

HEARING ON
THE MAYOR'S PROPOSED FISCAL YEAR 2011
BUDGET AND FINANCIAL PLAN

Before the
Subcommittee on Financial services and General Government
Committee on Appropriations
U.S. House of Representatives

The Honorable José Serrano, Chairman

April 21, 2010; 10:00 a.m.
2362B Rayburn House Office Building



Testimony of
Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia

Good morning, Chairman Serrano and members of the Subcommittee. I am Natwar M. Gandhi, Chief Financial Officer of the District of Columbia government. I am pleased to be here to offer brief remarks about the Mayor's proposed FY 2011 Budget and Financial Plan for the period FY 2011 through FY 2014.

As with FY 2010, this budget development cycle presented significant challenges. Like last fiscal year, the revised projected FY 2011 revenues are below previous estimates. (See Attachment 1.) Accordingly, the City Administrator set Local fund targets for agencies that were based on FY 2010 Local funds recurring budget with certain reductions. The Office of the Chief Financial Officer (OCFO) again worked closely with the executive leadership team and agency program and finance staffs to resolve numerous budget issues to produce a balanced five-year financial plan. The FY 2011 policy budget reflects funding priorities set by the Mayor, the City Administrator, and agency directors.

After careful review, I have certified that the FY 2010 Revised Budget and, based on the proposed Budget Request Act, the FY 2011 – FY 2014 Budget and Financial Plan, are balanced.

FY 2010 REVISED BUDGET

Following the revenue estimates announced by my office on February 24, the District faced Local Fund spending pressures and revenue shortfalls totaling \$230

million, as detailed in Attachment 2. In addition, the Mayor has proposed \$26 million of additional spending, including the complete repayment of the Contingency Reserve and other needs.

The Mayor's Revised FY 2010 Budget covers this total of \$256 million using the following sources:

- \$72 million (28% of total) reductions in spending pressures, including use of two reserves designated in the fund balance, shifts of costs to non-Local funds, and actual reductions in spending amounts in the pressures
- \$97 million (38%) debt service savings from the recent restructuring of the District's debt
- \$25 million (10%) Local funds spending reductions in agencies
- \$10 million (4%) of Special Purpose Revenue transfers into Local revenue, made possible by agency spending reductions of that amount in Special Purpose Revenues
- \$12 million (5%) revenue enhancements and
- \$40 million (16%) of fund balance use, of which \$20 million comes from outside the General Fund (Baseball fund and Washington Center on Aging Services) and \$20 million from within the General Fund (Local, Special Purpose, and Dedicated Tax)

As part of this plan, the Mayor's Revised FY 2010 budget fully repays the funds due to the Contingency Reserve, so that this will not be a cost in FY 2011. Finally, \$5.1 million is added to a reserve, to be used for snow removal costs that might not be reimbursed by the federal government.

My office has reviewed the assumptions about changes in spending pressures, the shifts of costs to other funds and the availability of those funds, the proposed spending reductions in certain agencies, and the estimates of revenue arising from new fees. This proposed Revised Budget addresses the District's budget pressures in a way that would restore balance to FY 2010.

FY 2011 BUDGET AND FINANCIAL PLAN

The revenue outlook for FY 2011 and the years immediately following is grim. Unlike in FY 2009 and FY 2010, federal stimulus funding will no longer be available for the full year. (See Attachment 3.) Due to the sunset on stimulus funds and a projected decline in revenues in FY 2011 before they very slowly recover, the District, like many other jurisdictions, must make difficult decisions and take aggressive action to lower costs. In order to remain balanced for the duration of the four-year plan, in the absence of new streams of revenue, nearly all policy-driven costs must remain flat from year to year, and a strict expenditure control regime should be in place.

GENERAL FUND BALANCE

The chart in Attachment 4 shows a history of the District's General Fund Balance and budgetary basis surplus. As you can see, we have come a long way since the mid-1990s when the fund balance hit a low of negative \$518 million. By the time the Control period ended in 2001, the fund balance had grown to over a half a billion dollars. By FY 2005, it peaked at \$1.6 billion. The FY 2009 CAFR that was released in February showed a fund balance of \$920 million – still a respectable number, but a drop of \$664 million, or over 40 percent, from the peak.

(See Attachment 5.) Further, as you can see from Attachment 6, with the erosion of the fund balance our working capital situation has worsened. I am also concerned that this erosion of the fund balance will raise concerns on Wall Street and could lead to higher borrowing costs. Therefore, I have urged the Mayor and Council to take steps to augment or, at a minimum, replenish the General Fund Balance that has been depleted during the current year.

REVENUE OUTLOOK

This budget has been prepared at a time when the most severe U.S. recession since the 1930s appears to have entered a sustained, although somewhat muted, period of recovery. Still, at the national level, there is a considerable amount of uncertainty, as unemployment remains high and income gains are still weak.

Despite some negative effects the District is experiencing, it avoided some of the worst problems of the national recession because of the presence of the federal government. The District is the central city of the Washington metropolitan area with about a quarter of the jobs and 10 percent of the population. This metro area has the second lowest unemployment rate (6.2 percent) of the 49 largest U.S. metropolitan areas. However, while jobs located in the District are doing relatively well compared to the rest of the nation, District resident unemployment continues to be very high.

During FY 2010 and FY 2011, as the rest of the District economy recovers and most of the District's broad-based taxes along with it, lagging property values, particularly in commercial real estate, remain a significant risk to the revenue forecast. Some of the greatest adverse impacts of the recession on the District's

economy have been those associated with real property values and sales, capital gains, and business profits.

The FY 2010 baseline estimate of \$5.16 billion in total local fund revenue, which excludes dedicated taxes and special purpose revenue, is \$113.8 million (2.3 percent) higher than FY 2009 revenue. The \$5.03 billion estimate for FY 2011 is a decrease of \$135.3 million (2.6 percent) from FY 2010.

Including restricted revenues and the Mayor's policy initiatives, total FY 2010 general fund revenue in the financial plan is \$5.939 billion (\$194.5 million more than in FY 2009) and \$5.941 billion in FY 2011 (\$2 million higher than FY 2010).

Various proposed policy initiatives increase total general fund revenue in FY 2010 by \$20.3 million and in FY 2011 by \$101 million. Some of the FY 2011 proposals are:

- \$28 million from increased traffic fines
- \$25 million from a new assessment on net patient revenue at hospitals
- \$16.1 million from various fee increases or new fees
- Recognizing \$5 million from the establishment of public-private partnerships for community reinvestment with hospital and medical service corporations
- \$2.3 million from modifying the Qualified High Technology credit and the earned income tax credit
- There were also increases to local fund revenue coming from \$17.9 million from certified special purpose fund (O-Type) revenue above budget needs, \$13.6 million from the sustainable energy trust fund, and \$3.6 million from the District Department of Transportation Unified Fund.

EXPENDITURES (excluding Dedicated Taxes)

Local Funds

The FY 2011 Mayor’s Proposed Budget includes \$5.268 billion in spending supported by \$5.269 billion of resources, with an operating margin of \$0.5 million, as shown in Table 1 below.

Table 1		
Proposed FY 2011 Budget Summary - Local Funds		
Resources:		(\$ in thousands)
Local Taxes		\$ 4,601,359
Non-tax Revenues (including revenue proposals)		459,145
Lottery/Interfund Transfers		103,316
Appropriated Fund Balance		105,123
Total Local Fund Resources		\$ 5,268,943
Proposed FY 2011 Budget Summary - Local Funds		
Uses:		
Operating Expenditures		\$ 5,169,743
Transfer to OPEB for FY 2011 costs		98,700
Total Local Fund Uses		\$ 5,268,443
Projected FY 2011 Operating Margin		\$ 500

The FY 2011 Local Fund budget represents an increase of 1.2 percent from FY 2010, and reverses a trend of progressively smaller budgets that began in FY 2009. However, taking into consideration the federal stimulus funding that affected FY 2009 thru 2011, Table 2 below shows the budgetary trend over the past decade, with and without the effect of the federal stimulus funds.

Table 2 – Local Fund Budget, FY 2001 – FY 2011

(\$ in thousands)

<u>Fiscal year</u>	<u>Without Stimulus</u>		<u>With Stimulus</u>	
	<u>Budget</u>	<u>% change</u>	<u>Budget</u>	<u>% change</u>
2001	\$3,251	-	\$3,251	-
2002	\$3,558	9.5%	\$3,558	9.5%
2003	\$3,602	1.2%	\$3,602	1.2%
2004	\$3,833	6.4%	\$3,833	6.4%
2005	\$4,165	8.7%	\$4,165	8.7%
2006	\$4,949	18.8%	\$4,949	18.8%
2007	\$5,020	1.4%	\$5,020	1.4%
2008	\$5,622	12.0%	\$5,622	12.0%
2009	\$5,597	-0.4%	\$5,729	1.9%
2010 Revised	\$5,208	-7.0%	\$5,419	-5.4%
2011 Proposed	\$5,268	1.2%	\$5,385	-0.6%

Special Purpose Revenue Fund

The Mayor proposes a \$512.2 million Special Purpose Revenue Fund budget for FY 2011. This fund includes a net amount of \$534.7 million of FY 2011 revenues, made up of \$483 million of certified FY 2011 revenues and \$76.6 million of fund balance, less \$22.7 million in certified revenues not used and \$24.7 million in revenue proposals.

There are \$7.3 million in special purpose fund revenue increases:

- \$7 million from an increase in the E911 fee
- \$150,000 from increased fees for notary public registration
- \$66,000 from condominium registration and conversion fees
- \$60,000 from special events licensing fees

There are \$9.6 million in special purpose revenue increases that are transferred to the Local Fund:

- \$3.6 million from increased parking meter rates
- \$3.1 million from a fee for steel plates on roadways
- \$920,000 from an additional fee on basic business licenses and public space permits for technology enhancements
- \$750,000 from assessments on title insurance producers
- \$750,000 from increased Department of Health fees
- \$469,000 from the Office of Tenant Advocate

An additional transfer of \$32.3 million from special purpose funds to local funds includes transfers from the sustainable energy trust fund, the baseball fund, and certified revenues above budget for several funds.

PROPOSED FY 2011 GROSS FUNDS BUDGET

The proposed FY 2011 gross operating budget (excluding intra-District funds) is \$10.4 billion, a decrease of \$281.5 million, or 2.6 percent, from the FY 2010 revised gross budget of \$10.7 billion. The Local and non-Local funding components of the proposed FY 2011 gross budget and the changes from FY 2010 are summarized in Table 3 (page 11).

Table 3				
Gross Funds Budget by Fund Type				
(\$ in thousands)				
Fund Type	*FY 2010 Revised	FY 2011 Mayor's Proposed	Change	% Change
Local	\$ 5,207,770	\$ 5,268,443	\$ 60,673	1.2%
Stimulus	211,581	0	(211,581)	-100.0%
Local Subtotal	\$ 5,419,351	\$ 5,268,443	\$ (150,908)	-2.8%
Dedicated Tax	302,526	354,534	52,008	17.2%
Federal	3,091,559	2,756,695	(334,864)	-10.8%
Private	7,814	4,977	(2,837)	-36.3%
Special Purpose	542,236	512,240	(29,996)	-5.5%
Total, General Operating Fund	9,363,485	8,896,889	(466,596)	-5.0%
Enterprise and Other Fund	1,366,370	1,551,504	185,134	13.5%
Total Gross Funds	\$ 10,729,855	\$ 10,448,393	\$ (281,462)	-2.6%

*FY 2010 Revised as of 04/01/2010

CAPITAL IMPROVEMENTS PLAN

The District is addressing its continuing infrastructure needs through its Capital Improvements Plan (CIP). (See Attachment 7) The District, however, is limited by constraints on its levels of General Obligation (G.O. bond) and Income Tax secured (I.T. bond) borrowing. Taken together, these factors place a premium on developing a sound CIP to make the best use of limited resources. The total proposed appropriation request for the FY 2011 through FY 2016 CIP is \$416.8

million from all sources, which consists of \$1.301 billion of new budget authority offset by \$884.6 million of rescissions. The increased budget authority will be financed with I.T. or G.O. bonds, Pay-As-You-Go (PAYGO) transfers from the General Fund, the Master Equipment Lease Program, and the Local Streets Fund.

Excluding certain large financings and the Highway Trust Fund, the proposed FY 2011 capital program includes \$692.8 million in planned capital expenditures to be financed by \$592.3 million in new I.T. or G.O. bond issuance, \$10.2 million of PAYGO transfers for a Department of the Environment project required by the Environmental Protection Agency and a partial payment for a local contribution to WMATA, \$54.7 million from the Master Equipment Lease Program and \$35.7 million from the Local Streets Fund and Parking Tax.

The PAYGO funding of prior years for school modernization is replaced by additional bond financing for FY 2010 through FY 2014. In the Mayor's Proposed Budget and Financial Plan, the total debt service for all outstanding and proposed tax-supported debt as a percentage of total General Fund expenditures would be approximately 11.77 percent in FY 2014, which is within the District's 12 percent debt limit.

HIGH NEEDS AND RESTRICTED TAX BASE

The District, as the urban center of a large metropolitan area, houses a disproportionately large share of very poor and needy people. The District's overall poverty rate of 19 percent and child poverty rate of 33 percent are among the highest in the nation and more than three times the comparable rates across

neighboring counties.¹ Unlike other urban jurisdictions, the District cannot pool resources across the wealthier suburban areas from the same state to serve its urban poor.

Higher costs of service delivery further threaten the District's fiscal health. Labor costs for public services in the District are 123 percent of the national levels, and capital costs (primarily buildings) are 1.65 times the national average. Because of this combination of a needy population and high service costs, our expenditure needs are very high. If the District were to offer a basket of public services similar to what is offered across all states and localities in the nation, for each of its residents, it would have had to spend 130 percent more than what other states and localities spend on average.

In this environment of high expenditure needs, the revenue challenge is equally great. Whereas the District has access to a wide range of state and local revenues, it also has, again unlike other central cities, the responsibilities of a state, a municipality, and various special districts (for example, schools). Now, here is where the U.S. Congress plays an important role. Kindly permit me to briefly note two areas that merit continuous attention. Both go to the unfunded mandates that restrict the District's own taxing power.²

- The prohibition on taxing the income earned by non-residents, including those who commute into the city on a daily basis. That 66 percent of the income is earned by non-residents makes the simple point.

¹ The U.S. national averages are 13 percent for poverty and 18 percent for child poverty. For Arlington, Fairfax, Montgomery and Prince George's counties the average poverty rate is 6 percent, and the average child poverty rate is 7 percent.

² In 2003, the General Accounting Office (now Government Accountability Office) calculated this preemption to be between \$470 million and \$1.1 billion annually. (GAO, District of Columbia Structural Imbalance and Management Issues, May 2003.)

- The District has an especially high concentration of non-taxable real property, much of it off the tax rolls due to the presence of the federal establishment. The value of property held by the federal government is 32 percent of non-residential property values.

Because of these unfunded Congressional mandates, our residents must shoulder a disproportionate share of the costs of public services, while the benefits generated by the city are shared by a much larger community. Our sustained trend of balanced budgets attests to the fact that we have not allowed these mandates to become an excuse for fiscal irresponsibility. Yet, District residents, through higher taxes, pay for these mandates. The looming danger, given the economic conditions in the nation combined with the District's high expenditure needs is that, should our revenue growth slow down, District services could be severely impaired.

INCREASED TRANSPARENCY

Finally, Mr. Chairman, there are two significant innovations in this year's budget that I would like to point out. First, there is a new budget display on the web that shows operating and capital budget information by agency. This allows a viewer to see everything related to an agency in one place, without having to find a piece of it in three different volumes. This is in addition to the normal display, which shows each budget volume. Second, there is a new web application that will allow users to create their own reports by agency/program, fund, and expense category (object class). Users can compare agencies or look within an agency at programs, types of expenditures, and funding sources. We have instituted these improvements in order to increase transparency and make it easier for both the Council and the public to access budget information.

The leadership provided by Mayor Fenty, Council Chairman Gray and the rest of the Council, and City Administrator Albert along with the hard work of the Office of Budget and Planning and others in the OCFO, allowed us to work together to produce a balanced budget. I will work diligently with Mayor and Council during the upcoming budget deliberations to ensure that we continue to have a sound fiscal position.

This concludes my remarks. I would be pleased to answer any questions you may have.

Attachment 1

CHANGES IN REVENUE ESTIMATES

Changes Since June 2008, Local Source, General Fund Revenue Estimate (\$ millions)					
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
June 2008 budget	\$5,831.7	\$6,099.2	\$6,402.5	-	-
June 2008 to June 2009:					
\$ Change in the estimate	(\$952.4)	(\$1,178.8)	(\$1,326.9)	-	-
Percent change	-16.3%	-19.3%	-20.7%	-	-
June 2009	\$4,879.3	\$4,920.4	\$5,075.6	5,288.7	-
Impact of policy changes	\$319.9	\$262.1	\$294.5	\$282.4	-
Estimate Change December 2009	(\$17.1)	(\$104.0)	(\$186.5)	(\$277.3)	-
December 2009 Estimate	\$5,182.1	\$5,078.5	\$5,183.6	\$5,293.8	\$5,390.1
Estimate Change February 2010	(\$17.7)	(\$49.4)	(\$62.8)	(\$36.3)	\$8.2
February 2010 Estimate	\$5,164.4	\$5,029.1	\$5,120.8	\$5,257.5	\$5,398.3
<i>Percent growth over previous year</i>	2.3%	-2.6%	1.8%	2.7%	2.7%

FY 2010 Overview – Gap Closing

Gap - Budget Pressures and Additional Spending Needs

(Dollars in millions)

Budget Pressures	
Revenue Shortfall (December 2009)	17.1
Spending Pressures	185.1
Required Contingency Amount (50% Due in 2010)	10.2
<i>Subtotal, Budget Pressures, Feb. 19 Hearing</i>	212.3
Revenue Shortfall (February 2010)	17.7
Total, Budget Pressures	230.0
Additional Spending Needs	26.1
Total, Budget Pressures and Additional Spending Needs	256.1
Solutions	
<i>(1) Changes to Local Funds Spending Pressures</i>	
Net Reductions to Pressures	31.5
Shift to Other Funds	29.5
Use of Designated Reserves	11.3
<i>Subtotal, Changes to Pressures</i>	72.3
<i>(2) Spending Reductions</i>	
Debt Service Savings	96.8
Agency Spending Restrictions - Local and SPR	32.6
Other Spending Reductions and Step Freeze	1.8
<i>Subtotal, Spending Reductions</i>	131.2
<i>(3) Revenue and Other Resources</i>	
Revenue Proposals	12.7
Local Fund Balance	5.2
WCAS Reserve and Baseball Fund Balance	20.4
Dedicated Tax & SPR Fund Balance to Local	14.4
<i>Subtotal, Revenue and Other Resources</i>	52.7
Total, Solutions	256.1

Attachment 3

Federal Stimulus Funding

Expenditure Areas		Total	FY 2009 Actual	FY 2010 Expected	FY 2011 Proposed
1	State Fiscal Stabilization Fund	89.3	0.0	89.3	0.0
2	Medicaid FMAP Increase	397.6	131.9	149.2	116.5
3	Foster care\Adoption Assistance - Title IV-E	6.8	2.6	2.4	1.8
4	Subtotal State Fiscal Stabilization Fund, Medicaid, Title IV-E	493.7	134.5	240.9	118.3
5	Federal Operating Grants	319.7	8.6	231.0	80.1
6	Federal Capital Grants	130.7	109.1	21.6	0.0
7	Non-General Fund: Unemployment Trust Fund	58.5	24.8	33.7	0.0
8	Subtotal District Government	1,002.6	277.0	527.2	198.4
9	Non-General Fund: Housing Authority, WASA, WMATA	231.7			
10	Grand total of Expenditure Provisions	1,234.3			
11	Tax Provisions	-8.6			
12	Total with Tax Provisions	1,225.7			

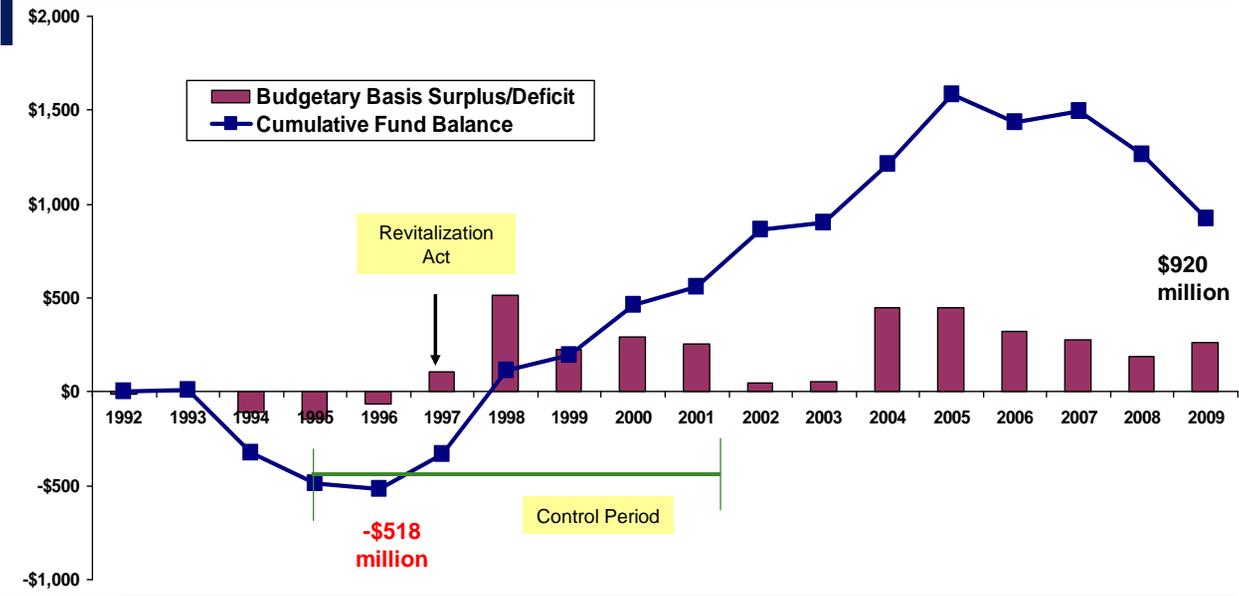
Note:

The FY 2011 Proposed FMAP amount includes an extension of the percentage increase by an additional 2 quarters.



District of Columbia

District of Columbia Surplus and Bond Rating History

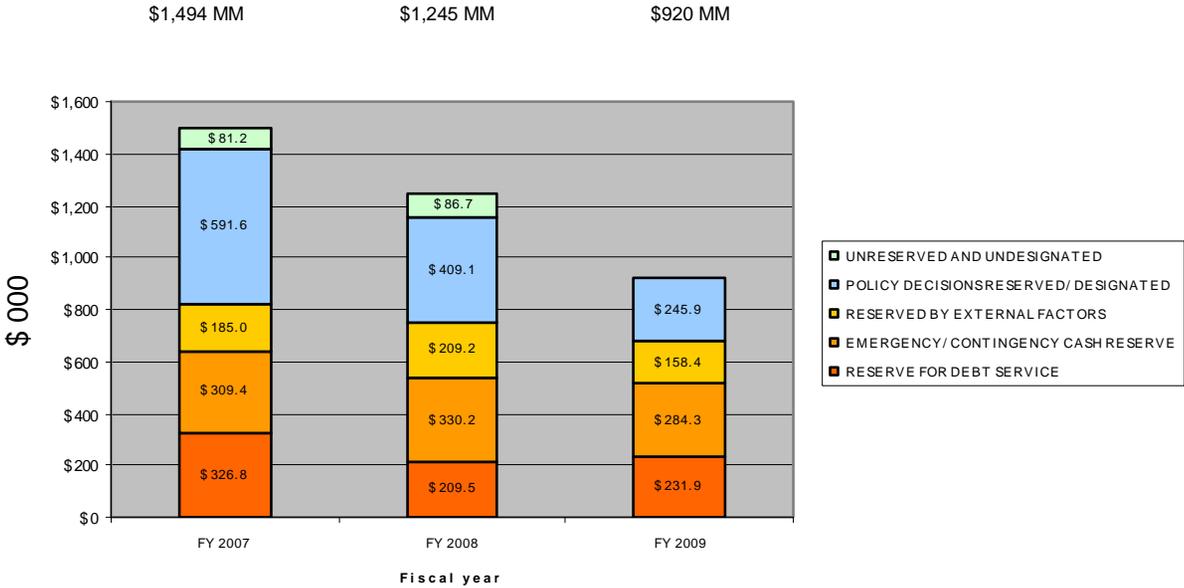


	General Obligation Bond Ratings																
S&P:	A-	A-	A-	BBB-	B	B	BB	BBB	BBB	BBB+	BBB+	A-	A	A+	A+	A+	A+
Moody's:	Baa	Baa	Baa	Ba	Ba	Ba2	Ba1	Ba1	Baa3	Baa3	Baa1	Baa1	A2	A2	A2	A1	A1
Fitch:	--	A-	BBB+	BB	BB	BB	BB+	BB+	BBB	BBB	BBB+	A-	A-	A	A	A+	A+
2009 Income Tax Secured Revenue Bonds: S&P: AAA Moody's: Aa2 Fitch: AA																	



District of Columbia

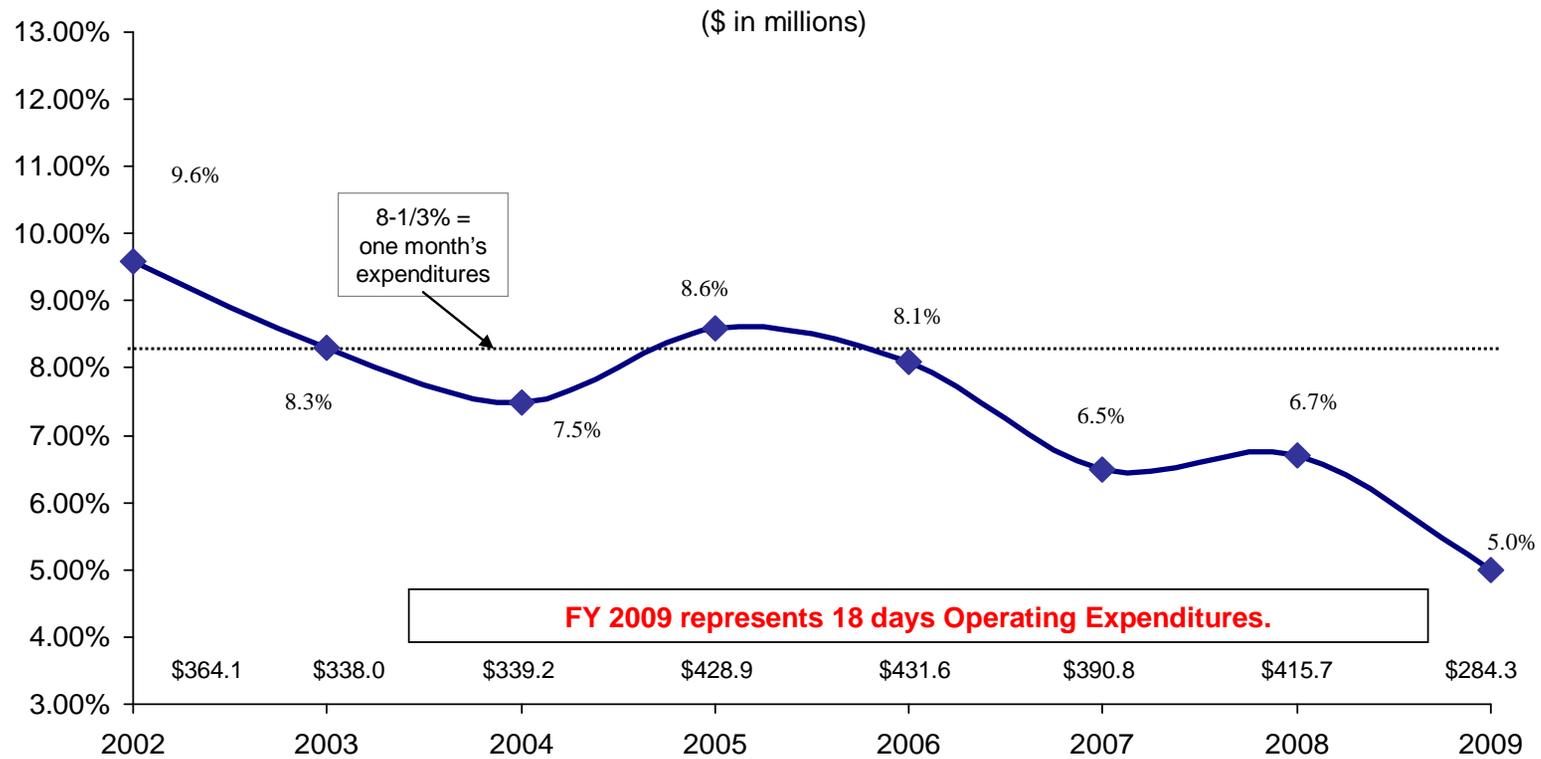
Composition of General Fund Balance FY 2007 – FY 2009





Total Working Capital

Unreserved/Undesignated Fund Balance Plus Congressionally Mandated Emergency/Contingency Reserves as a Percent of Next Year's Budgetary Expenditures



FY 2009 CAFR

TABLE 3-1, BUDGET AND FINANCIAL PLAN

Table 3-1

FY 2011 - 2014 Proposed Budget and Financial Plan: GENERAL FUND

(\$ thousands)

	FY 2009 Actual	FY 2010 Approved	FY 2010 Revised	FY 2011 Proposed	FY 2012 Projected	FY 2013 Projected	FY 2014 Projected
1 Revenues							
2 Taxes	4,621,445	4,478,337	4,751,625	4,601,359	4,688,691	4,815,288	4,971,142
3 Dedicated Taxes	232,963	421,506	421,506	314,193	327,408	348,817	398,836
4 General Purpose Non-Tax Revenues	353,170	335,178	345,473	358,817	363,175	373,278	358,252
5 Special Purpose (O-type) Revenues	454,764	454,380	460,576	483,001	482,129	482,502	486,049
6 Transfer from Lottery	68,775	65,775	67,350	68,925	68,925	68,925	68,925
7 Sub-total, General Fund Revenues	5,731,117	5,755,176	6,046,530	5,826,295	5,930,328	6,088,810	6,283,204
8 Bond Proceeds for Issuance Costs	3,340	15,000	15,000	15,000	15,000	15,000	15,000
9 Transfer from Federal and Private Resources	0	3,497	3,497	3,497	3,497	3,497	3,497
10 Transfer from Enterprise and Other Funds	26,967	0	11,689	23,070	0	0	0
11 Fund Balance Use	476,558	106,636	152,466	166,836	51,109	0	0
12 Revenue Proposals	0	167,849	(122,561)	101,026	114,369	116,945	120,656
13 Total General Fund Resources	6,237,982	6,048,158	6,106,621	6,135,724	6,114,303	6,224,252	6,422,357
14							
15 Expenditures (by Appropriation Title)							
16 Governmental Direction and Support	376,941	373,597	373,206	477,609	469,332	470,630	473,057
17 Economic Development and Regulation	327,930	304,973	307,508	248,547	206,222	206,536	212,306
18 Public Safety and Justice	984,216	1,020,191	1,049,973	980,476	972,768	978,379	985,633
19 Public Education System	1,483,493	1,380,531	1,391,149	1,523,405	1,512,322	1,510,185	1,511,392
20 Human Support Services	1,537,955	1,410,424	1,463,815	1,449,362	1,507,128	1,496,130	1,521,630
21 Public Works	560,511	579,215	578,008	535,983	527,161	535,720	547,424
22 Financing and Other	554,554	616,681	520,299	561,993	550,537	632,485	645,856
23 Operating Cash Reserve	0	0	13,482	0	0	0	0
24 Sub-total, Operating Expenditures	5,825,600	5,685,612	5,697,440	5,777,373	5,745,469	5,830,064	5,897,298
25 Paygo Capital	20,002	2,984	2,984	7,900	0	0	0
26 Transfer to Trust Fund for Post-Employment Benefits	81,100	90,700	90,700	98,700	105,400	112,800	120,600
27 Repay Contingency Reserve Fund	0	0	47,480	0	0	0	0
28 Transfer to Enterprise Funds - HPTF and Baseball Revenue Fund	78,288	45,120	45,120	43,966	58,323	57,342	43,846
29 Sub-Total General Fund Expenditures and Transfers	6,004,990	5,824,416	5,883,724	5,927,939	5,909,192	6,000,206	6,061,744
30 Transfer to TIF/CBF, Convention Center, Highway Trust Fund and CHFF	93,073	168,808	168,808	207,278	203,073	221,586	265,759
32 Total Expenditures and Transfers	6,098,063	5,993,224	6,052,532	6,135,217	6,112,265	6,221,792	6,327,503
33 Operating Margin, Budget Basis	139,919	54,934	54,089	507	2,038	2,460	94,854
34							
35 Composition of Fund Balance							
37 Emergency Cash Reserve Balance (2%, formerly 4%)	103,767	107,225	109,396	109,967	110,541	111,118	111,697
38 Contingency Cash Reserve Balance (4%, formerly 3%)	180,549	217,274	229,275	230,857	232,450	234,054	235,669
39 Total cash reserves - operating, emergency & contingency	284,316	324,499	338,671	340,824	342,991	345,172	347,366

CAPITAL FUND PRO-FORMA

Table 6-3

Capital Fund Pro Forma

(Dollars in thousands; excludes Highway Trust Funds)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total, FY 2011 - FY 2016	Percent of FY 2011
Sources:								
G.O. / I.T. Bonds	\$572,320	\$485,015	\$488,127	\$496,753	\$382,163	\$504,577	\$2,928,955	
Master Equipment Lease	54,657	31,000	26,500	16,000	14,406	28,292	170,855	
Pay-As-You-Go (Paygo)	10,150	0	0	0	117,818	0	127,968	
Local Streets	20,661	20,661	20,661	20,661	20,661	20,661	123,966	
Local Streets - Parking Tax	15,000	15,000	15,000	15,000	15,000	15,000	90,000	
Subtotal, Sources	\$672,787	\$551,676	\$550,288	\$548,414	\$550,048	\$568,530	\$3,441,744	
Additional G.O. Bonds - Large Scale Financings	20,000	5,000	0	0	0	0	25,000	
Total, Sources	\$692,787	\$556,676	\$550,288	\$548,414	\$550,048	\$568,530	\$3,466,744	
Uses:								
Office of Public Education Facilities Modernization	\$260,344	\$268,825	\$290,107	\$307,461	\$323,773	\$264,611	\$1,715,121	38.7%
Washington Metropolitan Area Transit Authority	110,919	111,619	116,019	118,419	120,719	119,619	697,314	16.5%
Department of Parks and Recreation	58,788	11,320	11,070	19,905	11,639	44,150	156,872	8.7%
Department of Transportation	56,711	57,142	55,842	46,252	45,266	52,509	313,722	8.4%
Fire and Emergency Medical Services Department	28,335	17,226	10,596	13,823	9,468	30,096	109,544	4.2%
University of the District of Columbia	25,555	23,220	14,340	3,580	3,000	0	69,695	3.8%
Office of the Chief Technology Officer	20,558	8,398	7,104	3,926	4,500	11,890	56,376	3.1%
District of Columbia Public Library	18,816	4,393	2,000	1,500	500	0	27,209	2.8%
Department of Real Estate Services	15,530	11,530	17,610	14,980	16,930	17,460	94,040	2.3%
Department of Public Works	8,927	2,704	1,000	4,116	3,850	4,989	25,586	1.3%
Metropolitan Police Department	9,000	3,000	8,200	5,100	5,500	9,200	40,000	1.3%
Department of Consumer and Regulatory Affairs	9,000	2,500	1,000	1,250	0	0	13,750	1.3%
District Department of the Environment	7,900	0	0	0	0	0	7,900	1.2%
Office of the Deputy Mayor for Planning and Economic Development	6,748	0	0	0	0	3,000	9,748	1.0%
Office of the Chief Financial Officer	6,200	5,600	600	800	0	1,200	14,400	0.9%
Office of Unified Communications	6,000	5,000	5,000	2,500	0	0	18,500	0.9%
Department of Human Services	5,500	0	0	0	0	0	5,500	0.8%
Office of the State Superintendent of Education	5,400	6,500	5,100	0	0	0	17,000	0.8%
Department of Housing and Community Development	4,000	1,000	1,000	2,400	2,500	5,000	15,900	0.6%
Department of Corrections	3,582	2,000	0	0	0	0	5,582	0.5%
Commission on Arts and Humanities	2,700	2,700	2,700	1,350	1,350	2,700	13,500	0.4%
Office of Planning	2,000	1,000	1,000	1,053	1,053	2,106	8,213	0.3%
Office of Zoning	274	0	0	0	0	0	274	0.0%
Department of Employment Services	0	6,000	0	0	0	0	6,000	0.0%
Subtotal, Uses:	\$672,787	\$551,676	\$550,288	\$548,414	\$550,048	\$568,530	\$3,441,744	100.0%
Large-Scale Financings (Office of Property Management)								
Consolidated Laboratory Financing	\$20,000	\$5,000	\$0	\$0	\$0	\$0	\$25,000	
Total, Uses	\$692,787	\$556,676	\$550,288	\$548,414	\$550,048	\$568,530	\$3,466,744	

Note: Details may not sum to totals due to rounding.