

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



Fitzroy Lee
Acting Chief Financial Officer

February 23, 2022

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 306
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

SUBJECT: First Quarter FY 2022 Status Report on the District Reserve Funds as of December 31, 2021

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the status report on the monthly activities and balances in the District of Columbia's Reserve Funds as of December 31, 2021. These funds are comprised of the Contingency Cash, Emergency Cash, Cash Flow, and Fiscal Stabilization Reserve Funds. The numbers contained in this status report are preliminary and unaudited.

Summary and Background

The Contingency Cash Reserve Fund may be used for nonrecurring or unforeseen needs that arise during the fiscal year, including natural disasters, unexpected obligations created by federal law, new public safety or health needs identified after the budget process has occurred, and revenue shortfalls experienced by the District for three consecutive months that are 5 percent or more below the budget forecast. The Emergency Cash Reserve Fund may be used for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity and unexpected obligations created by federal law. Both the Emergency and the Contingency Cash Reserve funds may also be used for cash flow management purposes.

The Cash Flow Reserve may be used by the District's CFO as needed to manage the District's cash flow. When a portion of the reserve is used to meet cash flow needs, this reserve must be replenished in the same fiscal year the amounts were used. The Fiscal Stabilization Reserve may be used by the Mayor for the same purposes for which the Contingency Cash Reserve was

established. The Fiscal Year 2017 Budget Support Act of 2016 authorized the Chief Financial Officer to use the Fiscal Stabilization Reserve for cash flow management purposes, provided, that any amounts used must be replenished in the same fiscal year

The District is required to maintain minimum balances (including required replenishment of permitted draws) in the Contingency Cash, Emergency Cash, Cash Flow, and Fiscal Stabilization Reserve Funds of 4.0 percent, 2.0 percent, 8.3 percent, and 2.3 percent respectively, of the budget, measured differently for purposes of calculation of each reserve.

The year-end FY 2021 ending District fund balances totaled \$1,529.7 million. This includes:

- \$317.1 million for the Contingency Cash Reserve fund.
- \$158.5 million for the Emergency Cash Reserve fund.
- \$827.7 million for the Cash Flow Reserve fund.
- \$226.4 million for the Fiscal Stabilization Reserve fund.

As of December 31, 2021, the first quarter FY 2022 District reserve fund balances were as follows:

Contingency Reserve Fund	\$98.4 million
Emergency Reserve Fund	\$158.6 million
Cash Flow Reserve Fund	\$827.8 million
Fiscal Stabilization Reserve Fund	\$226.4 million
Total	\$1,311.2 million

The following is a discussion of activities for the fiscal year through December 31, 2021 and resulting balances in the District Reserve Funds.

Contingency Cash Reserve Fund

The FY 2021 Contingency Cash Reserve ending fund balance of \$317.1 million decreased to \$98.4 million as of December 31, 2021, a net decrease of \$218.6 million. The net decrease was the result of \$218.6 million drawn over the first quarter.

During the first quarter, draws were as follows:

- In October, a draw of \$13.4 million was made to the Department of General Services to support costs related to COVID-19.
- In October, a draw of \$0.9 million was made to the DC Department of Human Resources to support staffing costs related to COVID-19.
- In October, a draw of \$0.8 million was made to Deputy Mayor for Public Safety and Justice to support project management services and gun violence mediation efforts.
- In October, a draw of \$2.9 million was made to the Department of Forensic Sciences to support costs related to COVID-19.
- In October, a draw of \$0.2 million was made to the Office of Administrative Hearings to support court transcription and language translation services.
- In October, a draw of \$7.9 million was made to the DC Public Schools to support costs related to COVID-19.

- In October, a draw of \$22.0 million was made to DC Public Schools to support costs related to COVID-19.
- In October, a draw of \$10.0 million was made to Office of the State Superintendent to support costs related to re-opening of public charter schools.
- In October, a draw of \$17.4 million was made to the Office of the State Superintendent to support costs related to positive cases and clinical services for symptomatic students.
- In October, a draw of \$18.9 million was made to the Office of Contracting and Procurement to support costs related to COVID-19.
- In November, a draw of \$0.9 million was made to the Department of General Services to support continued renovations at Peabody Elementary School.
- In November, a draw of \$1.0 million was made to the Board of Elections to support mailing ballots for 2022 primary elections.
- In November, a draw of \$1.6 million was made to the DC Health Benefit Exchange Authority to support the health insurance premium arrears relief program.
- In December, a draw of \$12.7 million was made to the Department of General Services to support costs related to COVID-19.
- In December, a draw of \$0.8 million was made to the Executive Office of Mayor to support costs related to the Safe Passage program.
- In December, a draw of \$0.8 million was made to the Deputy Mayor for Planning and Economic Development to support costs related to helping local event producers and organizations get back to work.
- In December, a draw of \$29.6 million was made to the Department of Human Services to alleviate financial pressures in the Family Rehousing and Stabilization program and the Emergency Rental Assistance program.
- In December, a draw of \$0.4 million was made to the Office of Neighborhood Safety and Engagement to support family and survivor service efforts for victims of violent crime and their families.
- In December, a draw of \$18.2 million was made to the Office of Contracting and Procurement to support costs related to security services for isolation and quarantine sites and the pandemic emergency program for vulnerable individuals.
- In December, a draw of \$50.0 million was made to the Office of Contracting and Procurement to support costs related to the purchase of COVID-19 rapid test kits.
- In December, a draw of \$4.2 million was made to the Department of Behavioral Health to support costs related COVID-19.
- In December, a draw of \$1.8 million was made to the Office of Chief Technology Officer to support replacement of outdated digital devices as a result of COVID-19.
- In December, a draw of \$0.5 million was made to the Office of Tenant Advocate to support cover costs related to eviction support.
- In December, a draw of \$2.0 million was made to the Department of Forensic Sciences to support costs related to COVID-19.

Emergency Cash Reserve Fund

The FY 2021 ending Emergency Cash Reserve fund balance increased from \$158.5 million to \$158.6 million as of December 31, 2021, because of investment earnings of \$0.1 million.

Cash Flow Reserve Fund

The FY 2021 ending Cash Flow Reserve fund balance increased from \$827.7 million to \$827.8 million as of December 31, 2021, because of investment earnings of \$0.1 million.

Fiscal Stabilization Reserve Fund

The FY 2021 ending Fiscal Stabilization Reserve fund balance remained relatively flat from \$226.4 million to \$226.4 million as of December 31, 2021, with investment earnings of less than \$0.1 million.

December 31, 2021, Combined Balances

In summary, the combined total of the District Reserve fund balances as of December 31, 2021 was \$1,311.2 million, comprised of \$98.4 million in the Contingency Cash Reserve Fund, \$158.6 million in the Emergency Cash Reserve Fund, \$827.8 million in the Cash Flow Reserve Fund, and \$226.4 million in the Fiscal Stabilization Reserve Fund.

If you have any questions or need additional information, please contact Eric M. Cannady, Deputy Chief Financial Officer for Budget and Planning, at 727-1239.

Sincerely,



Fitzroy Lee
Acting Chief Financial Officer

Enclosures

cc: Kevin Donahue, City Administrator
Jennifer Reed, Director, Office of Budget and Performance Management, Office of the City Administrator
Jennifer Budoff, Budget Director, Council of the District of Columbia
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
David Tseng, General Counsel, Office of the Chief Financial Officer
Eric M. Cannady, Deputy Chief Financial Officer, Office of Budget and Planning
Carmen Pigler, Deputy Chief Financial Officer and Treasurer
Kimberly Williams, Deputy Chief Financial Officer, Office of Financial Operations and System

Fiscal Year 202

Contingency Cash Reserve Report

December 31, 2021

Fiscal Year 2022 Contingency Cash Reserve Report
December 31, 2021

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2021	FY 2021 ending balance	317,094
Oct	Draw: to the Department of General Services (AM0)	(13,350)
	Draw: to the DC Department of Human Resources (BE0)	(891)
	Draw: to the Deputy Mayor for Public Safety & Justice (FQ0)	(825)
	Draw: to the Department of Forensic Sciences (FR0)	(2,852)
	Draw: to the Office of Administrative Hearings (FS0)	(250)
	Draw: to the DC Public Schools (GA0)	(7,931)
	Draw: to the DC Public Schools (GA0)	(22,000)
	Draw: to the DC State Superintendent of Education (GD0)	(10,000)
	Draw: to the DC State Superintendent of Education (GD0)	(17,430)
	Draw: to the Office of Contracting and Procurement (PO0)	(18,866)
	Investment earnings	7
Nov	Draw: to the Department of General Services (AM0)	(875)
	Draw: to the Board of Elections (DL0)	(1,000)
	Draw: to the DC Health Benefit Exchange Authority (HI0)	(1,600)
	Investment earnings	7
Dec	Draw: to the Department of General Services (AM0)	(12,724)
	Draw: to the Executive Office of the Mayor (AA0)	(780)
	Draw: to the Deputy Mayor for Planning and Economic Development (EB0)	(795)
	Draw: to the Department of Human Services (JA0)	(29,561)
	Draw: to the Office of Neighborhood Safety and Engagement (NS0)	(361)
	Draw: to the Office of Contracting and Procurement (PO0)	(18,158)
	Draw: to the Office of Contracting and Procurement (PO0)	(50,000)
	Draw: to the Department of Behavioral Health (RM0)	(4,162)
	Draw: to the Office of the Chief Technology Officer (TO0)	(1,828)
	Draw: to the Office of Tenant Advocate (CQ0)	(512)
	Draw: to the Department of Forensic Sciences (FR0)	(2,000)
Investment earnings	7	
Dec	First Quarter ending balance	98,364
	Investment earnings, October 2021 - December 2021	20

(Details may not add to totals due to rounding.)

Fiscal Year 202

Emergency Cash Reserve Report

December 31, 2021

Fiscal Year 2022 Emergency Cash Reserve Report
December 31, 2021

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept 2021	FY 2021 ending balance	158,547
Oct	Investment earnings	23
Nov	Investment earnings	23
Dec	Investment earnings	24
Dec	First Quarter ending balance	158,617
	Investment earnings, October 2021 - December 2021	70

(Details may not add to totals due to rounding.)

Fiscal Year 202
Cash Flo s Report

December 31, 2021

Fiscal Year 2022 Cash Flow Reserve Report
December 31, 2021

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2021	FY 2021 ending balance	827,693
Oct	Investment earnings	17
Nov	Investment earnings	35
Dec	Investment earnings	65
Dec	First Quarter ending balance	827,810
	Investment earnings, October 2021 - December 2021	117

Fiscal Year 202

Fiscal Stabilization Reserve Report

December 31, 2021

**Fiscal Year 2022 Fiscal Stabilization Reserve Report
December 31, 2021**

		(\$ in 000s)
Fiscal Month	Transactions/Balances	ACFR Basis Restricted Fund Balance
Sept. 2021	FY 2021 ending balance	226,397
Oct	Investment earnings	16
Nov	Investment earnings	16
Dec	Investment earnings	16
Dec	First Quarter ending balance	226,446
	Investment earnings, October 2021 - December 2021	65