



2014 JUN 13 PM 3:39
OFFICE OF THE
SECRETARY

VINCENT C. GRAY
MAYOR

JUN 13 2014

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

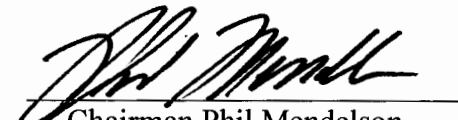
Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is proposed emergency legislation, the "Fiscal Year 2014 Second Revised Budget Request Emergency Adjustment Act of 2014". This bill will authorize the adjustment of certain allocations requested in the Fiscal Year 2014 Budget Request Act pursuant to the Omnibus Appropriations Act, 2009. Additionally, it will rescind Pay-go allotment and budget authority from a specific capital project and transfer certified fund balances in specific accounts to the Contingency Cash Reserve Fund. Lastly, it will carry over unexpended revenue from fiscal year 2014 to fiscal year 2015 to be used in accordance with the Fiscal Year 2015 Budget Request Act of 2014.

I urge you and the Council to take prompt and favorable action regarding the enclosed emergency at the Council's next legislative meeting. We look forward to continuing to work with you on the budget and are happy to answer any questions the Council may have.

Sincerely,


Vincent C. Gray


Chairman Phil Mendelson
at the request of the Mayor

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to adjust certain allocations requested in the Fiscal Year 2014 Budget Request Act pursuant to the Omnibus Appropriations Act, 2009.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Fiscal Year 2014 Second Revised Budget Request Adjustment Emergency Declaration Resolution of 2014".

Sec. 2. (a) On April 3, 2014, the Mayor submitted the Fiscal Year 2014 Revised Budget Request Emergency Adjustment Act of 2014. This revised budget was submitted in order to adjust certain allocations requested as part of the Fiscal Year 2014 Budget Request Act. In particular, the changes were requested in order to expend new revenue and to allocate newly identified agency savings.

(b) On May 28, 2014, the Council approved the previously submitted bill, with new savings identified in the Office of Cable Television, Debt Service, Non-Departmental, and Pay-go. These funds were largely used by providing additional funding to the Housing Production Trust Fund or by carrying them over in fiscal year 2015 to balance that budget.

(c) Unfortunately, the Council passed a bill that cannot be certified as it did not solve two existing fiscal year 2014 spending pressures. The Office of Finance and Treasury has identified a Master Equipment Lease debt service spending pressure in the amount of \$2,959,097. This deficit is the result of agencies having spent available capital budget allotments carried over from prior fiscal years that were not part of the projected FY 2014 debt service costs. The second spending pressure is in the Office

27 of the Chief Technology Officer (OCTO) for mandated software licensing compliance costs in the
28 amount of \$6.1 million. Neither of the spending pressures was anticipated when the budget was
29 developed but emerged as the fiscal year unfolded.

30 (d) To solve the two spending pressures, the Mayor identified \$8.7 million in debt service
31 savings and \$1 million not needed in the non-departmental account. Prior to the Executive being able to
32 reprogram budget to solve these spending pressures, these funds were swept by the Council.

33 (e) Since the original supplemental budget request has been amended into legislation that can no
34 longer receive a fiscal certification, the Mayor is submitting a new fiscal year 2014 revised budget bill.
35 This new bill resolves these certification issues, allowing fiscal year 2014 to remain in balance.

36 Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in
37 section 2 constitute emergency circumstances making it necessary that the Fiscal Year 2014 Second
38 Revised Budget Request Emergency Adjustment Act of 2014 be adopted after a single reading.

39 Sec. 4. This resolution shall take effect immediately.