740	740	740	740	740	740	740
Excess Storm Flow, primary treatment only (MGD)	336	336	336	336	336	336	336	336	336	336
Peak Flow (MGD)	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076	1,076
<u>CONVENTION CENTER</u>										
Conferences held	98	115	139	116	165	169	163	201	189	106
Attendees	598,069	989,787	840,590	935,763	985,196	915,088	891,008	1,023,072	1,153,250	935,485

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**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Exhibit S-5B

Function/Program	Fiscal Years									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>Police</u>										
Police Stations Including Satellites	9	10	11	13	13	14	14	16	16	16
Number of Patrol Cars	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,207	1,199	1,234
<u>Fire</u>										
Number of Fire stations	33	33	33	34	34	34	34	34	34	33
Number of Fire Fighting Equipment	64	62	62	70	78	78	91	92	92	107
<u>EMS</u>										
Number of Ambulances	42	57	57	53	53	53	65	62	62	91
<u>D.C. Public School System</u>										
Schools	147	149	149	146	146	146	147	147	165	144
Number of school buses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	650	669	712
<u>Public Library</u>										
Number of Main and Branch Buildings	22	22	22	22	22	22	22	22	22	22
Number of Community and Kiosk Facilities	5	5	5	5	5	5	5	5	5	5
<u>Parks and Recreation</u>										
Acreage	800	800	800	800	800	800	800	800	800	832
Number of Recreation & Community Centers	71	77	77	77	77	78	75	75	72	70
Number of Day Camps	3	3	3	3	3	78	57	70	51	86
Number of Outdoor Swimming Pools	34	34	35	35	35	22	32	27	26	24
Number of Indoor Swimming Pools	6	7	6	7	7	7	6	6	8	6
<u>Public Works/Public Transportation</u>										
Number of Refuse collection trucks	74	52	52	52	52	52	52	52	71	71
Primary Street Miles	126	126	126	126	126	126	126	126	126	126
Secondary Street Miles	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007	1,007
Number of Street Lights	66,364	66,429	66,507	76,565	64,349	66,089	66,570	66,562	66,650	66,630
Number of Signalized Intersections	1,502	1,504	1,510	1,519	1,519	1,529	1,533	1,534	1,538	1,563
Number of Trees	N/A	N/A	N/A	N/A	N/A	106,000	110,000	114,000	118,000	120,934
<u>D.C. Water & Sewer Authority</u>										
Miles of water mains	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1300	1300
Miles of sewer mains	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1800	1800

**Full-Time Equivalent General Fund District Government Employees by Function/Program
Last Ten Fiscal Years**
(Year ended Sept 30)

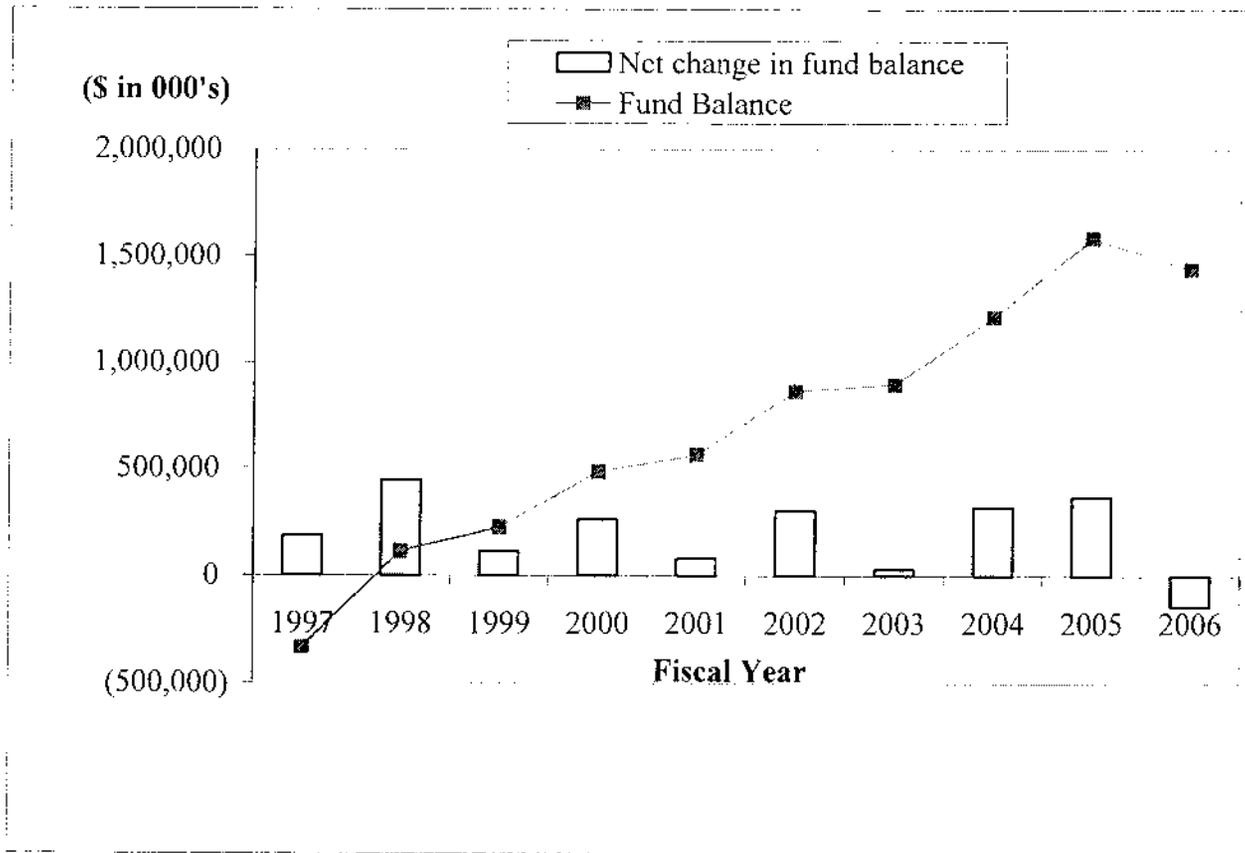
Exhibit S-5C

Function/Program	Full-time Equivalent District Government Employees									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Governmental direction and support	1,457	1,700	2,187	1,953	2,659	2,647	2,417	2,358	2,419	2,475
Economic development and regulation	626	584	1,014	1,205	597	556	538	1,000	986	1,104
Public safety and justice	10,611	8,738	8,548	8,244	7,328	7,169	7,379	7,547	7,963	7,919
Public education system	9,334	8,636	8,495	9,662	10,824	11,344	10,818	10,770	9,211	9,714
Human support services	3,112	3,224	3,086	4,666	1,957	4,095	4,280	4,211	4,555	4,611
Public works	2,111	2,225	1,235	1,718	2,071	1,585	1,454	1,624	1,752	1,789
Total	27,251	25,107	24,565	27,448	25,436	27,396	26,886	27,510	26,886	27,613

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Exhibit S-5D

General Fund Fund Balance Trend Chart



Basis of Budgeting and Accounting

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 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 (RSI).

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 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. A project-length financial plan is adopted for the Capital Projects. 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. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Projects Fund and Special Revenue Fund.

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 OCFE 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 OCFE.

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 (current

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 - Funding (usually in the form of federal grants) provided by the federal government to support various federally established programs such as Medicaid and welfare. These funds are earmarked for a particular purpose or program and cannot be re-allocated to fund other programs.

Fixed assets - Long-lived tangible items that provide a benefit for a number of future periods.

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 governments 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 stu-

dens, 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.

**Public Education
Reform Act of
2007**

Public Education Reform Amendment Act of 2007

The District of Columbia enacted the Public Education Reform Amendment Act of 2007 on April 23, 2007, and it is expected to become law on June 12, 2007. This proposed legislation constitutes large-scale changes to the system of public education in the District of Columbia.

The most significant changes in this legislation impact the District of Columbia Public Schools (DCPS). The governance of the school system will transfer from the Board of Education to the Mayor. Managed by a newly created position of chancellor, DCPS will become a District government agency directly subordinate to the Mayor.

Because the District had only one public school district, prior to the creation of the public charter school system 10 years ago, DCPS has functioned as both a state-level department of education and a local school district. With the growth of public charter schools, which legally exist and operate as separate local education agencies, and increased attention from the federal government concerning how state and local education agencies interact, there is now a recognized need to clarify and separate state and local roles within the public education framework of the District. The legislation moves many of the state-level functions from DCPS to the Office of the State Superintendent of Education (currently the State Education Office), thereby establishing a clearly-defined and accountable state education agency for the District.

Other key provisions of the legislation include movement of the oversight of all public charter schools to the District of Columbia Public Charter School Board and creation of an Education Ombudsman and an Intra-Agency Collaborative Commission. In addition, public education will be coordinated among District government agencies through the newly-created Department of Education; the Board of Education is re-established as a State Board of Education; and authority and responsibility for modernizing and renovating DCPS facilities is transferred to a new Office of Public Education Facilities Modernization. The legislation contains 10 titles that are summarized as follows:

- **Title I**, known as the “District of Columbia Public Schools Agency Establishment Act of 2007” provides that DCPS shall be an agency of the District governed by the Mayor, sets forth DCPS budget requirements, and creates the office of Chancellor, appointed by the Mayor, subject to confirmation by the District Council to serve as the chief executive officer for DCPS.
- **Title II**, known as the “Department of Education Establishment Act of 2007” creates a Department of Education subordinate to the Mayor that is headed by the Deputy Mayor for Education. This department provides oversight to the State Superintendent of

Education, the Office of Public Education Facilities Modernization, and the Office of the Ombudsman for Public Education, special education reporting, as well as responsibility for a wide range of planning, administrative, and policy development areas.

- **Title III**, known as the “Public Education State-Level Functions and State Education Agency Functions and Responsibilities Designation Amendment Act of 2007” renames the State Education Office as the “Office of the State Superintendent of Education” and expands the duties of the office to assume the state-level education functions previously contained within the District of Columbia Public Schools agency. In addition to the functions transferred into this agency from DCPS, the Adult Education component, including the literacy program, of the State Education Agency at the University of the District of Columbia and the Early Care and Education and Early Intervention programs of the District of Columbia Department of Human Services are also transferred into the newly expanded office.
- **Title IV**, known as the “State Board of Education Establishment Act of 2007” provides for the creation of a 9-member State Board of Education. This board will advise the State Superintendent of Education and approve state education standards and accountability including parental involvement and other designated policies.
- **Title V**, known as the “Interagency Collaboration and Services Integration Commission Establishment Act of 2007” creates a commission to address the needs of at-risk children through an integrated service delivery system that is coordinated through the various agencies that provide services to these children.
- **Title VI**, known as the “Ombudsman for Public Education Establishment Act of 2007” creates an ombudsman position appointed by the Mayor subject to Council confirmation for a 3-year term of office. The ombudsman is empowered to work to investigate and resolve complaints by parents, citizens or students against the public education system.
- **Title VII**, known as the “Office of Public Education Facilities Modernization Establishment Act” creates a new agency under the Mayor, headed by a professionally qualified Director that will implement new capital improvement projects for DCPS buildings and facilities.
- **Title VIII**, known as the “Public Charter School Accountability Reform Amendment Act of 2007” moves all public charter schools that formerly were overseen by DCPS to the oversight of the District of Columbia Public Charter School Board, which shall henceforth be the only chartering authority in the District and provides for the Office of the State Superintendent of Education to serve in the process for any appeals to board decisions. It also requires public charter schools to cooperate with the Public Education Ombudsman.
- **Title IX**, known as the “District of Columbia Board of Education Charter Amendment Act of 2007” makes necessary changes to the District’s Home Rule Charter to implement provisions of this legislation by striking Section 452 (D.C. Code Section 1-204.52) and Section 495 (D.C. Code Section 1-204.95).
- **Title X** provides for a series of technical Conforming Amendments to the District of Columbia Official Code to implement the legislation throughout the Code.

After the legislation takes effect and pursuant to the legislation, changes will be made to the FY 2008 budgets for several District agencies including:

- (GA0) District of Columbia Public Schools
- (GD0) State Education Office (Office of the State Superintendent of Education)
- (GB0) District of Columbia Public Charter School Board
- (GW0) Department of Education
- (GM0) Office of Public Education Facilities Modernization
- (GF0) University of the District of Columbia
- (JA0) Department of Human Services

These changes will be accomplished through the reprogramming and or reallocation process as provided by law.

For the complete Education Reform Act of 2007 please refer to: www.dccouncil.washington.dc.us

Summary Tables

FY 2008 Proposed Budget and Financial Plan

Government of the District of Columbia FY 2008 Proposed Budget General Fund

Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 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	13,430	14,667	16,651	0	0	16,651	1,984
AC0 OFFICE OF THE D.C. AUDITOR	1,928	2,178	2,517	0	0	2,517	339
DX0 ADVISORY NEIGHBORHOOD COMMISSIONS	956	994	1,089	0	0	1,089	95
* AA0 OFFICE OF THE MAYOR	10,314	57,409	6,630	0	0	6,630	-50,779
RP0 OFFICE OF COMMUNITY AFFAIRS	0	0	2,996	0	0	2,996	2,996
RS0 SERVE DC	0	0	279	0	0	279	279
BA0 OFFICE OF THE SECRETARY	3,066	4,294	3,341	0	415	3,756	-539
CW0 CUSTOMER SERVICE OPERATIONS	328	363	0	0	0	0	-363
AE0 OFFICE OF THE CITY ADMINISTRATOR	21,225	18,824	6,979	0	0	6,979	-11,845
RK0 D.C. OFFICE OF RISK MANAGEMENT	1,634	1,567	1,669	0	0	1,669	102
BE0 D.C. DEPARTMENT OF HUMAN RESOURCES	9,198	11,608	9,251	0	559	9,810	-1,798
HDO HUMAN RESOURCES DEVELOPMENT	1,566	2,073	0	0	0	0	-2,073
JR0 OFFICE OF DISABILITY RIGHTS	0	0	882	0	0	882	882
AS0 OFFICE OF FINANCE AND RESOURCE MANAGEMENT	9,688	11,087	4,878	0	0	4,878	-6,208
PO0 OFFICE OF CONTRACTING AND PROCUREMENT	12,602	12,221	5,568	0	780	6,348	-5,873
TO0 OFFICE OF THE CHIEF TECHNOLOGY OFFICER	46,515	38,015	61,767	0	100	61,867	23,852
AM0 OFFICE OF PROPERTY MANAGEMENT	15,891	24,386	16,677	0	8,395	25,072	686
AF0 CONTRACT APPEALS BOARD	746	849	999	0	0	999	149
DL0 BOARD OF ELECTIONS & ETHICS	4,684	5,210	5,254	0	0	5,254	44
CJ0 OFFICE OF CAMPAIGN FINANCE	1,354	1,502	1,720	0	0	1,720	218
CG0 PUBLIC EMPLOYEE RELATIONS BOARD	767	881	964	0	0	964	83
CH0 OFFICE OF EMPLOYEE APPEALS	1,578	1,677	1,858	0	0	1,858	181
EA0 METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS	440	421	381	0	0	381	-40
CB0 OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA	45,037	61,222	58,670	0	4,206	62,876	1,654
AD0 OFFICE OF THE INSPECTOR GENERAL	11,279	12,372	14,199	0	0	14,199	1,827
AT0 OFFICE OF THE CHIEF FINANCIAL OFFICER	119,321	149,939	111,956	0	36,013	147,969	-1,970
EPC EMERGENCY PURCHASE CARDS	0	0	0	0	0	0	0
Total, Governmental Direction and Support	333,546	433,759	337,173	0	50,469	387,642	-46,117

*FY 2007 Approved Budget for the Office of the Mayor includes \$49 million from the proceeds of the securitization of the Tobacco Settlement Funds, allocated for the Community Access to Healthcare Program.

Government of the District of Columbia
FY 2008 Proposed Budget
General Fund

Appropriation Title (Thousands of Dollars)		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde	Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>Economic Development and Regulation</i>								
EB0	OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	35,288	85,311	21,506	42,963	27,332	91,800	6,489
BD0	OFFICE OF PLANNING	5,918	6,638	8,760	0	15	8,775	2,138
EN0	DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	1,698	2,662	4,219	0	500	4,720	2,058
TK0	OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	536	594	653	0	0	653	59
BJ0	OFFICE OF ZONING	2,602	2,998	3,150	0	0	3,150	152
DB0	DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	51,385	10,693	1,967	0	28,897	30,864	20,170
CF0	DEPARTMENT OF EMPLOYMENT SERVICES	48,789	64,320	46,119	0	32,151	78,270	13,950
DK0	BOARD OF APPEALS AND REVIEW	0	0	0	0	0	0	0
DA0	BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	408	563	727	0	0	727	163
CR0	DEPT. OF CONSUMER & REGULATORY AFFAIRS	41,516	38,693	21,774	0	18,702	40,475	1,782
CQ0	OFFICE OF TENANT ADVOCATE	0	0	1,024	0	800	1,824	1,824
BX0	COMMISSION ON ARTS & HUMANITIES	8,595	10,168	10,379	0	400	10,779	610
LQ0	ALCOHOL BEVERAGE REGULATION ADMINISTRATION	3,158	4,533	1,000	0	5,833	6,833	2,300
BI0	DEPT. OF BANKING AND FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0
DH0	PUBLIC SERVICE COMMISSION	10,186	7,726	0	0	8,486	8,486	760
DJ0	OFFICE OF THE PEOPLE'S COUNSEL	4,239	4,596	0	0	4,883	4,883	287
SR0	DEPT. OF INSURANCE, SECURITIES AND BANKING	13,157	16,184	0	0	17,744	17,744	1,560
CT0	OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	5,385	5,566	0	0	7,246	7,246	1,681
HY0	HOUSING AUTHORITY SUBSIDY	10,903	22,730	30,983	0	0	30,983	8,253
AY0	ANACOSTIA WATERFRONT CORP. SUBSIDY	8,000	5,000	0	0	0	0	-5,000
HP0	HOUSING PRODUCTION TRUST FUND SUBSIDY	0	120,418	0	46,533	0	46,533	-73,885
Total, Economic Development and Regulation		251,762	409,393	152,259	89,496	152,989	394,744	-14,649

**Government of the District of Columbia
FY 2008 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Public Safety and Justice							
FA0 METROPOLITAN POLICE DEPARTMENT	431,559	432,218	466,816	0	13,533	480,349	48,131
FB0 FIRE AND EMERGENCY SERVICES DEPARTMENT	157,228	169,222	178,111	0	0	178,111	8,889
FD0 POLICE OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM	117,500	140,100	137,000	0	0	137,000	-3,100
FLO DEPARTMENT OF CORRECTIONS	135,207	137,148	117,171	0	36,100	153,271	16,123
FK0 D.C. NATIONAL GUARD	2,329	2,657	3,824	0	0	3,824	1,167
BNO HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	4,377	4,792	5,014	0	0	5,014	223
DQ0 COMMISSION ON JUDICIAL DISABILITIES & TENURE	227	228	248	0	0	248	20
DVO JUDICIAL NOMINATION COMMISSION	122	131	144	0	0	144	13
FH0 OFFICE OF POLICE COMPLAINTS	2,082	2,312	2,473	0	0	2,473	161
FZO D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	651	700	723	0	0	723	24
FX0 OFFICE OF THE CHIEF MEDICAL EXAMINER	8,548	8,989	10,468	0	165	10,633	1,644
FS0 OFFICE OF ADMINISTRATIVE HEARINGS	5,580	6,171	7,701	0	50	7,751	1,580
FIO CORRECTIONS INFORMATION COUNCIL	0	118	115	0	0	115	-3
FJO CRIMINAL JUSTICE COORDINATING COUNCIL	275	289	384	0	0	384	94
FV0 FORENSICS LABORATORY TECHNICIAN TRAINING PROGRAM	516	1,238	1,686	0	0	1,686	448
UC0 OFFICE OF UNIFIED COMMUNICATIONS	28,547	36,982	28,632	0	16,423	45,055	8,073
BTO EMERGENCY AND DISASTER RESPONSE	0	0	0	0	0	0	0
FT0 HOMELAND SECURITY GRANTS	0	0	0	0	0	0	0
FEO OFFICE OF VICTIM SERVICES	0	0	2,505	0	7,286	9,791	9,791
FO0 OFFICE OF JUSTICE GRANTS ADMINISTRATION	0	0	92	0	0	92	92
<i>Total, Public Safety and Justice</i>	894,747	943,294	963,108	0	73,557	1,036,665	93,370

**Government of the District of Columbia
FY 2008 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Public Education System							
GA0 D.C. PUBLIC SCHOOLS	819,223	818,366	796,247	0	10,004	806,251	-12,115
GX0 TEACHERS' RETIREMENT FUND	15,431	14,600	6,000	0	0	6,000	-8,600
GDO STATE EDUCATION OFFICE	12,755	24,296	20,131	0	10,322	30,453	6,157
GC0 D.C. PUBLIC CHARTER SCHOOLS	227,190	266,066	320,366	0	0	320,366	54,300
GFO UNIVERSITY OF THE DISTRICT OF COLUMBIA	0	0	0	0	0	0	0
GG0 UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY	61,266	59,546	63,977	0	0	63,977	4,431
CEO D.C. PUBLIC LIBRARY	34,838	41,098	45,239	0	637	45,876	4,778
GB0 DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0	0	1,288	0	1,350	2,638	2,638
GM0 OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	0	0	6,000	0	0	6,000	6,000
GW0 DEPARTMENT OF EDUCATION	0	0	2,442	0	0	2,442	2,442
<i>Total, Public Education System</i>	1,170,703	1,223,971	1,261,690	0	22,313	1,284,003	60,032
Human Support Services							
JA0 DEPARTMENT OF HUMAN SERVICES	262,333	251,547	179,567	0	3,200	182,767	-68,780
RLO CHILD AND FAMILY SERVICES AGENCY	166,624	174,452	188,306	0	750	189,056	14,604
RMO DEPARTMENT OF MENTAL HEALTH	199,074	177,112	209,980	0	3,808	213,788	36,676
HCO DEPARTMENT OF HEALTH	582,107	626,400	667,613	10,000	16,438	694,051	67,651
HA0 DEPT OF PARKS AND RECREATION	43,693	43,685	47,358	0	2,492	49,850	6,165
BY0 OFFICE ON AGING	14,681	16,729	17,443	0	0	17,443	715
BHO UNEMPLOYMENT COMPENSATION FUND	5,056	5,800	5,800	0	0	5,800	0
BGO DISABILITY COMPENSATION FUND	28,751	30,280	30,280	0	0	30,280	0
HMO OFFICE OF HUMAN RIGHTS	2,322	2,487	2,839	0	0	2,839	352
BZO OFFICE ON LATINO AFFAIRS	3,652	4,247	4,123	0	0	4,123	-124
JFO D.C. ENERGY OFFICE	3,004	12,848	0	0	0	0	-12,848
JYO CHILDREN AND YOUTH INVESTMENT FUND	9,249	8,507	14,030	0	0	14,030	5,523
BR0 BROWNFIELD REMEDIATION	0	0	0	0	0	0	0
AP0 OFFICE ON ASIAN AND PACIFIC ISLANDER AFFAIRS	606	813	939	0	0	939	126
VA0 OFFICE OF VETERANS' AFFAIRS	266	302	350	0	0	350	48
JZO DEPARTMENT OF YOUTH REHABILITATION SERVICES	68,157	67,929	79,705	0	0	79,705	11,775
JMO DEPARTMENT ON DISABILITY SERVICES	0	0	83,084	0	5,700	88,784	88,784
<i>Total, Human Support Services</i>	1,389,573	1,423,138	1,531,417	10,000	32,388	1,573,806	150,667

**Government of the District of Columbia
FY 2008 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Public Works							
KTD DEPARTMENT OF PUBLIC WORKS	100,633	109,115	118,792	0	10,521	129,313	20,198
KA0 DEPARTMENT OF TRANSPORTATION	31,703	33,852	17,667	0	110,841	128,508	94,656
KV0 DEPARTMENT OF MOTOR VEHICLES	37,418	42,931	32,618	0	12,485	45,102	2,171
KG0 DISTRICT DEPARTMENT OF ENVIRONMENT	0	14,138	18,154	0	29,365	47,519	33,382
TC0 D.C. TAXI CAB COMMISSION	1,149	1,516	1,574	0	610	2,184	668
KCO WASHINGTON METRO AREA TRANSIT COMMISSION	110	110	113	0	0	113	3
KE0 WASHINGTON METRO AREA TRANSIT AUTHORITY	187,615	198,487	214,909	0	0	214,909	16,422
KDO SCHOOL TRANSIT SUBSIDY	5,169	5,169	5,420	0	0	5,420	251
<i>Total, Public Works</i>	363,796	405,318	409,248	0	163,822	573,069	167,752
Financing and Other							
DS0 REPAYMENT OF LOANS AND INTEREST	370,128	405,114	440,707	0	0	440,707	35,593
ZA0 REPAYMENT OF INTEREST ON SHORT-TERM BORROWING	6,650	8,000	13,334	0	0	13,334	5,334
CP0 CERTIFICATES OF PARTICIPATION	10,941	31,225	32,288	0	0	32,288	1,063
ZB0 DEBT SERVICE - ISSUANCE COSTS	9,196	30,000	60,000	0	0	60,000	30,000
SM0 SCHOOLS MODERNIZATION FUND	0	1,650	6,435	0	0	6,435	4,785
DT0 REPAYMENT OF REVENUE BONDS	0	6,000	12,000	0	0	12,000	6,000
ZH0 SETTLEMENTS AND JUDGMENTS	29,956	15,655	21,015	0	0	21,015	5,360
ZZ0 JOHN A. WILSON BUILDING FUND	3,830	4,211	4,190	0	0	4,190	-21
UP0 WORKFORCE INVESTMENTS	0	38,500	21,044	0	0	21,044	-17,455
* DO0 NON-DEPARTMENTAL	0	45,942	32,154	0	69,526	101,680	55,738
EPO EMERGENCY PLANNING AND SECURITY FUND	0	0	0	0	0	0	0
CS0 CASH RESERVE	0	50,000	50,000	0	0	50,000	0
ELO MASTER EQUIPMENT LEASE PURCHASE PROGRAM	24,574	43,955	43,755	0	0	43,755	-200
SVO EMERGENCY AND CONTINGENCY RESERVE FUNDS	0	0	0	0	0	0	0
PA0 PAY-AS-YOU-GO CAPITAL FUND	265,023	87,987	108,152	0	0	108,152	20,165
RHO DISTRICT RETIREE HEALTH CONTRIBUTION	138,000	4,700	110,907	0	0	110,907	106,207
TX0 TAX INCREMENT FINANCING (TIF) PROGRAM	1,423	0	0	0	0	0	0
BO0 BASEBALL DEDICATED TAX TRANSFER	0	0	0	46,397	0	46,397	46,397
<i>Total, Financing and Other</i>	859,721	772,938	955,981	46,397	69,526	1,071,903	298,965
<i>Total General Operating Funds</i>	5,263,849	5,611,812	5,610,875	145,893	565,064	6,321,832	710,020

**Government of the District of Columbia
FY 2008 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount

*NCRC and AWC shall cease 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 ("Act"). The Act transfers the assets and liabilities of both entities to the Mayor. Until final disposition by the District, the expenditure budgets of both entities are temporarily placed in the Non-Departmental account within the Financing and Other appropriation title.

**Government of the District of Columbia
FY 2008 Proposed Budget
General Fund**

Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Enterprise and Other Funds							
LA0 WATER AND SEWER AUTHORITY	264,705	311,642	0	0	341,186	341,186	29,544
LB0 WASHINGTON AQUEDUCT	0	143,174	0	0	49,815	49,815	-93,359
SW0 STORM WATER	0	7,000	0	0	0	0	-7,000
DC0 D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	267,121	256,000	0	0	266,700	266,700	10,700
SC0 SPORTS AND ENTERTAINMENT COMMISSION	3,953	195,314	0	0	58,529	58,529	-136,785
DY0 D.C. RETIREMENT BOARD	17,559	34,423	0	0	33,249	33,249	-1,174
FPO CORRECTIONAL INDUSTRIES	0	0	0	0	0	0	0
ES0 WASHINGTON CONVENTION CENTER AUTHORITY	0	80,238	0	0	88,742	88,742	8,505
NC0 NATIONAL CAPITAL REVITALIZATION CORPORATION	0	51,592	0	0	0	0	-51,592
GF0 UNIVERSITY OF THE DISTRICT OF COLUMBIA	79,062	84,480	63,977	0	29,734	93,711	9,231
UV0 D.C. OFFICE OF PERSONNEL AGENCY TRUST FUND	1,152	1,265	0	0	1,500	1,500	235
UW0 D.C. PUBLIC LIBRARY TRUST FUNDS	7	17	0	0	17	17	0
UI0 UNEMPLOYMENT COMPENSATION FUND	102,749	180,000	0	0	180,000	180,000	0
AW0 ANACOSTIA WATERFRONT CORPORATION	0	5,000	0	0	0	0	-5,000
UZ0 HOUSING PRODUCTION TRUST FUND	0	120,418	0	122,703	0	122,703	2,285
TX0 TAX INCREMENT FINANCING (TIF) PROGRAM	12,567	0	0	0	16,200	16,200	16,200
BK0 BALLPARK REVENUE FUND	41,485	0	76,768	80,333	7,000	164,101	164,101
Total, Enterprise and Other Funds	790,359	1,470,563	140,745	203,036	1,072,672	1,416,454	-54,109
Grand Total, DISTRICT GOVERNMENT	6,054,208	7,082,376	5,751,621	348,929	1,637,736	7,738,286	655,910

** 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 2008 Proposed Budget

Gross Funds

			<i>FY 2008 Approved Budget by Type of Funding</i>								
Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - Gross Funds	FY 2007 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 2008 Proposed Budget, Gross Funds
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Governmental Direction and Support											
AB0 COUNCIL OF THE DISTRICT OF COLUMBIA	13,430	14,667	16,651	0	0	16,651	0	0	16,651	0	16,651
AC0 OFFICE OF THE D.C. AUDITOR	1,928	2,178	2,517	0	0	2,517	0	0	2,517	0	2,517
DX0 ADVISORY NEIGHBORHOOD COMMISSIONS	956	994	1,089	0	0	1,089	0	0	1,089	0	1,089
AA0 OFFICE OF THE MAYOR	14,945	63,615	6,630	0	0	6,630	0	0	6,630	433	7,063
RPO OFFICE OF COMMUNITY AFFAIRS	0	0	2,996	0	0	2,996	0	0	2,996	0	2,996
RS0 SERVE DC	0	0	279	0	0	279	3,207	0	3,486	412	3,898
BA0 OFFICE OF THE SECRETARY	3,114	4,294	3,341	0	415	3,756	0	0	3,756	0	3,756
CW0 CUSTOMER SERVICE OPERATIONS	1,146	1,058	0	0	0	0	0	0	0	0	0
AE0 OFFICE OF THE CITY ADMINISTRATOR	106,770	152,221	6,979	0	0	6,979	0	0	6,979	0	6,979
RK0 D.C. OFFICE OF RISK MANAGEMENT	2,009	2,067	1,669	0	0	1,669	0	0	1,669	699	2,368
BE0 D.C. DEPARTMENT OF HUMAN RESOURCES	12,585	14,622	9,251	0	559	9,810	0	0	9,810	6,613	16,423
HDO HUMAN RESOURCES DEVELOPMENT	1,627	2,073	0	0	0	0	0	0	0	0	0
JRO OFFICE OF DISABILITY RIGHTS	0	0	882	0	0	882	0	0	882	0	882
AS0 OFFICE OF FINANCE AND RESOURCE MANAGEMENT	215,459	242,671	4,878	0	0	4,878	0	0	4,878	263,381	268,259
PO0 OFFICE OF CONTRACTING AND PROCUREMENT	13,908	14,004	5,568	0	780	6,348	0	0	6,348	7,449	13,797
TO0 OFFICE OF THE CHIEF TECHNOLOGY OFFICER	71,752	47,860	61,767	0	100	61,867	0	0	61,867	10,275	72,142
AM0 OFFICE OF PROPERTY MANAGEMENT	64,546	84,113	16,677	0	8,395	25,072	0	0	25,072	61,212	86,284
AFO CONTRACT APPEALS BOARD	746	849	999	0	0	999	0	0	999	0	999
DLO BOARD OF ELECTIONS & ETHICS	6,501	5,210	5,254	0	0	5,254	0	0	5,254	0	5,254
CJO OFFICE OF CAMPAIGN FINANCE	1,414	1,502	1,720	0	0	1,720	0	0	1,720	0	1,720
CG0 PUBLIC EMPLOYEE RELATIONS BOARD	767	881	964	0	0	964	0	0	964	0	964
CHO OFFICE OF EMPLOYEE APPEALS	1,578	1,677	1,858	0	0	1,858	0	0	1,858	0	1,858
EA0 METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS	440	421	381	0	0	381	0	0	381	0	381
CB0 OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA	63,492	86,787	58,670	0	4,206	62,876	18,260	0	81,137	11,135	92,272
AD0 OFFICE OF THE INSPECTOR GENERAL	12,490	13,727	14,199	0	0	14,199	1,900	0	16,098	0	16,098
ATO OFFICE OF THE CHIEF FINANCIAL OFFICER	129,133	154,822	111,956	0	36,013	147,969	877	0	148,846	4,541	153,387
EPC EMERGENCY PURCHASE CARDS	26	0	0	0	0	0	0	0	0	0	0
Total, Governmental Direction and Support	740,763	912,314	337,173	0	50,469	387,642	24,244	0	411,886	366,150	778,036

*FY 2007 Approved Budget for the Office of the Mayor includes \$49 million from the proceeds of the securitization of the Tobacco Settlement Funds, allocated for the Community Access to Healthcare Program.

Government of the District of Columbia

FY 2008 Proposed Budget

Gross Funds

			<i>FY 2008 Approved Budget by Type of Funding</i>								
Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - Gross Funds	FY 2007 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 2008 Proposed Budget, Gross Funds
Agy Cde Agency Name	Amount	Amount	Amount	Amount	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	35,806	85,661	21,506	42,963	27,332	91,800	350	0	92,150	449	92,600
<i>B00</i> OFFICE OF PLANNING	6,433	7,168	8,760	0	15	8,775	576	0	9,351	750	10,101
<i>EN0</i> DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	1,717	2,662	4,219	0	500	4,720	0	0	4,720	1,950	6,670
<i>TK0</i> OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	587	594	653	0	0	653	0	0	653	0	653
<i>BJ0</i> OFFICE OF ZONING	2,602	2,998	3,150	0	0	3,150	0	0	3,150	0	3,150
<i>DB0</i> DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	151,942	108,712	1,967	0	28,897	30,864	100,764	0	131,628	0	131,628
<i>CF0</i> DEPARTMENT OF EMPLOYMENT SERVICES	81,478	99,016	46,119	0	32,151	78,270	37,524	80	115,874	1,887	117,762
<i>DK0</i> BOARD OF APPEALS AND REVIEW	0	0	0	0	0	0	0	0	0	0	0
<i>DA0</i> BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	408	563	727	0	0	727	0	0	727	0	727
<i>CR0</i> DEPT. OF CONSUMER & REGULATORY AFFAIRS	41,852	38,693	21,774	0	18,702	40,475	0	0	40,475	0	40,475
<i>CQ0</i> OFFICE OF TENANT ADVOCATE	0	0	1,024	0	800	1,824	0	0	1,824	0	1,824
<i>BX0</i> COMMISSION ON ARTS & HUMANITIES	9,473	10,717	10,379	0	400	10,779	632	0	11,410	20	11,430
<i>LQ0</i> ALCOHOL BEVERAGE REGULATION ADMINISTRATION	3,195	4,533	1,000	0	5,833	6,833	0	0	6,833	0	6,833
<i>B10</i> DEPT. OF BANKING AND FINANCIAL INSTITUTIONS	0	0	0	0	0	0	0	0	0	0	0
<i>DH0</i> PUBLIC SERVICE COMMISSION	10,417	8,001	0	0	8,486	8,486	159	0	8,645	0	8,645
<i>DJ0</i> OFFICE OF THE PEOPLE'S COUNSEL	4,239	4,596	0	0	4,883	4,883	0	0	4,883	0	4,883
<i>SR0</i> DEPT. OF INSURANCE, SECURITIES AND BANKING	13,441	16,184	0	0	17,744	17,744	0	0	17,744	0	17,744
<i>CT0</i> OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	5,666	5,566	0	0	7,246	7,246	0	0	7,246	0	7,246
<i>HY0</i> HOUSING AUTHORITY SUBSIDY	10,903	22,730	30,983	0	0	30,983	0	0	30,983	0	30,983
<i>AY0</i> ANACOSTIA WATERFRONT CORP. SUBSIDY	8,000	5,000	0	0	0	0	0	0	0	0	0
<i>HP0</i> HOUSING PRODUCTION TRUST FUND SUBSIDY	0	120,418	0	46,533	0	46,533	0	0	46,533	0	46,533
<i>Total, Economic Development and Regulation</i>	388,159	543,812	152,259	89,496	152,989	394,744	140,005	80	534,829	5,057	539,886

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Gross Funds

		<i>FY 2008 Approved Budget by Type of Funding</i>									
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Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Public Safety and Justice											
FA0 METROPOLITAN POLICE DEPARTMENT	467,992	437,129	466,816	0	13,533	480,349	2,397	200	482,946	14,947	497,893
FB0 FIRE AND EMERGENCY SERVICES DEPARTMENT	160,911	169,790	178,111	0	0	178,111	0	0	178,111	794	178,905
FDO POLICE OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM	117,500	140,100	137,000	0	0	137,000	0	0	137,000	0	137,000
FLO DEPARTMENT OF CORRECTIONS	137,919	137,590	117,171	0	36,100	153,271	0	0	153,271	166	153,437
FK0 D.C. NATIONAL GUARD	3,509	4,493	3,824	0	0	3,824	3,187	0	7,011	0	7,011
BNO HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	7,395	6,695	5,014	0	0	5,014	90,480	0	95,495	0	95,495
DQ0 COMMISSION ON JUDICIAL DISABILITIES & TENURE	227	233	248	0	0	248	0	0	248	0	248
DV0 JUDICIAL NOMINATION COMMISSION	122	131	144	0	0	144	0	0	144	0	144
FH0 OFFICE OF POLICE COMPLAINTS	2,082	2,312	2,473	0	0	2,473	0	0	2,473	0	2,473
FZO D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	651	700	723	0	0	723	0	0	723	0	723
FX0 OFFICE OF THE CHIEF MEDICAL EXAMINER	8,580	8,989	10,468	0	165	10,633	0	0	10,633	0	10,633
FS0 OFFICE OF ADMINISTRATIVE HEARINGS	5,950	7,335	7,701	0	50	7,751	0	0	7,751	929	8,680
FI0 CORRECTIONS INFORMATION COUNCIL	0	118	115	0	0	115	0	0	115	0	115
FJO CRIMINAL JUSTICE COORDINATING COUNCIL	2,785	1,576	384	0	0	384	1,300	0	1,684	0	1,684
FVO FORENSICS LABORATORY TECHNICIAN TRAINING PROGRAM	516	1,238	1,686	0	0	1,686	0	0	1,686	0	1,686
UC0 OFFICE OF UNIFIED COMMUNICATIONS	30,994	36,982	28,632	0	16,423	45,055	0	0	45,055	1,396	46,451
BTO EMERGENCY AND DISASTER RESPONSE	0	0	0	0	0	0	0	0	0	0	0
FT0 HOMELAND SECURITY GRANTS	5,691	0	0	0	0	0	0	0	0	0	0
FE0 OFFICE OF VICTIM SERVICES	0	0	2,505	0	7,286	9,791	4,022	0	13,813	0	13,813
FO0 OFFICE OF JUSTICE GRANTS ADMINISTRATION	0	0	92	0	0	92	5,674	0	5,766	0	5,766
<i>Total, Public Safety and Justice</i>	952,825	955,411	963,108	0	73,557	1,036,665	107,060	200	1,143,925	18,232	1,162,156

Government of the District of Columbia

FY 2008 Proposed Budget

Gross Funds

		<i>FY 2008 Approved Budget by Type of Funding</i>									
Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - Gross Funds	FY 2007 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 2008 Proposed Budget, Gross Funds
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Public Education System											
GA0 D.C. PUBLIC SCHOOLS	995,809	1,044,209	796,247	0	10,004	806,251	187,930	5,962	1,000,144	54,202	1,054,346
GX0 TEACHERS' RETIREMENT FUND	15,431	14,600	6,000	0	0	6,000	0	0	6,000	0	6,000
GD0 STATE EDUCATION OFFICE	84,372	99,761	20,131	0	10,322	30,453	80,641	0	111,094	0	111,094
GC0 D.C. PUBLIC CHARTER SCHOOLS	227,190	266,066	320,366	0	0	320,366	0	0	320,366	0	320,366
GF0 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	61,266	59,546	63,977	0	0	63,977	0	0	63,977	0	63,977
CE0 D.C. PUBLIC LIBRARY	35,923	42,297	45,239	0	637	45,876	842	91	46,809	826	47,635
GB0 DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0	0	1,288	0	1,350	2,638	0	0	2,638	0	2,638
GM0 OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	0	0	6,000	0	0	6,000	0	0	6,000	0	6,000
GW0 DEPARTMENT OF EDUCATION	0	0	2,442	0	0	2,442	0	0	2,442	0	2,442
<i>Total, Public Education System</i>	1,419,991	1,526,479	1,261,690	0	22,313	1,284,003	269,414	6,053	1,559,469	55,028	1,614,497

Government of the District of Columbia

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Gross Funds

FY 2008 Approved Budget by Type of Funding											
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Agy Cde <small>Agency Name</small>	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Human Support Services											
<i>JAO</i> DEPARTMENT OF HUMAN SERVICES	453,442	452,322	179,567	0	3,200	182,767	163,588	83	346,439	37,205	383,644
<i>RLO</i> CHILD AND FAMILY SERVICES AGENCY	267,828	259,138	188,306	0	750	189,056	29,884	23	218,963	61,981	280,944
<i>RMO</i> DEPARTMENT OF MENTAL HEALTH	216,504	220,863	209,980	0	3,808	213,788	2,425	0	216,214	32,745	248,958
<i>HCO</i> DEPARTMENT OF HEALTH	1,678,908	1,884,580	667,613	10,000	16,438	694,051	1,272,733	0	1,966,784	8,838	1,975,622
<i>HAO</i> DEPT OF PARKS AND RECREATION	57,874	52,302	47,358	0	2,492	49,850	0	936	50,786	8,944	59,729
<i>BYO</i> OFFICE ON AGING	21,724	23,470	17,443	0	0	17,443	6,415	0	23,859	250	24,109
<i>BHO</i> UNEMPLOYMENT COMPENSATION FUND	5,056	5,800	5,800	0	0	5,800	0	0	5,800	0	5,800
<i>BGO</i> DISABILITY COMPENSATION FUND	28,751	30,280	30,280	0	0	30,280	0	0	30,280	0	30,280
<i>HMO</i> OFFICE OF HUMAN RIGHTS	3,024	2,725	2,839	0	0	2,839	354	0	3,193	0	3,193
<i>BZO</i> OFFICE ON LATINO AFFAIRS	4,723	4,247	4,123	0	0	4,123	0	0	4,123	200	4,323
<i>JFO</i> D.C. ENERGY OFFICE	23,995	27,548	0	0	0	0	0	0	0	0	0
<i>JYO</i> CHILDREN AND YOUTH INVESTMENT FUND	9,249	8,507	14,030	0	0	14,030	0	0	14,030	0	14,030
<i>BR0</i> BROWNFIELD REMEDIATION	0	0	0	0	0	0	0	0	0	0	0
<i>AP0</i> OFFICE ON ASIAN AND PACIFIC ISLANDER AFFAIRS	606	813	939	0	0	939	0	0	939	0	939
<i>VA0</i> OFFICE OF VETERANS' AFFAIRS	266	302	350	0	0	350	0	0	350	0	350
<i>JZO</i> DEPARTMENT OF YOUTH REHABILITATION SERVICES	76,296	68,584	79,705	0	0	79,705	0	0	79,705	587	80,292
<i>JMO</i> DEPARTMENT ON DISABILITY SERVICES	0	0	83,084	0	5,700	88,784	23,777	0	112,561	0	112,561
<i>Total, Human Support Services</i>	2,848,246	3,041,480	1,531,417	10,000	32,388	1,573,806	1,499,176	1,042	3,074,024	150,750	3,224,773
Public Works											
<i>KTO</i> DEPARTMENT OF PUBLIC WORKS	124,175	136,012	118,792	0	10,521	129,313	0	0	129,313	29,547	158,860
<i>KA0</i> DEPARTMENT OF TRANSPORTATION	38,497	43,290	17,667	0	110,841	128,508	2,890	500	131,898	2,085	133,983
<i>KVO</i> DEPARTMENT OF MOTOR VEHICLES	38,056	42,931	32,618	0	12,485	45,102	0	0	45,102	2,716	47,818
<i>KG0</i> DISTRICT DEPARTMENT OF ENVIRONMENT	0	25,771	18,154	0	29,365	47,519	17,252	0	64,771	4,633	69,404
<i>TC0</i> D.C. TAXI CAB COMMISSION	1,149	1,516	1,574	0	610	2,184	0	0	2,184	0	2,184
<i>KCO</i> WASHINGTON METRO AREA TRANSIT COMMISSION	110	110	113	0	0	113	0	0	113	0	113
<i>KE0</i> WASHINGTON METRO AREA TRANSIT AUTHORITY	187,615	198,487	214,909	0	0	214,909	0	0	214,909	0	214,909
<i>KDO</i> SCHOOL TRANSIT SUBSIDY	5,169	5,169	5,420	0	0	5,420	0	0	5,420	0	5,420
<i>Total, Public Works</i>	394,771	453,286	409,248	0	163,822	573,069	20,142	500	593,711	38,981	632,692

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Gross Funds

FY 2008 Approved Budget by Type of Funding												
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Agy Cde <small>Agency Name</small>	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
Financing and Other												
<i>DS0</i> REPAYMENT OF LOANS AND INTEREST	370,128	405,114	440,707	0	0	440,707	0	0	440,707	0	440,707	
<i>ZA0</i> REPAYMENT OF INTEREST ON SHORT-TERM BORROWING	6,650	8,000	13,334	0	0	13,334	0	0	13,334	0	13,334	
<i>CP0</i> CERTIFICATES OF PARTICIPATION	10,941	33,225	32,288	0	0	32,288	0	0	32,288	0	32,288	
<i>ZB0</i> DEBT SERVICE - ISSUANCE COSTS	9,196	30,000	60,000	0	0	60,000	0	0	60,000	0	60,000	
<i>SM0</i> SCHOOLS MODERNIZATION FUND	0	1,650	6,435	0	0	6,435	0	0	6,435	0	6,435	
<i>DT0</i> REPAYMENT OF REVENUE BONDS	0	6,000	12,000	0	0	12,000	0	0	12,000	0	12,000	
<i>ZH0</i> SETTLEMENTS AND JUDGMENTS	29,956	15,655	21,015	0	0	21,015	0	0	21,015	0	21,015	
<i>ZZ0</i> JOHN A. WILSON BUILDING FUND	3,830	4,211	4,190	0	0	4,190	0	0	4,190	0	4,190	
<i>UP0</i> WORKFORCE INVESTMENTS	0	38,500	21,044	0	0	21,044	0	0	21,044	0	21,044	
* <i>DO0</i> NON-DEPARTMENTAL	0	45,942	32,154	0	69,526	101,680	0	0	101,680	0	101,680	
<i>EP0</i> EMERGENCY PLANNING AND SECURITY FUND	4,196	1,447	0	0	0	0	0	0	0	0	0	
<i>CS0</i> CASH RESERVE	0	50,000	50,000	0	0	50,000	0	0	50,000	0	50,000	
<i>ELO</i> MASTER EQUIPMENT LEASE PURCHASE PROGRAM	26,076	48,635	43,755	0	0	43,755	0	0	43,755	3,210	46,965	
<i>SVO</i> EMERGENCY AND CONTINGENCY RESERVE FUNDS	0	0	0	0	0	0	0	0	0	0	0	
<i>PA0</i> PAY-AS-YOU-GO CAPITAL FUND	265,023	87,987	108,152	0	0	108,152	0	0	108,152	0	108,152	
<i>RH0</i> DISTRICT RETIREE HEALTH CONTRIBUTION	138,000	4,700	110,907	0	0	110,907	0	0	110,907	0	110,907	
<i>TX0</i> TAX INCREMENT FINANCING (TIF) PROGRAM	1,423	0	0	0	0	0	0	0	0	0	0	
<i>BO0</i> BASEBALL DEDICATED TAX TRANSFER	0	0	0	46,397	0	46,397	0	0	46,397	0	46,397	
Total, Financing and Other	865,419	781,065	955,981	46,397	69,526	1,071,903	0	0	1,071,903	3,210	1,075,114	
Total General Operating Funds												
	7,610,173	8,213,847	5,610,875	145,893	565,064	6,321,832	2,060,040	7,875	8,389,747	637,407	9,027,154	

*NCRC and AWC shall cease 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 ("Act"). The Act transfers the assets and liabilities of both entities to the Mayor. Until final disposition by the District, the expenditure budgets of both entities are temporarily placed in the Non-Departmental account within the Financing and Other appropriation title.

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Gross Funds

			<i>FY 2008 Approved Budget by Type of Funding</i>								
Appropriation Title (Thousands of Dollars)	FY 2006 Actuals - Gross Funds	FY 2007 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 2008 Proposed Budget, Gross Funds
Agy Cde Agency Name	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
<i>Enterprise and Other Funds</i>											
LA0 WATER AND SEWER AUTHORITY	264,705	311,642	0	0	341,186	341,186	0	0	341,186	0	341,186
LB0 WASHINGTON AQUEDUCT	0	143,174	0	0	49,815	49,815	0	0	49,815	0	49,815
SW0 STORM WATER	0	7,000	0	0	0	0	0	0	0	0	0
DC0 D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	267,121	256,000	0	0	266,700	266,700	0	0	266,700	0	266,700
SCO SPORTS AND ENTERTAINMENT COMMISSION	3,953	195,314	0	0	58,529	58,529	0	0	58,529	0	58,529
DY0 D.C. RETIREMENT BOARD	17,559	34,423	0	0	33,249	33,249	0	0	33,249	0	33,249
FPO CORRECTIONAL INDUSTRIES	0	0	0	0	0	0	0	0	0	0	0
ESO WASHINGTON CONVENTION CENTER AUTHORITY	0	80,238	0	0	88,742	88,742	0	0	88,742	0	88,742
NCO NATIONAL CAPITAL REVITALIZATION CORPORATION	0	51,592	0	0	0	0	0	0	0	0	0
GFO UNIVERSITY OF THE DISTRICT OF COLUMBIA	105,700	114,259	63,977	0	29,734	93,711	18,214	687	112,613	10,882	123,495
UV0 D.C. OFFICE OF PERSONNEL AGENCY TRUST FUND	1,152	1,265	0	0	1,500	1,500	0	0	1,500	0	1,500
UW0 D.C. PUBLIC LIBRARY TRUST FUNDS	7	17	0	0	17	17	0	0	17	0	17
UI0 UNEMPLOYMENT COMPENSATION FUND	102,749	180,000	0	0	180,000	180,000	0	0	180,000	0	180,000
AW0 ANACOSTIA WATERFRONT CORPORATION	0	5,000	0	0	0	0	0	0	0	0	0
UZ0 HOUSING PRODUCTION TRUST FUND	0	120,418	0	122,703	0	122,703	0	0	122,703	0	122,703
TX0 TAX INCREMENT FINANCING (TIF) PROGRAM	12,567	0	0	0	16,200	16,200	0	0	16,200	0	16,200
BK0 BALLPARK REVENUE FUND	41,485	0	76,768	80,333	7,000	164,101	0	0	164,101	0	164,101
<i>Total, Enterprise and Other Funds</i>	816,997	1,500,341	140,745	203,036	1,072,672	1,416,454	18,214	687	1,435,355	10,882	1,446,237
<i>Grand Total, DISTRICT GOVERNMENT</i>											
	8,427,170	9,714,188	5,751,621	348,929	1,637,736	7,738,286	2,078,254	8,562	9,825,102	648,290	10,473,391

** 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 2008 Proposed Full-Time Equivalent Employment Authority

General Fund

Appropriation Title		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 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	153.51	164.00	178.00	0.00	0.00	178.00	14.00
AC0	OFFICE OF THE D.C. AUDITOR	14.64	18.00	18.00	0.00	0.00	18.00	0.00
DX0	ADVISORY NEIGHBORHOOD COMMISSIONS	1.00	2.50	2.50	0.00	0.00	2.50	0.00
AA0	OFFICE OF THE MAYOR	76.00	82.00	57.00	0.00	0.00	57.00	-25.00
RP0	OFFICE OF COMMUNITY AFFAIRS	0.00	0.00	36.00	0.00	0.00	36.00	36.00
RS0	SERVE DC	0.00	0.00	2.00	0.00	0.00	2.00	2.00
BA0	OFFICE OF THE SECRETARY	22.00	29.00	27.00	0.00	2.00	29.00	0.00
CW0	CUSTOMER SERVICE OPERATIONS	4.00	4.00	0.00	0.00	0.00	0.00	-4.00
AE0	OFFICE OF THE CITY ADMINISTRATOR	72.00	73.76	61.00	0.00	0.00	61.00	-12.76
RK0	OFFICE OF RISK MANAGEMENT	22.00	29.00	20.60	0.00	0.00	20.60	-8.40
BE0	D.C. DEPARTMENT OF HUMAN RESOURCES	86.27	110.87	116.05	0.00	5.86	121.91	11.04
HD0	HUMAN RESOURCES DEVELOPMENT	8.00	11.00	0.00	0.00	0.00	0.00	-11.00
JR0	OFFICE OF DISABILITY RIGHTS	0.00	0.00	10.00	0.00	0.00	10.00	10.00
AS0	OFFICE OF FINANCE AND RESOURCE MANAGEMENT	43.00	41.60	45.25	0.00	0.00	45.25	3.65
PO0	OFFICE OF CONTRACTING AND PROCUREMENT	123.72	133.00	63.00	0.00	6.00	69.00	-64.00
TO0	OFFICE OF THE CHIEF TECHNOLOGY OFFICER	175.00	221.00	332.00	0.00	0.00	332.00	111.00
AM0	OFFICE OF PROPERTY MANAGEMENT	50.00	53.00	58.00	0.00	11.00	69.00	16.00
AF0	CONTRACT APPEALS BOARD	5.00	6.00	6.00	0.00	0.00	6.00	0.00
DL0	BOARD OF ELECTION & ETHICS	55.24	50.00	50.00	0.00	0.00	50.00	0.00
CJ0	OFFICE OF CAMPAIGN FINANCE	15.00	16.00	18.00	0.00	0.00	18.00	2.00
CG0	PUBLIC EMPLOYEE RELATIONS BOARD	5.00	5.01	5.01	0.00	0.00	5.01	0.00
CH0	OFFICE OF EMPLOYEE APPEALS	12.97	14.18	14.18	0.00	0.00	14.18	0.00
EA0	METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CBO	OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA	310.74	441.30	462.55	0.00	12.00	474.55	33.25
AD0	OFFICE OF THE INSPECTOR GENERAL	87.00	106.00	108.26	0.00	0.00	108.26	2.26
AT0	OFFICE OF THE CHIEF FINANCIAL OFFICER	864.83	1,002.00	897.85	0.00	100.00	997.85	-4.15
EPC	EMERGENCY PURCHASE CARDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Governmental Direction and Support		2,206.92	2,613.22	2,588.25	0.00	136.86	2,725.11	111.89

Government of the District of Columbia
FY 2008 Proposed Full-Time Equivalent Employment Authority
General Fund

Appropriation Title		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
<i>Economic Development and Regulation</i>								
<i>EB0</i>	OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	38.00	41.00	29.50	6.00	7.00	42.50	1.50
<i>B00</i>	OFFICE OF PLANNING	54.00	61.00	64.00	0.00	0.00	64.00	3.00
<i>EN0</i>	DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	9.00	28.00	30.00	0.00	5.00	35.00	7.00
<i>TK0</i>	OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	4.00	5.00	5.00	0.00	0.00	5.00	0.00
<i>BJ0</i>	OFFICE OF ZONING	19.00	19.00	19.00	0.00	0.00	19.00	0.00
<i>DB0</i>	DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	2.00	11.30	24.00	0.00	16.00	40.00	28.70
<i>CF0</i>	DEPARTMENT OF EMPLOYMENT SERVICES	198.00	255.72	100.88	0.00	183.82	284.70	28.98
<i>DK0</i>	BOARD OF APPEALS AND REVIEW	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>DA0</i>	BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	3.00	3.00	5.00	0.00	0.00	5.00	2.00
<i>CR0</i>	DEPT CONSUMER & REGULATORY AFFAIRS	329.00	416.00	200.00	0.00	190.00	390.00	-26.00
<i>CQ0</i>	OFFICE OF TENANT ADVOCATE	0.00	0.00	14.00	0.00	4.00	18.00	18.00
<i>BX0</i>	COMMISSION ON ARTS & HUMANITIES	2.00	4.00	11.00	0.00	0.00	11.00	7.00
<i>LQ0</i>	ALCOHOL BEVERAGE REGULATION ADMINISTRATION	32.00	43.00	0.00	0.00	47.00	47.00	4.00
<i>B10</i>	DEPT. OF BANKING AND FINANCIAL INSTITUTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>DH0</i>	PUBLIC SERVICE COMMISSION	49.00	64.60	0.00	0.00	65.73	65.73	1.13
<i>DJ0</i>	OFFICE OF THE PEOPLE'S COUNSEL	28.00	33.40	0.00	0.00	33.40	33.40	0.00
<i>SR0</i>	DEPT. OF INSURANCE, SECURITIES AND BANKING	118.44	138.00	0.00	0.00	130.00	130.00	-8.00
<i>CT0</i>	OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	34.00	34.00	0.00	0.00	30.00	30.00	-4.00
<i>HY0</i>	HOUSING AUTHORITY SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>AY0</i>	ANACOSTIA WATERFRONT CORP. SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>HP0</i>	HOUSING PRODUCTION TRUST FUND SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Economic Development and Regulation		919.44	1,157.02	502.38	6.00	711.95	1,220.33	63.31

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

General Fund

Appropriation Title		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Public Safety and Justice								
FA0	METROPOLITAN POLICE DEPARTMENT	4,230.61	4,522.34	4,928.47	0.00	5.00	4,933.47	411.13
*FB0	FIRE AND EMERGENCY SERVICES DEPARTMENT	1,836.00	2,168.00	2,184.64	0.00	0.00	2,184.64	16.64
FDO	POLICE OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FLO	DEPARTMENT OF CORRECTIONS	740.36	918.00	919.00	0.00	26.00	945.00	27.00
FK0	D.C. NATIONAL GUARD	22.00	30.00	40.18	0.00	0.00	40.18	10.18
BNO	HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	32.00	26.00	30.50	0.00	0.00	30.50	4.50
DQ0	COMMISSION ON JUDICIAL DISABILITIES & TENURE	2.00	2.00	2.00	0.00	0.00	2.00	0.00
DVO	JUDICIAL NOMINATION COMMISSION	1.00	1.00	1.00	0.00	0.00	1.00	0.00
FH0	OFFICE OF POLICE COMPLAINTS	18.00	22.25	22.25	0.00	0.00	22.25	0.00
FZ0	D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	6.00	6.00	6.00	0.00	0.00	6.00	0.00
FX0	OFFICE OF THE CHIEF MEDICAL EXAMINER	76.21	88.00	92.00	0.00	2.00	94.00	6.00
FS0	OFFICE OF ADMINISTRATIVE HEARINGS	45.00	43.25	52.85	0.00	1.25	54.10	10.85
FIO	CORRECTIONS INFORMATION COUNCIL	0.00	1.00	1.00	0.00	0.00	1.00	0.00
FJO	CRIMINAL JUSTICE COORDINATING COUNCIL	2.00	1.85	2.00	0.00	0.00	2.00	0.15
FV0	FORENSICS LABORATORY TECHNICIAN TRAINING PROGRAM	0.00	20.00	20.00	0.00	0.00	20.00	0.00
UC0	OFFICE OF UNIFIED COMMUNICATIONS	316.00	384.00	310.00	0.00	69.00	379.00	-5.00
BTO	EMERGENCY AND DISASTER RESPONSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FT0	HOMELAND SECURITY GRANTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FEO	OFFICE OF VICTIM SERVICES	0.00	0.00	0.00	0.00	4.40	4.40	4.40
FO0	OFFICE OF JUSTICE GRANTS ADMINISTRATION	0.00	0.00	0.50	0.00	0.00	0.50	0.50
Total, Public Safety and Justice		7,327.18	8,233.69	8,612.39	0.00	107.65	8,720.04	486.35

*Fire and Emergency Services FY2006 Actual FTEs in the Appendices reflect a lower number by 229 FTEs due to omissions not detected before the Appendices were sent to print.

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

General Fund

Appropriation Title Agy Cde Agency Name		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
		FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Public Education System								
GA0	D.C. PUBLIC SCHOOLS	7,988.11	8,838.45	8,329.40	0.00	29.50	8,358.90	-479.55
GX0	TEACHERS' RETIREMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GD0	STATE EDUCATION OFFICE	33.00	42.03	43.25	0.00	4.00	47.25	5.22
GC0	D.C. PUBLIC CHARTER SCHOOLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GF0	UNIVERSITY OF THE DISTRICT OF COLUMBIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GG0	UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CE0	D.C. PUBLIC LIBRARY	384.70	487.00	523.20	0.00	1.00	524.20	37.20
GB0	DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GM0	OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	0.00	0.00	35.00	0.00	0.00	35.00	35.00
GW0	DEPARTMENT OF EDUCATION	0.00	0.00	12.00	0.00	0.00	12.00	12.00
Total, Public Education System		8,405.81	9,367.48	8,942.85	0.00	34.50	8,977.35	-390.13
Human Support Services								
JA0	DEPARTMENT OF HUMAN SERVICES	430.72	598.43	376.25	0.00	0.00	376.25	-222.18
RL0	CHILD AND FAMILY SERVICES AGENCY	860.64	608.95	661.00	0.00	0.00	661.00	52.05
RM0	DEPARTMENT OF MENTAL HEALTH	1,299.69	1,476.74	1,552.03	0.00	37.00	1,589.03	112.29
HCO	DEPARTMENT OF HEALTH	472.24	444.86	330.04	0.00	136.87	466.91	22.05
HA0	DEPT OF PARKS AND RECREATION	669.83	681.00	689.75	0.00	9.00	698.75	17.75
BY0	OFFICE ON AGING	13.00	16.50	16.50	0.00	0.00	16.50	0.00
BH0	UNEMPLOYMENT COMPENSATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BG0	DISABILITY COMPENSATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HMO	OFFICE OF HUMAN RIGHTS	28.00	25.80	28.97	0.00	0.00	28.97	3.17
BZ0	OFFICE ON LATINO AFFAIRS	11.00	13.03	13.00	0.00	0.00	13.00	-0.03
JF0	D.C. ENERGY OFFICE	39.00	18.03	0.00	0.00	0.00	0.00	-18.03
JY0	CHILDREN AND YOUTH INVESTMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BR0	BROWNFIELD REMEDIATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AP0	OFFICE ON ASIAN AND PACIFIC ISLANDER AFFAIRS	7.00	7.00	7.00	0.00	0.00	7.00	0.00
VA0	OFFICE OF VETERANS AFFAIRS	3.00	3.00	3.00	0.00	0.00	3.00	0.00
RNO	INCENTIVES FOR ADOPTION OF CHILDREN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JZ0	DEPARTMENT OF YOUTH REHABILITATION SERVICES	517.37	678.00	681.00	0.00	0.00	681.00	3.00
JMO	DEPARTMENT ON DISABILITY SERVICES	0.00	0.00	274.40	0.00	0.00	274.40	274.40
Total, Human Support Services		4,351.49	4,571.34	4,632.94	0.00	182.87	4,815.81	244.47

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

General Fund

Appropriation Title		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Public Works								
KT0	DEPARTMENT OF PUBLIC WORKS	1,202.80	1,274.74	1,311.51	0.00	8.00	1,319.51	44.77
KA0	DEPARTMENT OF TRANSPORTATION	88.00	100.25	90.00	0.00	101.00	191.00	90.75
KV0	DEPARTMENT OF MOTOR VEHICLES	277.56	395.70	299.50	0.00	68.50	368.00	-27.70
KG0	DISTRICT DEPARTMENT OF ENVIRONMENT	0.00	102.05	116.20	0.00	59.14	175.34	73.29
TC0	D.C. TAXI CAB COMMISSION	13.00	16.00	16.00	0.00	3.00	19.00	3.00
KC0	WASHINGTON METRO AREA TRANSIT COMMISSION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KE0	WASHINGTON METRO AREA TRANSIT AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KD0	SCHOOL TRANSIT SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Public Works		1,581.36	1,888.74	1,833.21	0.00	239.64	2,072.85	184.11
Financing and Other								
DS0	REPAYMENT OF LOANS AND INTEREST	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZA0	REPAYMENT OF INTEREST ON 'SHORT-TERM BORROWING	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CP0	CERTIFICATES OF PARTICIPATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZB0	DEBT-SERVICE - ISSUANCE COSTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SM0	SCHOOLS MODERNIZATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DT0	REPAYMENT OF REVENUE BONDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZH0	SETTLEMENTS AND JUDGMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZZ0	JOHN A. WILSON BUILDING FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP0	WORKFORCE INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DO0	NON-DEPARTMENTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EP0	EMERGENCY PLANNING AND SECURITY FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CS0	CASH RESERVE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELO	MASTER EQUIPMENT LEASE PURCHASE PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PA0	PAY-AS-YOU GO CAPITAL FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RH0	DISTRICT RETIREE HEALTH CONTRIBUTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BO0	BASEBALL DEDICATED TAX TRANSFER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Financing and Other		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total General Operating Funds		24,792.20	27,831.49	27,112.02	6.00	1,413.47	28,531.49	700.00

Government of the District of Columbia
FY 2008 Proposed Full-Time Equivalent Employment Authority
General Fund

Appropriation Title		FY 2006 Actuals - General Fund	FY 2007 Approved - General Fund	FY 2008 Proposed Local Funds	FY 2008 Proposed Dedicated Taxes	FY 2008 Proposed Other Funds	Total - FY 2008 Proposed General Fund	Change From FY 2007 Approved General Fund
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Enterprise and Other Funds								
LA0	WATER AND SEWER AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LB0	WASHINGTON AQUEDUCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SW0	STORM WATER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DC0	D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	61.98	77.00	0.00	0.00	77.00	77.00	0.00
SC0	SPORTS AND ENTERTAINMENT COMMISSION	51.35	0.00	0.00	0.00	0.00	0.00	0.00
DY0	D.C. RETIREMENT BOARD	32.00	46.00	0.00	0.00	47.74	47.74	1.74
FP0	CORRECTIONAL INDUSTRIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ES0	WASHINGTON CONVENTION CENTER AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NC0	NATIONAL CAPITAL REVITALIZATION CORPORATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GF0	UNIVERSITY OF THE DISTRICT OF COLUMBIA	640.50	855.00	669.59	0.00	203.28	872.87	17.87
UV0	D.C. OFFICE OF PERSONNEL AGENCY TRUST FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UW0	D.C. PUBLIC LIBRARY TRUST FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UI0	UNEMPLOYMENT COMPENSATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AW0	ANACOSTIA WATERFRONT CORPORATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UZ0	HOUSING PRODUCTION TRUST FUND	0.00	4.08	0.00	6.00	0.00	6.00	1.92
TX0	TAX INCREMENT FINANCING (TIF) PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BK0	BALLPARK REVENUE FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Enterprise and Other Funds		785.83	982.08	669.59	6.00	328.02	1,003.61	21.53
Grand Total, DISTRICT GOVERNMENT		25,578.03	28,813.57	27,781.61	12.00	1,741.49	29,535.10	721.53

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

Gross Funds

				FY 2008 Employment Authority by Type of Funding								
Appropriation Title		FY 2006 Actuals Gross Funds	FY 2007 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 2008 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	153.51	164.00	178.00	0.00	0.00	178.00	0.00	0.00	178.00	0.00	178.00
AC0	OFFICE OF THE D.C. AUDITOR	14.64	18.00	18.00	0.00	0.00	18.00	0.00	0.00	18.00	0.00	18.00
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	82.00	95.00	57.00	0.00	0.00	57.00	0.00	0.00	57.00	6.00	63.00
RPO	OFFICE OF COMMUNITY AFFAIRS	0.00	0.00	36.00	0.00	0.00	36.00	0.00	0.00	36.00	0.00	36.00
RS0	SERVE DC	0.00	0.00	2.00	0.00	0.00	2.00	4.10	0.00	6.10	5.90	12.00
BA0	OFFICE OF THE SECRETARY	22.00	29.00	27.00	0.00	2.00	29.00	0.00	0.00	29.00	0.00	29.00
CW0	CUSTOMER SERVICE OPERATIONS	10.00	11.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AEO	OFFICE OF THE CITY ADMINISTRATOR	79.00	96.00	61.00	0.00	0.00	61.00	0.00	0.00	61.00	0.00	61.00
RKO	OFFICE OF RISK MANAGEMENT	22.00	29.00	20.60	0.00	0.00	20.60	0.00	0.00	20.60	8.40	29.00
BEO	D.C. DEPARTMENT OF HUMAN RESOURCES	110.43	135.87	116.05	0.00	5.86	121.91	0.00	0.00	121.91	76.40	198.31
HDO	HUMAN RESOURCES DEVELOPMENT	8.00	11.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JRO	OFFICE OF DISABILITY RIGHTS	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	10.00
AS0	OFFICE OF FINANCE AND RESOURCE MANAGEMENT	45.00	45.00	45.25	0.00	0.00	45.25	0.00	0.00	45.25	5.75	51.00
PO0	OFFICE OF CONTRACTING AND PROCUREMENT	136.72	152.00	63.00	0.00	6.00	69.00	0.00	0.00	69.00	83.00	152.00
TO0	OFFICE OF THE CHIEF TECHNOLOGY OFFICER	212.00	225.00	332.00	0.00	0.00	332.00	0.00	0.00	332.00	0.00	332.00
AM0	OFFICE OF PROPERTY MANAGEMENT	215.00	267.00	58.00	0.00	11.00	69.00	0.00	0.00	69.00	254.00	323.00
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
DLO	BOARD OF ELECTION & ETHICS	55.24	50.00	50.00	0.00	0.00	50.00	0.00	0.00	50.00	0.00	50.00
CJO	OFFICE OF CAMPAIGN FINANCE	15.00	16.00	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	5.01	0.00	0.00	5.01	0.00	0.00	5.01	0.00	5.01
CHO	OFFICE OF EMPLOYEE APPEALS	12.97	14.18	14.18	0.00	0.00	14.18	0.00	0.00	14.18	0.00	14.18
EA0	METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CB0	OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA	485.98	662.68	462.55	0.00	12.00	474.55	136.28	0.00	610.83	102.00	712.83
AD0	OFFICE OF THE INSPECTOR GENERAL	102.00	118.00	108.26	0.00	0.00	108.26	15.75	0.00	124.01	0.00	124.01
AT0	OFFICE OF THE CHIEF FINANCIAL OFFICER	910.55	1,060.00	897.85	0.00	100.00	997.85	1.00	0.00	998.85	49.00	1,047.85
EPC	EMERGENCY PURCHASE CARDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Governmental Direction and Support		2,703.04	3,212.24	2,588.25	0.00	136.86	2,725.11	157.13	0.00	2,882.24	590.45	3,472.69

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

Gross Funds

				<i>FY 2008 Employment Authority by Type of Funding</i>								
Appropriation Title		FY 2006 Actuals Gross Funds	FY 2007 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 2008 Proposed Budget, Gross Funds
Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
<i>Economic Development and Regulation</i>												
<i>EBO</i>	OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT	41.00	41.00	29.50	6.00	7.00	42.50	0.00	0.00	42.50	3.00	45.50
<i>BDO</i>	OFFICE OF PLANNING	58.00	64.00	64.00	0.00	0.00	64.00	4.00	0.00	68.00	8.00	76.00
<i>ENO</i>	DEPARTMENT OF SMALL AND LOCAL BUSINESS DEVELOPMENT	9.00	28.00	30.00	0.00	5.00	35.00	0.00	0.00	35.00	0.00	35.00
<i>TKO</i>	OFFICE OF MOTION PICTURE AND TELEVISION DEVELOPMENT	4.00	5.00	5.00	0.00	0.00	5.00	0.00	0.00	5.00	0.00	5.00
<i>BJO</i>	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
<i>DBO</i>	DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT	117.00	130.95	24.00	0.00	16.00	40.00	127.00	0.00	167.00	0.00	167.00
<i>CFD</i>	DEPARTMENT OF EMPLOYMENT SERVICES	462.00	543.90	100.88	0.00	183.82	284.70	280.51	0.00	565.21	10.66	575.87
<i>DKO</i>	BOARD OF APPEALS AND REVIEW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>DAO</i>	BOARD OF REAL PROPERTY ASSESSMENTS AND APPEALS	3.00	3.00	5.00	0.00	0.00	5.00	0.00	0.00	5.00	0.00	5.00
<i>CRD</i>	DEPT CONSUMER & REGULATORY AFFAIRS	329.00	416.00	200.00	0.00	190.00	390.00	0.00	0.00	390.00	0.00	390.00
<i>CQD</i>	OFFICE OF TENANT ADVOCATE	0.00	0.00	14.00	0.00	4.00	18.00	0.00	0.00	18.00	0.00	18.00
<i>BXD</i>	COMMISSION ON ARTS & HUMANITIES	9.00	11.00	11.00	0.00	0.00	11.00	7.00	0.00	18.00	0.00	18.00
<i>LQD</i>	ALCOHOL BEVERAGE REGULATION ADMINISTRATION	32.00	43.00	0.00	0.00	47.00	47.00	0.00	0.00	47.00	0.00	47.00
<i>BID</i>	DEPT. OF BANKING AND FINANCIAL INSTITUTIONS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>DHD</i>	PUBLIC SERVICE COMMISSION	52.00	67.60	0.00	0.00	65.73	65.73	1.88	0.00	67.61	0.00	67.61
<i>DJD</i>	OFFICE OF THE PEOPLE'S COUNSEL	28.00	33.40	0.00	0.00	33.40	33.40	0.00	0.00	33.40	0.00	33.40
<i>SRD</i>	DEPT. OF INSURANCE, SECURITIES AND BANKING	118.44	138.00	0.00	0.00	130.00	130.00	0.00	0.00	130.00	0.00	130.00
<i>CTD</i>	OFFICE OF CABLE TELEVISION AND TELECOMMUNICATIONS	34.00	34.00	0.00	0.00	30.00	30.00	0.00	0.00	30.00	0.00	30.00
<i>HYD</i>	HOUSING AUTHORITY SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>AYD</i>	ANACOSTIA WATERFRONT CORP. SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>HPD</i>	HOUSING PRODUCTION TRUST FUND SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total, Economic Development and Regulation</i>		1,315.44	1,577.85	502.38	6.00	711.95	1,220.33	420.39	0.00	1,640.72	21.66	1,662.38

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

Gross Funds

Appropriation Title		FY 2006 Actuals Gross Funds	FY 2007 Approved Budget Gross Funds	FY 2008 Employment Authority by Type of Funding								TOTAL FY 2008 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
Public Safety and Justice												
FA0	METROPOLITAN POLICE DEPARTMENT	4,330.61	4,536.34	4,928.47	0.00	5.00	4,933.47	10.00	0.00	4,943.47	6.00	4,949.47
*FB0	FIRE AND EMERGENCY SERVICES DEPARTMENT	1,859.00	2,192.00	2,184.64	0.00	0.00	2,184.64	0.00	0.00	2,184.64	24.00	2,208.64
FDO	POLICE OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FLO	DEPARTMENT OF CORRECTIONS	766.36	923.00	919.00	0.00	26.00	945.00	0.00	0.00	945.00	0.00	945.00
FK0	D.C. NATIONAL GUARD	43.00	66.00	40.18	0.00	0.00	40.18	45.00	0.00	85.18	0.00	85.18
BNO	HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY	36.00	39.00	30.50	0.00	0.00	30.50	13.00	0.00	43.50	0.00	43.50
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
DVO	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
FHO	OFFICE OF POLICE COMPLAINTS	18.00	22.25	22.25	0.00	0.00	22.25	0.00	0.00	22.25	0.00	22.25
FZO	D.C. SENTENCING AND CRIMINAL CODE REVISION COMMISSION	6.00	6.00	6.00	0.00	0.00	6.00	0.00	0.00	6.00	0.00	6.00
FX0	OFFICE OF THE CHIEF MEDICAL EXAMINER	76.21	88.00	92.00	0.00	2.00	94.00	0.00	0.00	94.00	0.00	94.00
FS0	OFFICE OF ADMINISTRATIVE HEARINGS	57.00	58.25	52.85	0.00	1.25	54.10	0.00	0.00	54.10	10.00	64.10
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	9.40	9.00	2.00	0.00	0.00	2.00	6.00	0.00	8.00	0.00	8.00
FVO	FORENSICS LABORATORY TECHNICIAN TRAINING PROGRAM	0.00	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	317.00	384.00	310.00	0.00	69.00	379.00	0.00	0.00	379.00	19.00	398.00
BT0	EMERGENCY AND DISASTER RESPONSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FT0	HOMELAND SECURITY GRANTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FE0	OFFICE OF VICTIM SERVICES	0.00	0.00	0.00	0.00	4.40	4.40	1.60	0.00	6.00	0.00	6.00
FO0	OFFICE OF JUSTICE GRANTS ADMINISTRATION	0.00	0.00	0.50	0.00	0.00	0.50	4.50	0.00	5.00	0.00	5.00
Total, Public Safety and Justice		7,521.58	8,347.84	8,612.39	0.00	107.65	8,720.04	80.10	0.00	8,800.14	59.00	8,859.14

*Fire and Emergency Services FY2006 Actual FTEs in the Appendices reflect a lower number by 229 FTEs due to omissions not detected before the Appendices were sent to print.

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

Gross Funds

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Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Public Education System												
GA0	D.C. PUBLIC SCHOOLS	9,219.87	10,339.07	8,329.40	0.00	29.50	8,358.90	893.15	72.00	9,324.05	517.26	9,841.31
GX0	TEACHERS' RETIREMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GD0	STATE EDUCATION OFFICE	68.00	79.28	43.25	0.00	4.00	47.25	38.25	0.00	85.50	0.00	85.50
GC0	D.C. PUBLIC CHARTER SCHOOLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GF0	UNIVERSITY OF THE DISTRICT OF COLUMBIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GG0	UNIVERSITY OF THE DISTRICT OF COLUMBIA SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CE0	D.C. PUBLIC LIBRARY	396.11	500.00	523.20	0.00	1.00	524.20	7.80	0.00	532.00	9.00	541.00
GB0	DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL BOARD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GM0	OFFICE OF PUBLIC EDUCATION FACILITIES MODERNIZATION	0.00	0.00	35.00	0.00	0.00	35.00	0.00	0.00	35.00	0.00	35.00
GW0	DEPARTMENT OF EDUCATION	0.00	0.00	12.00	0.00	0.00	12.00	0.00	0.00	12.00	0.00	12.00
Total, Public Education System		9,683.98	10,918.35	8,942.85	0.00	34.50	8,977.35	939.20	72.00	9,988.55	526.26	10,514.81
Human Support Services												
JA0	DEPARTMENT OF HUMAN SERVICES	1,322.35	1,674.90	376.25	0.00	0.00	376.25	755.50	1.00	1,132.75	6.00	1,138.75
RLO	CHILD AND FAMILY SERVICES AGENCY	868.64	945.99	661.00	0.00	0.00	661.00	116.00	0.00	777.00	178.00	955.00
RM0	DEPARTMENT OF MENTAL HEALTH	1,385.69	1,590.74	1,552.03	0.00	37.00	1,589.03	11.00	0.00	1,600.03	91.00	1,691.03
HCO	DEPARTMENT OF HEALTH	1,123.00	1,182.11	330.04	0.00	136.87	466.91	685.11	0.00	1,152.02	6.78	1,158.80
HA0	DEPT OF PARKS AND RECREATION	690.83	865.00	689.75	0.00	9.00	698.75	0.00	22.02	720.77	157.40	878.17
BY0	OFFICE ON AGING	25.00	28.50	16.50	0.00	0.00	16.50	9.00	0.00	25.50	3.00	28.50
BH0	UNEMPLOYMENT COMPENSATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BG0	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
HMO	OFFICE OF HUMAN RIGHTS	28.00	29.80	28.97	0.00	0.00	28.97	2.01	0.00	30.98	0.00	30.98
BZ0	OFFICE ON LATINO AFFAIRS	11.00	13.03	13.00	0.00	0.00	13.00	0.00	0.00	13.00	0.00	13.00
JFO	D.C. ENERGY OFFICE	60.00	54.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JY0	CHILDREN AND YOUTH INVESTMENT FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BR0	BROWNFIELD REMEDIATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AP0	ASIAN AND PACIFIC ISLANDER AFFAIRS	7.00	7.00	7.00	0.00	0.00	7.00	0.00	0.00	7.00	0.00	7.00
VA0	OFFICE OF VETERANS AFFAIRS	3.00	3.00	3.00	0.00	0.00	3.00	0.00	0.00	3.00	0.00	3.00
RNO	INCENTIVES FOR ADOPTION OF CHILDREN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JZ0	DEPARTMENT OF YOUTH REHABILITATION SERVICES	525.07	683.00	681.00	0.00	0.00	681.00	0.00	0.00	681.00	2.00	683.00
JM0	DEPARTMENT ON DISABILITY SERVICES	0.00	0.00	274.40	0.00	0.00	274.40	209.35	0.00	483.75	0.00	483.75
Total, Human Support Services		6,049.58	7,077.07	4,632.94	0.00	182.87	4,815.81	1,787.97	23.02	6,626.80	444.18	7,070.98

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

Gross Funds

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Agy Cde	Agency Name	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
Public Works												
K70	DEPARTMENT OF PUBLIC WORKS	1,302.80	1,430.14	1,311.51	0.00	8.00	1,319.51	0.00	0.00	1,319.51	187.00	1,506.51
K80	DEPARTMENT OF TRANSPORTATION	93.00	104.00	90.00	0.00	101.00	191.00	0.00	0.00	191.00	39.00	230.00
K90	DEPARTMENT OF MOTOR VEHICLES	277.56	395.70	299.50	0.00	68.50	368.00	0.00	0.00	368.00	0.00	368.00
KG0	DISTRICT DEPARTMENT OF ENVIRONMENT	0.00	188.00	116.20	0.00	59.14	175.34	110.41	0.00	285.75	8.25	294.00
TC0	D.C. TAXI CAB COMMISSION	13.00	16.00	16.00	0.00	3.00	19.00	0.00	0.00	19.00	0.00	19.00
KC0	WASHINGTON METRO AREA TRANSIT COMMISSION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KE0	WASHINGTON METRO AREA TRANSIT AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KD0	SCHOOL TRANSIT SUBSIDY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Total, Public Works</i>		1,686.36	2,133.84	1,833.21	0.00	239.64	2,072.85	110.41	0.00	2,183.26	234.25	2,417.51
Financing and Other												
DS0	REPAYMENT OF LOANS AND INTEREST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZA0	REPAYMENT OF INTEREST ON 'SHORT-TERM BORROWING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CP0	CERTIFICATES OF PARTICIPATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZB0	DEBT-SERVICE - ISSUANCE COSTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SM0	SCHOOLS MODERNIZATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DT0	REPAYMENT OF REVENUE BONDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZH0	SETTLEMENTS AND JUDGMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ZZ0	JOHN A. WILSON BUILDING FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP0	WORKFORCE INVESTMENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DO0	NON-DEPARTMENTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EP0	EMERGENCY PLANNING AND SECURITY FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CS0	CASH RESERVE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ELO	MASTER EQUIPMENT LEASE PURCHASE PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PA0	PAY-AS-YOU GO CAPITAL FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
RH0	DISTRICT RETIREE HEALTH CONTRIBUTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BO0	BASEBALL DEDICATED TAX TRANSFER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<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
<i>Total General Operating Funds</i>		28,959.98	33,267.19	27,112.02	6.00	1,413.47	28,531.49	3,495.20	95.02	32,121.71	1,875.80	33,997.51

Government of the District of Columbia

FY 2008 Proposed Full-Time Equivalent Employment Authority

Gross Funds

				<i>FY 2008 Employment Authority by Type of Funding</i>								
Appropriation Title		FY 2006 Actuals Gross Funds	FY 2007 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 2008 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>												
LA0	WATER AND SEWER AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LBO	WASHINGTON AQUEDUCT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SWO	STORM WATER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DCO	D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD	61.98	77.00	0.00	0.00	77.00	77.00	0.00	0.00	77.00	0.00	77.00
SCO	SPORTS AND ENTERTAINMENT COMMISSION	51.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DYO	D.C. RETIREMENT BOARD	32.00	46.00	0.00	0.00	47.74	47.74	0.00	0.00	47.74	0.00	47.74
FPO	CORRECTIONAL INDUSTRIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ESO	WASHINGTON CONVENTION CENTER AUTHORITY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NCO	NATIONAL CAPITAL REVITALIZATION CORPORATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GFO	UNIVERSITY OF THE DISTRICT OF COLUMBIA	736.56	1,075.00	669.59	0.00	203.28	872.87	152.00	9.77	1,034.64	61.46	1,096.10
UVO	D.C. OFFICE OF PERSONNEL AGENCY TRUST FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UWO	D.C. PUBLIC LIBRARY TRUST FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UIO	UNEMPLOYMENT COMPENSATION FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AWO	ANACOSTIA WATERFRONT CORPORATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UZO	HOUSING PRODUCTION TRUST FUND	0.00	4.08	0.00	6.00	0.00	6.00	0.00	0.00	6.00	0.00	6.00
TXO	TAX INCREMENT FINANCING (TIF) PROGRAM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BKO	BALLPARK REVENUE FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total, Enterprise and Other Funds		881.89	1,202.08	669.59	6.00	328.02	1,003.61	152.00	9.77	1,165.38	61.46	1,226.84
Grand Total, DISTRICT GOVERNMENT		29,841.87	34,469.27	27,781.61	12.00	1,741.49	29,535.10	3,647.20	104.79	33,287.09	1,937.26	35,224.35

Congressional Submission

Fiscal Year 2008 Budget Request Act

NOTE. - The following document reflects the "District of Columbia Appropriations, Fiscal Year 2007" Act and the "District of Columbia Appropriations, Fiscal Year 2008" Request Act. The language enclosed in [] indicates language that is to be deleted from the FY 2007 Appropriations Act. The language shown in **italics** indicates new language in the FY 2008 Request 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, [2007] 2008.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fiscal Year [2007] 2008 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, [2007] 2008.

**DIVISION A
DISTRICT OF COLUMBIA APPROPRIATION REQUEST
TITLE I--FEDERAL FUNDS**

DISTRICT OF COLUMBIA COURTS

Federal Payment to the District of Columbia Courts

For salaries and expenses for the District of Columbia Courts, [\$218,912,000] *\$213,861,000* to be allocated as follows: for the District of Columbia Court of Appeals, [\$9,198,000], *\$10,800,000* of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Superior Court, [\$87,342,000] *\$98,359,000* of which not to exceed \$1,500 is for official reception and representation expenses; for the District of Columbia Court System, [\$41,643,000] *\$52,170,000* of which not to exceed \$1,500 is for official reception and representation expenses; and [\$80,729,000] *\$52,532,000* to remain available until September 30, [2007] 2009 for capital improvements for District of Columbia courthouse facilities: 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 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 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 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), \$43,475,000, 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 \$80,729,000 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 [\$80,729,000] \$52,532,000 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 Government Reform of the House of Representatives, and the Committee on *Homeland Security and Governmental Affairs* of the Senate.

Federal Payment to the Court Services and Offender Supervision Agency
for the District of Columbia
(Including Transfer of Funds)

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 [and the Public Defender Service for the District of Columbia,]as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, [\$209,594,000] \$190,343,000, 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 of which remain until September 30, 2009 are for Information Technology infrastructure enhancement acquisitions*; of which [\$133,476,000] \$140,449,000 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 [\$45,220,000] \$49,894,000 shall be available to the Pretrial Services Agency[]; and of which \$30,898,000

shall be transferred to the Public Defender Service for the District of Columbia]: 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 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[: *Provided further*, That for this fiscal year and subsequent fiscal years, the Public Defender Service is authorized to charge fees to cover costs of materials distributed and training provided to attendees of educational events, including conferences, sponsored by the Public Defender Service, and notwithstanding section 3302 of title 31, United States Code, said fees shall be credited to the Public Defender Service account to be available for use without further appropriation].

Federal Payment for the Public Defender Service for the District of Columbia

For salaries and expenses, including the transfer and hire of motor vehicles of the Public Defender Service for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, \$32,710,000: Provided, That 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: Provided further, That beginning in fiscal year 2008 and thereafter, the Public Defender Service is authorized to charge fees to cover costs of materials distributed and training provided to attendees of educational events, including conferences, sponsored by the Public Defender Service, and notwithstanding 31 U.S.C. 3302, such fees shall be credited to this account, to be available until expended without further appropriation.

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, [\$33,200,000], \$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 therefore: *Provided further*, That in accordance with section 6(b)(1) of the District of Columbia College Access Act

of 1999, approved November 12, 1999 (113 Stat. 1329; D.C. Official Code §38-2705(b)(1), not more than [\$1,200,000] 7% of the total amount appropriated for this program may be used for administrative expenses.

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, [\$8,533,000] \$3,000,000 to remain available until expended, to reimburse 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: 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.

Federal Payment for School Improvement

For a Federal payment for a school improvement program in the District of Columbia, [\$40,000,000] \$40,800,000, to be allocated as follows: for the District of Columbia Public Schools, \$13,000,000 to improve public school education in the District of Columbia; for the State Education Office, \$13,000,000 to expand quality public charter schools in the District of Columbia, to remain available until September 30, 2009 unless such funds are to be used for the credit enhancement or revolving loan program and then such funds shall remain available until expended [expended to the extent that the appropriation or funds are used for public charter school credit enhancement and direct loans]; for the Secretary of the Department of Education, [\$14,000,000] \$14,800,000 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 (Public Law 108-199; 118 Stat. 126), of which up to [\$1,000,000] \$1,800,000 may be used to administer and fund assessments.

FEDERAL SUPPORT FOR ECONOMIC DEVELOPMENT AND MANAGEMENT
REFORMS IN THE DISTRICT

Federal Payment for Central Library and Branch Locations

For a Federal payment to the District of Columbia, \$10,000,000, to remain available until expended, for the Federal contribution toward costs associated with the renovation and rehabilitation of District libraries.

Federal Payment to the District of Columbia Water and Sewer Authority

For a Federal payment to the District of Columbia Water and Sewer Authority, [\$7,000,000] \$12,000,000, 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] provides a match of \$7,000,000 and the District of Columbia provide a match of \$5,000,000 in local funds for this payment: Provided further, That of these of these funds \$5,000,000 federal and the matching \$5,000,000 local shall be expended for water and sewer infrastructure improvements to support new development in the area surrounding the South East Federal Center in the District of Columbia.

[Federal Payment for the Anacostia Waterfront Initiative]

[For a Federal payment to the District of Columbia Department of Transportation, \$3,000,000 to remain available until September 30, 2007, for design and construction of a continuous pedestrian and bicycle trail system from the Potomac River to the District's border with Maryland.]

Federal Payment to the Criminal Justice Coordinating Council

For a Federal payment to the Criminal Justice Coordinating Council, \$1,300,000, 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 Transportation Assistance]

[For a Federal payment to the District of Columbia Department of Transportation, \$1,000,000, to operate a downtown circulator transit system.]

[Federal Payment for Foster Care Improvements in the District of Columbia]

[For the Federal payment to the District of Columbia for foster care improvements, \$2,000,000 to remain available until expended: Provided, That \$1,750,000 shall be for the Child and Family Services Agency, of which \$1,000,000 shall be for a loan repayment program for social workers; of which \$750,000 shall be for post-adoption services: *Provided further*, That \$250,000 shall be for the Washington Metropolitan Council of Governments, to continue a program in conjunction with the Foster and Adoptive Parents Advocacy Center, to provide respite care for and recruitment of foster parents: *Provided further*, That these Federal funds shall supplement and not supplant local funds for the purposes described under this heading.]

Federal Payment for Consolidated Laboratory Facility

For a Federal payment to the District of Columbia, \$10,000,000 to remain available until September 30, 2009, for costs associated with the construction of a consolidated laboratory facility; Provided, That the District of Columbia provides a 100 percent match for this payment.

Federal Payment to *Reimburse the Federal Bureau of Investigation*
[for Bioterrorism and Forensics Laboratory]

For a Federal payment to the District of Columbia, \$5,000,000 to remain available until September 30, [2008] 2010, for reimbursement to the Federal Bureau of Investigation for laboratory services for District of Columbia cases. *Provided, That, such funds shall be used for: (1) Evidence examination and subsequent DNA analysis for the District of Columbia cold case DNA backlog; and (2) Expansion of resources dedicated to the processing of District of Columbia cases, including an increase in personnel, after September 1, 2007; and may be used for data entry and analysis for District of Columbia cold cases.* [for costs associated with the construction of a bioterrorism and forensics laboratory. Provided, That the District of Columbia shall provide an additional \$1,500,000 with local funds as a condition of receiving this payment.]

[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, \$20,000,000 for upgrading and expanding public transportation capacity, in accordance with an expenditure plan submitted by the Mayor of the District of Columbia not later than 60 days after the enactment of this section.]

ADMINISTRATIVE PROVISIONS

Crime Victims Compensation Fund

TREATMENT OF UNOBLIGATED BALANCES.— Section 16(d) of the Victims of Violent Crime Compensation Act of 1996, effective April 9, 1997 (D.C. Law 11-243; D. C. Official Code § 4-515(d)), is amended to read as follows —

“(d) Any unobligated balance existing in the Fund as of the end of each fiscal year (beginning with fiscal year 2006) shall be transferred from the Fund to the Crime Victims Assistance Fund established by § 4-515.01 and shall be available for obligation and expenditures without fiscal year limitation. All such expenditures shall be in accordance with a plan developed by the District of Columbia which is submitted to the Committees on Appropriations of the Senate and House of Representatives, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate.”

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, 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] *The* total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 2008 [2007] 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 [\$9,110,361,000] \$9,762,702,000 (of which [\$5,271,162,000] \$6,100,550,000 (including \$348,929,000 from dedicated taxes) shall be from local funds, [\$2,020,101,000] \$2,015,854,000 shall be from Federal grant funds, [\$1,811,214,000] \$1,637,736,000 shall be from other funds, and [\$7,885,000] \$8,562,000 shall be from private funds), in addition, [\$170,052,000] \$117,200,000 from funds previously appropriated in this Act as Federal payments: *Provided further*, That of the local funds, [\$284,287,000] \$339,989,000 shall be derived from the District's general fund balance: *Provided further*, That of these funds the District's intradistrict authority shall be [\$539,745,000] \$648,290,000: in addition for capital construction projects there is appropriated an increase of [\$2,444,170,000] \$1,607,703,000, of which [\$1,809,754,000] \$1,042,712,000 shall be from local funds, [\$49,867,000] \$38,523,000 from the District of Columbia Highway Trust fund[s], [\$52,000,000] \$73,260,000 from the Local Street Maintenance fund, [\$15,000,000] \$75,000,000 from revenue bonds, [\$18,200,000 from Certificates of Participation financing, \$63,000,000 from financing for construction of a baseball stadium, \$196,000,000 from financing for construction of a new hospital or other health facilities] \$150,00,000 from financing for construction of a consolidated laboratory facility, \$42,200,000 for construction of a baseball stadium, [\$239,749,000] \$186,008,000 from Federal grant funds, [\$600,000 from Qualified Zone Academy Bonds,]and a rescission of [\$116,245,000] \$212,696,000 from local funds appropriated under this heading in prior fiscal years [(of which \$187,450,000 are from local funds and \$54,444,000 are from the Local Street maintenance fund),] for a net amount of [\$2,327,925,000] \$1,395,007,000, to remain available until expended: *Provided further*, That the amounts provided under this heading are to be allocated and

expended as proposed under Title III of this Act, at the rate set forth under ‘District of Columbia Funds Summary of Expenses’ as included in the Fiscal Year [2007] 2008 Proposed Budget and Financial Plan submitted to the Congress by the District of Columbia on June 5, 2006[as amended on January 16, 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 [2007] 2008, 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, [\$591,505,000] \$411,886,000 (including [\$330,101,000] \$337,173,000 from local funds, [\$157,746,000] \$24,244,000 from Federal grant funds, and [\$103,658,000] \$50,469,000 from other funds) *Provided*, That not to exceed [\$9,300] \$10,100 for the Mayor, [\$9,300] \$10,100 for the Chairman of the Council of the District of Columbia, [\$9,300] \$10,100 for the City Administrator, and [\$9,300] \$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 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 \$49,000,000 of other funds appropriated under this heading shall remain available until expended for activities authorized through Community Health Care Financing Fund;]*Provided further*, That [beginning in fiscal year 2007 and each year thereafter,]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).

[*Provided, further*, That no less than \$3,200,000 shall be available from this appropriation to the Office of the Attorney General for the District of Columbia for the purpose of providing civil legal services to low-income people].

Economic Development and Regulation

Economic development and regulation, [\$543,135,000] \$534,829,000 (including [\$194,207,000] \$241,755,000 from local funds (including \$89,496,000 *dedicated taxes*), [\$133,524,000] \$140,005,000 from Federal grant funds, [\$215,186,000] \$152,989,000 from other funds, and [\$217,000] \$80,000 from private funds) of which [\$13,000,000] \$25,000,000 collected by the District of Columbia in the form of 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.), [and the Business Improvement Districts Amendment Act of 1997 (D.C. Law 12-26; D.C. Official Code, sec. 2-1215.15 et seq.)]: *Provided*, That such funds are available for acquiring services provided by the General Services Administration: *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[; passed on 1st reading on May 9, 2006 (Engrossed version of Bill 16-679)]: *Provided further*, That [\$115,578,000] \$57,065,000 from *dedicated taxes* shall be to execute a transfer from the District's general funds to [establish a] *the* special revenue Housing Production Trust fund.

Public Safety and Justice

Public safety and justice, [\$949,393,000] \$1,142,625,000 (including [\$888,003,000] \$963,108,000 from local funds, [\$6,084,000] \$105,760,000 from Federal grant funds, [\$55,292,000] \$73,557,000 from other funds, and [\$14,000] \$200,000 from private funds) in addition, \$1,300,000 from funds previously appropriated in this Act under the heading "Federal Payment to the Criminal Justice Coordinating Council" and \$5,000,000 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.

Public Education System

Public Education System, including the development of national defense education programs, [\$1,415,333,000] *\$1,498,369,000* (including [\$1,203,492,000] *\$1,261,690,000* from local funds, [\$186,577,000] *\$208,314,000* from Federal grant funds, [\$20,479,000] *\$22,313,000* from other funds, [\$4,785,000] *\$6,053,000* 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 [\$27,050,000] *\$26,000,000* from funds previously appropriated in this Act under the heading "Federal Payment for School Improvement in the District of Columbia" to be allocated as follows:

(1) District of Columbia Public Schools.— [\$979,100,000] *\$987,144,000* (including [\$808,331,000] *\$796,247,000* from local funds, [\$156,060,000] *\$174,930,000* from Federal grant funds, [\$10,034,000] *\$10,004,000* from other funds, [\$4,675,000] *\$5,962,000* from private funds), in addition, \$13,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for School Improvement [in the District of Columbia]" shall be available for District of Columbia Public Schools: Provided, That [the amount appropriated under this heading may be increased by an amount not to exceed \$14,000,000 to remain available until expended from local fund balance: *Provided further*, That notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia Public School employees shall be a non-negotiable item for collective bargaining purposes: *Provided further*, 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 [2006] *2008* 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 of the District of Columbia Public Schools): *Provided further*, That not to exceed [\$9,300] *\$10,100* for the Superintendent of Schools 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 no less than \$11,000,000 shall be available from this appropriation for the Metropolitan Police Department's 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, [2007] *2008*, 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 [2008] *2009* (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, [2008] *2009*.; *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)] Educational Investment Fund.— Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2006 (Public Law 109-115; 119 Stat. 2513), approved November 30, 2005, \$1,200,000 in local funds shall remain available until expended for the District of Columbia Public Schools to fund the Parent Resource Center Initiative.]

[(3)](2) Teachers' Retirement Fund.— [\$14,600,000] *\$6,000,000* from local funds shall be available for the Teacher's Retirement Fund.

[(4)](3) State Education Office.— [\$54,023,000] \$62,994,000 (including [\$14,507,000] \$20,131,000 [\$18,431,000] from local funds, [\$29,727,000] \$32,541,000 from Federal grant funds, and [\$9,789,000] \$10,322,000 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 State Education Office and \$13,000,000 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 State 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, [2008]2009 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.*

[(5)](4) District of Columbia Public Charter Schools.— [\$266,066,000] \$320,366,000 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 [\$1,096,086] \$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, [2007]2008, 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 [2008]2009 (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: *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.

[(6)](5) University of the District of Columbia Subsidy.— [\$59,546,000] \$63,977,000 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, [2007]2008, 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, [2007]2008, 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 [2008]2009 (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: *Provided further*, That not to exceed [\$9,300] \$10,100 for the President of the

University of the District of Columbia shall be available from this appropriation for official reception and representation expenses.

[(7)](6) District of Columbia Public Libraries.— [\$41,998,000] \$46,809,000 (including [\$40,442,000] \$45,239,000 from local funds, [\$790,000] \$842,000 from Federal grant funds, [\$656,000] \$637,000 from other funds, and [\$110,000] \$91,000 from private funds) shall be available for the District of Columbia Public Libraries: Provided, That not to exceed [\$7,500] \$8,100 for the Public Librarian shall be available from this appropriation for official reception and representation expenses[: *Provided further*, That not less than \$1,000,000 shall be available for the District of Columbia Public Libraries’ operating of full-service and interim branch libraries on Sundays].

(7) *Charter School Board.* - \$2,638,000 (including \$1,288,000 from local funds and \$1,350,000 from other funds).

(8) *Department of Education.* - \$2,442,000 from local funds

(9) *Office of Public Education Facilities Modernization* - \$6,000,000 from local funds

Human Support Services

Human support services, [\$2,923,171,000] \$3,074,024,000 (including [\$1,369,566,000] \$1,541,417,000 from local funds (including \$10,000,000 in dedicated taxes), [\$1,499,898,000] \$1,499,176,000 from Federal grant funds, [\$53,572,000] \$32,388,000 from other funds, [\$1,134,000] \$1,042,000 from private funds): Provided, That [\$30,280,000] \$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 the funds appropriated in the District of Columbia Appropriations Act, 2006, approved November 30, 2005 (Public Law 109-115; 119 Stat. 2513), for the Grandparent Caregivers Pilot Program shall remain available until September 30, 2007: *Provided further*, That notwithstanding the provisions restricting the use of the Medicaid and Special Education Reform Fund in the District of Columbia Fiscal Year 2003 Appropriations Act, approved February 20, 2003 (Public Law 108-7; 117 Stat. 117), the remaining balances shall be available for use by any District of Columbia Government agency in fiscal year 2007 and future fiscal years for the purposes established in sections 1553 and 1554 of the Medicaid and Special Education Reform Fund Establishment Act of 2002, effective October 1, 2002 (D.C. Law 14-190; D.C. Official Code §§ 4-204.53 and 4-204.54): *Provided further*, That the amounts appropriated under this heading may be increased by a District transfer of an amount not to exceed \$13,000,000 from its general fund balance into the Medicaid and Special Education Reform Fund: *Provided further*, That the authority to expend funds transferred to the Medicaid and Special Education Reform Fund shall be effective only after certification by the Office of the Chief Financial Officer that the amount to be transferred is necessary to expend for the purposes established in sections 1553 and 1554 of the Medicaid and Special Education Reform Fund Establishment Act of 2002, effective October 1, 2002 (D.C. Law 14-190; D.C. Official Code §§ 4-204.53 and 4-204.54)]: *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, 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) [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 of the amount appropriated for services to the homeless no less than \$300,000 shall be directed to Access Housing for services to homeless veterans].*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..

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, [\$424,708,000] \$593,711,000 (including [\$351,396,000] \$409,248,000 from local funds, [\$18,691,000] \$20,142,000 from Federal grant funds, [\$700,000] \$500,000 from private funds, and [\$53,922,000] \$163,822,000 from other funds[in addition, \$20,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for Navy Yard Metro"]): Provided, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

Financing and Other

Financing and Other, [\$772,938,000] \$1,071,903,000 (including [\$749,433,000] 1,002,378,000 from local funds (including \$46,397,000 from dedicated taxes) and [\$23,505,000] \$69,526,000 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 (D.C. Official Code, secs. 1-204.62, 1-204.75, and 1-204.90), [\$405,114,000] \$440,707,000 from local funds.
- (2) *Short-Term Borrowing* - for payment of interest on short-term borrowing, [\$8,000,000] \$13,334,000 from local funds.
- (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, [\$31,225,000] \$32,288,000 from local funds.
- (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, [\$15,655,000] \$21,015,000 from local funds: Provided, That this appropriation shall not be construed as modifying or affecting the provisions of section 103 of this Act.
- (5) *Wilson Building* - for expenses associated with the John A. Wilson building, [\$4,211,000] \$4,190,000 from local funds.
- (6) *Workforce Investments* - for workforce investments, [\$38,500,000] \$21,044,000 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.
- (7) *Non-Departmental* - to account for anticipated costs that cannot be allocated to specific agencies during the development of the proposed budget, [\$45,942,000] \$101,680,000 (including [\$22,437,000] \$32,154,000 from local funds and [\$23,505,000] \$69,526,000 from other funds) to be transferred by the Mayor of the District of Columbia within the various appropriations headings in this Act.
- (8) for Emergency Planning and Security Fund, [\$10,500,000] \$3,000,000 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.

- (10) *Tax Increment Financing* - the amounts appropriated herein may be increased by an amount not to exceed [\$9,710,000] \$16,200,000 from the District's general fund balance for a Tax Increment Financing program as may be necessary to meet the Tax Increment Financing requirements.
- (11) *Equipment Lease Operating* - [\$43,955,000] \$43,755,000 from local funds[: provided, That for equipment leases, the Mayor may finance \$19,453,000 of equipment cost, plus cost of issuance not to exceed 2% of the par amount being financed on a lease purchase basis with a maturity not to exceed 5 years;]
- (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 [such additional amounts] from the funds of the District government [general fund balance] as are necessary to meet the balance requirements for such funds under section 450A*
- (13) *Pay-As-You-Go Capital funds* – in lieu of capital financing, [\$87,987,000] \$108,152,000 from local funds to be transferred to the Capital Fund
- (14) *Debt Issuance Costs* - for the payment of debt service issuance costs, [\$30,000,000] 60,000,000 from local funds
- (15) *School Modernization Fund* - for a School Modernization Fund, [\$1,650,000] 6,435,000 from local funds
- (16) *District Retiree Health Contribution* - for a District Retiree Health Contribution, [\$4,700,000] 110,907,000 from local funds to be derived from the District's general fund balance[: provided, That amounts placed in the District Retiree Health Contribution account shall be available to make necessary expenditures; beginning in fiscal year 2007 and each year thereafter,]
- (17) *Baseball Revenue*- \$46,397,000 from 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
- (18) *Revenue Bonds* - for the repayment of revenue bonds [\$6,000,000] \$12,000,000 from local funds.

[Revised Revenue Estimate Contingency Priority]

[If the Chief Financial Officer of the District of Columbia certifies through a revised revenue estimate that \$74,859,000 is available from local funds, the funds shall be allocated in accordance with the Allocation of Additional Revenue Act of 2006 in the District of Columbia 2007 Budget Support Act of 2006, passed on 1st reading on May 9, 2006 (Engrossed version of Bill 16-679).Appropriation of Additional Revenue Act of 2006 in the District of Columbia 2007 Budget Support Act of 2006.]

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, [\$311,642,000] \$341,186,000 from other funds, of which [\$6,048,000] \$5,355,000 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, [\$285,791,000] \$466,584,000, to be distributed as follows: [\$136,424,000] \$13,781,000 for the Blue Plains Wastewater Treatment Plant, [\$18,834,000] \$110,503,000 for the sewer program, [\$50,000,000] \$98,675,000 for the

combined sewer program, [\$37,524,000] \$193,782,000 for the water program, [\$41,252,000] \$19,175,000 for the Washington Aqueduct capital program and, [\$1,757,000] \$30,668,000 for the capital equipment program; in addition, [\$7,000,000] \$12,000,000 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, [\$143,174,000] \$49,815,000 from other funds.

[Stormwater Permit Compliance Enterprise Fund]

[For operation of the Stormwater Permit Compliance Enterprise Fund, \$7,000,000 from other funds.]

Lottery and Charitable Games Enterprise Fund

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation 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 (D.C. Law 3-172; D.C. Official Code, sec. 3-1301 et seq. and sec. 22-1716 et seq.), [\$256,000,000] \$266,700,000 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, amounts appropriated herein may be increased by an amount necessary for* [That] the Lottery and Charitable Games Enterprise Fund [is hereby authorized] to make transfers to the general fund of the District of Columbia, in excess of this appropriation, if such funds are available for transfer.

Sports and Entertainment Commission

For the Sports and Entertainment Commission, [\$195,314,000] \$58,529,000 from other funds to remain available until expended.

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 (D.C. Official Code, sec. 1-711), [\$34,423,000] \$33,249,000 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, [\$80,238,000] \$88,742,000 from other funds.

National Capital Revitalization Corporation

For the National Capital Revitalization Corporation, [51,592,000] \$39,606,000 from other funds.

University of the District of Columbia

For the University of the District of Columbia, [\$104,095,000] \$112,613,000 (including, [\$59,546,000] \$63,977,000 from local funds, [\$18,580,000] \$18,214,000 from Federal funds, [\$24,934,000] \$29,734,000 from other funds, and [\$1,035,000] 687,000 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, [2007] 2008, 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 Trust Fund

For the District of Columbia of Personnel Agency Trust Fund, [\$1,265,000] \$1,500,000 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.

Anacostia Waterfront Corporation

For the Anacostia Waterfront Corporation, *or its successor*, [\$36,000,000] \$16,040,000 from local funds: *Provided, That of the amount made available for capital expenditures under this heading in fiscal year 2007, \$15,000,000 is rescinded*[, of which \$31,000,000 shall remain available until expended for capital expenditures].

Housing Production Trust Fund

For the Housing Production Trust Fund, [\$120,418,000] \$122,703,000 in local funds (*of which \$122,703,000 is 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.

Baseball Fund

For the Baseball Fund, \$164,101,000 of which (\$157,101,000 from local funds (including \$80,333,000 from dedicated taxes) and \$7,000,000 from other funds) for the Baseball Fund.

CAPITAL OUTLAY

For capital construction projects, an increase of [\$2,444,170,000] \$1,607,703,000, of which [\$1,809,754,000] \$1,042,712,000 shall be from local funds, [\$49,867,000] \$38,523,000 from the District of Columbia Highway Trust fund[s], [\$52,000,000] \$73,260,000 from the Local Street Maintenance fund, [\$15,000,000] \$75,000,000 from revenue bonds, [\$18,200,000 from Certificates of Participation financing, \$63,000,000 from financing for construction of a baseball stadium, \$196,000,000 from financing for construction of a new hospital or other health facilities] \$150,00,000 from financing for construction of a consolidated laboratory facility, \$42,200,000 for construction of a baseball stadium, [\$239,749,000] \$186,008,000 from Federal grant funds, [\$600,000 from Qualified Zone Academy Bonds,]and a rescission of [\$116,245,000] \$212,696,000 from local funds appropriated under this heading in prior fiscal years [(of which \$187,450,000 are from local funds and \$54,444,000 are from the Local Street maintenance fund),] for a net amount of [\$2,327,925,000] \$1,395,007,000, to remain available until expended from funds previously appropriated in this Act under the heading "Federal Payment for Central Library and Branch Location":[;] in addition, [\$5,000,000 from funds previously appropriated in this Act under the heading "Federal Payment for the Anacostia Waterfront Initiative" and \$25,000,000] \$10,000,000 to remain available until [expended] until September 30, 2009 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) Except as provided in subsection (b), no part of this appropriation 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 [other than--

(1) the promotion or support of any boycott; or

(2) statehood for the District of Columbia or voting representation in Congress for the District of Columbia].

(c) Nothing in this section may be construed to prohibit any elected official from advocating with respect to any of the issues referred to in subsection (b).

SEC. 105. (a) None of the funds provided under this title to the agencies funded by this title, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year [2006] 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 title, 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, 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, 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, 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 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 and October 1, 2008, setting forth detailed information regarding each such local funds reprogramming conducted subject to this subsection.

(b) *Except as otherwise provided in this Act*, none 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 [notified in writing 15 days in advance of the transfer] *provided summary reports on April 1, 2008 and October 1, 2008, 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.

(c) The District of Columbia Government is hereby authorized to approve and execute reprogramming and transfer requests of local funds under this Title to meet existing obligations through December 01, 2008.

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 any other provisions of law[, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2-139; D.C. Official Code, section 1-601.01 et seq.), enacted pursuant to section 422(3) of the District of Columbia Home Rule Act (D.C. Official Code, section 1-2041.22(3)), shall apply with respect to the compensation of District of Columbia employees. For pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code.] *(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. 108. No later than 30 days after the end of the first quarter of fiscal year [2006] *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 [2006] *2008* revenue estimates as of the end of such quarter. These estimates shall be used in the budget request for fiscal year [2007] *2009*. The officially revised estimates at midyear shall be used for the midyear report.

[SEC. 109. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6-85; D.C. Official Code, section 2-303.03), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical, but only if the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and has been reviewed and certified by the Chief Financial Officer of the District of Columbia.]

SEC. [110] *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, section 1-123).

[SEC. [111] *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, section 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. [112] *110.* (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) 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), 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); 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).

(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) or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such 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) 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, *and to the President* not later than 15 days after the end of the quarter covered by the report.

SEC. [113] *111.* (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 purposes of this paragraph, 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 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;

[(3)] (4) the Mayor of the District of Columbia; and

[(4)] (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, 2006, an inventory, as of September 30, 2005, 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. 114. None of the funds contained in this Act may be used for purposes of the annual independent audit of the District of Columbia government for fiscal year 2006 unless--

(1) the audit is conducted by the Inspector General of the District of Columbia, in coordination with the Chief Financial Officer of the District of Columbia, pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Official Code, section 2-302.8); and

(2) the audit includes as a basic financial statement a comparison of audited actual year-end results with the revenues submitted in the budget document for such year and the appropriations enacted into law for such year using the format, terminology, and classifications contained in the law making the appropriations for the year and its legislative history.]

[SEC. [115] 113. (a) None of the *federal* funds contained in this Act may be used by the *Office of the Attorney General of 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 *Office of the Attorney General of 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. [116] 114. (a) 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.

(b) Any individual or entity who receives any funds contained in this Act and who carries out any program described in subsection (a) shall account for all funds used for such program separately from any funds contained in this Act.]

[SEC. 117. 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, 2006 and October 1, 2006, a summary list showing each report, the due date, and the date submitted to the Committees.]

[SEC. [118] 115. 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. 119. The Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate quarterly 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. [120] 112. (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 *President and 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, section 1-204.42), for all agencies of the District of Columbia government for fiscal year [2006] 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. 122. (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.]

[SEC. 123. The Chief Financial Officer of the District of Columbia shall require attorneys in special education cases brought under the Individuals with Disabilities Education Act (IDEA) in the District of Columbia to certify in writing that the attorney or representative rendered any and all services for which they receive awards, including those received under a settlement agreement or as part of an administrative proceeding, under the IDEA from the District of Columbia. As part of the certification, the Chief Financial Officer of the District of Columbia shall require all attorneys in IDEA cases to disclose any financial, corporate, legal, memberships on boards of directors, or other relationships with any special education diagnostic services, schools, or other special education service providers to which the attorneys have referred any clients as part of this certification. The Chief Financial Officer shall prepare and submit quarterly reports to the Committees on Appropriations of the House of Representatives and Senate on the certification of and the amount paid by the government of the District of Columbia, including the District of Columbia Public Schools, to attorneys in cases brought under IDEA. The Inspector General of the District of Columbia may conduct investigations to determine the accuracy of the certifications.]

SEC. [124] 113. The amount appropriated by this Act may be increased by no more than [\$42,000,000] \$50,000,000 from funds identified in the comprehensive annual financial report as the District's fiscal year [2005]2006 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, 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.

(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 days in advance of the obligation or expenditure.

[SEC. 125. (a) The fourth proviso in the item relating to 'Federal Payment for School Improvement' in the District of Columbia Appropriations Act, 2005 (Public Law 108-335; 118 Stat. 1327) is amended--

(1) by striking '\$4,000,000' and inserting '\$4,000,000, to remain available until expended,'; and

(2) by striking '\$2,000,000 shall be for a new incentive fund' and inserting '\$2,000,000, to remain available until expended, shall be for a new incentive fund'.

(b) The amendments made by subsection (a) shall take effect as if included in the enactment of the District of Columbia Appropriations Act, 2005.]

SEC. [126] 114. (a) 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 [2006] 2008 Proposed Budget and Financial Plan submitted to Congress by the District of Columbia [on June 6, 2005]; 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 days in advance of the obligation or expenditure.

[SEC. 127] 115. 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 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. [128] 120. (a) None of the *federal* 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. 802) 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. [129] 121. None of the *federal* 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. 130. Section 7 of the District of Columbia Stadium Act of 1957 (Public Law 85-300, 71 Stat. 619), as amended, is further amended by inserting after paragraph (d)(4) the following:

`(e)(1) Upon receipt of a written description from the District of Columbia of not more than 15 contiguous acres (hereinafter referred to as `the 15 acres'), within the area designated `D' on the revised map entitled `Map to Designate Transfer of Stadium and Lease of Parking Lots to the District' and bound by 21st Street, NE, Oklahoma Avenue, NE, Benning Road, NE, the Metro line, and C Street, NE, and execution of a long-term lease by the Mayor of the District of Columbia that is contingent upon the Secretary's conveyance of the 15 acres and for the purpose consistent with this paragraph, the Secretary shall convey the 15 acres described land to the District of Columbia for the purpose of siting, developing, and operating an educational institution for the public welfare, with first preference given to a pre-collegiate public boarding school.

`(2) Upon conveyance, the portion of the stadium lease that affects the 15 acres on the property and all the conditions associated therewith shall terminate, and the 15 acres property shall be removed from the `Map to Designate Transfer of Stadium and Lease of Parking Lots to the District', and the long-term lease described in paragraph (1) shall take effect immediately. The Mayor of the District of Columbia shall execute and deliver a quitclaim deed to effectuate the District's responsibilities under this section.'.]

[SEC. 131. The authority that the Chief Financial Officer of the District of Columbia exercised with respect to personnel and the preparation of fiscal impact statements during a control period (as defined in Public Law 104-8) shall remain in effect until September 30, 2006.]

[SEC. 132. The entire process used by the Chief Financial Officer to acquire any and all kinds of goods, works and services by any contractual means, including but not limited to purchase, lease or rental,

shall be exempt from all of the provisions of the District of Columbia's Procurement Practices Act: Provided, That provisions made by this subsection shall take effect as if enacted in D.C. Law 11-259 and shall remain in effect until September 30, 2006.]

[SEC. 134. The Chief Financial Officer of the District is hereby authorized to transfer \$5,000,000 from the local funds appropriated for the Deputy Mayor for Economic Development to the Anacostia Waterfront Corporation and to reallocate the appropriation authority for such funds to a heading to be entitled `Anacostia Waterfront Corporation' in addition, an amount of \$3,200,000 is hereby appropriated from the local funds made available to the Anacostia Waterfront Corporation in fiscal year 2005. Provided, That all of the funds made available herein to the Anacostia Waterfront Corporation shall remain available until expended.]

[SEC. 135. Amounts appropriated in the Act for the Department of Health may be increased by \$250,000 in local funds to remain available until expended to conduct a health study in Spring Valley.]

[SEC. 136. Notwithstanding section 602(c)(1) of the District of Columbia Home Rule Act, amendments to the Ballpark Technical Amendments Act of 2005 and the Ballpark Fee Rebate Act of 2005 shall take effect on the date of the enactment by the District of Columbia.]

SEC. 116. 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. 117. The Student Funding Formula Assessment, Educational Data Warehouse, and Enrollment Fund Establishment Amendment Act of 2007, passed on 1st reading on May 15, 2007, Engrossed version of Bill 17-148) is enacted into law..

SEC. [137] 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* [Act] may be cited as the "District of Columbia Appropriations Act, [2006] 2008".

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 (95 Stat. 1174; Public Law 97-91), 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:

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.

"(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, the 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. Section 424a [as amended, 425] of the District of Columbia Home Rule Act, approved October 16, 2006 (120 Stat. 2037; D.C. Official Code §1-204.25), is amended as follows:

- (a) Subsection (b)(3) is amended by striking the phrase "subordinate and independent agencies" and inserting the phrase "subordinate and independent agencies, including independent authorities" in its place.
- (b) Subsection (c)(1) is amended by striking the phrase "subordinate and independent agencies" and inserting the phrase "subordinate and independent agencies, including independent authorities" in its place.

SEC. [204] 205. 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. [205] 206. The 2005 District of Columbia Omnibus Authorization Act (Public Law 109–356; 120 Stat. 2021) 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.

(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.

[(c)] (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. 207. The District of Columbia School Reform Act of 1995, approved April 26, 1996 (110 Stat. 1321; D.C. Official Code §38-1800.01 et seq.) is amended as follows:

(a) Section 2203(j)(1) (D.C. Official Code §38-1802.03(j)(1)) is repealed

(b) Section 2210(d) (D.C. Official Code §38-1802.10(d)) is repealed.

SEC. [206] 208. 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.

This Act may be cited as the “District of Columbia Omnibus Authorization Act, [2006] 2008”.



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