



OFFICE OF THE
SECRETARY

2015 SEP 16 PM 3:45

MURIEL BOWSER
MAYOR

SEP 16 2015

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is proposed emergency legislation, the "Fiscal Year 2015 and Fiscal Year 2016 Revised Budget Request Emergency Adjustment Act of 2015" and the accompanying temporary measure and emergency declaration resolution. This bill will adjust certain allocations requested in the Fiscal Year 2015 Budget Request Act pursuant to the Omnibus Appropriations Act, 2009 and authorize that available fiscal year 2015 funds be retained as fund balance and carried over into fiscal year 2016.

Additionally, this bill will utilize those carried over funds in fiscal year 2016 by adjusting certain allocations requested in the Fiscal Year 2016 Budget Request Act pursuant to the Omnibus Appropriations Act, 2009. I urge you and the Council to take prompt and favorable action regarding the enclosed emergency. We look forward to continuing to work with you to address the critical public safety and workforce development issues facing the District and are happy to answer any questions the Council may have.

Sincerely,

A handwritten signature in dark ink, appearing to read "Muriel Bowser".

Muriel Bowser


Chairman Phil Mendelson

at the request of the Mayor

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To adjust, on a temporary basis, certain allocations requested in the Fiscal Year 2015 Budget Request Act pursuant to the Omnibus Appropriations Act, 2009; to authorize that available fiscal year 2015 funds be retained as fund balance and carried over into fiscal year 2016; and to adjust certain allocations requested in the Fiscal Year 2016 Budget Request Act pursuant to the Omnibus Appropriations Act, 2009.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fiscal Year 2015 and Fiscal Year 2016 Revised Budget Request Temporary Adjustment Act of 2015".

Sec. 2. Pursuant to section 817 of the Omnibus Appropriations Act, 2009, approved March 13, 2009 (123 Stat. 699; D.C. Official Code § 47-369.02), the fiscal year 2015 budgets for the following agency shall be adjusted by the following amounts:

TITLE II—DISTRICT OF COLUMBIA FUNDS—SUMMARY OF EXPENSES

\$57,612,000 is added from local funds; to be allocated as follows:

Financing and Other

The appropriation for Financing and Other is increased by \$57,612,000 in local funds; to be allocated as follows:

(1) Emergency and Contingency Reserve Funds. - \$57,612,000 is added to be available in local funds.

Sec. 3. Sec. 3. In accordance with Title II - Summary of Expenses of the Fiscal Year 2015 Budget Request Act of 2014 allowing General Funds to be increased by proceeds from one-time transactions, the Council of the District of Columbia hereby authorizes budget authority to expend \$12,700,000 of unallocated, one-time funds received by the Office of Tax and Revenue as a settlement payment in the *Expedia et. al.* case. These funds will be spent in accordance with section 5.

Sec. 4. Remaining fiscal year 2015 unexpended revenue of \$23,287,881 shall be carried over into fiscal year 2016 as fund balance. This revenue will be spent in accordance with section 5.

1
2 Sec. 5. Pursuant to section 817 of the Omnibus Appropriations Act, 2009, approved
3 March 13, 2009 (123 Stat. 699; D.C. Official Code § 47-369.02), the fiscal year 2016
4 budgets for the following agencies shall be adjusted by the following amounts:
5

6 **TITLE II—DISTRICT OF COLUMBIA FUNDS—SUMMARY OF EXPENSES**
7

8 \$23,288,000 is added from local funds; to be allocated as follows:
9

10 **Economic Development and Regulation**

11 The appropriation for Economic Development and Regulation is increased by
12 \$4,492,000 in local funds; to be allocated as follows:

13 (1) Department of Employment Services. - \$4,492,000 is added to be
14 available from local funds.
15

16 **Public Safety and Justice**

17 The appropriation for Public Safety and Justice is increased by \$14,214,000 in local
18 funds; to be allocated as follows:

19 (1) Metropolitan Police Department. - \$5,864,000 is added to be available
20 from local funds;

21 (2) Department of Forensic Sciences. - \$8,024,000 is added to be available
22 from local funds; and

23 (3) Office of the Chief Medical Examiner. - \$326,000 is added to be available
24 from local funds.
25

26 **Human Support Services**

27 The appropriation for Human Support Services is increased by \$3,776,000 in local
28 funds; to be allocated as follows:

29 (1) Department of Parks and Recreation. - \$2,526,000 is added to be available
30 from local funds; and

31 (2) Children and Youth Investment Trust Corporation. - \$1,250,000 is added
32 to be available from local funds.
33

34 **Public Works**

35 The appropriation for Public Works is increased by \$806,000 in local funds; to be
36 allocated as follows:

37 (1) Department of Public Works. - \$806,000 is added to be available from
38 local funds.
39

40 Sec. 6. Subject to Council approval, the allocations made in section 5 may be
41 replaced in their entirety with one allocation as follows:
42

43 **Financing and Other**

44 The appropriation for Financing and Other is increased by \$23,288,000 in local
45 funds; to be allocated as follows:

46 (1) Emergency and Contingency Reserve Funds. - \$23,288,000 is added to

1 be available in local funds.
2
3

4 Sec. 7. Fiscal impact statement.

5 The Council adopts the fiscal impact statement of the Office of the Chief Financial
6 Officer as the fiscal impact statement required by section 602(c)(3) of the District of
7 Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official
8 Code § 1-206.02(c)(3)).
9

10 Sec. 8. Effective date.

11 (a) This act shall take effect following approval by the Mayor (or in the event of
12 veto by the Mayor, action by the Council to override the veto), a 30-day period of
13 Congressional review as provided in section 602(c)(1) of the District of Columbia Home
14 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
15 206.02(c)(1)), and publication in the District of Columbia Register.

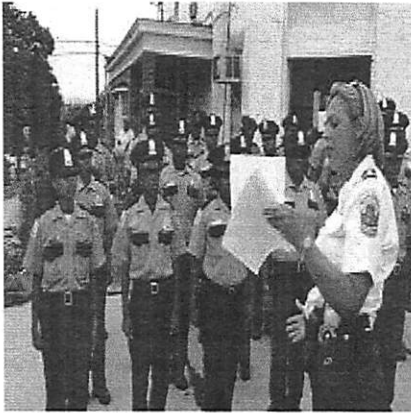
16 (b) This act shall expire after 225 days of its having taken effect.

FY 2015-16

Government of the District of Columbia

Muriel Bowser, Mayor

Rashad Young, City Administrator



FY15 AND FY 16 PROPOSED SUPPLEMENTAL PLAN

September 15, 2015

The following tables summarize the Mayor's proposed FY15/16 supplemental budget plan (\$ in millions):

REVENUE AND EXPENDITURES	
REVENUE	
Unallocated June revenue*	\$68.2
Expedia lawsuit settlement	\$12.7
Total Revenue	\$80.9

*The June revenue estimate showed \$117.2 million but \$49 million will be required for the FEMS settlement and allocated per the FY 2016 Budget Support Act. This leaves \$68.2 million unallocated.

EXPENDITURES	
DHCF – Medicaid disallowance	\$57.6
MPD – Provide body cameras to 2,800 patrol officers	\$2.8
MPD – Meet OCFO-projected FOIA costs for body cameras	\$2.5
MPD - Provide grants to community groups and individuals for cameras	\$0.5
DFS – Employ retired officers to conduct crime scene investigations	\$3.7
DFS – Enhance and improve DFS operations through staffing and contracts	\$4.3
OCME – Provide two FTE's to test synthetic drugs, plus other costs	\$0.3
DOES – Implement year-round employment program expansion to 20-24 yr olds	\$4.5
DPR – Hire 29 new customer service representatives through the LEAP program to staff DPR welcome desks	\$1.5
DPR – Provide lighting, signage, and CCTV improvements at 8 sites	\$1.1
CYITC – Provide funding for mini-grants, through CYITC, to enhance neighborhoods	\$1.3
DPW – Implement a new workforce development pilot program	\$0.8
Total Expenditures	\$80.9

Agency Supplemental Budget Details

General Fund Increase - Revenue Proposed FY 2015 Supplemental Budget Narrative

Supplemental Budget Increase Description:

\$68,200,000 Increase in Revenue: The OCFO provided a quarterly revised revenue estimate on June 30, 2015. It increases revenue by \$117.2 million for FY 2015. This revenue was reduced by a required allocation for a FEMS settlement as required by section 7092(b)(1)(A) of the Fiscal Year 2016 Budget Support Act of 2015 (BSA). This leaves an unallocated revenue balance of \$68.2 million available for expenditure. \$57.6 million of this amount will go directly towards the fiscal year 2015 repayment of contingency cash, which was accessed in order to cover the cost of the Department of Healthcare Finance Medicaid disallowance. The remaining \$10.6 million will be retained as fund balance and carried over into fiscal year 2016 to cover the cost of various initiatives described below.

General Fund Increase – Expedia Settlement Proposed FY 2015 Supplemental Budget Narrative

Supplemental Budget Increase Description:

\$12,700,000 Increase in Revenue: The Office of Tax and Revenue recently received a payment in the Expedia et. al. settlement of \$73,631,296.57. The FY 2015 and FY 2016 Budget Supports Acts specify how \$60.9 million of that revenue is to be allocated:

- \$55.9 million to the WMATA Momentum Fund to fund the inter-jurisdictional strategic plan
- \$2.0 million to the Destination DC Marketing Fund
- \$1.5 million to the IPW Fund for the travel industry conference
- \$1.5 million to OAG for the Litigation Support Fund

These allocations do not take into account \$12.7 million in settlement revenue. This revenue is largely from interest and penalties accrued since the date of the settlement. These funds will be used to cover the cost of the various initiatives described below.

Department of Healthcare Finance Proposed FY 2015 Supplemental Budget Narrative

Supplemental Budget Increase Description:

\$57,612,119 Increase to Prior Request: As the state agency responsible for the Medicaid program, the Department of Health Care Finance (DHCF) works with public provider agencies for the purpose of Medicaid service delivery and billing. In the District, the key public providers are Children and Family Services Administration (CFSA), District of Columbia Public School System (DCPS), the Office of the Superintendent for Special Education (OSSE), and the Department of Behavioral Health (DBH). For the purposes of Medicaid, public providers are distinguished from private providers in that they can be reimbursed for their costs. If cost reimbursement is applied, these costs are captured through the cost reporting process and are verified by financial audits.

The District of Columbia experienced several major problems with Medicaid reimbursement among DHCF public providers that created a substantial federal disallowance. In 2008, DHCF, through an

independent auditor, conducted financial audits of DCPS (for FY2003 – FY2006) and CFSA (for FY2004 and FY2005). The audits revealed significant overpayments due to lack of compliance with federal and District rules and regulations. In total, the overpayment was determined to be \$58.7 million due to the following problems:

- Billing the Medicaid program for services that were not allowed;
- Failing to submit documentation to prove that services were actually provided;
- Using service providers that were not qualified or properly certified to deliver Medicaid-funded health care;
- Billing the Medicaid program for services that were never provided; and
- Failing to distinguish which services in a group were being charged to the program.

In 2009, following the audits, DHCF issued a Notice of Program Reimbursement (NPR) to the relevant agencies and informed the Centers for Medicare and Medicaid (CMS) of the problem. In response CMS issued a warning to DHCF for repayment in 2010 or face a formal a letter of disallowance. The District attempted to have CMS forgive the disallowance, but in 2015 CMS issues a formal notice of disallowance.

In order to cover this known liability, the Mayor utilized contingency cash. This Supplemental will now use existing revenue in order to refund this contingency cash allocation to close the fiscal year in balance.

Metropolitan Police Department Proposed FY 2016 Supplemental Budget Narrative

Supplemental Budget Increase Description:

\$5,863,801 Increase to Prior Request: Mayor Bowser has provided \$2,821,362 of additional funding that will allow the Metropolitan Police Department (MPD) to purchase a total of 2,800 body worn cameras, so that all MPD officers who regularly interact with the public will be outfitted with BWCs. This will make the District one of the largest urban police forces deploying BWCs on all of its patrol officers. The Administration has introduced separate legislation and regulations that support Mayor Bowser's belief that when police officers are equipped with BWCs, accountability is increased, police services are improved, and public safety is better served.

In addition to the funding for body cameras, the Mayor is also providing MPD with \$2,542,439 in order to ensure that the costs of complying with FOIA requests are adequately covered. With increased use of body cameras, there will undoubtedly be an increase in requests for access to the videos by parties involved in police interactions, media, non-profits, education outlets, and other interested parties. When the public asks for copies of body-worn camera recordings, each video must be reviewed and redacted to remove any information that might compromise the privacy of individuals in the foot-age. These elements include faces, license plates, house numbers, among other things; but the standards for what constitutes private information in footage is not fully agreed upon. The government agencies involved must conduct quality control reviews of every frame in the footage before content can be shared with the public. Each request will provide unique challenges for MPD and this funding will provide MPD with the resources necessary to ensure that footage is properly reviewed and redacted (when necessary) and that requests are responded to in a timely fashion.

Lastly, MPD will be receiving \$500,000 of resources to be able to institute a new neighborhood camera initiative. In order to provide law enforcement with more tools to protect our communities, Mayor

Bowser has proposed legislation to create an incentive program to encourage businesses, property owners and churches to install security cameras to help deter crime and identify criminals. The cameras will assist MPD with investigations into criminal activity and vandalism, as well as improve relationships between law enforcement and local property owners. These cameras will also serve as deterrents to crime in their neighborhoods. The program will have a maximum rebate per camera and per address and will operate until the end of Fiscal Year 2016. The Mayor will issue regulations to implement the incentives program.

**Department of Forensic Science
Proposed FY 2016 Supplemental Budget Narrative**

Supplemental Budget Increase Description:

\$8,023,919 Increase to Prior Request: In March of 2015, Mayor Bowser shut down the Department of Forensic Sciences' (DFS) DNA Lab. A scathing independent report was released by the agency's accrediting body – ANAB – that cited widespread failures surrounding the failure to follow proper scientific techniques and lack of proper management. Mayor Bowser immediately provided the agency with one million dollars to enable the lab to use a private contractor to conduct DNA testing while the re-training of staff occurred. Additionally, a nationwide search for a new Director was conducted that resulted in the hire of Dr. Jenifer Smith. Upon her hire, many other gaps within DFS were identified that inhibited the District's ability to effectively fight crime. In addition to the inability to test DNA in-house, there were long testing backlogs for fingerprints and firearms, which slowed criminal identification and reduced case closure rates. As a result, in the supplemental budget, Mayor Bowser has included **\$4,312,826** of additional money for DFS to reduce their testing backlogs, resume DNA testing and increase staffing in essential scientific areas.

Another key component of Mayor Bowser's plan for a Safer, Stronger DC is the **\$3,711,093** initiative regarding retired officer retention. Currently, there are many MPD officers who are nearing retirement that perform essential functions at DFS. By passing legislation that will allow MPD officers to retire and return to work as DFS employees without losing their pension, DFS will retain valuable employees with important skillsets. In addition to the legislation, Mayor Bowser is including funding to civilianize the remainder of the crime scene search division. By civilianizing the crime scene search division, MPD will be able to return fifty officers to everyday community policing initiatives.

**Office of the Chief Medical Examiner
Proposed FY 2016 Supplemental Budget Narrative**

Supplemental Budget Increase Description:

\$326,300 Increase to Prior Request: As part of Mayor Bowser's focus on crime prevention, she has instituted a program through the Office of the Chief Medical Examiner (OCME) to conduct Synthetic Drug Surveillance throughout the city. The Department of Health (DOH) requires hospitals to submit urine and blood samples from patients with symptoms consistent with synthetic drug use. These patient specimens are then submitted for testing by the Office of the Chief Medical Examiner, which allows for improved surveillance of synthetic drug use within the District. The data will inform District officials about the level and prevalent locations of such use. Also, the data will inform DOH on how to best educate the community on the inherent dangers of synthetic drug usage and implement appropriate measures for those who have become habitual users. So far approximately 74% of the test results have shown positive for Synthetic Drugs. Half of which are combined with other drugs of abuse, such as PCP, Cocaine and Marijuana.

**Department of Employment Services
Proposed FY 2016 Supplemental Budget Narrative**

Supplemental Budget Increase Description:

\$4,491,721 Increase to Prior Request: As part of the Mayor's FY 2015 Supplemental Budget Plan, the Mayor has included \$4.5 million of funding for a Career Connection Program for at-risk young adults. The District's unemployment rate for 20-24 year olds is 12.4%, compared to the overall rate of 6.8%. Too many in this age group are becoming disconnected from their community, lack job skills and are at high risk of becoming part of the long-term unemployed – at times even falling into criminal activity. The Obama Administration has prioritized the support and professional development of this age group, and other major cities are focused on expanding programming and support for this population. Mayor Bowser is proposing a year-round program that will help the District's most at-risk young people find their pathway to long-term careers. The program will provide on the job training to 400 at-risk 20-24 year olds (particularly in neighborhoods most affected by crime), connect them with education and training opportunities, and ensure their continued success by offering wraparound services and transportation subsidies.

**Department of Parks and Recreation
Proposed FY 2016 Supplemental Budget Narrative**

Supplemental Budget Increase Description:

\$2,526,514 Increase to Prior Request: The DPR Office of Human Resources plans to coordinate with DOES to integrate their LEAP and Project Empowerment programs to facilitate the temporary hiring of 29 customer service representatives (CSR) at a cost of \$1,501,317. DPR is confident that all hiring can be targeted to District residents in support of the Mayor's "Pathways to the Middle Class" and in accordance with the eligibility requirements that DOES has for their program participants. DPR would like to note that in order for the positions to be most useful and to have the greatest impact for the funding expended, the positions will need to be added to the 2017 and recurring budget cycles. Then, the hires that will ultimately be trained and experienced by then, will be better positioned to retain their employment.

Additionally, \$1,025,197 will be used to make lighting, signage, and CCTV improvements to 8 priority sites as follows:

Site	Ward	Address
Rosedale Recreation Center	6	1701 Gales St, NE
Barry Farm Recreation Center	8	1230 Sumner Rd, SE
King Greenleaf Recreation Center	6	201 N St, SW
Emery Recreation Center	4	5801 Georgia Ave, NW
Brentwood Recreation Center	5	2311 14 th St, NE
Bald Eagle Recreation Center	8	100 Joliet St, SW
Congress Heights Recreation Center	8	611 Alabama Ave, SE
Columbia Heights Community Center	1	1480 Girard St, NW

Children and Youth Investment Trust Corporation

Proposed FY 2016 Supplemental Budget Narrative

Supplemental Budget Increase Description:

\$1,250,000 Increase to Prior Request: In order to strengthen communities and provide opportunities for success for DC youth and their families, Mayor Bowser is providing \$1.25 million in grants to nonprofit organizations and individuals in select communities across the District. The Community Partnerships Mini-Grants will provide funding to nonprofits and individuals to strengthen resources for communities in several key areas: violence prevention/mediation, mentoring, youth enrichment and family supports.

The mini-grants, which will be operated through the DC Trust, will support DC youth and their families in five designated Police Service Areas (PSAs):

- PSA 507 (includes Langston/Carver)
- PSA 602 (includes Lincoln Heights)
- PSA 604 (includes Benning Terrace)
- PSA 702 (includes Woodland Terrace)
- Congress Park (located in PSA 705)

Department of Public Works Proposed FY 2016 Supplemental Budget Narrative

Supplemental Budget Increase Description:

\$805,627 Increase to Prior Request: The Mayor is proposing an expansion of the LEAP Academy program, which trains residents in growing fields and places them in jobs. The expansion at the Department of Public Works (DPW) will launch a Workforce Development Pilot to connect qualified individuals with jobs related to waste collection. In addition to hiring waste collectors, DPW will hire and train mechanics to maintain the large waste collection fleet.