

2015

Keeping *the* Promises

The Government of the District of Columbia
Vincent C. Gray, Mayor

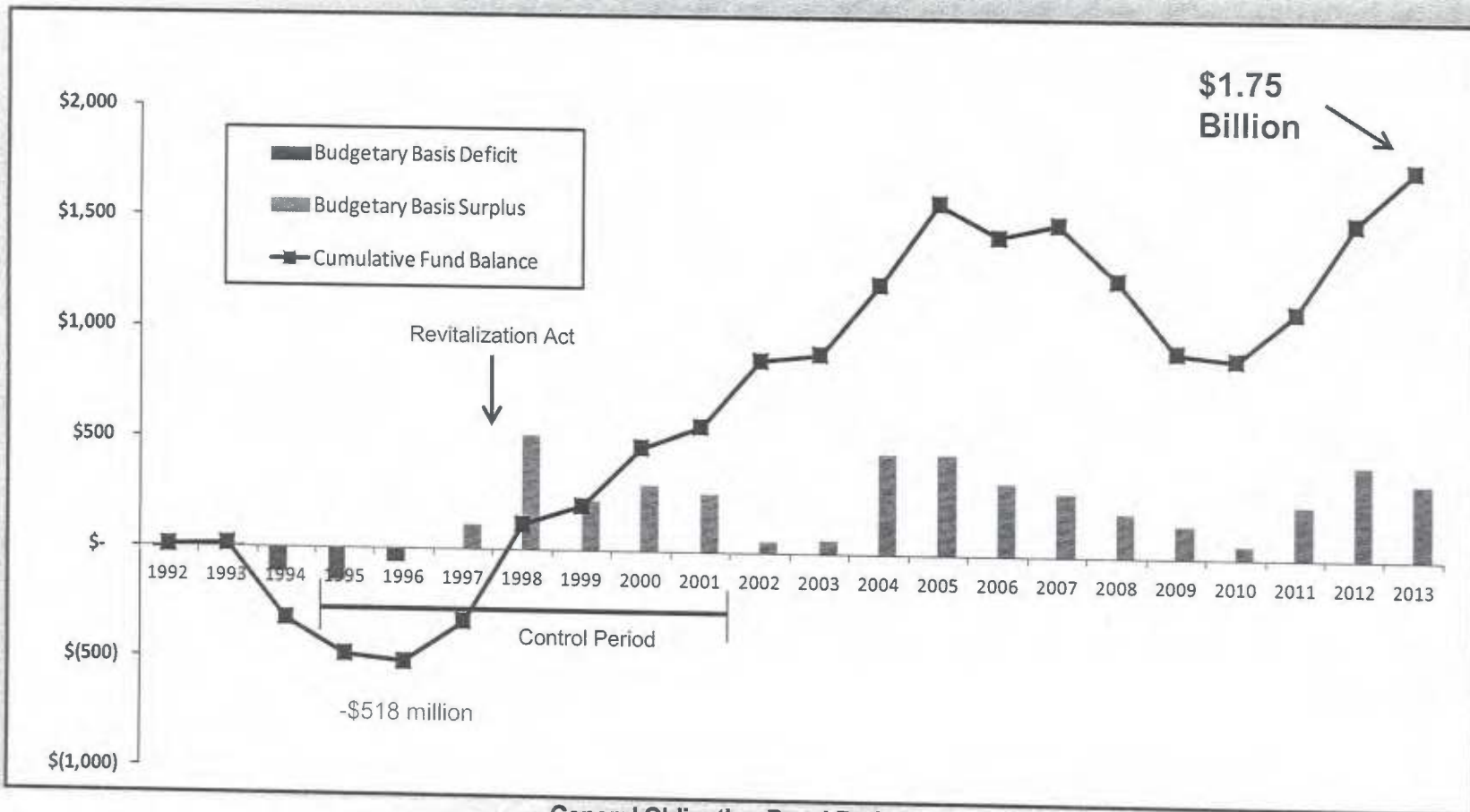


Continuing Fiscal Responsibility

- A structurally sound budget and financial plan that does not use locally mandated reserves
- Preservation of 12 percent debt cap and funding of dedicated Pay-As-You-Go Capital fund to continue upward trajectory of District investment grade bond ratings
- No tax or fee increases to balance the budget



Continuing Fiscal Responsibility



General Obligation Bond Ratings

S&P:	A-	A-	A-	B	B	B	BB	BBB	BBB	BBB+	BBB+	A-	A-	A	A+	A+	A+	A+	A+	A+	A+	AA-
Moody's:	Baa	Baa	Baa	Ba	Ba	Ba2	Ba1	Baa3	Baa3	Baa1	Baa1	Baa1	A2	A2	A2	A1	A1	A1	Aa2	Aa2	Aa2	Aa2
Fitch:	A-	A-	BB	BB	BB	BB+	BBB	BBB	BBB+	BBB+	A-	A-	A	A	A+	A+	A+	AA-	AA-	AA-	AA-	

Income Tax Secured Revenue Bonds: S&P: AAA Moody's: Aa1 Fitch: AA+



Baseline Budget

Fiscal Year 2015 Baseline Budget

Virtually balanced for the first time since the beginning of the recession due to sound financial management that has effectively eliminated all spending pressures

Budget Gap

- FY 2012 \$322.1 million
- FY 2013 \$172.1 million
- FY 2014 \$79.3 million
- FY 2015 \$2.7 million

Local Fund Budget Summary

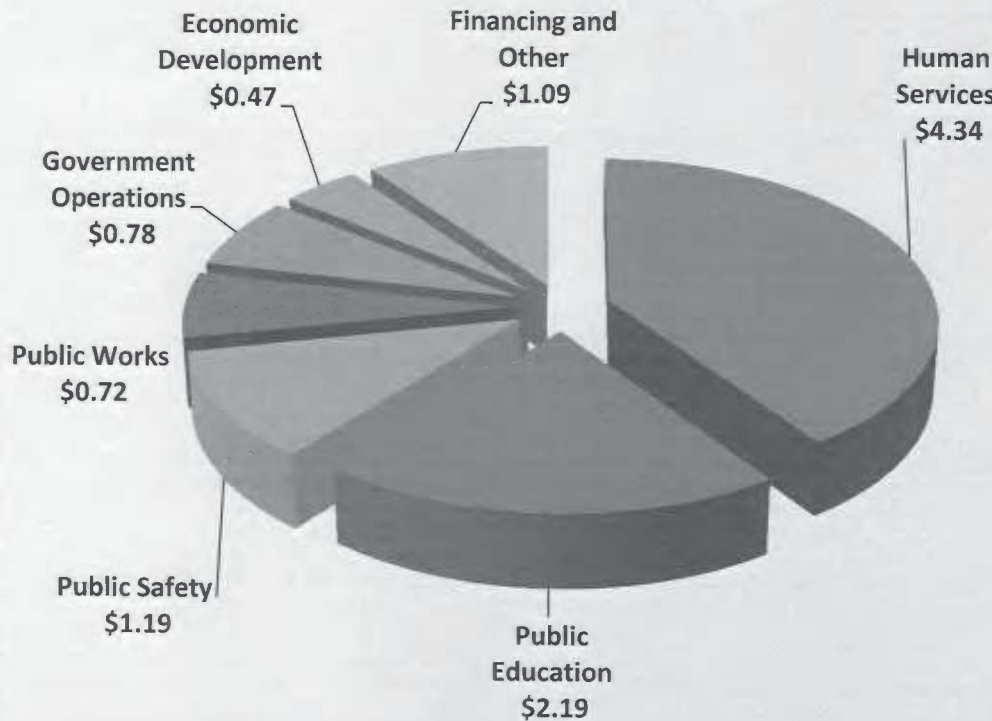
*75-2010
Property
Income
Sales ⇒ Taxes*

- FY 2014 approved budget - \$6.35B
- FY 2015 baseline expenses - \$6.64B
 - CSFL for Local funds - \$6.48B
 - Technical adjustments to CSFL - \$157.7M
 - 4.5% increase over FY 2014 approved budget
- FY 2015 proposed budget - \$6.79B
 - Total new policy decisions - \$139M
 - 2.3% of total FY 2015 proposed budget
 - By comparison, the District's population grew by 2.1%



FY 2015 At A Glance

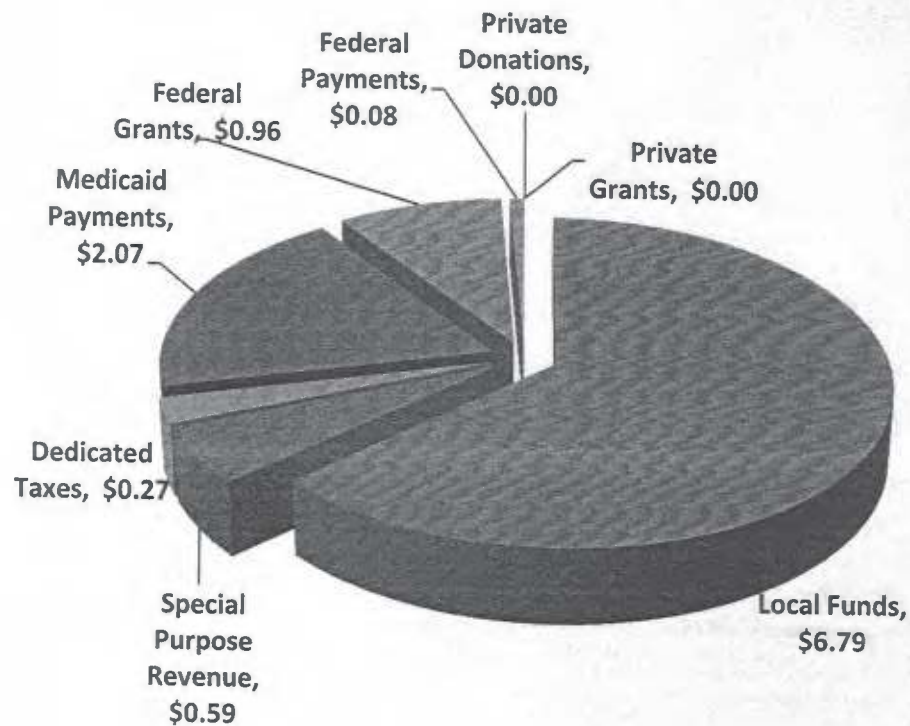
Total Gross Funds Budget : \$10.7B



- Human Support Services:
\$4.34B - 40.3%
- Public Education:
\$2.19B - 20.4%
- Public Safety:
\$1.19B - 11.0%
- Government Operations:
\$0.78B - 7.2%
- Economic Development:
\$0.47B - 4.4%
- Public Works:
\$0.72B - 6.6%
- Financing and Other:
\$1.09B - 10.1%

FY 2015 At A Glance

Over 70% of the District's revenue is generated locally



Locally Generated - 71.0%

- Local Funds
\$6.79B - 63.0%
- Special Purpose Revenue
\$0.59B - 5.5%
- Dedicated Taxes
\$0.27B - 2.5%

Federally Generated - 28.9%

- Medicaid
\$2.07B - 19.3%
- Federal Grants
\$0.96B - 8.9%
- Federal Payments
\$0.08B - 0.8%



Pillars of the FY 2015 Budget

1. Continue improvements in public education
2. Additional investments in affordable housing
3. Encourage economic and workforce development
4. Improve the Quality of Life for All



#5 to #3 DCPS + PCS

High Quality Education

- \$116M Additional Educational Investment
 - \$112M for DCPS and PCS
 - \$60M for Adequacy Study implementation, mainly through the addition of an at-risk weight
 - \$4.2M for Infant and Toddler program
- \$2.8M increase in facilities allotment for PCS to cover inflation
- \$1.6B in CIP for citywide school modernization
- Public school enrollment highest in 25 years to 86,668 students



High Quality Education



- \$5M additional for school nurses
- Increased focus on Technology, Algebra, Foreign Language, Art, Gym, and Music
- Nine Career and Technical Education Academies to serve 200-300 students *IT Hospitality & Construction*
- \$175K for Free SAT testing for all junior and senior students
- Implementing a new DC Youth Reengagement center



High Quality Education



- \$1M - continued funding for truancy prevention
- \$400K - Sing, Talk, and Read program at DCPL
- \$1.3M increase for University of the District of Columbia



High Quality Education

FY 2015 – \$404 million for citywide school modernization

- High Schools - \$173.8M
- Middle Schools - \$20.4M
- Elementary Schools - \$115.7M
- General Improvements - \$94.4M



High Quality Education

FY 2014 - FY 2020 – \$181.3 M for school modernization:

- Banneker HS - \$67.1 M
- Bancroft ES - \$35.4 M
- Marie Reed ES - \$45.5 M
- Tubman ES - \$11.2 M
- Adams ES - \$12.2 M
- Washington-Metro ES - \$9.9 M

Facet + Rebuild



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\$100M to Affordable Housing

- \$78.5M to the Housing Production Trust Fund
 - \$30.2M in FY 2014 in additional funds
 - \$48.3M in FY 2015 through dedicated deed taxes
- \$8.5M property tax relief for seniors
- \$4M - Local Rent Supplement Vouchers
 - \$3M for individuals and families
 - \$1M for low-income seniors (nursing home discharge)
- \$1.3M - LIHEAP - “Heat and Eat”



\$100M to Affordable Housing

\$4.7M - Commitment to end Veteran homelessness by 2015

New La Casa Permanent Supportive Housing in Columbia Heights



before

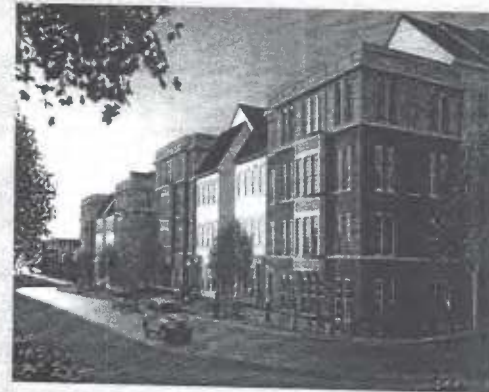


after



\$100M to Affordable Housing

- 500 Families, 100 Days
 - \$1M Increase to Emergency Rental Assistance Program
 - \$1M Increase to Rapid Rehousing
- Increase of \$1M in Home Purchase Assistance Program
- New Homeownership Campaign Ward 7 & 8 at \$300K
- Increase of \$250K in Emergency Housing Funding in OTA



Pillars of the FY 2015 Budget

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4. Improve the Quality of Life for All



Economic Development

- Adult job training \$4.2M
- \$2.5M workforce development at CCDC
- One City Business Portal for unified licensing and permitting
- Continued funding for:
 - St. Elizabeths East Campus
 - McMillan Site
 - Shops at Dakota Crossing
 - Skyland Town Center
 - Walter Reed Redevelopment
 - SW Waterfront



Pillars of the FY 2015 Budget

1. Continue improvements in public education
2. Additional investments in affordable housing
3. Encourage economic and workforce development
4. **Improve the Quality of Life for All**



Age Friendly City for Seniors



- \$2M - Increased funding for Wellness Centers
- \$456K - continuing current services for the Commodity Supplemental Food Program
- \$3M - improved transportation services
 - Capable of handling medical and non-medical issues



Health

- \$300M in Capital funding for new East End Medical Center on St. Elizabeths East Campus



- \$2.5M to broaden Medicaid health coverage to include transplants
- \$867K - Early Periodic Screening Diagnosis and Treatment incentives for MCOs
- \$250K for increased funding for tobacco cessation programs (DBH)
- \$596K to continue reduction to infant mortality rate (DOH)



Human Services

Increase TANF Benefits

- Provide CPI increases in FY 2015 and FY 2016
- Increase benefit by 46% in FY 2017 to be commensurate to similar benefits in Maryland. This is roughly equivalent to a CPI adjustment from 1996, the last year the TANF benefit was adjusted for inflation
- In FY 2018 and beyond continues annual CPI adjustment in financial plan



Public Safety & Justice

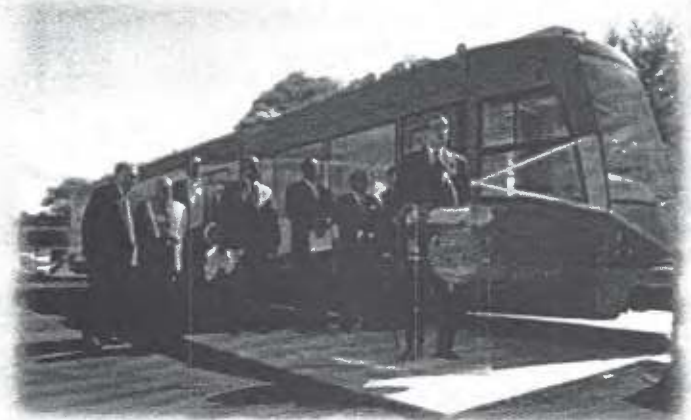
- Fully funded a police force of over 4,000 sworn officers
- Increased Access to Justice legal assistance fund to at total of \$4M
- \$193K for mobile library services for incarcerated citizens
- \$1.4M for DFS to fully fund expanded services
- \$91.3M FEMS capital investment in facilities and fleet
- \$670K in FY 2014 for pumper and ladder repairs for FEMS



Public Transportation

Fully Funding WMATA subsidy at \$292M

- Increase of \$2M for School Transit Subsidy
- \$5.1M for expanded Circulator Bus routes
- \$25M for capital commitment to WMATA Momentum program
- \$1M for Metro Access services via taxicabs



Integrated Premium Transit (FY15-20)

- Streetcar build-out - \$810M
- Circulator bus garage - \$41M
- Purchase Circulator buses - \$49M



Public Transportation

Pedestrian & Bicycle Improvements (FY 2015 - FY 2020)

- Sidewalk Facilities - \$54.2M
- Pedestrian & Bicycle Safety Enhancements - \$7.9m
- Trails - \$6.75M
- Streetlight Management & New LED Installation - \$55.6M



Government Operations

- \$6.9M Procurement Reform (OCP & OAG)
- Fully funded all pending labor contracts in Workforce Investments
- Expanded parental leave policy for District employees
- \$15M for City Fund non-profit grants
- Increased funding for summer programs at DPR at \$1.5M



Autonomy for the District

- Legislative Autonomy
- Budget Autonomy
- Statehood Commission Director
- \$100K Statehood Delegation



Tax Revision Commission

- Reduce marginal tax rate on individual income between \$40K to \$60K from 8.5% to 7.5%
 - \$7M from unified taxation of tobacco products
 - \$18M from FY 2014 by carryover set aside for Tax Relief
 - Funded in financial plan by repealing sunset of high income earners tax
- \$4.4M for tax safe harbor to encourage investment in the District to attract the securities industry to the District
- Business Tax Reform (Revenue Neutral)
 - Lowered the business franchise tax rate from 9.975% to 9.4%
 - Use single weighted sales apportionment factor



Additional Revenue Priority List

1. \$8.0M Increase Infant and Toddler slots by 200
2. \$10.8M Earned Income Tax Credit
3. \$10.4M Business Franchise Relief
4. \$10.2M Commercial Property Tax Relief
5. \$10.0M UDC University Advancements
6. \$3.0M Adult Literacy Funding
7. \$1.9M and 23 Full-Time Equivalents, Expansion of School Based Mental Health program
8. \$1.8M Coverage of Ineligible for Health Benefits Exchange Insurance



Additional Revenue Priority List

9. \$1.5M Federally Qualified Health Center (FQHC)
Rate Methodology
10. \$1.0M Elderly and Persons with Disability Waiver
11. Reduce Deed and Recordation Tax assessment along
with offsetting percentage increase to HPTF
12. \$5.0M Increased funding for Summer Youth
activities
13. \$8.5M Mayor's Scholars Program
14. \$10.2M Personal Exemption



Additional Revenue Priority List

15. \$10.1M Standard Deduction
16. \$10.0M Additional Grant Funding for the Arts
17. \$700K Fund Small Business Technical Assistance program
18. Restore funding to Realtor Fund
19. \$453K and 4 Full-Time Equivalents, Personnel, Labor & Employment Division 3 Additional Attorneys and 1 Paralegal
20. \$13.9M Estate Tax

