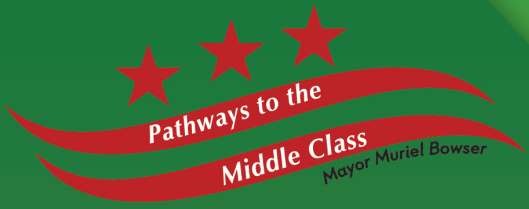


Mayor Bowser's Proposed FY 2016 Budget



Pathways to the Middle Class

WHERE WE STARTED



WHERE WE STARTED: PROJECTED EXPENDITURES AND REVENUES

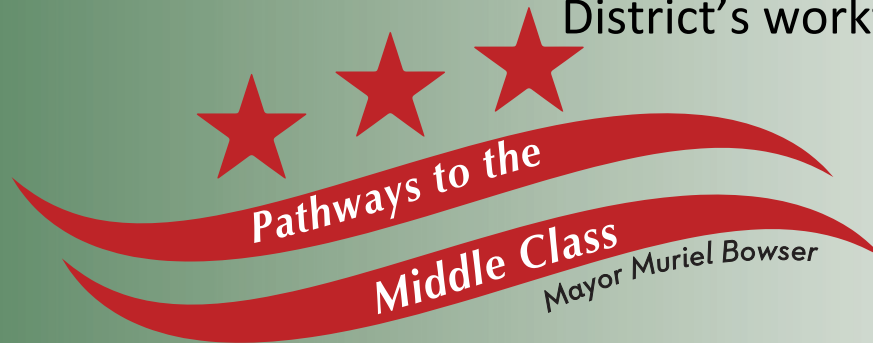
COSTS PROJECTED TO RISE 4.1%

- Salary growth \$87.0 million
- Inflation \$70.8 million
- Medicaid growth \$15.7 million
- Debt Service \$52.5 million
- Cost to operate completed capital projects \$5.7 million
- Other \$48.5 (technical adjustments for pensions, etc. offset by reduction of one-times in FY15 budget)

REVENUES INCREASED
BY 3.1%

THE APPROACH

- Started by hiring the best and the brightest
- Engage the public at the **beginning** of the process, before the budget was drafted or decisions made
- Every cluster across the government contributes
- Challenged agency heads to do more
- Target inefficient programs, underspending, and vacancies, not across the board cuts
- Preserve **middle class** tax reductions
- Maintain and invest in the District's workforce



BUDGET PROCESS

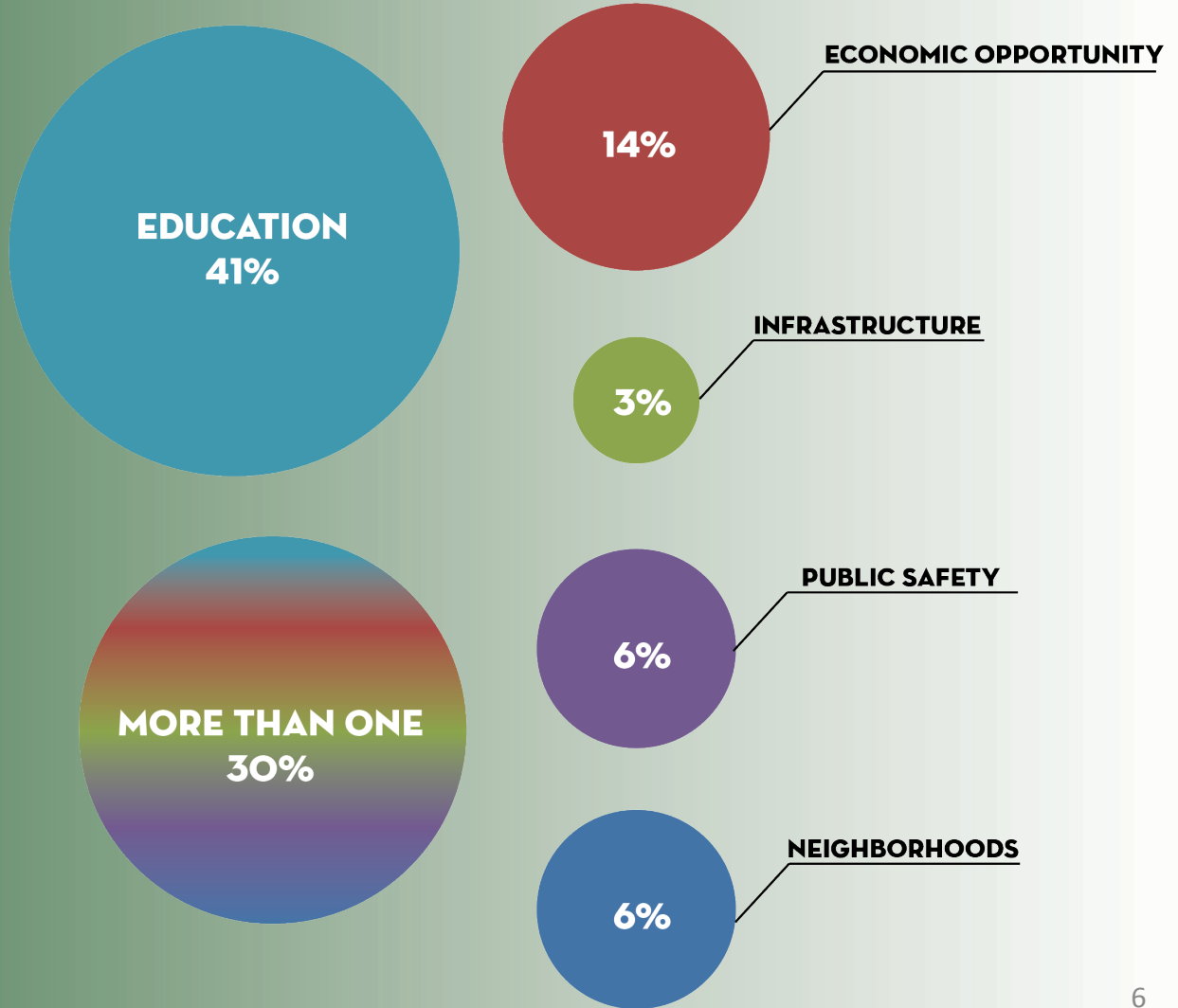


What the Public Told Us

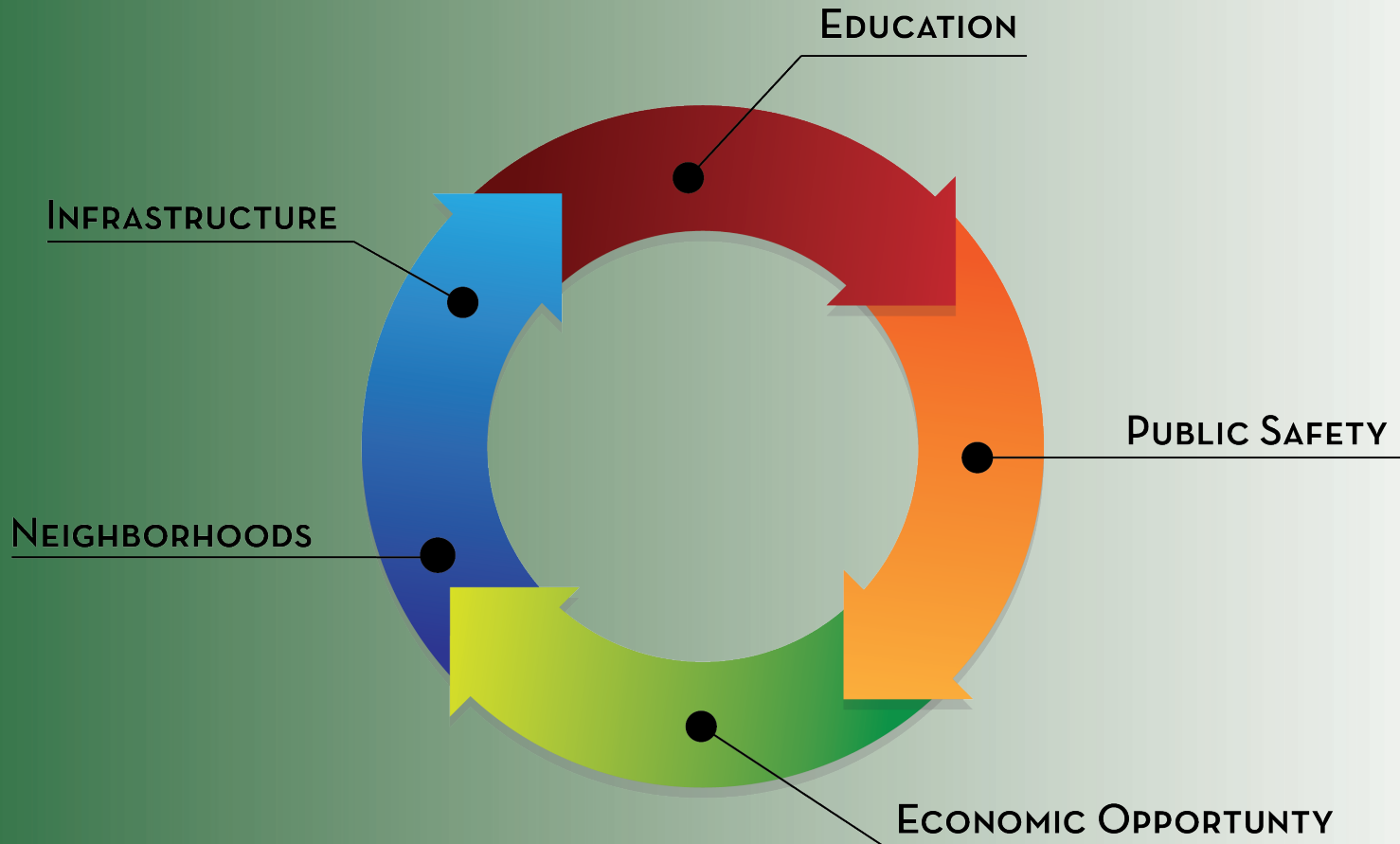
SPENDING PRIORITIES

The \$100 Exercise

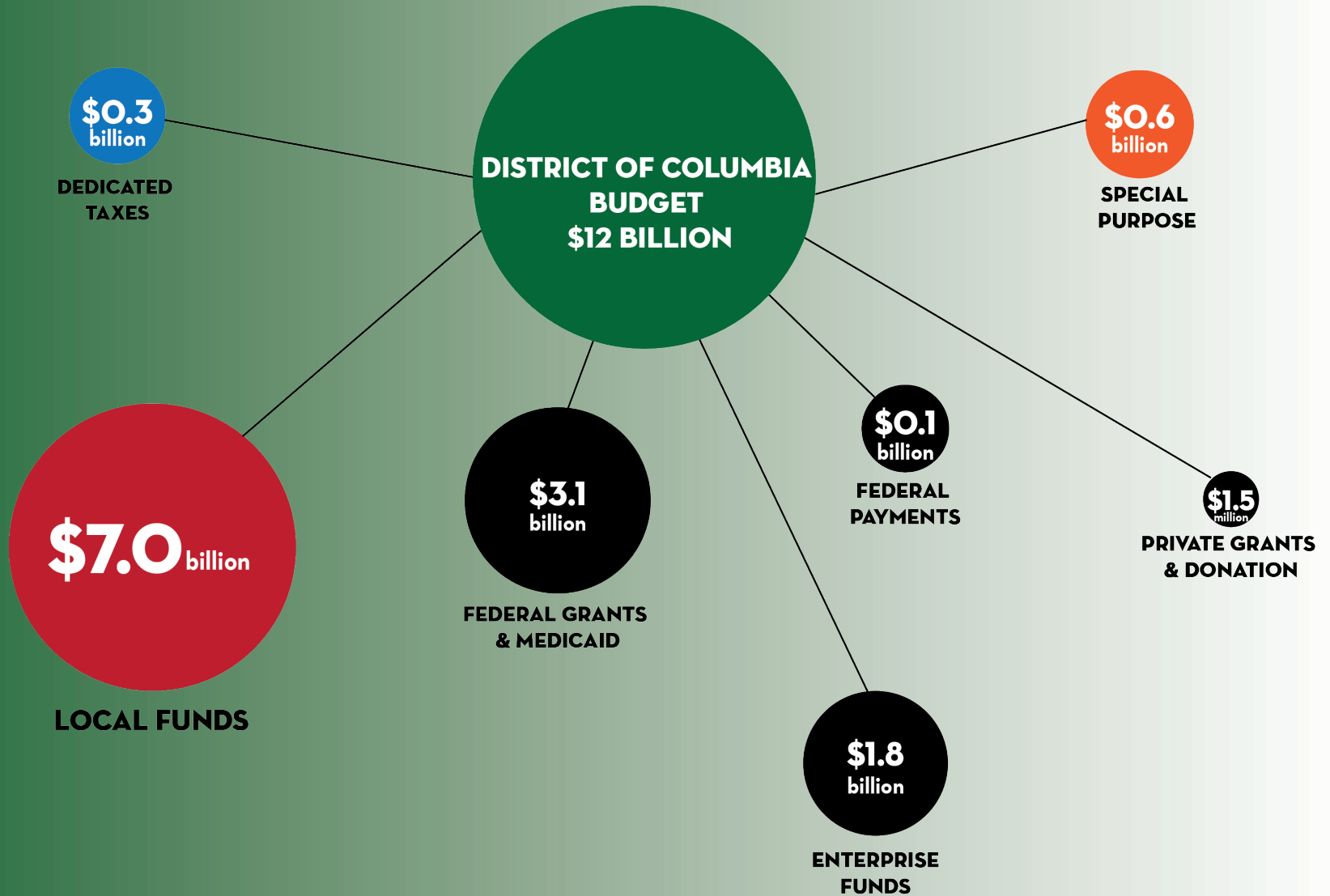
- Neighborhoods
- Education
- Economic Opportunity
- Public Safety
- Infrastructure and the Environment



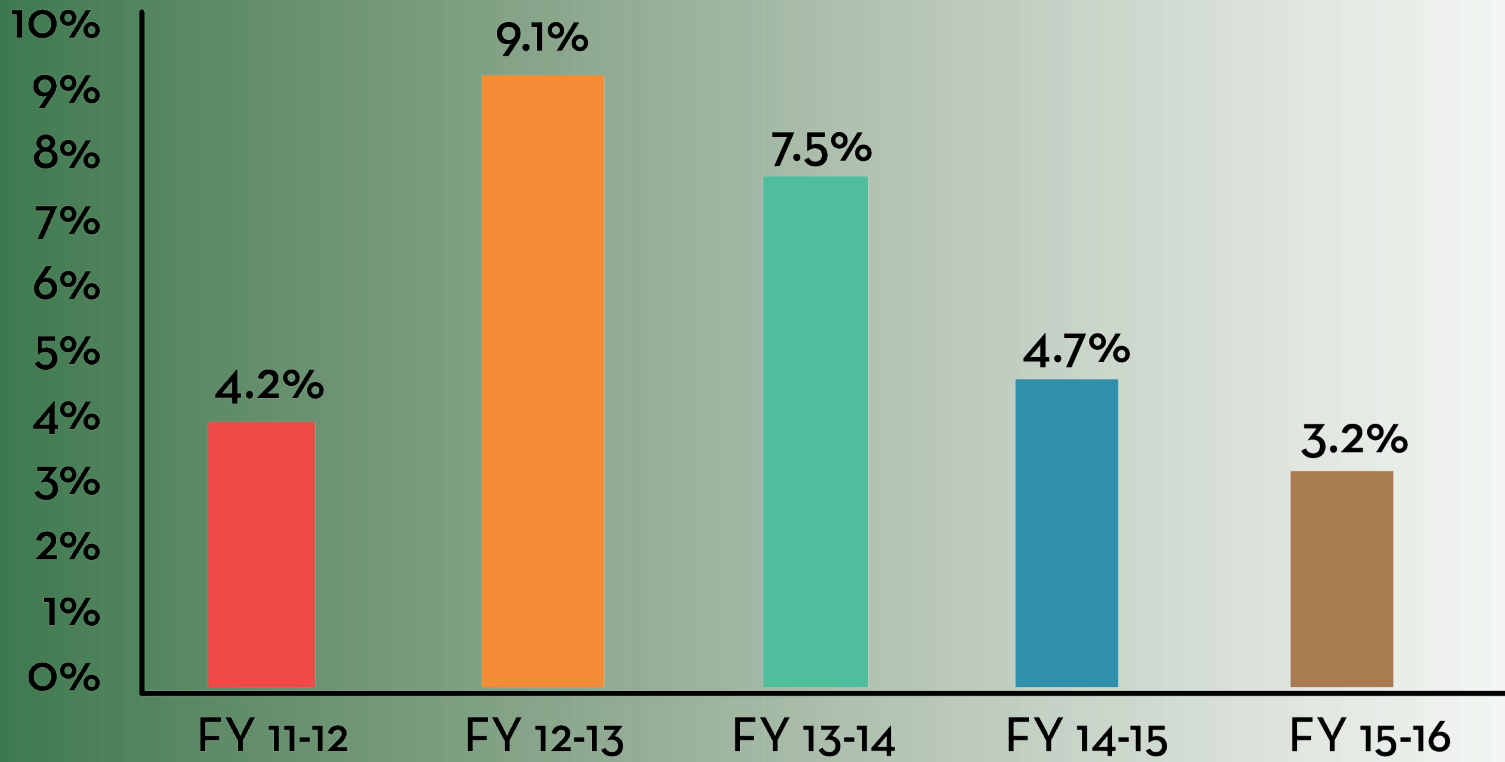
Budget



TOTAL BUDGET



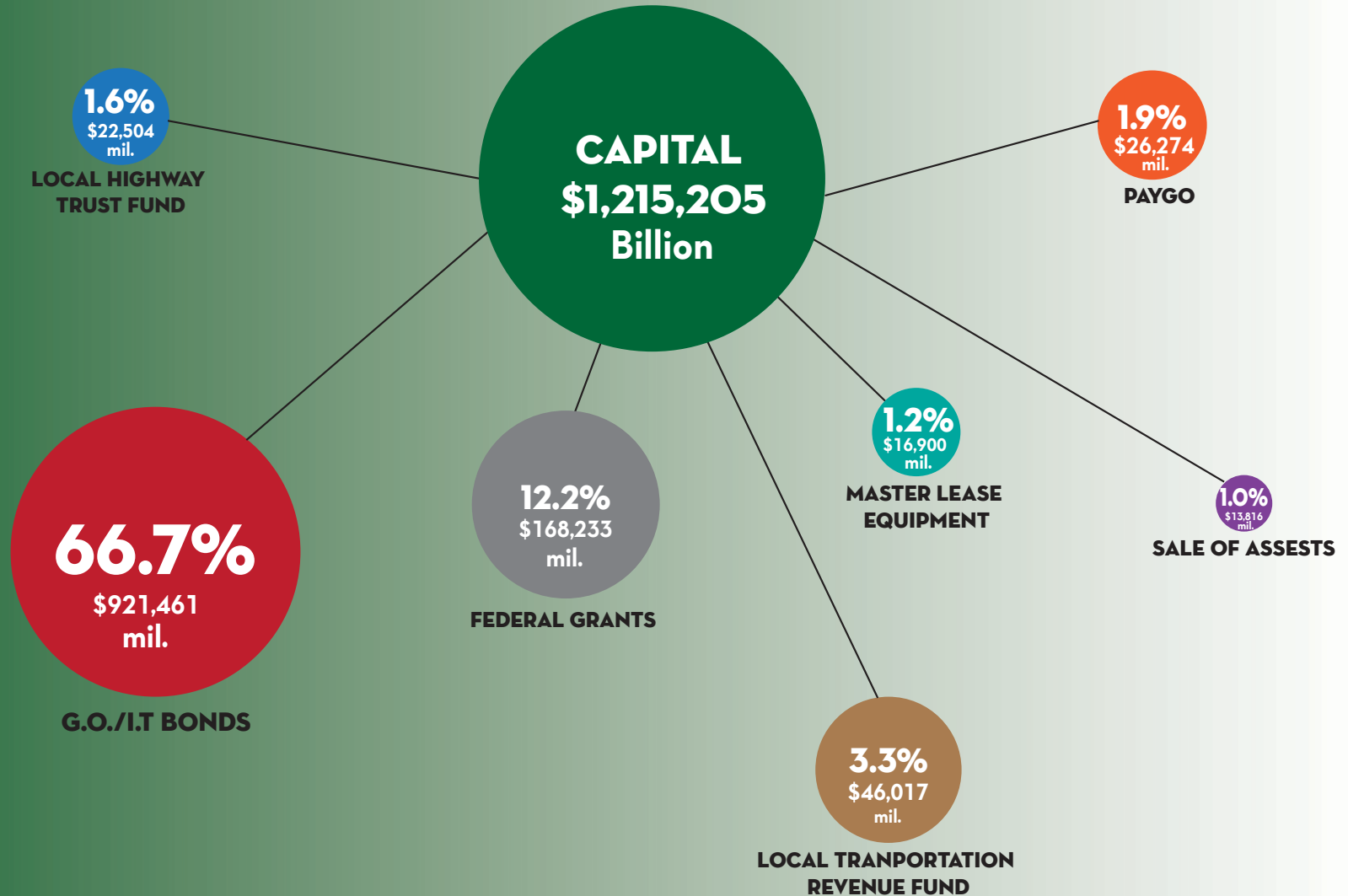
BUDGET GROWTH



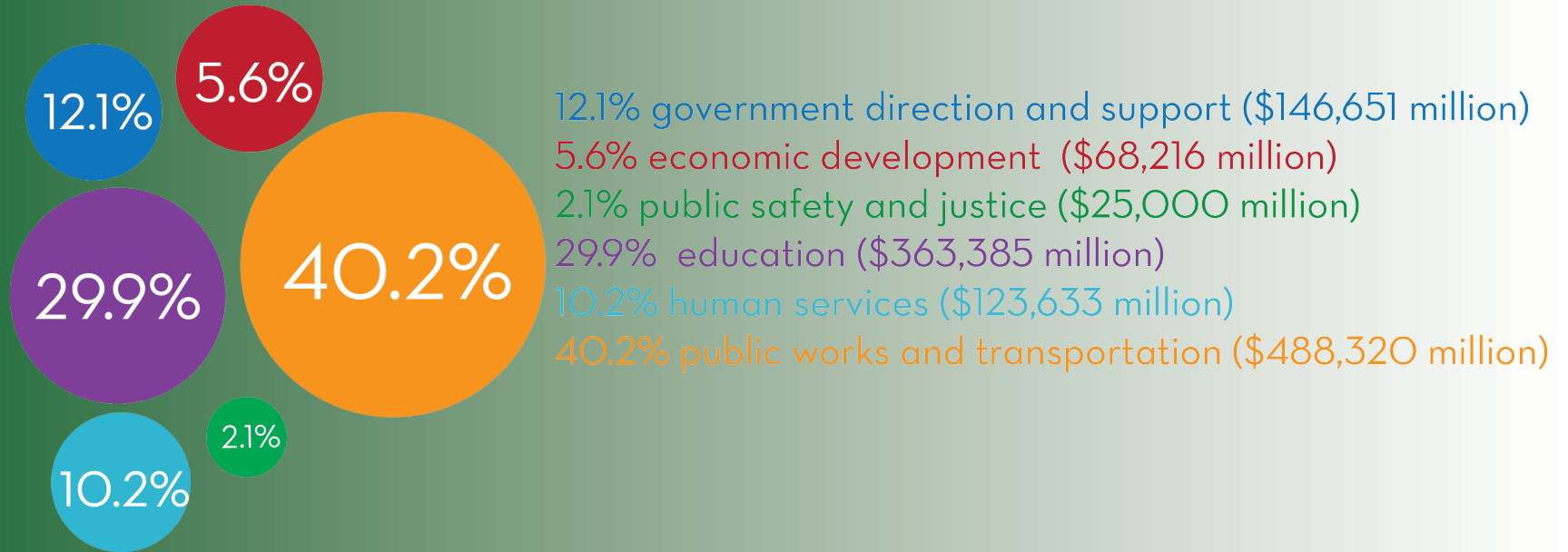
DC'S LOCAL BUDGET



CAPITAL (SOURCES)



CAPITAL BUDGET



NEIGHBORHOODS

- \$100 million to the Housing Production Trust Fund
- \$2.4 million rental assistance through DC Housing Authority
- \$50 million over six years for tree planting, greenspace management, and bicycle & pedestrian improvements



NEIGHBORHOODS

\$115 million for recreation centers, pools, and park over six years



- \$12.0 million for **Hearst Park and Pool** improvements in FY 2016 through FY 2019
- \$5.0 million for **Walter Reed Pool** improvements in FY 2020
- \$9.2 million for **Arboretum Community Center** improvements in FY 2019
- \$32.5 million for **NoMa Parks** improvements in FY 2016 through FY 2019
- \$13.5 million for **Benning Park Recreation Center** improvements in FY 2016 and FY 2017; additional improvements in FY 2020
- \$3.5 million for **Anacostia Recreation Center** improvements in FY 2016

EDUCATION



- \$31.4 million for increased enrollment in traditional public schools and public charter schools
 - \$20 million added over three years for the Empowering Males of Color initiative at DCPS
 - \$15 million for investments in middle schools
- \$200,000 added for an additional Community School
- \$184.6 million for the Martin Luther King, Jr. Memorial Library plus \$28 million over six years for neighborhood libraries

EDUCATION

\$1.3 billion for school modernization over six years



- \$67.1 million for **Banneker High School** improvements in FY 2019 through FY 2021
- \$40.9 million for **Garrison Elementary School** improvements in FY 2016 and FY 2017
- \$63.2 million for **Murch Elementary School** improvements in FY 2016 and FY 2017
- \$116.6 million for **Coolidge High School** improvements in FY 2016 through FY 2020
- \$20.6 million for **Browne Education Campus** improvements in FY 2019
- \$30.9 million for **Watkins Elementary School** improvements in FY 2016 and FY 2017
- \$44.6 million for a new **Ward 7 Specialty School** in FY 2016 and FY 2017
- \$41.0 million for **Orr Elementary School** improvements in FY 2017 and FY 2018

ECONOMIC OPPORTUNITY



- \$5.2 million for the SYEP program for 22-24 year old youth and Transit subsidy
- \$7.0 million to expand Kids Ride Free to rail
- \$750,000 to expand access to healthy food through the Joyful Foods Markets
- Amend the Micro Loan Fund to expand eligibility to a larger pool of small and local businesses in DC
- \$18.7 million to put a down payment on transforming our homeless services system to a crisis response system that makes homelessness rare, brief and non-recurring
 - \$40 million in the capital budget to begin DC General Replacement
- \$3 million to incentivize hi-tech companies to open and stay in DC
- \$1.5 million to expand career services for high school students with disabilities
- \$5 million to extend TANF benefits for families

PUBLIC SAFETY

- \$5.1 million for 2,800 body worn cameras for patrol officers
- \$2.9 million for the civilianization of 48 positions, allowing sworn officers to perform policing duties
- \$2.5 million Police Officers Retention Pilot Program
- Funds FEMS equipment needs at \$80.8 million over six years

INFRASTRUCTURE AND THE ENVIRONMENT

- Fully funds the WMATA request, with no service cuts or fare increases
- Improvements to local roads, alleys, and sidewalks \$98 million over six years
- Provides \$791 million over six years for the WMATA capital subsidy
- \$335 million for Streetcar between Benning Road Metro to Georgetown Waterfront over six years, plus H Street Bridge and federal streetscape funds

HOW WE CLOSED THE GAP

REVENUES

| | |
|-------------------|------------------|
| February Revenues | \$6,888.7 |
| Carryover funds | \$47.9 |
| Dedicated Funds | \$55.0 |
| Change in TIF | (\$1.8) |
| Revenue Increases | \$26.0 |
| TOTAL | \$7,015.7 |

EXPENDITURES

| | |
|------------------|------------------------------|
| \$7,081.3 | February Expenditures (CSFL) |
| (\$48.4) | Technical Adjustments |
| (\$182.0) | Reductions |
| (\$2.2) | Shifts |
| \$166.6 | Investments |
| \$7,015.3 | TOTAL |
| \$0.5 | <i>Operating Margin</i> |

SAVINGS

Achieved reductions by:

- \$26.7 million by reducing vacancies & making more realistic assumptions about hiring rates
- \$58.3 million by right-sizing budgets to match anticipated demand for services
- \$12.1 million by reducing fixed cost savings
- \$35.3 million from efficiencies
- \$13.9 million from increases in federal funds or shifts to non-local funds
- \$36 million in other cuts (tougher choices)

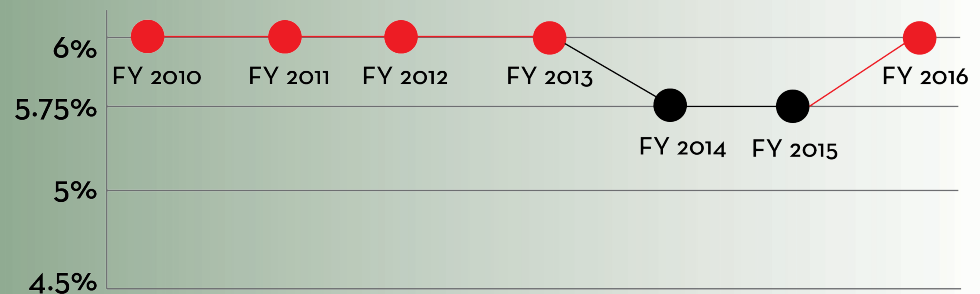
TOUGH CHOICES: REDUCTIONS

- \$9 million to bring hospital fee-for-service rates closer to national average
- \$4.8 million for preventive maintenance, about 5% local funds reduction for facilities maintenance
- \$3.5 million for UDC, a 5% reduction

TOUGH CHOICES: REVENUE

- Raising revenue
 - Total revenue raised is \$26 million
 - Sales tax will return to 6% to fund initiatives that will end homelessness in the District
 - The tax on parking will increase by 4% to incentivize use of public transportation and help pay subsidy increase for WMATA

Sales Tax



Sales tax is currently 5.75%. Has been 6% for 4 of last 6 years.

- Increase tax on e-cigarettes so they are at the same rate as other tobacco products

PAYING THE PATHWAY TO THE MIDDLE CLASS

Investing in education, public safety, economic opportunity, neighborhoods and infrastructure/environment puts residents on a pathway to the middle class.

