

**THE MAYOR'S FISCAL YEAR 2011
BUDGET AND FINANCIAL PLAN:
"MAXIMIZING EFFICIENCY"**

**UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT**

**THE HONORABLE JOSÉ E. SERRANO, CHAIRMAN
THE HONORABLE JO ANN EMERSON, RANKING MEMBER**



**TESTIMONY OF ADRIAN M. FENTY
MAYOR
DISTRICT OF COLUMBIA**

WEDNESDAY, APRIL 21, 2010

Introduction

Chairman Serrano, Ranking Member Emerson and distinguished subcommittee members, it is my pleasure to be here today to discuss the District's Fiscal Year 2011 Budget and Financial Plan and the federal payments proposed for the District in the President's Fiscal Year 2011 Budget. I will begin with a brief overview of the District's current fiscal condition before discussing the specifics of the President's Budget request.

District Budget Summary

Despite the recent economic challenges, the Budget and Financial Plan I submitted to the District of Columbia Council on April 1st is my administration's fourth consecutive balanced budget and the District's 15th consecutive balanced budget since the days of the Control Board. While the budget required tough decisions, I believe it represents the fiscally responsible approach to governing the residents of the District of Columbia expect and deserve, and it adheres to a basic tenet - government should not spend beyond its means.

Our FY11 Budget and Financial Plan solves a \$523 million budget gap for the next fiscal year by streamlining the District's agency operations, controlling spending, sustaining growth in critical areas and eliminating vacant and redundant positions, while staying focused on our core mission to transform our public schools, keep our neighborhoods



safe and our families healthy, and provide high quality services to District residents – without raising taxes.

This year, as in years past, my administration worked closely with the Office of the Chief Financial Officer to develop a budget and spending plan that accounts for the anticipated continued decline in total tax revenue. Our \$11 billion spending plan includes \$5.27 billion in local funds and \$2.7 billion in federal funds. Last year, the District benefited tremendously from the American Recovery and Reinvestment Act and the one-time infusion of more than \$700 million allowed us to put 50 new police recruits on the street, provide assistance to 188 small businesses and serve meals to thousands of homebound residents. Yet even without the infusion of federal stimulus dollars this year, the District will maintain its commitment to providing core services to residents. I would also like to add that this year’s budget and financial plan maintains the District’s strong financial position and sustains the progress we have made in recent years to make our tax structure more competitive with our neighboring jurisdictions, by leaving tax rates where they stand.

Now I would like to speak specifically about the federal payments proposed in the President’s FY11 Budget.



Education

When I was elected in 2006 I moved swiftly to assume control of the District's Public School system and hired Chancellor Michelle Rhee to aggressively reform our public schools. In just over three years we have seen tremendous progress and your continued support has been invaluable. Standardized test scores and enrollment are up, graduation rates are rising, and District residents are excited about the improvements they are seeing for the first time in many years.

The President's Budget request includes \$43 million to directly support our efforts to create the highest performing urban school district in the country. Specifically, this year's budget will allow us to continue our investment in early childhood education, expand our portfolio of STEM schools and those that focus on arts integration and world cultures, bolster our innovative programs to raise student achievement and innovatively assess teachers and compensate them based on their performance.

The President's Budget also provides \$20 million to support charter schools and \$35.1 million to continue tuition assistance grants for District residents pursuing higher education. To date, the DCTAG program has served nearly 15,000 DC college attendees and has increased college-going rates to 60% - 10 points above the national average.

The President's Budget also continues to fund Opportunity Scholarships for students



who currently receive them and I applaud the Department of Education for crafting an approach that will sustain the program for years to come.

Other Key Federal Funding Priorities

The President's FY 2010 Budget included funding for several partnerships with the federal government to improve safety and protect the environment in the District of Columbia. I am pleased that many of those initiatives were continued again this year. Specifically, the \$15 million proposed federal payment for the Emergency Planning and Security Fund will ensure adequate funding for the costs associated with the presence of the federal government and the many protests, demonstrations and national events that occur in the District each year.

The President's Budget also continues funding for improvements to our Combined Sewer System to protect the Chesapeake Bay and Potomac and Anacostia rivers from pollution, funds the Criminal Justice Coordinating Council, which implements the JUSTIS database to help federal agencies and the District share vital information, and allocates funding for the operations of the DC National Guard.

Permanent Supportive Housing

Last year, the President proposed and Congress funded a federal payment to support the District's efforts to develop effective solutions to end chronic homelessness. With



the support of this subcommittee, by the end of FY11 our Department of Human Services will have housed nearly 1,000 individuals and more than 230 families in Permanent Supportive Housing. In many ways the District is leading the nation in this effort and the President's FY11 Budget will allow us to bolster our efforts by providing \$10 million to support the development of two new site-based Permanent Supportive Housing facilities, one of which will primarily serve the District's homeless veterans. Both sites will provide our most vulnerable residents with the treatment, case management services and access to support groups necessary to prevent a return to life on the streets.

HIV/AIDS Prevention and Care Services

One of the two new federal payments included in the President's Budget will allow the District to continue its work to combat the spread of HIV/ AIDS. Last month our HIV/ AIDS Administration released the District's 2009 Update on HIV/ AIDS and for the first time the report showed a decrease in new AIDS cases in the District of Columbia. However, the District is still in the midst of an HIV epidemic that is different from prior epidemics in both its sheer size and its complexity. Fortunately, those leading our efforts to combat the disease in the District have developed innovative strategies to get people tested and in treatment faster and with more regularity than many jurisdictions across the country.



The \$5 million included in the President's Budget will permit the District to build on existing service expertise and infrastructure to focus on service saturation across both networks of interconnected service providers and geographic areas of combined high risk and high poverty, to ensure that neighborhood-level core HIV counseling and testing, prevention, and treatment services are not only readily available, but are also fully utilized. The successful implementation of this effort will enable the District to reach an additional 75,000 residents and save or prolong countless lives.

St. Elizabeths Redevelopment Planning

The second new initiative included in the President's Budget reflects the extraordinary possibilities that exist when the District and its federal partners work together and I would like to thank the President and his team for working with my administration to formulate a plan to redevelop the St. Elizabeths Campus in Southeast Washington. The \$2 million included in the President's Budget will support the first phase of planning necessary to create a vibrant, mixed use and sustainable community that provides the housing, transportation, and amenities desired by the surrounding neighborhoods and Department of Homeland Security employees. The planning efforts underway include the District and representatives from the White House, GSA, DHS, HUD, DOT, EPA and other stakeholders.



Conclusion

Earlier this year, the U.S. Census Bureau reported that the District's population grew by an estimated 10,000 residents between July 2008 and July 2009 – the largest one-year gain since World War II. The attraction of new residents and the retention of those who have called Washington home for decades is perhaps the greatest indicator that the District of Columbia is moving in the right direction and I view Members of Congress as critical partners in that effort. I look forward to continuing to work with you toward our mutual goal of making Washington a world-class capital city.

This concludes my prepared remarks and I'm happy to answer any questions.

