

**BRIEFING ON
FISCAL YEAR 2025 PROPOSED
BUDGET AND FINANCIAL PLAN**

**Before the
Committee of the Whole
Council of the District of Columbia**

The Honorable Phil Mendelson, Chairman

**Wednesday, April 3, 2024, 11:00 am
John A. Wilson Building
Council Chambers**



**Testimony of
Glen Lee
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairman Mendelson and Members of the Committee of the Whole. I am Glen Lee, Chief Financial Officer of the District of Columbia. I am pleased to appear before you today to testify on the Fiscal Year 2025 – Fiscal Year 2028 Proposed Budget and Financial Plan. I would also like to take this opportunity to provide remarks regarding the District’s financial landscape and the factors that are likely to affect the local economy during the financial plan period.

As outlined in our economic forecasts over the past year, and shown on the graph displayed here, annual revenue growth over the plan period is expected to be modest and remain below the rate of inflation (See Attachment 1). Remote work is the major driver of this phenomenon. The global pandemic necessarily changed the patterns and requirements for in-person gatherings, and although it has ended, the reality of remote work remains (See Attachment 2). Its impact on central city economies is significant. In the District, it is the major reason for fundamental changes in the tax base including the deterioration of the commercial real property market and the declining rate of growth in sales tax revenues. Additionally, its steady persistence results in fewer daily commuters, less demand for public transportation systems, loss of ridership revenue for WMATA, and increases pressure on District resources to maintain service levels.

It is within this challenging context that policy decisions have and will

need to be made.

The Office of the Chief Financial Officer (OCFO) worked closely with the Mayor's executive leadership team, the City Administrator's Office of Budget and Performance Management, and agency program staff to produce a balanced budget and five-year financial plan. The Fiscal Year 2025 policy budget reflects the administration's funding priorities and determinations.

After careful review, I certify that the Fiscal Year 2025 – Fiscal Year 2028 Proposed Budget and Financial Plan is balanced.

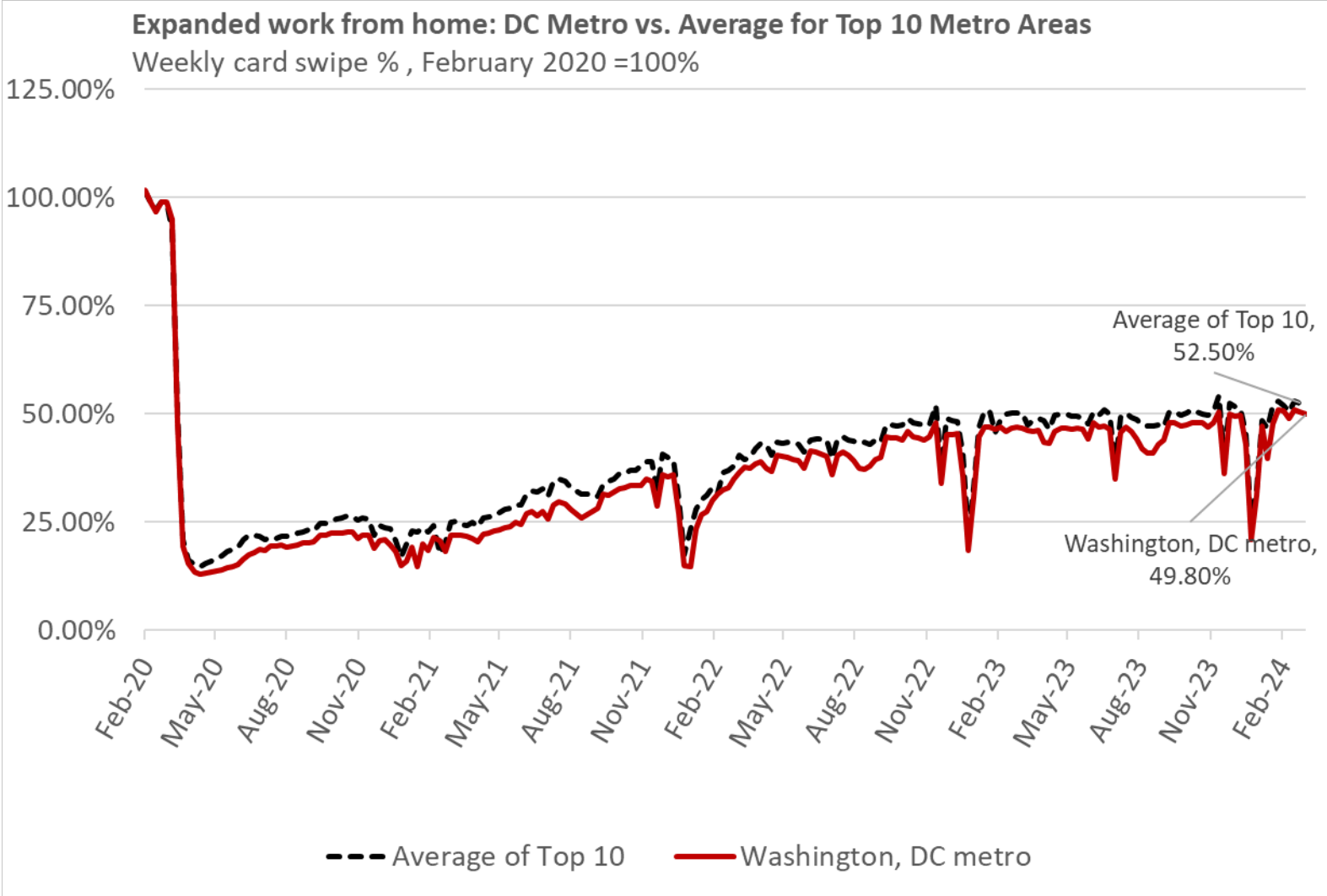
CONCLUSION

I would like to thank Mayor Bowser, the Office of the City Administrator, the Office of Budget and Planning, the Associate Chief Financial Officers and their staffs, the Office of Revenue Analysis as well as others in the OCFO, for their hard work during this challenging period. Working together, we were able to produce a balanced budget. The OCFO team now looks forward to working with the Council during the upcoming budget deliberations.

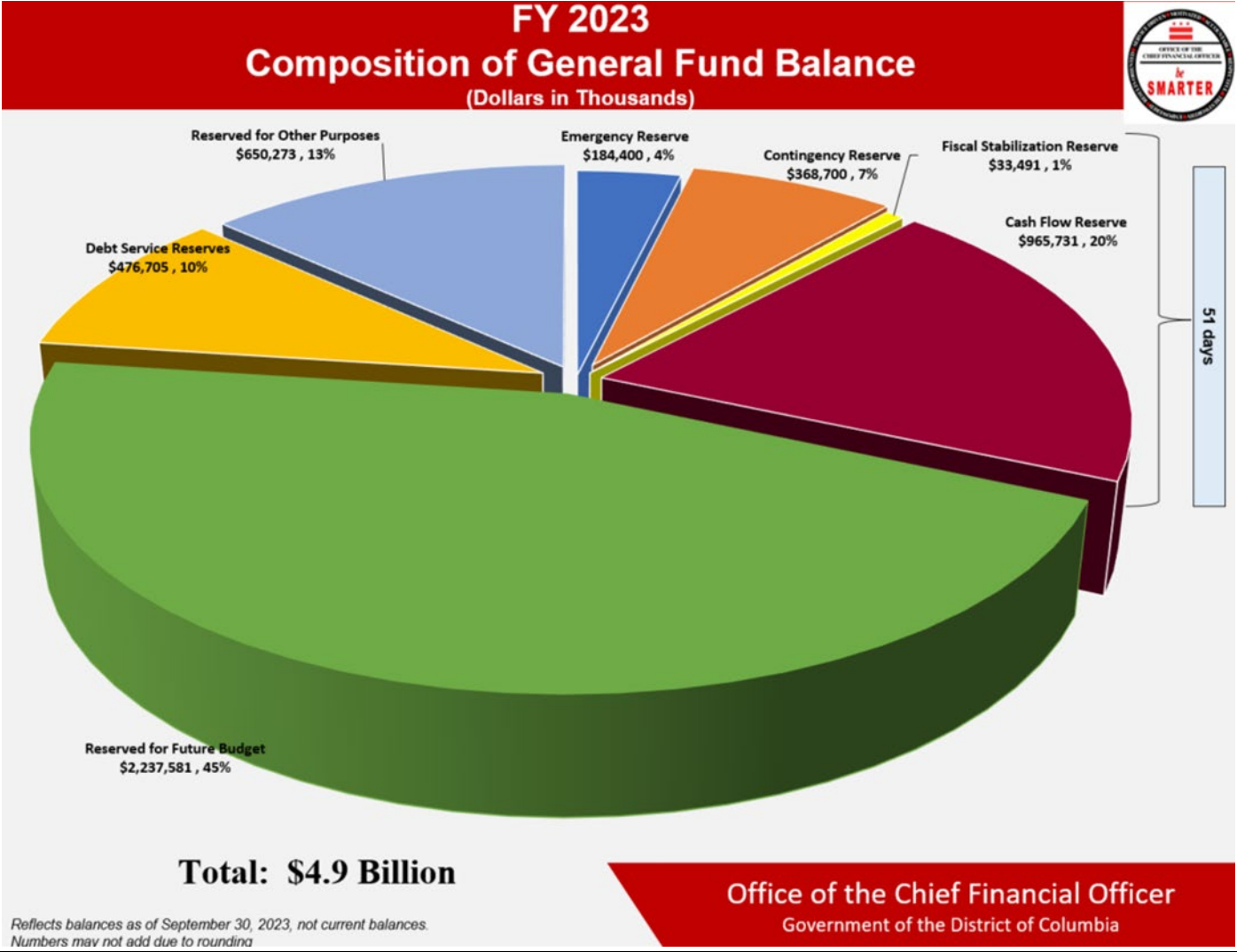
Attachment 1

DC Revenue v Area CPI; 3 Year Moving Average

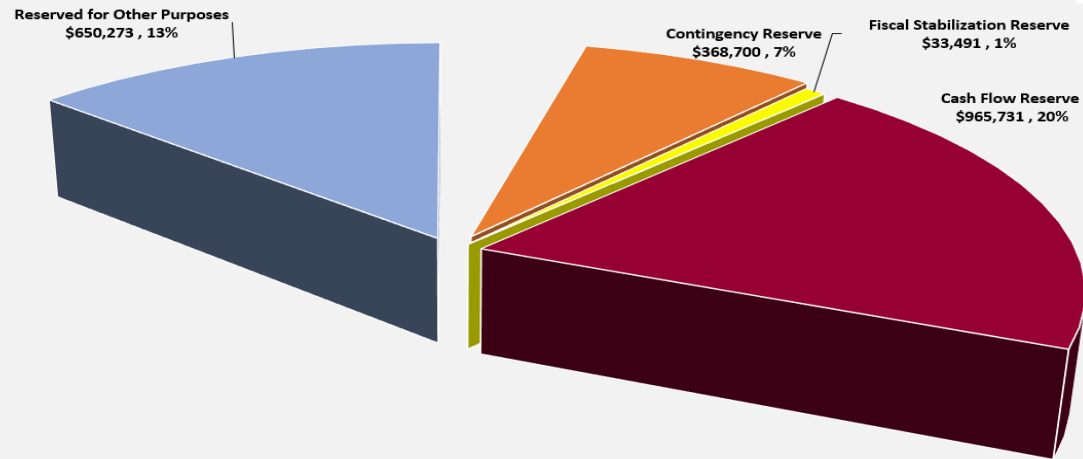




*Top 10 Metro Areas: Washington, DC, New York City, Chicago, Houston, Philadelphia, San Francisco, Los Angeles, Dallas, San Jose, Austin



FY 2023 Composition of General Fund Balance (Dollars in Thousands)



**Total:
\$2.0 Billion**

Office of the Chief Financial Officer
Government of the District of Columbia

*Reflects balances as of September 30, 2023, not current balances.
Numbers may not add due to rounding.*