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CHAIRMAN MENDELSON STATEMENT ON FEBRUARY REVENUE ESTIMATES

WASHINGTON, DC – Today, DC Council Chairman Phil Mendelson released the following statement regarding the February 2025 Revenue Estimates.

"Today's revenue forecast, predicting an average $342 million drop in revenues in each of the next three years, sets the stage for a very difficult budget process this spring," Mendelson said. "One could say that, on the local level, it is recession-like for the District government. When the revenue decline is combined with rising costs, the amount will be substantial that the Mayor and Council will have to cut to balance next year's budget.

"While some of the revenue drop is due to real property tax collections catching up with reality, the present downsizing of the federal government is a significant factor. Reducing the workforce coupled with cutbacks in contracts means less economic activity in the District. And that does not even include the edict that federal agencies relocate out of the region.

"There is some solace that we are not alone in this situation. Our region, as well, is impacted by the federal moves.

"This upcoming budget season is going to be especially difficult, and there is no way around it: the District government will need to cut programs and services in order to achieve a balanced budget. The consequences of the federal government's decisions, unfortunately, will force the District to make some very tough choices in this budget."

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