

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**



Budget Oversight Hearing on  
Fiscal Year 2021 Budget Hearing

Testimony of  
The Honorable Muriel Bowser  
Mayor

Before the

Committee of the Whole

Council of the District of Columbia

May 19, 2020  
12:00 p.m.



## **Introduction**

Good afternoon, Chairman Mendelson and members of the Council. I am pleased to testify today on my Fiscal Year 2021 Budget, DC HOPE. This budget is unique in that when we started building it, our world and the District were in a much different place than we are today.

While our challenges are still great, Washington, DC is fortunate that we went into this crisis in strong financial standing – a place we got to through years of being responsible stewards of taxpayer dollars. I was proud of the budget we were preparing to share several weeks ago; and while this budget reflects the impacts of the global coronavirus pandemic, I am proud that it also reflects our ongoing commitment to good government and fiscal responsibility without compromising our shared DC values.

## **Budget Overview**

The Fiscal Year 2021 budget totals **\$16.7 billion**, including **\$8.5 billion** in local funds.

You may remember that it was only in January of this year that we released the Fiscal Year 2019 Comprehensive Annual Financial Report and celebrated that, for



the first time in the District's history, we hit 60 days of cash reserves. That milestone was a long time coming, one that our city worked diligently over many years to achieve.

For our community, the District's steadfast commitment to good government and fiscal responsibility have meant more investments in our people and neighborhoods. Together, we invested in and built the fastest improving public school system in the nation, transformed our homeless services system, and funded the largest per capita Housing Production Trust Fund in the nation.

The strength of our economy going into this crisis has also allowed us to make significant investments in our response. To date, DC has allocated nearly \$200 million of our own funds for our COVID-19 response and recovery. This includes funds for business assistance grants, hospital assistance grants, build out for surge capacity, medical supplies, equipment, IT support, quarantine sites, emergency childcare, PPE, and other necessary items and services.

We anticipate these costs to grow by hundreds of millions of dollars over the coming weeks and months. We will, of course, seek federal reimbursement and use federal resources wherever possible to help offset the costs.



Despite a substantial loss of revenue, the Fiscal Year 2021 budget proposal continues to make significant investments in District residents. With a focus on health, opportunity, prosperity, and equity, this budget provides a sense of hope that even in times of unprecedented crisis, we can live up to our DC values and provide every Washingtonian with a fair shot.

In just a few short months, this pandemic has laid bare distressing health disparities that exist across our country and within our own community. We know that these disparities are the result of generations of discriminatory policies and systems that negatively affect the health and well-being of people of color.

I have said before that we cannot wait until this pandemic is over to address these disparities. And we are not waiting. The DC HOPE Budget recognizes that in order to build a healthier, more equitable, and more resilient city, we must improve our health care system while also addressing the social determinants that drive health outcomes.

## Health

We continue to be very focused on improving health outcomes, particularly for residents in neighborhoods East of the Anacostia River. While Washington, DC is home to a nationally recognized system of care, we know that our hospitals are not



evenly distributed and that most acute care facilities are concentrated in Northwest DC.

Last month, I announced two monumental agreements to improve health care and address inequalities in health outcomes for District residents. The agreements include the construction of two new, state-of-the-art hospitals: a 136-bed hospital at St. Elizabeths East, that can be expanded to 196 beds, and a 225-bed Howard University Hospital.

The DC HOPE Budget supports these agreements with a \$306 million investment for the community hospital at St. Elizabeths; \$69 million for an ambulatory complex to support a stronger network of care in Wards 7 and 8; and \$4.2 million to support five Centers of Excellence at Howard University Hospital.

The budget also includes \$4.8 million to support the recommendations of the Mayor's Commission on Healthcare Systems Transformation, including investments to reduce reliance on emergency care and \$400,000 to improve pre-natal care.



Through these investments, we can transform our health care system by promoting equity in care, access, and outcomes.

### Opportunity

We can also support the health of our residents by expanding access to stable housing, high-quality learning opportunities, safe neighborhoods, and other opportunities that support the aspirations of our residents.

Despite the difficult circumstances we face, I remain steadfast in my commitment to affordable housing. You will see this commitment reflected in a number of investments, including:

- \$100 million for the Housing Production Trust Fund;
- a \$1 million commitment to the Housing Preservation Fund, which is leveraged with private investments to preserve existing affordable homes;
- \$76 million in capital funding to renovate, rehabilitate, and refresh public housing units; and
- \$35 million to expand and renovate the District's permanent and temporary supportive housing.



Additionally, to help more seniors age in place, the DC HOPE Budget includes \$5 million to continue the very successful Safe at Home program.

Another way we create opportunity, of course, is through education. The DC HOPE Budget reflects what we all know: that the renaissance of our city has been directly tied to the renaissance of our public schools. So even as we face this collective challenge – which will most certainly alter the way schools operate – our commitment to providing all students and families with a high-quality education remains as strong as ever.

We will continue our robust investments in education with a 3 percent increase in the Uniform Per Student Funding Formula and \$1.4 billion over the next six years to modernize 41 schools. Other investments in our schools include:

- \$6 million for the continued and important expansion of IT devices;
- \$75 million in capital funds to support 17 schools in the creation of 540 new early childcare seats and 180 pre-k seats;
- \$1.5 million for the expansion of the school-based mental health program through new federal resources; and
- \$90.3 million for programs and services at the University of the District of Columbia and \$108 million in capital improvements for university facilities.



Additionally, this budget includes the necessary funding to create a permanent home for Excel Academy as well as more than \$52 million to transform Spingarn High School into a permanent home for the DC Infrastructure Academy.

Of course, learning doesn't only happen at school, and we are also proud of the world-class network of libraries that have been modernized over the past decade to meet the needs of our residents. This budget continues those efforts with \$1 million to open the new MLK Library and \$37 million for the new Parklands-Turner and Chevy Chase libraries.

### Prosperity

Of course, in pre-pandemic DC, one of our collective priorities, and the focus of many previous budgets, was in making our city's prosperity more inclusive. Even as we face the financial challenges created by COVID-19, this work to expand prosperity continues through many of our investments, including:

- \$250 thousand to help returning citizens start new businesses and launch careers;
- \$7 million in our Great Streets and Neighborhood Prosperity Fund for business development with a focus on mixed-use development in high-unemployment areas; and





- expanded access to our Opportunity Accounts Program, which is a 4:1 matched savings program for DC residents.

## Equity

Later this week, I look forward to sharing the initial ReOpen DC Advisory Group report. You might remember that when I announced the ReOpen DC Advisory Group, I said that we have a once in a generation opportunity before us – an opportunity to not just reopen and go back to the way things were before, but to reopen and be better than before.

The DC HOPE Budget supports the work we are doing to build a more equitable city, including investments in successful programs that represent our shared DC values such as:

- \$12.8 million in Homeward DC to make homelessness rare, brief, and non-recurring;
- \$4.3 million to fully fund the Fair Elections Amendment Act; and
- \$2.5 million for the Immigrant Justice Legal Services grant program.



## **Conclusion**

As I said at the beginning of my testimony, I am proud that the Fiscal Year 2021 budget stays true to our DC values. It also reflects a responsible use of our reserves and our ongoing commitment to good government.

I want to thank my budget team, the City Administrator, all my agency leads, as well as the Chief Financial Officer for their work on this budget. I also want to thank all of you for your collaboration and commitment to our entire community throughout this public health emergency.

And, now, I am happy to answer any questions you may have.

