

Public Hearing on the

FY 2020 Comprehensive Annual Financial Report (CAFR)

Testimony of

Kevin Donahue, City Administrator

Before the Committee of the Whole

The Honorable Phil Mendelson, Chairman

February 3, 2021

- 24th consecutive **clean audit**
- 6th year in a row with **no material weaknesses or significant deficiencies**
- 60 days **cash on hand**
- Fully funded **pension and retiree health care**
- **Bond ratings** remain strong



Maintain **core government functions** that focus on the **health, well-being, and safety** of DC residents and businesses.



Maximize resources available for the **immediate public health** response to COVID-19.



Maximize resources available for **those in our community hardest hit** by the COVID-19 public health emergency.



Maintain stability for the District Government **workforce**.



Don't lose ground on key **District priorities**.

AS OF SEPT. 30, 2020

\$795.1 million

The **Cash Flow Reserve** was replenished by the end of the year, standing ready to meet cash flow needs in the new fiscal year.



\$311.3 million

The District fully replenished its **Contingency Reserve** after depleting the fund in FY 2020 to respond to COVID-19 and other unforeseen needs.



\$218.2 million

The **Fiscal Stabilization Reserve** was fully replenished as of Sept. 30 but was used to balance the FY 2021 Budget and 4-year financial plan.



\$155.6 million

We preserved the **Emergency Reserve** in case we had a worsening COVID-19 crisis or another unforeseen emergency.



OUR RESERVES

CASH FLOW

8.33% of budget. Provides daily operating cash to pay employees, meet contract payments, and cover daily supplies, alleviating the need to borrow funds to manage daily operations.

CONTINGENCY

4.0% of budget. Available for unanticipated, non-recurring needs that arise. Funds must be replenished within 1-2 years.

FISCAL STABILIZATION

2.34% of budget. May be used to cover revenue shortfalls experienced by the District government.

EMERGENCY

2.0% of budget. Available for extraordinary unanticipated, non-recurring needs, such as a natural disaster or calamity. Typically used only after Contingency Reserve has been exhausted.

AS OF JAN. 27, 2021

\$495.1 million



The **Cash Flow Reserve** is providing daily operating cash to pay employees, meet contract payments, and cover daily supplies, alleviating the need for short-term borrowing to manage daily operations.

\$110.3 million



The District continues to use its **Contingency Reserve** to respond to immediate COVID-19 needs, as well as first amendment activities and political violence.

\$5.7 million



About 97% of the **Fiscal Stabilization Reserve** was used to balance the FY 2021 Budget and 4-year financial plan. It will be replenished over the life of the plan.

\$155.6 million



We continue to preserve the **Emergency Reserve** for any truly calamitous event that might occur, given the strains that the past year has put on the District's resources.

Meal distribution
1.5M meals delivered across 85 sites,
plus 170K+ meals for seniors



Free, robust testing
Over 300K tests and
62K vaccines administered

Rental assistance
\$21M in emergency grants
and assistance provided



Contact tracing
Nearly 400 contact tracers
hired, 99% of whom live in DC

Remote learning
Connected 6,000
families to free internet



Local stimulus
Over 9,000 residents received
supplemental \$1,200 support

Unemployment benefits
\$1.5B+ in additional federal and
local benefits distributed



Small business grants
\$100M Bridge Fund and \$200K in
Dream Grants for Ward 7 & 8 businesses

\$6.7 Billion in Federal Assistance to Date



The District government and District residents and businesses are estimated to receive a total of \$6.7B in federal response and recovery funds.

- The vast majority of funds (\$5.5B) are **passed through as direct assistance** to businesses (\$2.8B), hospitals (\$397M), WMATA, and payments to residents through programs like Unemployment Insurance, SNAP and LIHEAP.
- **Nearly \$887M came to District government** through broad relief funds (Coronavirus Relief Fund - \$495M) or specific increases to grants (such as Community Development Block Grant) within District agencies to allow them to expand services.
- The costs of responding to COVID-19 are substantial and still growing. Importantly, **the District needs the same federal funds given to every other state** to be able to respond to the full impacts of the COVID-19 public health crisis.

Amounts include funds not directly provided to DC Government and FY 2021 awards that do not tie directly to FY 2020 CAFR reported totals

CONTINGENCY CASH & FEMA PUBLIC ASSISTANCE

(\$345M in FY 2020)

- Hospital support and buildout capacity
- Contact tracing equipment
- Testing equipment and personnel
- Personal protective equipment (PPE)
- Cleaning, sanitizer and wipes
- Ventilators
- ISAQ and PEP-V sites for residents who are experiencing homelessness
- Alternative Care Site staffing, supplies, and equipment
- Mortuary services
- Virtual Family Resource Center
- Warehouse support
- Support to prevent infection in residents under DC's care (DYRS, DOC, DBH)
- Qualified overtime for employees dedicated to COVID-19 efforts

CORONAVIRUS RELIEF FUND (\$495M)

- Payroll and overtime for public safety, health and other DC government workers dedicated to COVID-19 response
- Healthcare services & emergency childcare
- Small business assistance
- Services for residents experiencing homelessness
- Funding to support remote learning and building readiness for schools
- Cleaning and PPE
- Food assistance
- Unemployment assistance support
- Telework/tech support for response efforts
- FEMA Public Assistance Local Match
- Tablets and other IT in the DC Jail to continue trainings and communication with families and legal support

AGENCY SPECIFIC GRANTS

(\$392M)

- Rental assistance
- Childcare assistance
- Remote learning and other support (DCPS/UDC)
- Food assistance
- Dislocated workers assistance
- Mental health & substance use disorder assistance
- Utility assistance
- Enhanced shelter services for residents who are homeless
- Transportation
- Testing and tracing support



RESTORE
**HEALTH &
WELL-BEING**



LEAD AN
**EQUITABLE
RECOVERY**



MINIMIZE
**LEARNING
LOSS**



REDUCE
**GUN
VIOLENCE**



PREVENT
EVICCTIONS
& CONTINUE STRENGTHENING
HOUSING AFFORDABILITY

FEBRUARY 2021

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

For more information and to RSVP visit budget.dc.gov

SENIOR BUDGET ENGAGEMENT FORUM

Wednesday, FEBRUARY 10 - 12PM

BUDGET ENGAGEMENT FORUM #1

Tuesday, FEBRUARY 16 - 6PM

BUDGET ENGAGEMENT FORUM #2

Thursday, FEBRUARY 18 - 6PM

BUDGET ENGAGEMENT FORUM #3

Saturday, FEBRUARY 20 - 11AM

Forums will be held virtually via Telephone Town Hall.

The Mayor's **FY 2022 Proposed Budget** will be delivered to Council **March 31, 2021.**



GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR