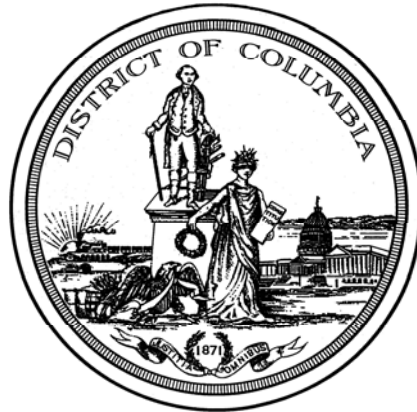


COG BOARD OF DIRECTORS MEETING



DISTRICT OF COLUMBIA BUDGET & REGIONAL PRIORITIES

**Chairman Vincent C. Gray
At-large Councilmember Kwame R. Brown
Council of the District of Columbia
June 10, 2009**



Fiscal Outlook in the Region For FY09 & FY10

Projected Budget Shortfall Going into Budget Formulation

■ District of Columbia

- FY09 - \$394 million
- FY10 - \$802 million
- Stimulus funding \$885.5 million

■ Maryland

- FY09 - \$1.5 billion
- FY10 - \$1.9 billion
- Stimulus funding \$4 billion

■ Virginia

- FY09 - \$2.3 billion
- FY10 - \$1.8 billion
- Stimulus funding \$4.5 billion





FY10 Budget and Financial Plan Balanced

- Nearly 4% cut in local funds appropriated
- 1,631 FTE positions eliminated
- Conversion of Special Purpose Revenues to Local
 - FY09 - \$7.8 million
 - FY10 - \$38.9 million
- Fund Balance Use
 - FY09 - \$154 million
 - FY10 - \$106.8 million
- Revenue Proposals
 - FY09 - \$4.5 million
 - FY10 - \$23.4 million





DC Council FY10 Budget Actions

■ Maintained focus on Public Education Reform

- Increased funding for expanded Pre-K
- Identified funds for expanded adult education
- Identified \$16.7M for Charter Schools facilities cuts
- Established the State Board of Education as an independent agency
- Focused Office of Deputy Mayor for Education on school reform oversight
- Independent Review Established

■ Strengthened Public Safety

- Increased Police Officers to 4,200
- Restored the Motor Vehicle Theft Prevention Commission
- Eliminated the E-911 fee/tax





DC Council FY10 Budget Actions (cont.)

- Retained COLA for standard deduction, personal exemption and homestead deduction, cut in the Mayor's proposed budget
- Enhanced Infrastructure and Transportation
 - 11th Street Bridge
 - 14th Street Bridge
- \$8.3M in Employee Raises
- Maintained capital funds for DDOT-related storm water work
- Maintained threatened Boys and Girls Clubs
- Merged Washington Convention Center with Sports and Entertainment Commission





District Fiscal Challenges Ahead

- Tax collections for the 12 months ending in March were 1.9% below those for the previous year – the first decline in 12-month collections since February 2003
- Further shortfalls may occur in June 22nd revenue estimates, which may lead to further cuts
- FY10 Budget and Financial Plan leaves \$164 million in recurring programs unfunded in FY11 and beyond
- Unclear whether economic recovery will occur before stimulus funds dry up





Other Regional Issues

- Anacostia River Clean-up and Protection Act “Bag Bill” Adopted

- DC Voting Rights Legislation
 - Emancipation Day

- Established Department of Health Care Finance

- Opened “New Beginnings” Youth Development Center in Laurel
 - Will replace “Oak Hill” and house up to 60 committed youth



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