



MURIEL BOWSER
MAYOR

June 12, 2024

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

As the Council prepares to take its second vote on the Fiscal Year 2025 Budget, I am pleased to see it has addressed several of the concerns I have raised, including restoring funding to plan and design a new correctional facility; restoring planning funds for the youth indoor sports complex at RFK; and restoring critical investments in our Downtown revitalization strategies. During my meetings with Councilmembers prior to committee mark-ups, I expressed my deep concern about gutting DCPS, raising residents' property and income taxes, and increasing the Paid Family Leave tax to untested levels.

I remain greatly concerned that taken as a whole, ***the Council's proposed budget and fiscal policy sets up our residents and businesses for even larger cuts to services and programs or additional tax hikes next year.*** The Council's budget does not recognize the reality of our fiscal environment: Revenues are growing at two percent per year while the costs of doing the basics are growing even faster. Indeed, the Chief Financial Officer's revenue estimates project slow growth this year and throughout the four-year financial plan. ***Although there's been some rhetoric on the need to be more fiscally responsible and reduce spending, this Council has chosen to take a pass on making any hard decisions.***

In fact, my budget included nearly \$1 billion in savings from program efficiencies and another \$1 billion in savings from thoughtful program reductions – most of which the Council chose to reverse. Instead, during its deliberations, the Council decided to create a new property tax category for so-called “high value” properties, and yet again, raised utility taxes on our residents and businesses. ***Let's be clear: by opening the door to increasing some property taxes this year, the Council has set the stage for more property tax hikes for our residents and businesses next year.***

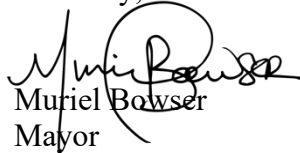
I also remain deeply concerned that the Council's proposed budget makes our DCPS students less safe and eliminates key supports for students and teachers. Despite raising \$530 million in new revenues, the Council's budget cuts critical school services. ***The Council's unjustifiable cuts will leave students and teachers with less security, fewer meals, reduced online access, fewer alternatives for students with behavioral challenges, and without the benefit of advances in the teaching of math.*** I must emphasize that federal stimulus funds are not available next year to blunt

these impacts; there will be real cuts to services and people, and our DCPS families need to know that this was the foreseeable consequences of your decisions.

We know we cannot sustain this fiscal path. That is why my team and I will again spend this summer studying our expenditures, where they are growing beyond revenue estimates, and changes we can make to rein in unsustainable spending growth. I have made clear to the Council my willingness to sit down and work on these critical budget issues. ***I encourage Councilmembers to pick areas of spending each is willing to tackle and work with us over the summer.*** Without a dramatic change in our revenue growth, many of the programs the Council is championing this year will be on the chopping block in a few short months. By working together on this important task, we can do the work needed before next year's budget formulation.

We will continue to work with Councilmembers on these critical issues facing our city as we bring about our comeback.

Sincerely,



Muriel Bowser
Mayor

cc: Members of the Council of the District of Columbia
Glen Lee, Chief Financial Officer, Office of the Chief Financial Officer