



FY 2021 Proposed Operating Budget & Capital Improvement Program (CIP)

February 20, 2020



Strategic Focus of Proposed Operating Budget and CIP

- Continued Smart, Green, and Equitable focus
- Revenue improving gradually
- Some City service improvements with no significant service reductions
- Workforce investments for employee recruitment and retention
- Education funding a priority
- Investments needed for School and City capital projects for the long-term benefit of the community



FY 2021 Proposed Budget

- General Fund base budget expenditures of \$791.4 million increased by 3.4% and funded within existing \$1.13 real estate rate:
 - City operations increase by \$16.2 million or 4.2%
 - +2 cents for School and City capital investment raises proposed budget to \$799.9 million
 - ACPS Superintendent's proposed request of \$241.4 million from the City is 100% funded
 - ACPS School Board approved 10-year CIP of \$530.7 million is 100% funded, including \$198.8 million in FY 2021
 - WMATA operating subsidy increasing by \$5.1 million or 10.8%



FY 2021 Proposed Budget

General Fund Expenditures (\$ in millions)	FY 2019 Actual	FY 2020 Revised	FY 2021 Proposed	\$ Chg	% Chg
City Operations					
Personnel	221.5	233.4	240.6	7.1	3.1%
Non-Personnel	92.9	90.2	96.0	5.8	6.4%
Interfund Transfers	67.1	64.3	67.6	3.3	5.1%
City Operations Subtotal	381.4	387.9	404.1	16.2	4.2%
City CIP					
Cash Capital	38.2	41.1	41.2	0.2	0.4%
City Debt Service	40.9	37.9	37.3	(0.6)	-1.5%
City CIP Subtotal	79.1	78.9	78.5	(0.4)	-0.5%
Transit	29.6	38.7	38.8	-	0.1%
ACPS					
Operating Transfer	223.8	231.7	241.4	9.8	4.2%
Schools Debt Service	28.9	28.1	28.6	0.5	1.7%
ACPS Subtotal	252.8	259.8	270.0	10.2	3.9%
Total	742.9	765.4	791.4	26.0	3.4%
2-Cent Tax Rate Increase for School and City Capital	-	-	8.5	8.5	100.0%
Total General Fund Expenditures	742.9	765.4	799.9	34.6	4.5%

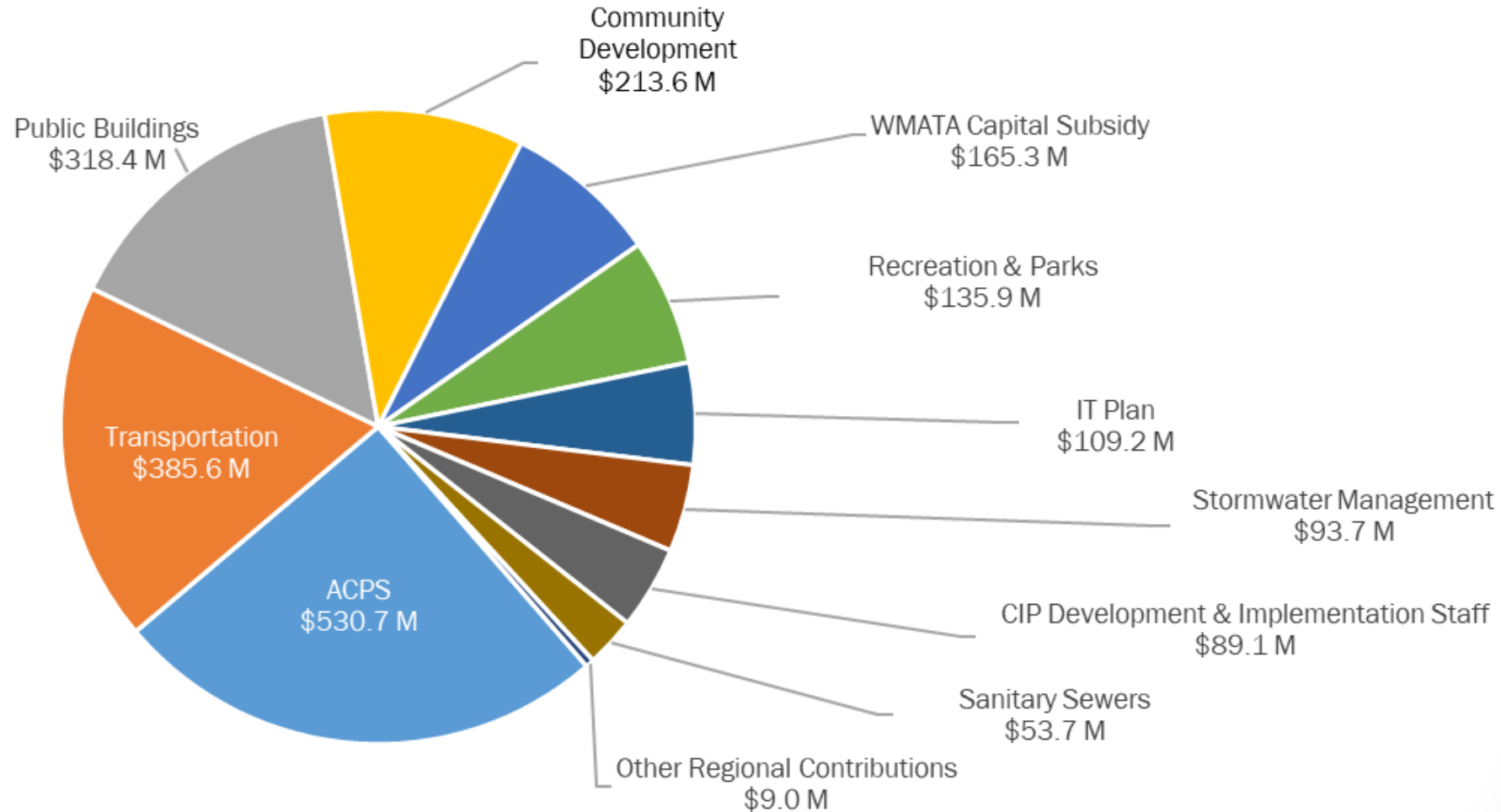


10-year Capital Investment Plan (FY 2021 - FY 2030)

- 10-year CIP totals \$2.1 billion
- First revamped CIP since Fall 2017
 - Construction cost increases have substantially increased since then
 - Specific annual repricing building into CIP projects over 10 years
 - Increased contingents incorporated
- \$2.1 billion = +30%, reflect higher construction costs, plus increased investments in schools, public buildings, recreation and park facilities, and public transit investments
- ACPS School Board Approved CIP is 100% funded

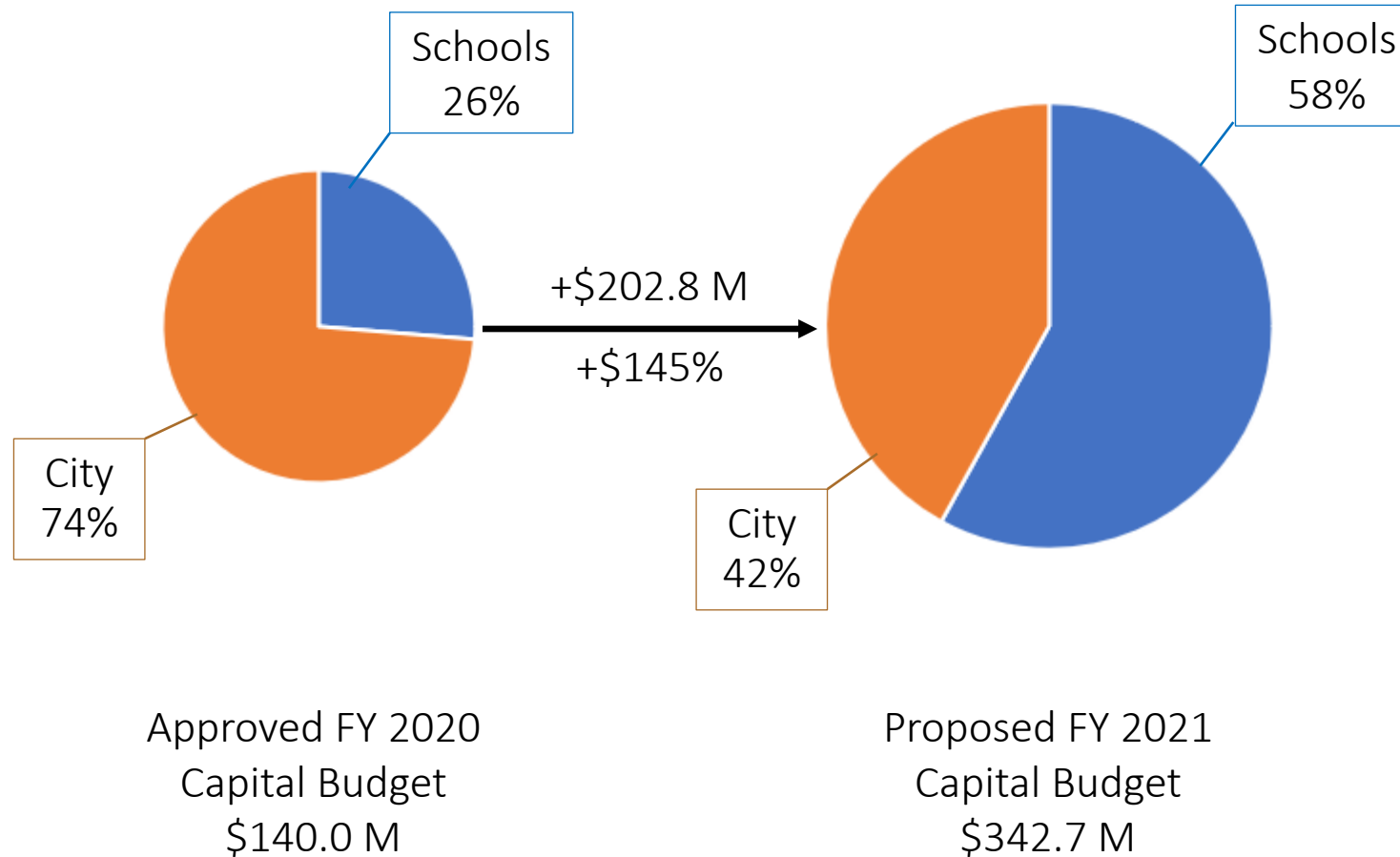


10-year Capital Investment Plan (FY 2021 - FY 2030)



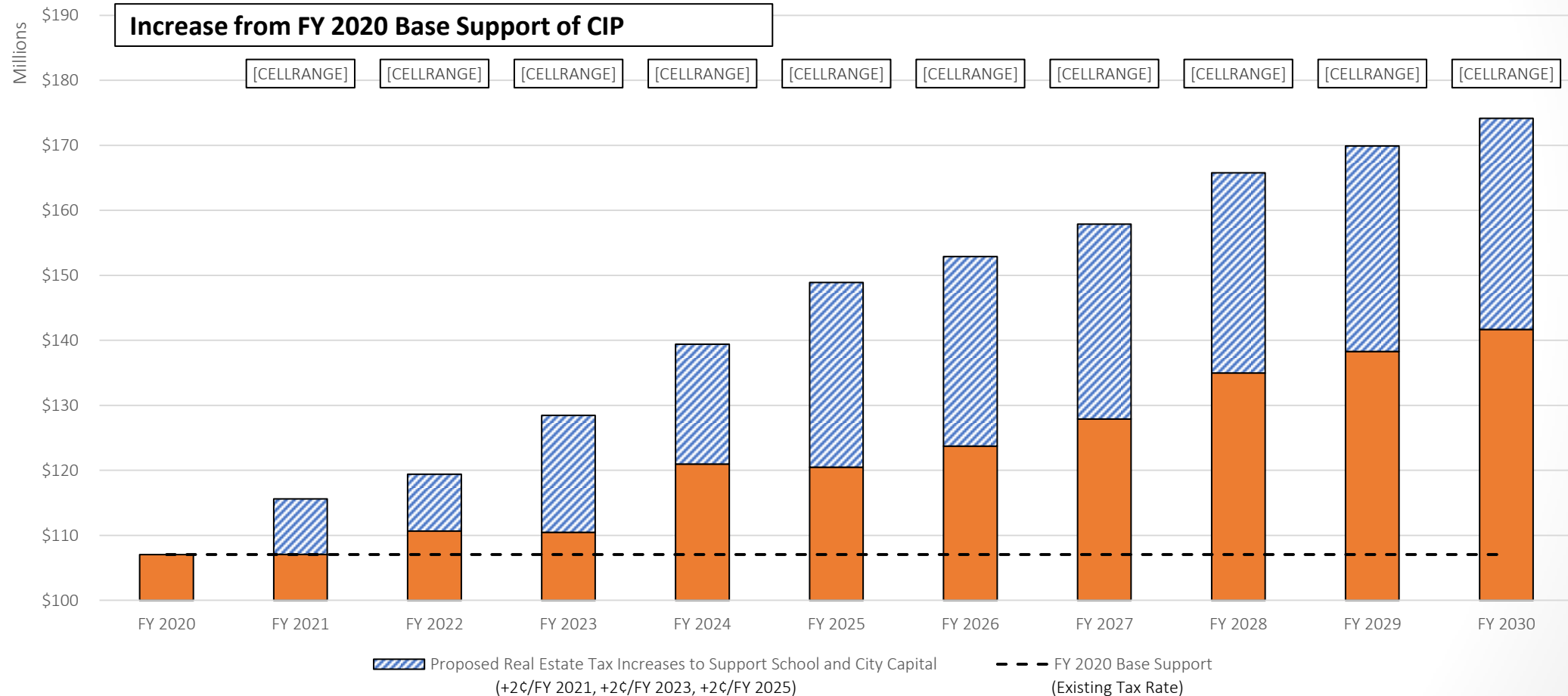
CIP Total = \$2.1 billion

Proportion of City and Schools Capital





Proposed Tax Rate Increases to Support School and City Capital Needs





10-year Capital Investment Plan Funding Proposal

- RE Tax Rate Increase for Capital
 - +2 cents on the RE tax rate in FY 2021, adds + \$12.8 million
 - Projected Funding Needs =
 - +2 cents in FY 2023 = +4 cents
 - +2 cents in FY 2025 = +6 cents
 - +6 cents in total added by FY 2025
 - Would add to the existing RE tax, but not be hard wired dedicated
 - All cash at first then converts to debt service
 - Funds about \$260 million for primarily debt service over 10 years