



MURIEL BOWSER
MAYOR

April 3, 2024

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

Dear Chairman Mendelson:

On behalf of the residents of Washington, DC, I am pleased to submit to the Council of the District of Columbia my tenth balanced budget, the Fiscal Year 2025 (FY 2025) Proposed Budget and Financial Plan, *A Fair Shot: Strategic Investments and Shared Sacrifice*.¹

The FY 2025 Budget and financial plan is made up of \$21 billion in operating funds and \$11.8 billion in capital improvement funds. It addresses a confluence of post-COVID economic factors: slower revenue growth; the end of federal stimulus funding; significantly higher operating costs, including an additional \$200 million in WMATA funding; and the impacts of the remote work environment. Of course, our budget is unique because we are required to have a balanced financial plan across both the current fiscal year, FY 2024, and the upcoming four years of the financial plan, FY 2025–FY 2028. The result of these factors is a widening gap across the financial plan that requires us to make prudent investments now to change the trajectory of our out-year revenue estimates. Still, we were able to balance this budget without increasing commercial or residential property taxes or income taxes.

While we approach these decisions soberly and with financial prudence, the state of the District is strong: we continue to have a Aaa bond rating; DC is the number one city in the country for tech careers and among the top cities for women-owned business openings; we are leading the country in office-to-housing conversions; tourism is rebounding; our public school enrollment is up two years in a row; crime is trending down; and unlike many of our peer cities, DC's population is growing.

This budget makes significant investments in our people and our economy and focuses on the three pillars of long-term growth: public schools, public safety, and Downtown. In building the FY 2025 *Fair Shot* Budget, we were guided by our values: protecting core city services and preserving programs that protect the health and safety of our community; prioritizing programs with a track record of success and that focus on equity; and investing in the pillars of long-term growth so that we can change the trajectory of our out-year revenue estimates:

Public Safety

Last summer, we put in place several key public safety interventions, and as a result, we are seeing trends move in the right direction: overall crime in our city is down 13%, violent crime is down 18%, and homicides are down 34%. The FY 2025 *Fair Shot* Budget builds on that momentum by fully funding MPD's requested hiring level and sustaining key investments started with federal funds, such as Safe Passage, victim services, and violence interrupters, and adds new investments to strengthen our public safety ecosystem. This budget:

- Fully funds MPD’s requested hiring level to achieve a net gain in police officers for the first time in five years. The budget adds \$9 million to fund 40 new Community Safety Officers and hire civilians to free up about 50 police officers for critical crime-fighting tasks.
- Adds \$7 million to the Department of Human Services to significantly increase truancy interventions for 500 youth in the Parent and Adolescent Support (PASS) program and 180 youth referred through the Alternatives to the Court Experience (ACE) program.
- Adds \$1 million to hire more 911 call takers and dispatchers at the Office of Unified Communications.
- Adds \$4.6 million to fund key provisions of the Secure DC legislation, including pretrial detention for violent criminals, private security camera incentives for businesses, and Safe Commercial Corridor grants.

Education

The FY 2025 Budget continues our historic investments in public education. Since 2015, we have grown our public education budget from \$1.4 billion to \$2.7 billion. In those nine years, we implemented two historic collective bargaining agreements for our educators and continued to build on our reputation as the fastest improving urban school district in the country. The FY 2025 Budget continues those historic investments:

- A \$341 million increase in funding for our public schools will raise the uniform per student funding formula (UPSFF) by over 12%. We are also doubling down on our investments in equity by increasing the weight for at-risk students, adults, and alternative learners.
- During the pandemic, we launched a high impact tutoring program that will help more than 10,000 students accelerate their learning. The FY 2025 Budget invests \$4.8 million to continue this evidence-based program.
- Adds \$5 million to sustain our advanced technical education center that includes advanced internships, career ready internships, and a dual language program expansion. In addition, a new \$17 million investment will allow us to expand our existing center to include a new health care clinic to provide services to the community and training for our students.
- A \$600,000 investment to add a second advanced technical center at the Whitman-Walker Max Robinson Center on the St. Elizabeths East campus which will provide even more high school students with college credits and workforce training for high-wage, high-demand careers.
- Continues to improve our school facilities with \$2.2 billion for full school modernizations, \$255 million to support small capital repairs like HVAC and roof replacements, and \$42 million to improve school safety through enhanced lighting, fencing, and access control.

Downtown

Investments in our Downtown are investments that directly benefit all eight wards. This is a critical time for our city’s economic future as we work to attract, retain, and grow our business community. The FY 2025 *Fair Shot* Budget builds on what’s working and uses the roadmaps we have in our Comeback Plan, in the Downtown Action Plan, and our Public Realm Plan to make intentional investments to drive inclusive economic growth.

The FY 2025 Budget continues to invest in strategies that are working, such as the District’s Vitality Fund and office-to-residential conversions, and also includes:

- \$520 million for the Gallery Place Revitalization Fund to support sports arena renovations, streetscape improvements, public space activations, and expanded green space.

- \$64 million to build a new Federal City Shelter annex to provide permanent supportive housing and congregate dwelling units at the site of the existing Community for Creative Non-Violence shelter.
- \$26 million to implement the Business and Entrepreneurship Support to Thrive (BEST) Act to streamline business licensing and reduce costs for our entrepreneurs.
- \$13 million to temporarily freeze property taxes for conversions of office buildings into new uses downtown.
- \$5.25 million to support World Pride in 2025.
- \$5 million to create a new Downtown Arts Hub, a flexible, multi-use space for theater, dance, music, and visual arts organizations.
- \$3 million to make it easier for organizations to host festivals and special events, and to attract arts fairs and go-go music festivals downtown.

Core Services

The FY 2025 *Fair Shot* Budget sustains critical health and human service initiatives including: \$19 million for Career MAP to help 500 DC families avoid losing public assistance as their careers advance and incomes rise; \$7 million to continue 24/7 operations at six homeless shelters; \$4.8 million to maintain a community response team at the Department of Behavioral Health to respond to 911 calls that do not need a police response; and \$600,000 to provide workforce development services for transgender and gender non-conforming residents experiencing homelessness or housing instability.

The FY 2025 Budget makes new investments to support vulnerable families, improve parks and recreation centers, increase access to housing and homeownership, and advance entrepreneurship:

- \$23 million for renovations to the Naylor Road, V Street, Emery, and Madison shelters, as well as various small-scale improvements at other homeless shelters in the system.
- \$20 million to the Emergency Rental Assistance Program (ERAP), supporting District residents who are facing housing emergencies and evictions.
- \$13 million for operating costs for two new non-congregate homeless shelter facilities in the West End and Downtown.
- \$129 million to modernize and construct recreation and community centers.
- \$87 million to modernize and renovate public libraries.
- \$12 million for a state-of-good repair blitz at playgrounds, athletic fields, basketball courts, and tennis courts across DPR recreation centers.
- \$101 million to rehabilitate and modernize public housing units managed by the DC Housing Authority.
- \$32 million to help first-time homebuyers with down payment and closing cost assistance.
- \$1.5 million to expand the DC Business Portal, which streamlines various licensing processes for District businesses.
- \$3 million to continue the District's curbside composting program, providing at-home organic waste pickup for 9,000 households.
- \$3 million to support the operating and maintenance costs of Capital Bikeshare's continued growth, including more stations, e-bikes, and traditional bikes.
- \$750,000 to help restaurants comply with forthcoming streetery design regulations by providing free consulting services and construction materials.
- \$22.5 million to build a new city-owned animal shelter.

Shared Sacrifices

To ensure we are able to invest in our comeback and remain fiscally prudent, we need to jointly contribute to filling gaps, across the government and across the community, to move forward, together.

The District government closed half our FY 2025 Budget gap:

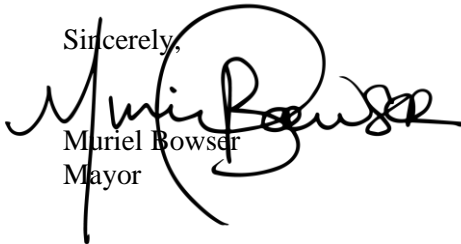
- We eliminated 407 positions, rightsized spending, and focused on moving forward with programs we know are working.
- We cut duplicative or lower-performing programs that were not helping us achieve the outcomes our residents expect. We also resisted starting new programs that would only add to our longer-term financial pressures.
- And we looked across government for savings by eliminating electronic devices and phone lines no longer in use, rebalancing our capital portfolio, maximizing federal reimbursements, and consolidating licenses and software purchases.

To close the remainder of the gap, we identified new revenues that will be shared across the community:

- Businesses will help through an adjustment to the paid family leave tax back to FY 2021 levels to support our safety net.
- Consumers will help through a modest sales tax increase beginning in FY 2026 to support increased Metro costs.
- And visitors will help through a small 911 fee on hotel room stays to support increased public safety hiring.

I don't take revenue increases lightly. If we make the right investments and put the right interventions in place today, I am hopeful we can reverse these policies in the out years. I am optimistic about our future, and I hope you are too. Our Comeback Plan is working, we have big opportunities ahead of us, and there is no city in the world like Washington, DC.

Sincerely,



Muriel Bowser
Mayor

ⁱ Included in this submission are the Fiscal Year 2025 Local Budget Act of 2024, the Fiscal Year 2025 Federal Portion Budget Request Act of 2024, and the Fiscal Year 2025 Budget Support Act of 2024. In addition, I am submitting the following accompanying measures: the Fiscal Year 2024 Revised Local Budget Emergency Act of 2024, the Fiscal Year 2024 Revised Local Budget Temporary Act of 2024, and the Fiscal Year 2024 Revised Local Budget Emergency Declaration Resolution of 2024.



Chairman Phil Mendelson
at the request of the Mayor

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To adopt, as a request to Congress for appropriation and authorization, the federal portion of the budget of the government of the District of Columbia for the fiscal year ending September 30, 2025.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fiscal Year 2025 Federal Portion Budget Request Act of 2024".

Sec. 2. Adoption of the federal portion of the Fiscal Year 2025 budget.

There is adopted, as a request to Congress for appropriation and authorization, the following federal portion of the budget of the government of the District of Columbia for the fiscal year ending September 30, 2025:

DISTRICT OF COLUMBIA FEDERAL FUNDS APPROPRIATION REQUEST

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses for the District of Columbia Courts, including the transfer and hire of motor vehicles, \$321,817,000 to be allocated as follows: for the District of Columbia Court of Appeals, \$16,769,000, of which not to exceed \$2,500 is for official reception and representation expenses; for the Superior Court of the District of Columbia, \$154,530,000, of which not to exceed \$2,500 is for official reception and representation expenses; for the District of Columbia Court System, \$104,228,000, of which not to exceed \$2,500 is for official reception

33 and representation expenses; and \$46,290,000, to remain available until September 30, 2026, for
34 capital improvements for District of Columbia courthouse facilities; Provided, That funds made
35 available for capital improvements shall be expended consistent with the District of Columbia
36 Courts master plan study and facilities condition assessment; Provided further, That, in addition
37 to the amounts appropriated herein, fees received by the District of Columbia Courts for
38 administering bar examinations and processing District of Columbia bar admissions may be
39 retained and credited to this appropriation, to remain available until expended, for salaries and
40 expenses associated with such activities, notwithstanding section 450 of the District of Columbia
41 Home Rule Act (section 1-204.50, D.C. Official Code); Provided further, That notwithstanding
42 any other provision of law, all amounts under this heading shall be apportioned quarterly by the
43 Office of Management and Budget and obligated and expended in the same manner as funds
44 appropriated for salaries and expenses of Federal agencies; Provided further, That 30 days after
45 providing written notice to the Committees on Appropriations of the House of Representatives
46 and the Senate, the District of Columbia Courts may reallocate not more than \$9,000,000 of the
47 funds provided under this heading among the items and entities funded under this heading;
48 Provided further, That the Joint Committee on Judicial Administration in the District of
49 Columbia may, by regulation, establish a program substantially similar to the program set forth
50 in subchapter II of chapter 35 of title 5, United States Code, for employees of the District of
51 Columbia Courts.

52 **FEDERAL PAYMENT FOR DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS**

53 For payments authorized under section 11-2604 and section 11-2605, D.C. Official Code
54 (relating to representation provided under the District of Columbia Criminal Justice Act),
55 payments for counsel appointed in proceedings in the Family Court of the Superior Court of the

56 District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual
57 agreements to provide guardian ad litem representation, training, technical assistance, and such
58 other services as are necessary to improve the quality of guardian ad litem representation,
59 payments for counsel appointed in adoption proceedings under chapter 3 of title 16, D.C. Official
60 Code, and payments authorized under section 21-2060, D.C. Official Code (relating to services
61 provided under the District of Columbia Guardianship, Protective Proceedings, and Durable
62 Power of Attorney Act of 1986), \$46,005,000, to remain available until expended; Provided,
63 That funds provided under this heading shall be administered by the Joint Committee on Judicial
64 Administration in the District of Columbia; Provided further, That, notwithstanding any other
65 provision of law, this appropriation shall be apportioned quarterly by the Office of Management
66 and Budget and obligated and expended in the same manner as funds appropriated for expenses
67 of Federal agencies.

68 **FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT**

69 For a Federal payment to the District of Columbia, to be deposited into a dedicated
70 account, for a nationwide program to be administered by the Mayor, for District of Columbia
71 resident tuition support, \$40,000,000, to remain available until expended; Provided, That such
72 funds, including any interest accrued thereon, may be used on behalf of eligible District of
73 Columbia residents to pay an amount based upon the difference between in-State and out--of-
74 State tuition at public institutions of higher education, or to pay up to \$2,500 each year at eligible
75 private institutions of higher education; Provided further, That the awarding of such funds may
76 be prioritized on the basis of a resident's academic merit, the income and need of eligible
77 students, and such other factors as may be authorized; Provided further, That the District of
78 Columbia government shall maintain a dedicated account for the Resident Tuition Support

79 Program that shall consist of the Federal funds appropriated to the Program in this Act and any
80 subsequent appropriations, any unobligated balances from prior fiscal years, and any interest
81 earned in this or any fiscal year; Provided further, That the account shall be under the control of
82 the District of Columbia Chief Financial Officer, who shall use those funds solely for the
83 purposes of carrying out the Resident Tuition Support Program; Provided further, That the Office
84 of the Chief Financial Officer shall provide a quarterly financial report to the Committees on
85 Appropriations of the House of Representatives and the Senate for these funds showing, by
86 object class, the expenditures made, and the purpose therefor.

87 **FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT**

88 For a Federal payment for a school improvement program in the District of Columbia,
89 \$52,500,000, to remain available until expended, for payments authorized under the Scholarship
90 for Opportunity and Results Act (division C of Public Law 112-10); Provided, That, to the extent
91 that funds are available for opportunity scholarships and following the priorities included in
92 section 3006 of such Act, the Secretary of Education shall make scholarships available to
93 students eligible under section 3013(3) of such Act (Public Law 112-10; 125 Stat. 211),
94 including students who were not offered a scholarship during any previous school year; Provided
95 further, That within funds provided for opportunity scholarships up to \$1,200,000 shall be for the
96 activities specified in sections 3007(b) through 3007(d) of the Act and up to \$500,000 shall be
97 for the activities specified in section 3009 of the Act; Provided further, That none of the funds
98 made available under this heading may be used for an opportunity scholarship for a student to
99 attend a school which does not certify to the Secretary of Education that the student will be
100 provided with the same protections under the Federal laws which are enforced by the Office for
101 Civil Rights of the Department of Education which are provided to a student of a public

102 elementary or secondary school in the District of Columbia and which does not certify to the
103 Secretary of Education that the student and the student’s parents will be provided with the same
104 services, rights, and protections under the Individuals With Disabilities Education Act (20 U.S.C.
105 1400 *et seq.*) which are provided to a student and a student’s parents of a public elementary or
106 secondary school in the District of Columbia, as enumerated in Table 2 of Government
107 Accountability Office Report 18-94 (entitled “Federal Actions Needed to Ensure Parents Are
108 Notified About Changes in Rights for Students with Disabilities”), issued November 2017.

109 **FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL**

110 For a Federal payment to the Criminal Justice Coordinating Council, \$2,450,000, to
111 remain available until expended, to support initiatives related to the coordination of Federal and
112 local criminal justice resources in the District of Columbia.

113 **FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS**

114 For a Federal payment, to remain available until September 30, 20245, to the
115 Commission on Judicial Disabilities and Tenure, \$598,000, and to the Judicial Nomination
116 Commission, \$300,000.

117 **FEDERAL PAYMENT FOR THE DISTRICT OF COLUMBIA NATIONAL GUARD**

118 For a Federal payment to the District of Columbia National Guard, \$600,000, to remain
119 available until expended, for the Major General David F. Wherley, Jr. District of Columbia
120 National Guard Retention and College Access Program.

121 **FEDERAL PAYMENT FOR TESTING AND TREATMENT OF HIV/AIDS**

122 For a Federal payment to the District of Columbia for the testing of individuals for, and
123 the treatment of individuals with, human immunodeficiency virus and acquired
124 immunodeficiency syndrome in the District of Columbia, \$5,000,000.

125 **FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE DISTRICT OF**
126 **COLUMBIA**

127 For a Federal payment of necessary expenses, as determined by the Mayor of the District
128 of Columbia in written consultation with the elected county or city officials of surrounding
129 jurisdictions, \$97,000,000, to remain available until expended, for the costs of providing public
130 safety at events related to the presence of the National Capital in the District of Columbia,
131 including support requested by the Director of the United States Secret Service in carrying out
132 protective duties under the direction of the Secretary of Homeland Security, and for the costs of
133 providing support to respond to immediate and specific terrorist threats or attacks in the District
134 of Columbia or surrounding jurisdictions.

135 **FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY**

136 For a Federal payment to the District of Columbia Water and Sewer Authority,
137 \$8,000,000, to remain available until expended, to continue implementation of the Combined
138 Sewer Overflow Long-Term Control Plan; Provided, That the District of Columbia Water and
139 Sewer Authority provides a 100 percent match for this payment.

140 Sec. 3. Designation as federal portion of the budget.

141 The federal funds for which appropriation by Congress is requested by this act constitute
142 the federal portion of the Fiscal Year 2025 annual budget for the District of Columbia
143 government under section 446(a) of the District of Columbia Home Rule Act, approved
144 December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46(a)).

145 Sec. 4. Fiscal impact statement.

146 The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal
147 impact statement required by section 4a of the General Legislative Procedures Act of 1975.

148 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

149 Sec. 5. Effective date.

150 This act shall take effect as provided in section 446 of the District of Columbia Home

151 Rule Act, approved December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.46).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



BRIAN L. SCHWALB
ATTORNEY GENERAL

Legal Counsel Division

MEMORANDUM

TO: Tomás Talamante
Director
Office of Policy and Legislative Affairs

FROM: Megan D. Browder
Deputy Attorney General
Legal Counsel Division

DATE: April 3, 2024

SUBJECT: Legal Sufficiency Review of Draft Bill, the “Fiscal Year 2025 Federal Portion Budget Request Act of 2024”
(AE-24-017)

This is to Certify that this Office has reviewed the above-referenced legislation and has found it to be legally sufficient as to form. If you have any questions regarding this certification, please do not hesitate to contact me at 724-5524.

A handwritten signature in black ink that reads "Megan D. Browder". The signature is written in a cursive style.

Megan D. Browder