

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

March 27, 2019

To the Editor:

Questions have been raised about the District's recently submitted FY2020 budget and financial plan and concerns have been voiced that the budget is not responsible and could result in the return of the Control Board.

As the independent Chief Financial Officer (CFO) of the District, I am required by federal law to certify that the budgets submitted by the Mayor to the Council, and ultimately to Congress, are balanced. In my March 20, 2019 letter, included in the proposed budget, I state, "that the FY2020 - FY2023 budget and financial plan is balanced." I stand firmly by that statement.

The District is rated "Aaa," the highest level, by Moody's credit rating agency. It is one of only 10 of the 25 largest U.S. cities to achieve this status. Most cities develop a balanced budget for a single year. The District goes beyond that, balancing the current year's budget and a four-year financial plan. I am confident that the budget as submitted will maintain our high credit rating and any changes by the Council will meet that same standard.

Comments have been made that the debt service is too high. Unlike other cities, the District functions as a city, state, county and school district with substantial infrastructure needs. The District has a self-imposed debt limit of no more than 12% of general fund expenditures committed to annual debt service. This budget stays within that limit, and through long-range planning, has identified funding to move all District assets to a state of good repair by 2028. No other city or state in the country has developed a funding plan to achieve this goal. This is another reason the District has a "Aaa" rating. The proposed budget continues to meet this standard.

The Control Board was made dormant in 2001 through the District's consistently balanced budgets and strong fiscal policies, including the creation of the independent CFO. Federal law provides significant authority for the independent CFO to control spending when necessary, such as in a recession, and requires the CFO to develop quarterly revenues estimates to ensure budgets remain balanced throughout the year. In addition, federal law embeds budget and fiscal staff reporting to the independent CFO inside all District agencies to ensure factors that could lead to the Control Board do not reoccur. The public should feel confident that these prudent fiscal

policies prevent a return of the Control Board. If this were not the case, the District would not be among the highest rated large cities in the country.

I want to assure the public that the current proposed budget, along with any changes made by the Council, will be balanced over the four-year financial plan, with debt levels that maintain our high credit rating. Federal authority provided to the independent CFO and responsible fiscal policies adopted by the District government ensure that we will remain a fiscally strong city. Comments to the contrary are simply not based on facts.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey S. DeWitt". The signature is written in a cursive style with a large, prominent initial "J".

Jeffrey S. DeWitt

BY POPULATION

25 Largest US Cities Credit Ratings as of July 12, 2018					
	City	Moody's	S&P	Fitch	Kroll
1	New York	Aa2	AA	AA	
2	Los Angeles	Aa2	AA	AA	
3	Chicago	Ba1	BBB	BBB-	A
4	Houston	Aa3	NR	AA	
5	Phoenix	Aa1	AA+	AAA	
6	Philadelphia	A2	A	A-	
7	San Antonio	Aaa	AAA	AAA	
8	San Diego	Aa2	AA-	AA	
9	Dallas	A1	AA-	AA	
10	San Jose	Aa1	AA+	AA+	
11	Austin	Aaa	AAA	AAA	
12	Jacksonville	Aa2	AA	AA	
13	San Francisco	Aaa	AA+	AA+	
14	Columbus	Aaa	AAA	AAA	
15	Fort Worth	Aa3	AA	AA+	AA+
16	Indianapolis	Aaa	NR	NR	
17	Charlotte	Aaa	AAA	AAA	
18	Seattle	Aaa	AAA	AAA	
19	Denver	Aaa	AAA	AAA	
20	Washington	Aaa	AA+	AA+	
21	Boston	Aaa	AAA	AAA	
22	El Paso	NR	AA	AA	
23	Detroit	Ba3	AA	NR	
24	Nashville	Aa2	AA	NR	
25	Memphis	Aa2	AA	AA-	

BY RATING

25 Largest US Cities Credit Ratings as of July 12, 2018					
	City	Moody's	S&P	Fitch	Kroll
1	San Antonio	Aaa	AAA	AAA	
2	Austin	Aaa	AAA	AAA	
3	Columbus	Aaa	AAA	AAA	
4	Charlotte	Aaa	AAA	AAA	
5	Seattle	Aaa	AAA	AAA	
6	Denver	Aaa	AAA	AAA	
7	Boston	Aaa	AAA	AAA	
8	Washington	Aaa	AA+	AA+	
9	Indianapolis	Aaa	NR	NR	
10	San Francisco	Aaa	AA+	AA+	
11	Phoenix	Aa1	AA+	AAA	
12	San Jose	Aa1	AA+	AA+	
13	New York	Aa2	AA	AA	
14	Los Angeles	Aa2	AA	AA	
15	Jacksonville	Aa2	AA	AA	
16	Nashville	Aa2	AA	NR	
17	El Paso	NR	AA	AA	
18	San Diego	Aa2	AA-	AA	
19	Memphis	Aa2	AA	AA-	
20	Fort Worth	Aa3	AA	AA+	AA+
21	Houston	Aa3	NR	AA	
22	Dallas	A1	AA-	AA	
23	Philadelphia	A2	A	A-	
24	Chicago	Ba1	BBB	BBB-	A
25	Detroit	Ba3	AA	NR	