

An aerial view of a city street, likely in Washington D.C., showing a large intersection with yellow-painted crosswalks. A woman with short dark hair, wearing a red t-shirt with white text and a necklace, is in the foreground on the left, looking down. The background shows a large, multi-story building with many windows and a street with cars and pedestrians.

FY 2022 PROPOSED **BUDGET** AND FINANCIAL PLAN

PRESENTATION TO THE COUNCIL OF THE DISTRICT OF COLUMBIA

A FAIR SHOT

WE ARE
WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

We Are All In This Together...

- The **financial impact** of COVID-19 has required us to make sacrifices, while maintaining the critical services our residents expect and protecting our most vulnerable neighbors.
- We have taken **extraordinary steps** to reduce spending, access our reserves, and maximize use of available federal aid in responding to the pandemic and its negative economic impacts.
- In our FY 2022 budget proposal, we are using our significant federal investments to provide relief, recovery, and growth opportunities for an **equitable recovery** across all 8 wards.

We Will Recover and Grow Stronger Together.

Our strong financial position...

- A balanced budget 25 years in a row
- Aaa bond rating
- Fully funded pension and retiree healthcare
- Strong reserves
- Strong real-estate market

And our prudent budgetary response...

- Targeted reductions to agency spending
- Strategic and measured use of available reserves
- Maximal use of federal relief funds

Allowed us to...

- Avoid more drastic cuts to valued public services
- Maintain a strong financial foundation for future growth
- Invest in high-priority needs to solve some of our city's biggest challenges

Federal relief funds drove the increase in FY 2022 budget growth

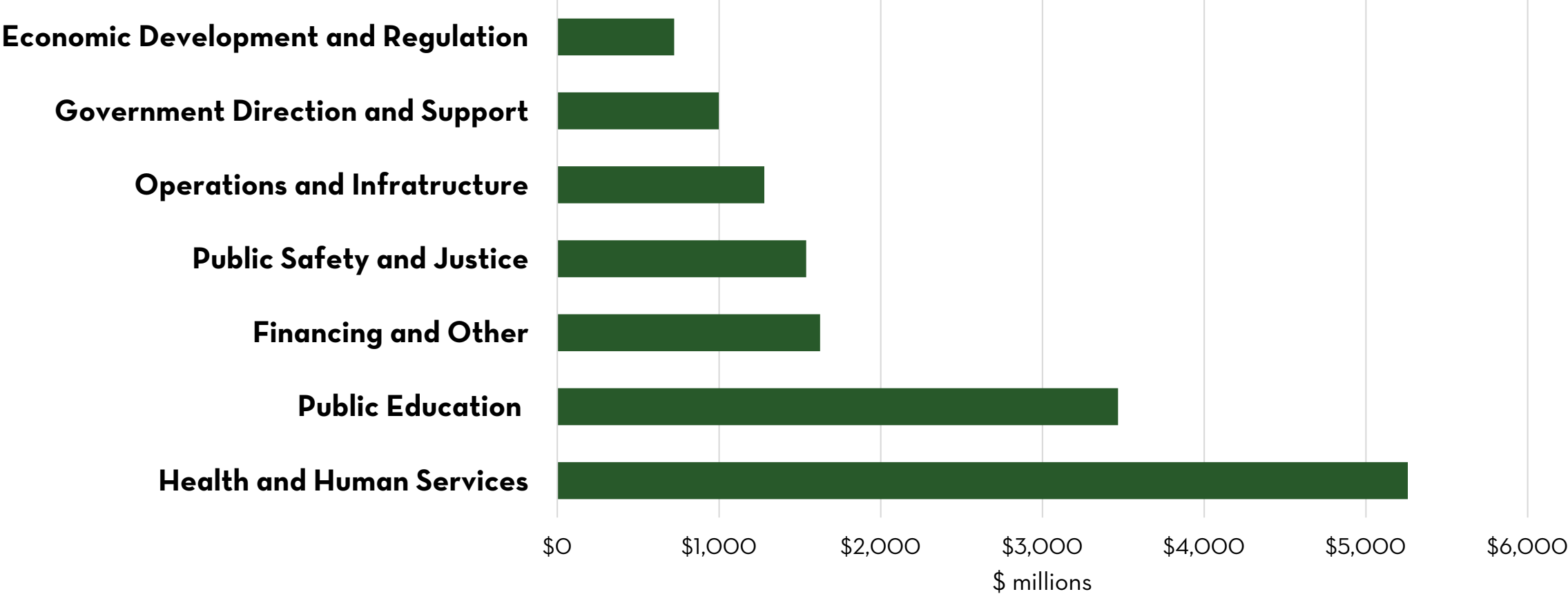
<i>\$ millions</i>	FY 2020 Actual	FY 2021 Approved	FY 2021 Revised	FY 2022 Proposed
Local Funds	\$8,272	\$8,620	\$8,695	\$9,117
YoY Change (%)	N/A	4.2%	5.1%	5.8%*
Gross Funds	\$15,507	\$16,857	\$19,549	\$17,519
YoY Change (%)	N/A	8.7%	26.1%	3.9%

** FY 2022 Proposed compared to FY 2021 Approved. If comparing to FY 2021 Proposed, FY 2022 growth would be 4.9%. FY 2021 Revised growth over FY 2021 Approved is a 0.9% increase.*

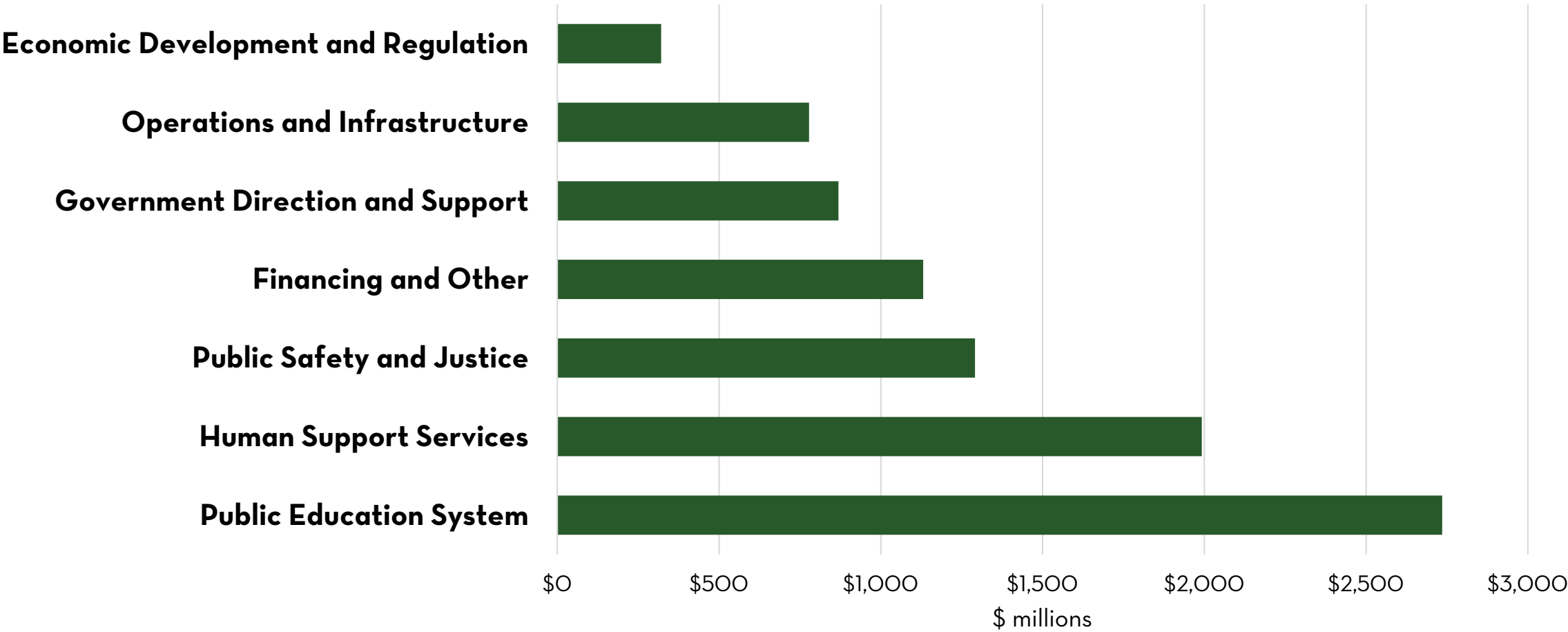
Federal relief funds make up...

- **70%, or \$296M**, of the growth in the Local Funds budget
- **85%, or \$561M**, of the growth in the Gross Funds budget

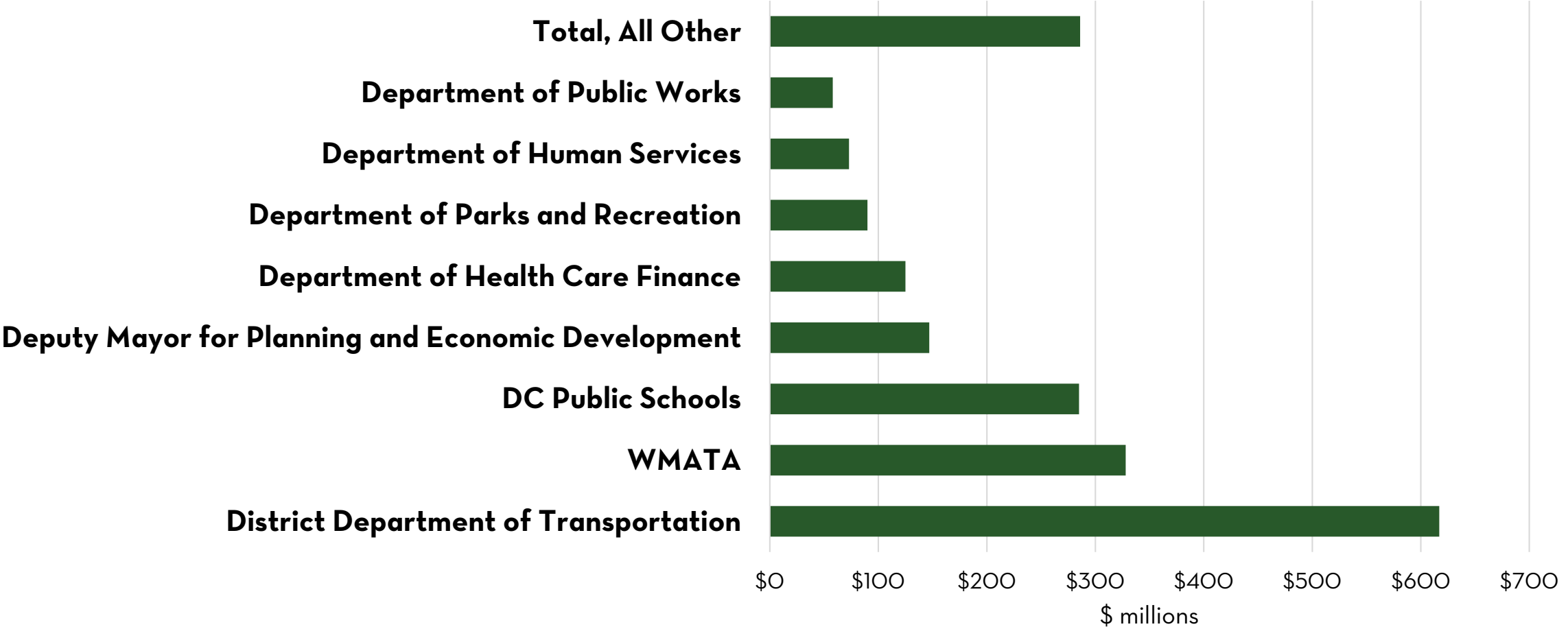
FY 2022 Gross Operating Funds, By Appropriation Title
\$ millions



FY 2022 Local Operating Funds, by Appropriation Title
\$ millions



FY 2022 Capital Allotments, by Agency
\$ millions



The District has four reserve funds designed to provide flexibility during difficult financial times. **Three continue to be in use.**

IN USE:



Cash Flow Reserve - \$796M

Provides daily operating cash to pay employees, meet contract payments, and cover daily supplies.



The **Cash Flow Reserve** is providing daily operating cash to pay employees, meet contract payments, and cover daily supplies. The cash flow reserve is expected to be at its lowest point in August as several significant obligations are due.



Contingency Cash - \$311M

Available for unanticipated, non-recurring needs that arise. Funds must be replenished within 1-2 years.



The District has used \$229M of its **Contingency Cash Reserve**, mostly for COVID-19 response. The full contingency reserved will be repaid by the end of FY 2021.



Fiscal Stabilization - \$218M

May be used to cover revenue shortfalls experienced by the District government.



The District used \$213M of the **Fiscal Stabilization Reserve** in FY 2021 to balance the 4-year financial plan and will fully replenish this fund by FY 2024.



Emergency Reserve - \$156M

Available for extraordinary unanticipated, non-recurring needs, such as a natural disaster or calamity. Typically used only after Contingency Cash has been exhausted.



We are preserving the **Emergency Reserve** in case we have new emergencies associated with COVID-19 or another unforeseen emergency.

Anticipated American Rescue Plan Funds

STATE FISCAL RECOVERY

\$1.8 billion

*Received and budgeted
(includes \$755M DC was shortchanged)*

COUNTY & CITY FISCAL RECOVERY

\$509 million

In process and budgeted

CAPITAL PROJECTS FUND

\$107 million

*Not received, not budgeted
(application process forthcoming)*

GRANTS TO GOVERNMENT AGENCIES FOR SPECIFIC USES

\$976 million

Including education, health, housing, utility assistance, rental assistance, and more.

Many, but not all, budgeted

DIRECT AID TO NON-GOVERNMENT ENTITIES

\$2+ billion

Including hospitals, Metro, business grants, tax credits and stimulus payments, SNAP benefits, Unemployment Insurance, and more.

Various stages of in process and not budgeted

With one-time stimulus funds we...

Maximized use through targeted investments that do not set us up for a fiscal cliff in FY 2025:

- One-time capital improvements that accelerate our **mobility and climate goals**
- Two to three-year ramp-ups that provide for **relief, recovery and growth** for our residents and businesses through areas like job training, learning acceleration and business assistance
- Significant increases in **affordable housing production and preservation** to accelerate our affordable housing goals

Our financial planning ensures that...

Our recurring investments, limited to \$139 million in FY 2022, through investments like **Homeward DC, Building Blocks DC, Alternatives to 911 response**, and more, are fully funded in the financial plan with additional local funds in FY 2025 to cover any gaps when stimulus funds expire

Mayor’s Allocation of American Rescue Plan Funding for *Relief, Recovery, and Growth*

<i>\$ millions</i>	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
Affordable Housing	\$162.2	\$275.4	\$54.4	\$60.0	\$543.0
Economic Recovery for Residents	\$29.8	\$188.7	\$142.8	\$124.7	\$486.0
Economic Recovery for Businesses	\$86.6	\$177.8	\$107.9	\$55.2	\$427.5
Health	\$192.4	\$128.6	\$22.5	\$34.9	\$378.4
Learning Acceleration	\$35.8	\$112.1	\$77.2	\$39.2	\$264.2
Gun Violence Prevention	\$9.5	\$59.3	\$75.7	\$49.3	\$193.7
COVID-19 Response	\$114.5	\$74.6	-	-	\$189.1
Oversight, Accountability & Efficiency	\$4.5	\$17.9	\$5.5	\$6.2	\$34.2
Alternative 911 Response	\$0.2	\$7.0	\$6.9	\$6.9	\$21.0
TOTAL	\$635.6	\$1,041.3	\$492.8	\$367.4	\$2,537.2

Funding includes all state and local recovery funds as well as some of the specific grants agencies received under ARP. Total is not inclusive of all grants the District will receive as details from the federal government on how those funds can be spent are still being released. “Other” includes Infrastructure, Revenue Replacement for Government Services, and Other categories. Health includes \$13.6M in FY 2025 costs, which have been added to FY 2024.



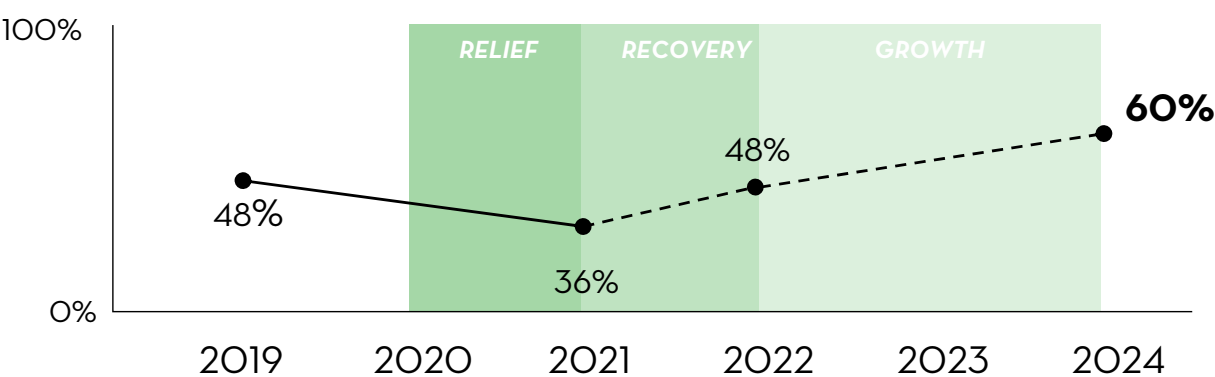
Public Education & Learning Acceleration

TOTAL FUNDS
\$3.5B

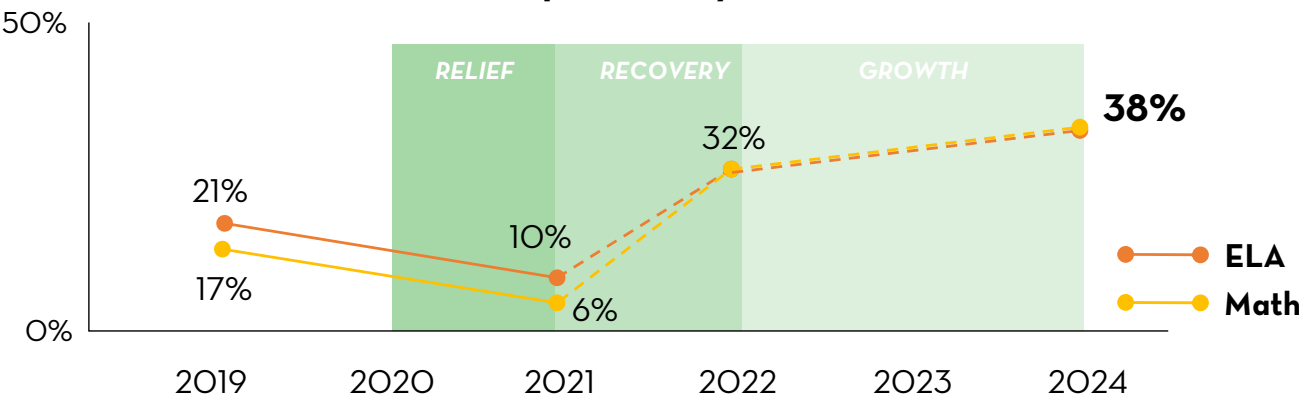
RELIEF FUNDS
\$37M

AGENCY GRANTS
\$502M (est.)

Grade K-2 early literacy proficiency rate



Grade 3-8 PARCC proficiency for at-risk students



THIS BUDGET WILL DELIVER...

- 3.6 percent increase to the **uniform per student funding formula** and new weights for **at-risk**, **English language**, and **over-age students**
- New **work-based learning experience** for 300-600 high school seniors
- **High-impact tutoring** for all DCPS & DCPCS students
- **Summer youth enrichment** for ~5,000 participants in summer 2022 (in addition to summer 2021 Boost Camps)
- Additional **Earning for Learning** slots for the Summer Youth Employment Program in summer 2022
- **School-based mental health services** for every DCPS and DCPCS school
- **Tuition assistance** and wraparound supports for 1,500 students
- Investments to add **Early Saturday Morning** programming at park and recreation facilities



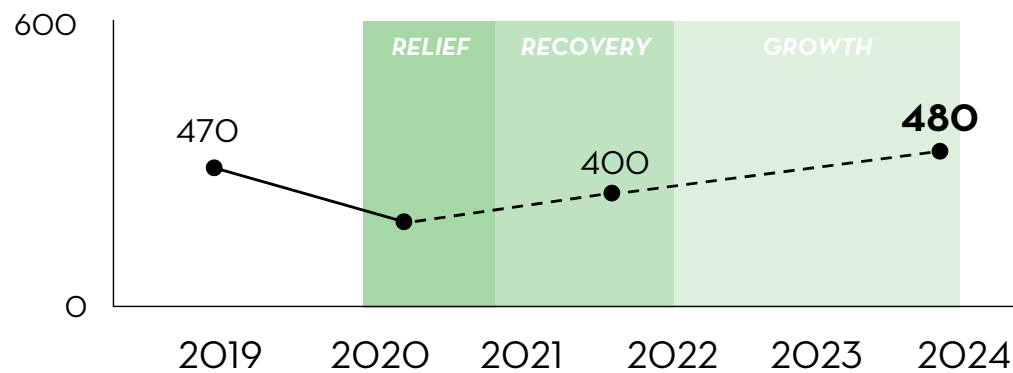
Childcare

TOTAL FUNDS
\$182M

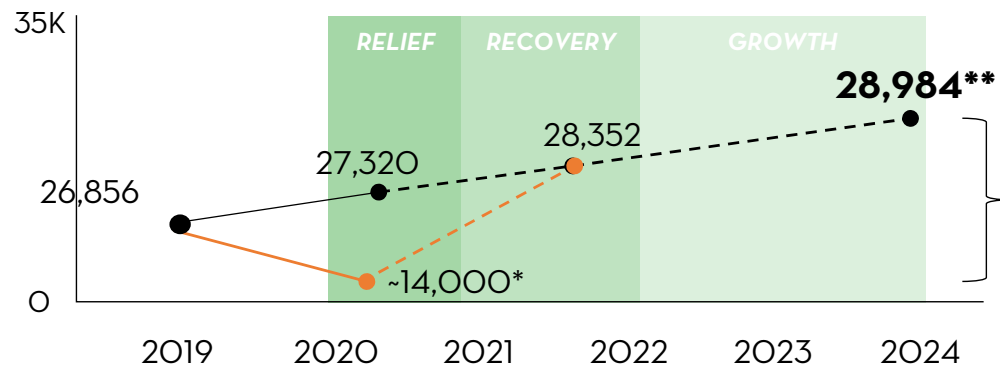
RELIEF FUNDS
\$13.9M

AGENCY GRANTS
\$54M (est.)

Number of open facilities



Infant and toddler slots created/retained



Total seats vs. **estimated availability** during public health emergency due to temporary closures

THIS BUDGET WILL DELIVER...

- A pilot to review **incentives** for 2,000 childcare workers to improve childcare worker retention in our DC childcare provider facilities
- Higher **subsidy payments** for 270 childcare centers
- **Stabilization grants** for all 425 licensed childcare centers to help mitigate the losses experienced due to the public health emergency
- **Back-to-work Childcare grants** for 90 licensed childcare centers to preserve the number of available seats for DC families
- A second round of **Access-to-Quality** grants for \$10M across FY22-23 to increase the number of quality and high-quality seats in DC—improving affordability, supply, and quality
- \$18.5M across FY23-24 to pilot **quality pay bonus payments** to providers who pay wages to infant-toddler workers commensurate with credentials

* Estimated actual childcare availability during the pandemic was lower than the total number of seats as providers temporarily closed but remained licensed ** Includes seats created by capital investments



Healthcare & Human Services

14

TOTAL FUNDS

\$5.3B

RELIEF FUNDS

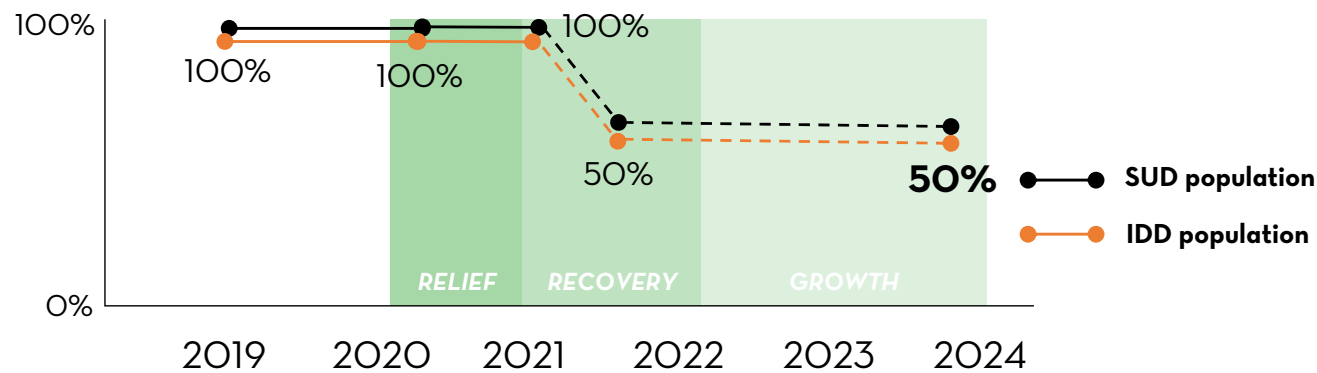
\$38M

AGENCY GRANTS

\$132M (est.)

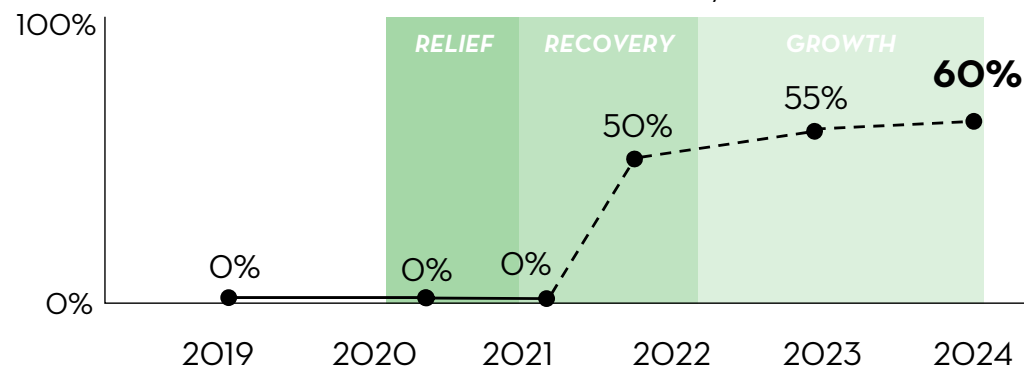
Emergency Room Visits

for Substance Use Disorder (SUD)/Intellectual & Developmental Disabilities (IDD) populations



Individuals Connected to Care

within 6 months of initial contact by Care Team



THIS BUDGET WILL DELIVER...

- Support for **736 small businesses** & **1,972 residents** whose health insurance premiums are in arrears
- New **Career MAP program** to enable 300 families to avoid benefit cliffs as they increase their earnings
- Increase funding & continue support for 5 **Centers of Excellence** at Howard University Hospital
- **Affordable food access:** Expand Produce Rx & the Nourish DC Fund and increase senior meal delivery
- New **Senior Socialization Hubs**, expanded **Senior Villages** and **affordable transportation for 1,000 more seniors** through ConnectorCard
- **Doula services** for low-income women and a new **sobering center** to divert cases from crowded ERs
- **Telehealth services** for 4,150 more behavioral health & disability services clients
- **Paid family leave** for prenatal medical needs and domestic violence, stalking & sexual assault victims



Affordable Housing

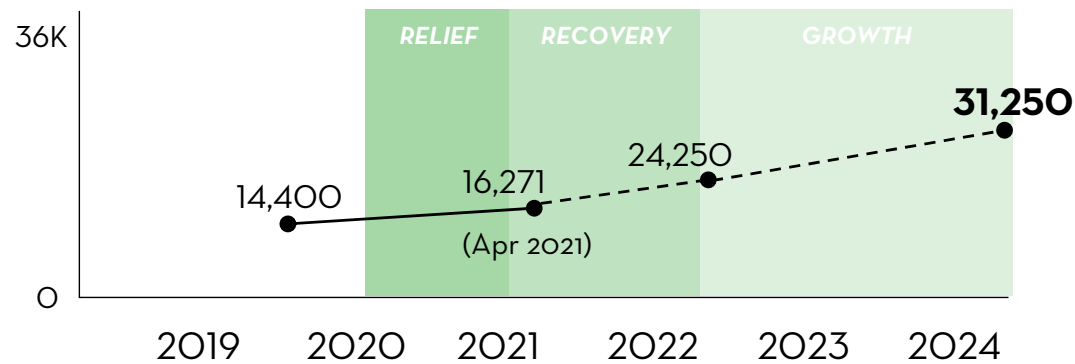
15

TOTAL FUNDS
\$887M

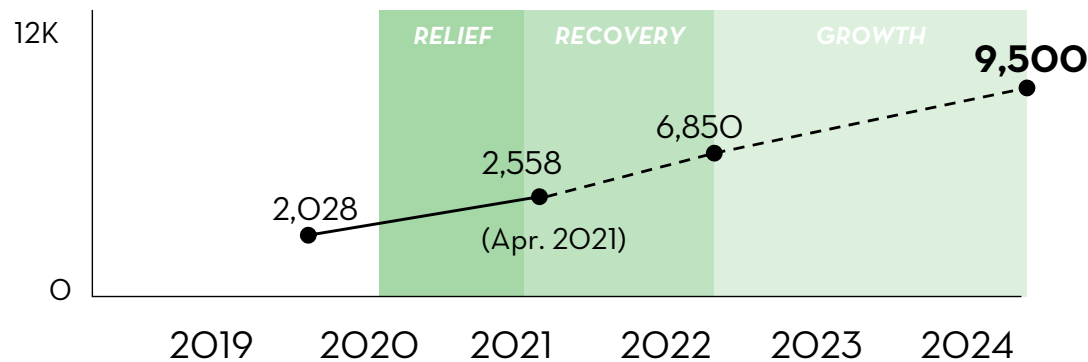
RELIEF FUNDS
\$275M

AGENCY GRANTS
\$233M (est.)

Adding 36K total units of housing by 2025



Adding 12K units of affordable housing by 2025



THIS BUDGET WILL DELIVER...

- A historic contribution to the **Housing Production Trust Fund** to create 2,800 affordable units
- **Rent and utility assistance** to prevent evictions through **STAY DC**
- 300 more **affordable units preserved**, including limited equity co-ops
- Building acquisitions for **permanent supportive or deeply affordable housing** and 100 units of **emergency and transitional shelter** for victims of domestic violence
- Rehabilitated **Claridge Towers** and replacement public housing in the **Barry Farm, Northwest One** and **Park Morton** communities
- Expanded emergency shelter service for **LGBTQ+ residents** who are victims of domestic violence and increased shelter access for **transgender residents**
- **Permanent supportive housing** for 758 more singles and 347 more families



Public Safety & Gun Violence Prevention (Building Blocks)

16

TOTAL FUNDS

\$1.5B

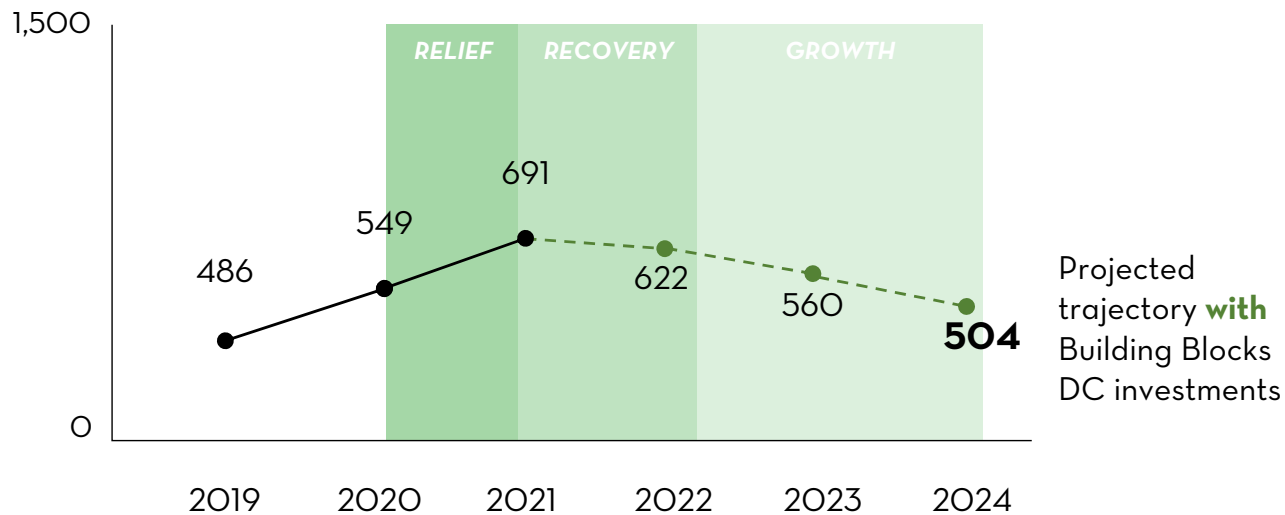
RELIEF FUNDS

\$59.7M

AGENCY GRANTS

TBD

Gunshot Incidents



THIS BUDGET WILL DELIVER...

- Cash assistance, financial coaching, and peer navigators for **5,000 returning citizens**
- Another 52 **violence interrupters**, 11 **case managers**, and 6 **Credible Messengers** to reduce gun violence
- +100 **MPD cadets**/+135 **MPD recruits**
- +100 **Pathways**, +150 **Project Empowerment** slots and +110 **dedicated employment opportunities** through DPW for individuals at risk of gun violence
- **Temporary safe housing** and expanded **trauma informed mental health services** for residents involved in gun violence
- Grants for **neighborhood action plans** in areas hardest hit by violence
- Capacity to respond to **non-emergency 911 calls** for mental health distress, minor traffic crashes, & parking complaints (DBH, DDOT, DPW)



Economic Recovery for Residents

17

TOTAL FUNDS

\$243M

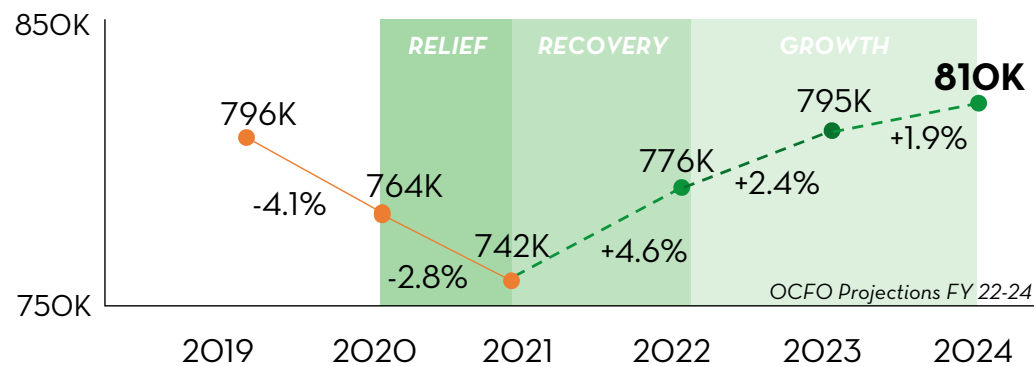
RELIEF FUNDS

\$103M

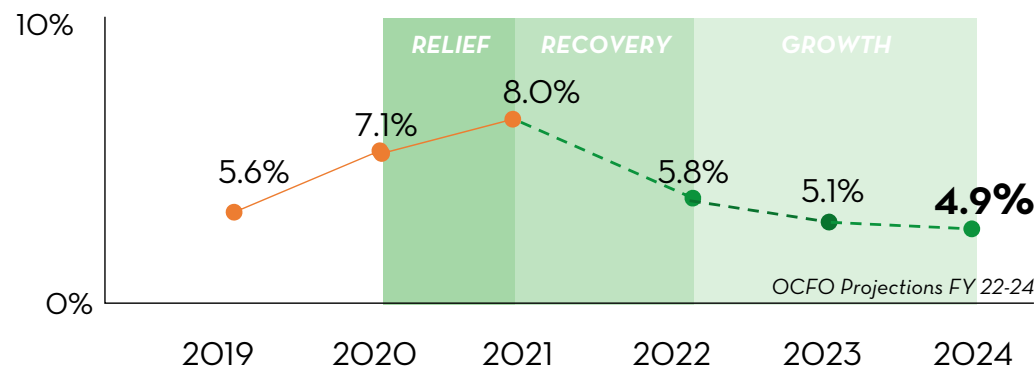
AGENCY GRANTS

TBD

District Job Growth



District Unemployment Rate



THIS BUDGET WILL DELIVER...

- +2,452 slots for **subsidized employment & training**, including DC Infrastructure Academy, Project Empowerment, WIC partnerships & Solar Works DC
- +4,200 **Earn and Learn seats** in the Marion Barry Summer Youth Employment Program
- New **Rapid Reskilling Fund** to serve 700 residents
- **Career Coaches** to connect residents to career advising and education, training, and employment
- Expanded workforce training programming for **LGBTQ+ residents**
- **Cash assistance** for those who don't qualify for federal unemployment
- **Laptops, tablets, and/or smartphones** for seniors, youth exiting foster care, families enrolled in TANF, and returning citizens
- Expanded **Opportunity Accounts** matched-savings program for up to 600 new residents a year



Economic Recovery for Businesses & Neighborhoods

18

TOTAL FUNDS

\$267M

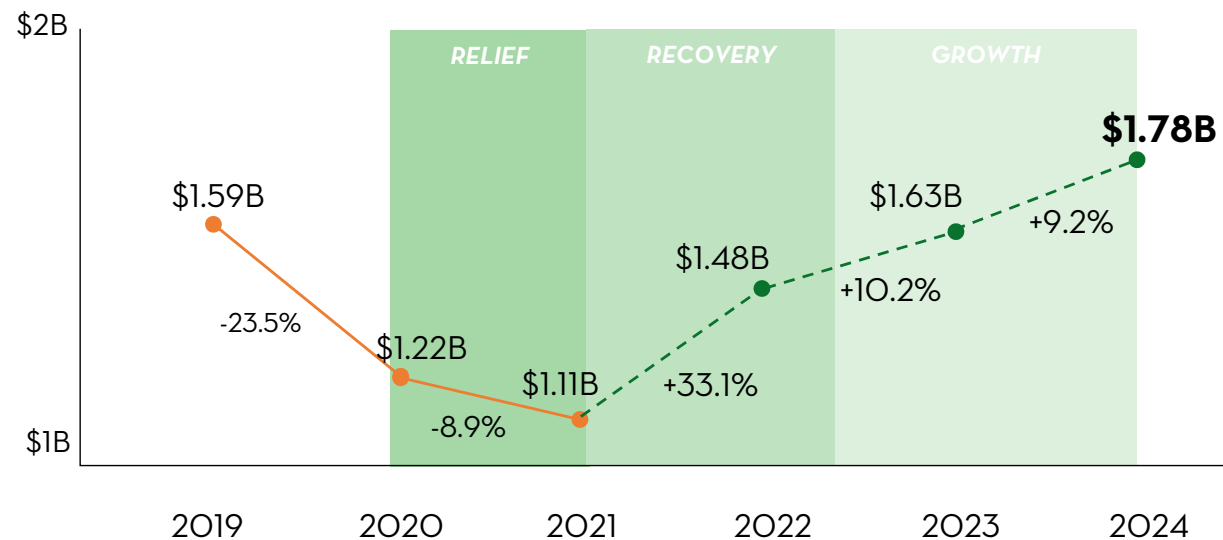
RELIEF FUNDS

\$74M

AGENCY GRANTS

\$51M (est.)

Sales Tax Revenue



THIS BUDGET WILL DELIVER...

- More **grocery stores and sit-down restaurants** in Wards 7 and 8
- Increased funding for **Great Streets**, increased funding for the **Inclusive Innovation Equity Impact Fund**, commercial ownership opportunities for small businesses, and a **Bridge Fund for arts venues**
- A new **Employment Center Vitality and Local Job Creation** fund to attract high-impact employers to the District
- Enhanced placemaking and public space vibrancy in the **Anacostia, Southwest, and Golden Triangle** BID areas
- A permanent reduction of **business fees** to \$99, a two-year reduction of **occupational and professional license fees** to \$99, and a two-year waiver of **taxi and limousine driver fees**
- One-time cut to Paid Family Leave **payroll tax** from 0.62% to 0.27%



Transportation and the Environment

19

TOTAL FUNDS

\$431M

RELIEF FUNDS

\$139M

AGENCY GRANTS

TBD



THIS BUDGET WILL DELIVER...

- A new pedestrian and bicycle bridge connecting **Barry Farm to the Anacostia Metro**
- 80 new **Capital Bikeshare** stations over 4 years so every resident has a station within 1/4 mile of home, plus 3,500 new e-bikes for the Bikeshare fleet
- A doubling of **Solar For All** installations in FY 2022 and up to 140 apartment buildings, schools, hospitals, and other under-resourced buildings meeting new District **energy efficiency** standards
- 30 miles of **Protected Bike Lanes** over three years
- **Car-free lanes** and other initiatives to improve bus speeds and reliability on 50+ bus corridors
- Streets reclaimed for public use through **recurring monthly closures** and one-time **Open Streets events**
- Assistance to complete **lead and mold abatement** for 200-300 low-income households per year



Capital Improvements

20

TOTAL FUNDS

\$8.8B

RELIEF FUNDS

\$195M

AGENCY GRANTS

TBD



THIS BUDGET WILL DELIVER...

- 40 **modernized, expanded or renovated schools**
INCLUDING: Nalle, Amidon-Bowen, Drew, King, Brent, LaSalle-Backus & Stoddert elementary schools; newly accelerated modernizations at Whittier EC & Truesdell ES; plus improvements at Cardozo EC & MacArthur Boulevard School
- Full funding for all remaining **library modernizations**
INCLUDING: Shepherd Park, Deanwood, and Rosedale, and a new library in NW1
- Upgrades or major renovations to 20 **recreational facilities** and **ADA compliance** at all DPR facilities by the end of FY 2023
INCLUDING: Jelleff, Emery Heights, Randall, Harry Thomas and Douglas recreation centers, Rumsey Aquatic Center, Upshur pool, Duke Ellington Field and a new community center at the former **Crummell School** site
- A replaced **H Street Bridge** to improve safety and support Union Station redevelopment and expansion of high-speed rail in and out of DC
- Continue construction of new 136-bed, NICU level II **hospital and ambulatory center** at St. Elizabeths
- **Acquisition and replacement** for FEMS, MPD, and DPW fleet
- A modernized **Benning Road Transfer Station**, including environmental remediation, safety improvements, and composting capacity

This budget will...

**Invest \$17.5 billion in our city's
shared recovery and growth**





GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR