Dear Director:

The DC Fiscal Policy Institute (DCFPI) conducts research and informs policy decisions to reduce poverty and income inequality and to give residents the opportunity for a secure economic future. We accomplish this through research and analysis, direct engagement with policymakers, and strategic partnerships with other organizations and individuals throughout the Washington DC region. DCFPI also furthers ways to make DC public services more effective and to ensure the workings of DC government are open and accountable to the public.

Because DCFPI relies heavily on the District of Columbia’s CAFR to inform our work, I am writing to express strong dissent from GASB’s proposal, under question 4.6 of the proposed implementation guidance, to exempt from Statement 77 coverage those tax increment financing (TIF) expenditures that fund “public infrastructure.” Given the substantial role that such abatements play in the District of Columbia, the proposed GASB rules will limit the ability of D.C policymakers and residents to fully understand the jurisdiction’s financial position.

In 2017 the District approved $82.4 million of tax increment financing debt for infrastructure improvements and parking construction in a rapidly developing neighborhood of the city. Even though the TIF-paid upgrades are open to the general public, and thus could be called “public infrastructure” for the purposes of this proposed rule, the primary purpose of the parking garage is to serve hotel guests, and it would not have been built if not for requests from the private companies involved. This is an enormous economic development tax abatement that must be reflected in public disclosures, and it is a common type of subsidy here in D.C.

DCFPI relies on the District’s CAFR to inform our work. Please do not open up loopholes that will reduce transparency for residents, policymakers, and investors alike.

Thank you for your consideration of our comment.

Sincerely,

Kitty Richards
Acting Executive Director, DCFPI