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OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

April 4, 2017

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

Dear Chairman Mendelson:

On behalf of the residents of the District of Columbia, I am pleased to submit to you the District of Columbia Fiscal Year 2018 Budget and Financial Plan, "DC Values in Action." Included in the submission, you will find the "Fiscal Year 2018 Local Budget Act of 2017," the "Fiscal Year 2018 Federal Portion Budget Request Act of 2017," the "Fiscal Year 2018 Budget Support Act of 2017," the "Fiscal Year 2017 Revised Budget Request Emergency Adjustment Act of 2017," the "Fiscal Year 2017 Revised Budget Request Temporary Adjustment Act of 2017," and the "Fiscal Year 2017 Revised Budget Request Adjustment Emergency Declaration Resolution of 2017."

This proposal is the District of Columbia's twenty-second consecutive balanced budget. It invests in residents ensuring they have a *roadmap to inclusive prosperity*. For the third year, I heard from residents before I finalized my budget: through a series of budget engagement forums, residents shared their ideas and concerns about education, public safety, affordable housing, jobs and economic development, and health and human services. From these discussions I finalized the FY 2018 Budget and Financial Plan.

The budget before you reflects the ideas and priorities of District residents and delivers on the commitment of a *roadmap to inclusive prosperity*. From again investing \$100 million in the Housing Production Trust Fund to allocating over \$1 billion in full-scale school modernizations, this budget continues to move the District of Columbia forward. This budget also maintains critical investments to build a safer, stronger DC and to ensure our residents have access to job training programs that keep them on the pathway to the middle class. Below, I have highlighted a few of the key investments proposed in the FY 2018 Budget and Financial Plan.

High-Quality Education

Rising enrollment in our traditional public and public charter schools, and increasing student achievement, demonstrate that school reform in the District is working. The FY 2018 budget makes the largest investment in public education in the history of the District of Columbia:

- Committing an additional \$105 million to increase the per student rate and meet the needs of a growing student body;
- Increasing charter school facilities by 2.2% to \$3,193/student for non-residential charter programs and \$8,580/student for residential charter schools;
- Improving technology to help parents navigate and engage in public education, specifically the parent portal for DCPS; extending MySchoolDC for mid-year entries and transfers; and, launching a new MyChildCareDC site;
- Increasing University of the District of Columbia (UDC) and the Community College of the District of Columbia funds for the staff and programs by \$5.7 million;
- Expanding and improving Child Care by \$15 million. Potential sites include UDC's Flagship Campus (4200 Connecticut Ave NW), UDC's Community College Campus (5171 S. Dakota Ave NE), UDC's Community College Campus Headquarters (801 North Capitol St NE), and the Deanwood Recreation Center (1350 49th St NE);
- Transferring \$4.9 million of former DC Children and Youth Investment Trust Corporation (CYITC) funds to the Office of the Deputy Mayor for Education (DME) for out-of-school-time programming; and,
- Investing \$1.3 billion for school modernization over 6 years to ensure that schools in line for modernization under established, defined criteria are budgeted for necessary improvements.

Safer, Stronger DC

The District is committed to ensuring that those in all neighborhoods feel—and are—safe, providing an environment in which residents and businesses can thrive. To that end, the FY 2018 budget includes the following investments:

- \$11.7 million in enhancements focused on recruiting and retaining MPD officers, as well as ensuring that as many officers as can be are returned to patrol-related duties. This will be accomplished through: a new public relations campaign; expansion of the police cadet program; expanded housing assistance and student loan forgiveness for officers; and further civilianization of administrative positions;
- \$2.3 million for the creation of a *Returning Citizens Portal* to be managed by the Department of Corrections. This will be a physical office offering services from various agencies to help returning citizens successfully transition back into the community. Vital post-release services include: housing, employment, education, health care, job training and placement, and substance use/mental health;
- \$1 million for the establishment of a nurse triage collaborative pilot program between Fire and Emergency Medical Services (FEMS) and the Office of Unified Communications (OUC) with a goal to improve access to medical services for callers into

911 by offering nurses who can speak to non-emergency callers and help them make an appointment at a same-day clinic;

- \$20 million for essential upgrades to 311/911 hardware and software, including major upgrades to our secondary facility on McMillan Drive NW;
- \$42.2 million for the purchase of new MPD fleet vehicles; and,
- \$87.7 million for the purchase of new FEMS fleet vehicles, and \$45 million for the construction of a new fleet maintenance facility.

Affordable Housing

My Administration is committed to producing, preserving and protecting affordable housing in the District of Columbia. This is demonstrated in this budget through the commitment of another \$100 million contribution to the Housing Production Trust Fund. This investment will continue our shared goal to support grants and loans, thus yielding more affordable housing for DC families.

Additionally, this budget provides additional funds for the below projects' affordable housing components:

- \$14 million for the redevelopment of Walter Reed;
- \$103 million for the redevelopment of St. Elizabeths; and,
- \$85 million for the New Communities initiative.

Pathways to the Middle Class

Maintaining a strong, diverse, and resilient District of Columbia requires that every resident has a fair shot, and a pathway to the middle class. We accomplish this by supporting our most vulnerable families and residents; providing job training that leads to real employment opportunities; and by nurturing our small businesses to ensure their growth and success. Some ways the FY 2018 Budget provides Pathways to the Middle Class are:

- Continuing the District's investment in our youth through the Mayor Marion Barry Summer Youth Employment Program by budgeting more than \$20 million;
- Serving as a regional leader by again fully funding the District's share of the WMATA budget, adding a new express bus line on 14th Street NW in Wards 1 and 4, and expanding capacity of existing bus service in Wards 7 and 8;
- Ensuring that the Department of Small and Local Business Development's Certified Business Enterprise system continues to help our local businesses grow and obtain government contracts, and work on government funded projects by fully funding the program with \$0.9 million;
- Funding \$16.8 million towards the Washington D.C. Infrastructure Academy at Saint Elizabeths East Campus. This new facility will focus on occupational skills training and work-based learning initiatives related to the infrastructure industry, including utility, energy efficiency, transportation, and logistics sectors. At the Academy, industry partners, training providers such as UDC, labor unions and trade associations, will offer a

diverse skills training allowing District residents the tools to begin and sustain careers in the infrastructure industry;

- Implementing recommendations from the Housing Preservation Strikeforce through \$10 million in funding; and,
- Advancing DDOT's Vision Zero goals through \$4.5 million for (45) new Traffic Control Operators along with (26) new School Crossing Guards.

Health and Human Services

Investing in the health and well-being of District residents remains a priority of my Administration. Ensuring residents are able to provide for their families, and connecting these families with valuable care and supportive programs when they need it most, ensures they have a fair shot at success in the future. The FY 2018 budget includes:

- Funding the next phase of the Homeward DC plan with \$15.2 million, including \$6.3 million for the Housing Authority;
- Funding \$8.1 million for a new Temporary Assistance for Needy Families (TANF) policy that will help the District's neediest families;
- Supplementing the Department of Health's budget with \$0.9 million to reduce the number of active opioid users in the District, reduce overdoses and overdose fatalities, and improve health and economic outcomes for District residents with a history of substance use;
- Funding the Alternatives to Court Experience (ACE) and Parent and Adolescent Support Services (PASS), programs with \$3.3 million; and,
- Providing \$1 million for the Joyful Foods initiative.

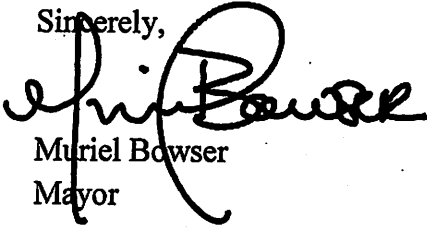
Government Operations

Building a government that works for the residents of the District Columbia streamlines processes and improves efficiency. The FY 2018 budget supports these improvements by:

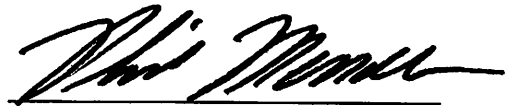
- Ensuring that the District's share of WMATA's operating and capital subsidies are fully funded;
- Right-sizing the District's snow budget with a \$3.8 million budget increase;
- Expanding the Department of Public Works' rush-hour towing, grounds maintenance, and leaf collection efforts by \$3.2 million; and,
- Allocating \$1.5 million to the Office of the Chief Technology Officer for a District Continuity of Operations and Disaster Recovery Task Force which will evaluate District-wide critical applications to prepare and test Disaster Recovery Plans.

In a city as prosperous as ours, we can and should make all of these critical investments to ensure that residents in all 8 wards can share in **inclusive prosperity**.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser". The signature is written in a cursive style with a large, looping initial "M".

Muriel Bowser
Mayor



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 increase certain appropriations in the Fiscal Year 2017 Budget Request Act pursuant to the District of Columbia Appropriations Act, 2015.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Fiscal Year 2017 Revised Budget Request Adjustment Emergency Declaration Resolution of 2017".

Sec. 2. (a) The Office of the Chief Financial Officer provided quarterly revised revenue estimates in February, which showed an increase in one-time resources of \$221.1 million. In addition to this revenue, there were additional resources of \$12.6 million available from Winter Storm Jonas reimbursements and \$13 million from a Bank of America settlement that can be expended. Finally, use of the soccer fund balance to pay for soccer-related costs, net of a change in the transfer-in of PILOT revenues, increases resources by \$0.8 million.

(b) In addition to these new revenues, there are also a couple areas of savings that have been identified. \$40 million of Housing Production Trust Fund (HPTF) resources were identified from FY 2016 end-of-year surplus. These resources were designed as a pre-payment of the FY 2018 HPTF amount so they need to be carried over from the current fiscal year. An additional \$1.3 million of savings was identified in the debt services agency (repayment of interest on short term borrowing). This brings all available resources to a total of \$288.8 million.

27 (c) The Mayor will utilize these identified resources in order to pay for existing FY 2017
28 allocations and spending pressures. \$95.6 million will go towards repaying existing contingency cash
29 allocations which were done to address spending pressures and unforeseen or nonrecurring agency
30 needs. Another \$10.5 million still needs to be allocated as part of this supplemental budget in order to
31 cover needs in agencies experiencing spending pressures.

32 Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in
33 section 2 constitute emergency circumstances making it necessary that the Fiscal Year 2017 Revised
34 Budget Request Emergency Adjustment Act of 2016 be adopted after a single reading.

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