



LIFE. YOUR WAY.
Department on
Disability Services

Department on Disability Services

Budget Presentation for Fiscal Year 2021

Andrew P. Reese, DDS Director

Public Forum – May 20, 2020

Presentation Outline

✓ Overview of District's Proposed Budget for FY2021

Mayor Bowser's Proposed Budget for DDS

DDS Big Picture On Budget



FY 2021 PROPOSED **BUDGET** AND FINANCIAL PLAN

PRESENTATION TO THE COUNCIL OF THE DISTRICT OF COLUMBIA

#DCHOPE

WE ARE
WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

We Are All In This Together

- The financial impact of COVID-19 requires us to **make sacrifices**, while maintaining the critical services our residents expect and protecting our most vulnerable neighbors.
- We have already taken steps to **reduce spending** in the current (2020) fiscal year by implementing a hiring and spending freeze across government.
- In our FY 2021 budget proposal, we are finding ways to **save resources** so that we don't lose ground on our shared progress in the District and maintain our DC Values.

Everybody will need to give something

Our Priorities for Making Budget Decisions



Maintain core government functions that focus on the health, well-being and safety of DC residents and businesses



Maximize resources available for the immediate public health response to COVID-19



Maximize resources available for those in our community hardest hit by the COVID-19 public health emergency



Maintain stability for District Government workforce



Don't lose ground on key District priorities

District's Financial Strength Before COVID-19

Financial Successes

- 24 consecutive years of balanced budgets
- AAA Bond Rating
- Fully funded pensions & retiree healthcare
- Ended FY 2019 with 60 days of cash reserves

Foundations of Economic Growth

Before COVID-19:

- Fast recovery from the longest federal government shutdown in history
- Continued population growth
- A strong real estate market
- Increasing wages
- Continued diversification of DC's job market and job growth

We are still the envy of many cities and states because of our strong financial foundation and prudent fiscal management. We will continue to balance our budget as every household must do.

Our Challenge:

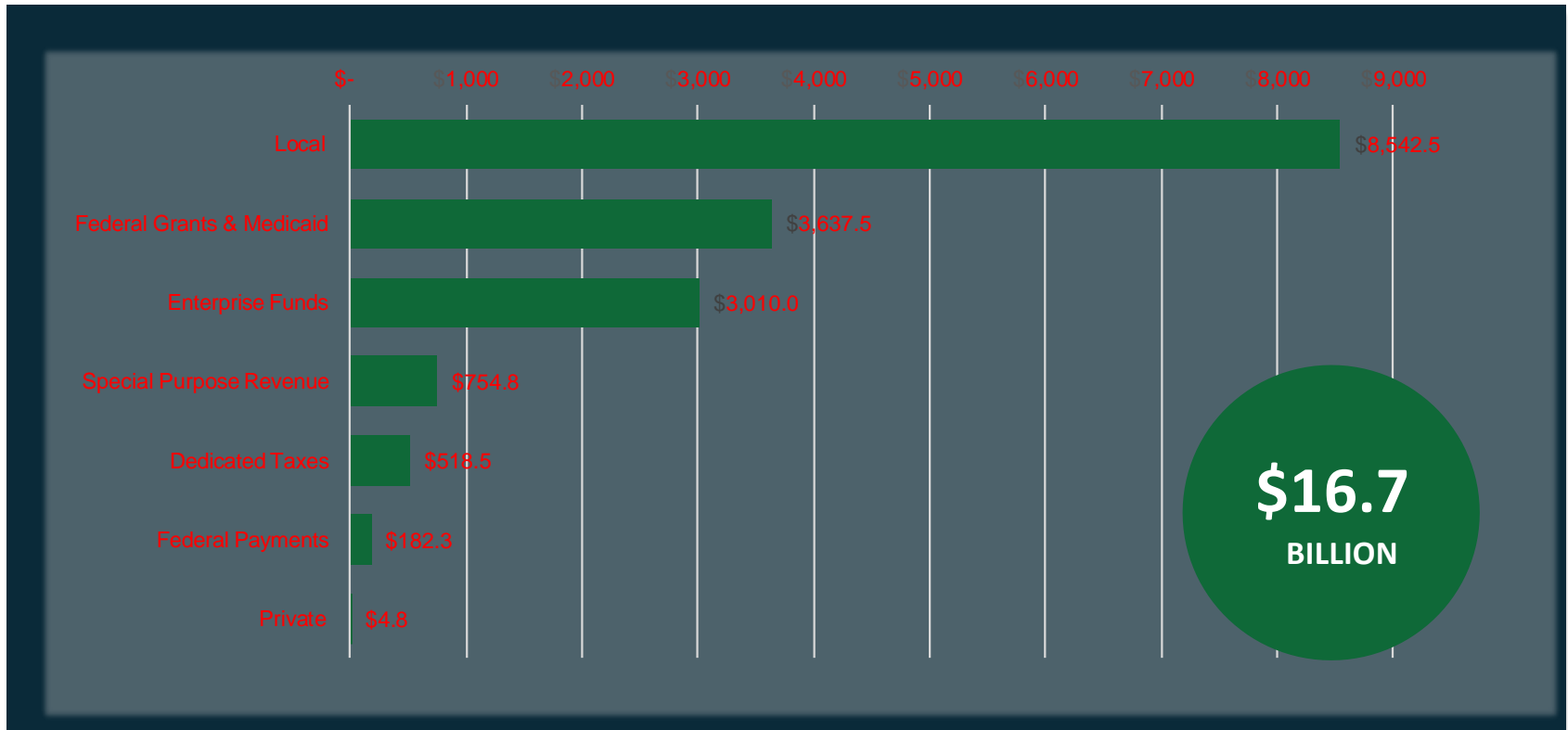
To maintain our most important programs and services even though we have more residents, more businesses, more students, more seniors and fewer resources.

- We must continue to **protect the health** of our residents
- We must **pay for new students** entering our schools
- We must cover the **rising costs of healthcare** for our most vulnerable
- We must **ensure the safety of our communities**
- We must maintain our **commitment to affordable housing**; and
- We must **support our residents and businesses that have been impacted by COVID-19**



Total Budget: Sources

Sources of Gross Fund

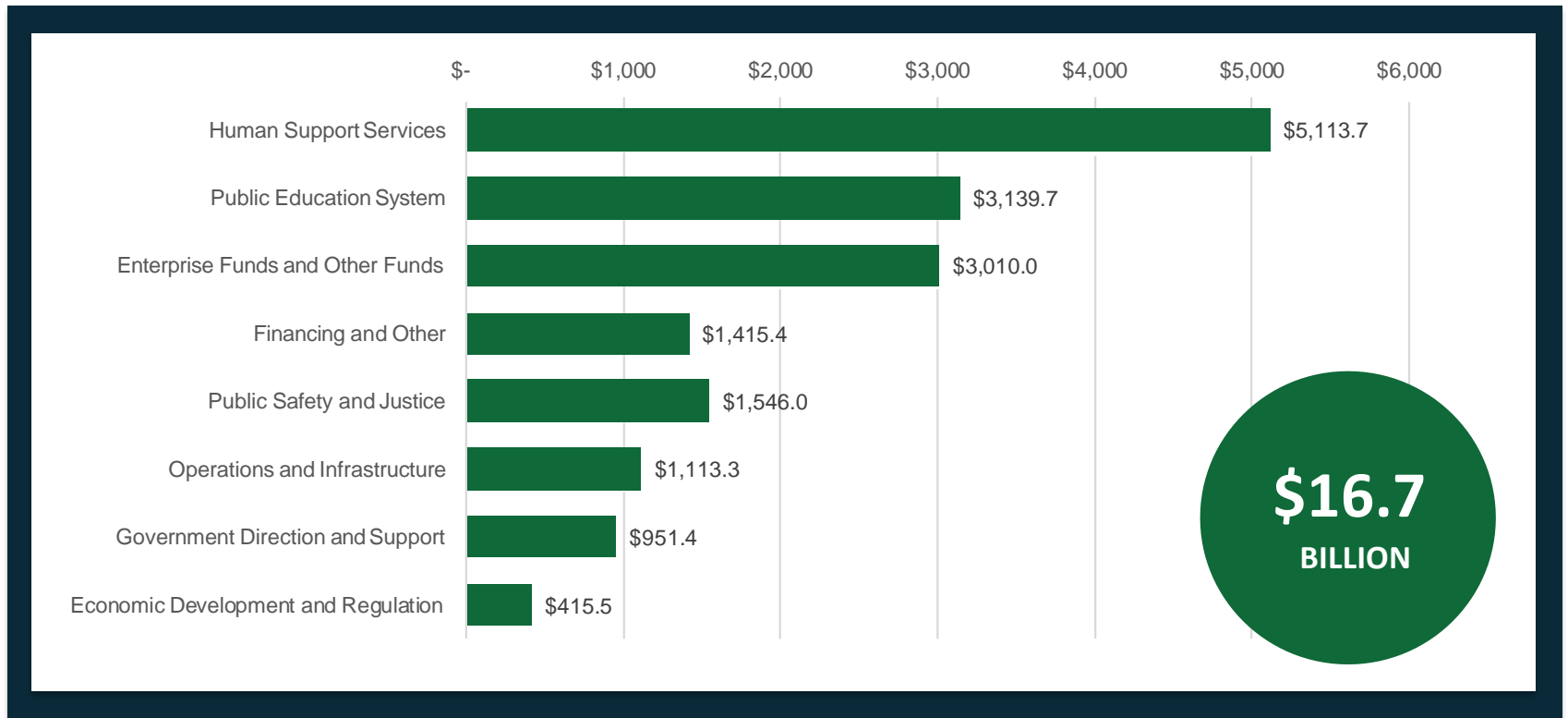


NOTE: Growth in Enterprise Funds since FY 2020 is due to growth in Unemployment Insurance (UI) and Paid Family Leave (PFL) funds.



Total Budget: Uses

Gross Funds Expenditure Budget



*Dollars in millions



Local Funds Budget by Cluster

Local Fund Expenditures by Appropriation Title

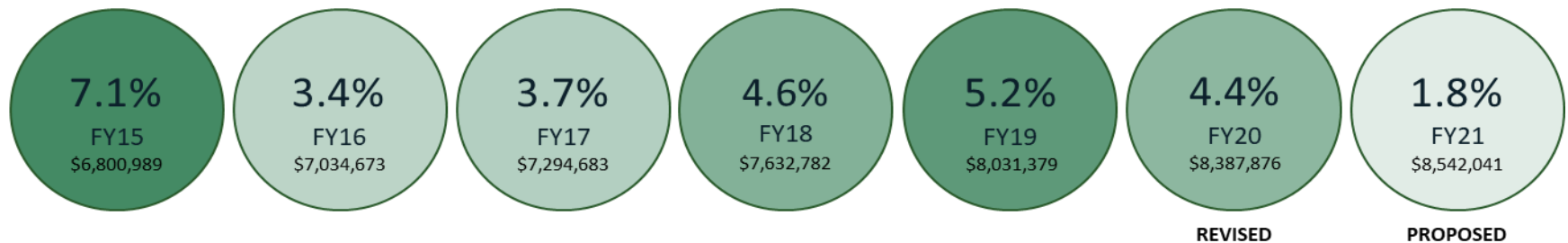


*Dollars in millions



Budget Growth (Local Funds)

Year-Over-Year Percent Change



NOTE: FY19 includes \$178.5M in Dedicated Tax revenue that was previously and in subsequent years part of the Local Funds Budget. To ensure comparability, this amount was added into the FY19 total.

Revenue Losses Are Significant

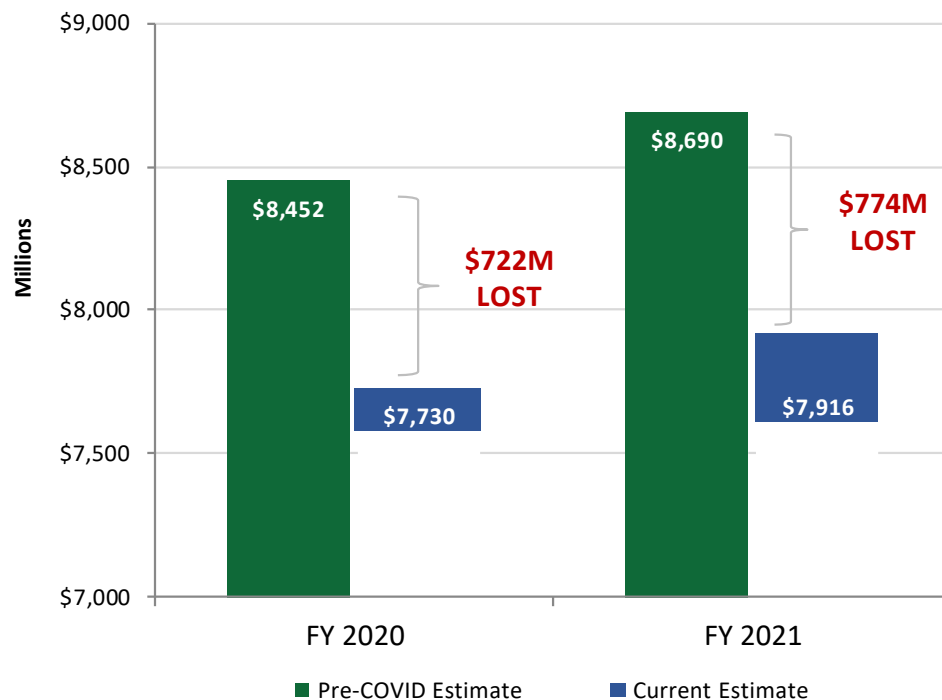
What does it mean to cut \$700M+ from the operating budget?

- Hypothetically speaking... cutting the combined local budgets of the Departments of Human Services, Disability Services and Parks and Recreation-and then some

What does it mean to cut \$1.2B from the capital budget?

- Hypothetically speaking... cutting all local capital for both DDOT and DCPS and cutting 3 years of fleet
- Hypothetically speaking... cutting all DMPED capital projects plus the new St. Elizabeths Hospital plus all fleet for 3 years

FY 2020 & FY 2021 Projected Revenue Loss



How Did We Close the Gaps?

Overall

Full use of
FY 2019
surplus

\$322M

Full use of
Fiscal
Stabilization
Reserve

\$213M

Reversal of the
Evans
amendment in
order to capture
additional
revenue from
Ballpark Stadium
Bon Defeasance

\$105M

Utilized
estimated
bond
refinancing
savings in
FY 2021 and
FY 2022

\$80M

Assumed no
pay growth
in the out-
years of the
financial
plan

\$250M

How Did We Close the Gaps?

FY 2020

- Made **\$190M** in reductions to agency budgets, mostly through the hiring and spending freeze
- Shifted **\$214M** in eligible local funds onto the state COVID fund
- Used **\$267M** in prior-year surpluses (including PAYGO) and other financial tools to balance the rest

ADDITIONAL INVESTMENTS IN FY 2020

In addition to reductions in FY 2020, we also provided **\$80M** in increases for union pay agreements, District leases, and other commitments, including meeting increased need for housing assistance, schools, and Medicaid.

FY 2021

- Made **\$166M** in reductions to agency budgets, including cutting all pay increases
- Shifted **\$38M** of eligible expenses onto the state COVID fund
- Used **\$213M** in Fiscal Stabilization Reserves & **\$320M** in prior-year surpluses, including PAYGO & HPTF

Despite the financial challenges we face, we still were able to make significant new investments in:



Education



Healthcare



Housing

We are leveraging federal resources to allow us to both respond to the needs of the immediate COVID-19 public health crisis & invest in the District's recovery, but we urgently need the additional \$750 million owed to DC as we help our residents & community recover from this unprecedented public health crisis.



Healthcare Improvements

- **\$4.2M** to support 5 new *Centers of Excellence* at Howard University Hospital and **\$25M** to support the development of a new Howard Hospital, to be completed by 2026 (plus future tax abatements of **\$225M**)
- **\$4.8M** to implement recommendations from the Mayor's Commission on Healthcare Systems Transformation to reduce reliance on emergency care and improve health outcomes
- **\$35M** in additional funds to support increased enrollment in Medicaid as a result of the public health emergency
- **\$1.4M** in grants for developmental disability service providers & increased Stevie Sellows fees to provide **\$1.6M** for intermediate care facilities to pay increased wages to their staff



\$365M for a new, state-of-the-art hospital and ambulatory center at St. Elizabeths

The 136-bed center will provide maternity services and newborn deliveries and help address inequalities in health outcomes and provide a comprehensive network of care to meet Ward 7 and Ward 8 residents' needs

Estimated COVID-19 Initial Costs Through June

Please note: We are still in the midst of a public health crisis. Estimates are preliminary and change as new information is learned about COVID-19 and strategies are developed and/or revised to mitigate against further spread, infection, and impact.

- **\$43M** on PPE, enhanced cleaning, sanitizer, and cleaning supplies
- **\$108.6M** on medical supplies, equipment, and surge build out
- **\$4M** on IT support
- **\$6M** on hotels for quarantine
- **\$20.9M** on call centers, food, equipment, and more
- **\$28.3M** on business assistance grants
- **\$25M** on hospital assistance grants
- **\$158M** on costs for reopening, recovery, and relief
- **\$104.4M** on contact tracing and increased testing*
- **\$223M** on public safety, frontline worker pay and overtime*
- **\$32M** on health care contracts and increased rates for providers*

**costs are estimated through end of the fiscal year or calendar year*

Presentation Outline

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DDS FY 2021 PROPOSED BUDGET



FY19 ACTUAL \$179,380,927

FY20 BUDGET \$190,391,284

FY21 BUDGET \$193,549,107

(1.7% increase)

Proposed Budget By Program

PROGRAM (\$\$ in thousands)	FY 2020	PROPOSED FY 2021	CHANGE
Developmental Disabilities Administration	\$138,499	\$141,971	\$3,472
Rehabilitation Services Administration	\$21,918	\$21,672	(\$246)
Disability Determination Division	\$12,497	\$13,041	\$544
Agency Management	\$15,568	\$15,032	(\$536)
Financial Operations	\$1,909	\$1,833	(\$76)

Where The Money Comes From

FUND (\$\$ in thousands)	FY 2020	PROPOSED FY 2021	CHANGE
Local Funds	\$138,251	\$131,048	(\$7,203)
Special Purpose Revenue Funds	\$7,710	\$14,755	\$7,044
Federal Grant Funds	\$31,880	\$33,233	\$1,354
Federal Medicaid Payments	\$12,501	\$14,513	\$2,013
Intra-District Funds	\$50	\$0	(\$50)
Total	\$190,391	\$193,549	\$3,158

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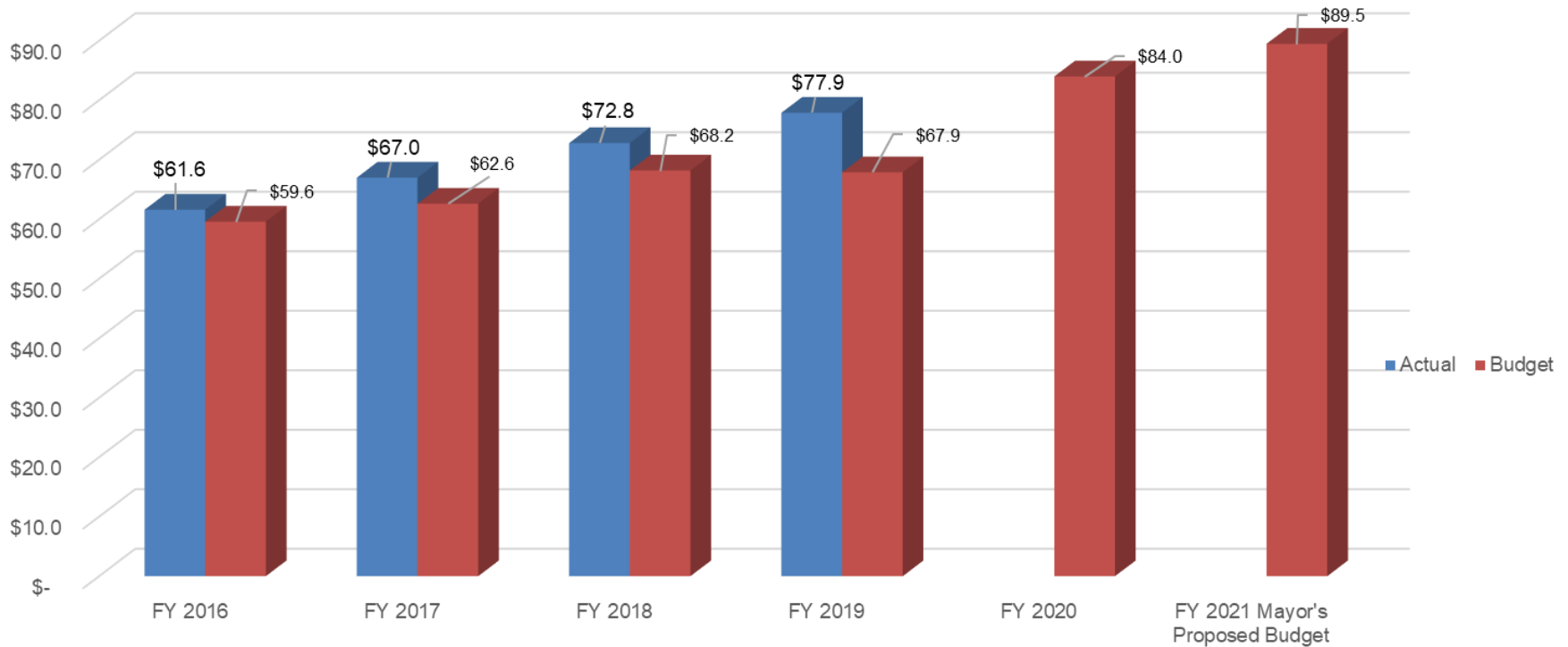
Developmental Disabilities Administration

Supports 2,400 adults with intellectual disabilities
Home and Community-Based Services Waiver



23 services & supports for 1,800+ adults
In integrated, community-based settings.

DDS Medicaid Waiver Performance: FY2016 thru FY2021



DDA Waiver & Residential Costs

- Increase of \$5.5 million in Home and Community Based Services Waiver reflects new enrollees and an adjusted Medicaid growth factor for FY2021.
- For residential, decrease of \$1.3 million but still able to increase rental allocation by 2.5 percent in the rental allowance rates for Supported Living and Residential Habilitation settings.

Rehabilitation Services Administration



- RSA helps people prepare for work, find jobs, keep jobs and get better jobs
- Budget of \$21,672,000, down \$246,000
- 78.7% federally-funded, with a 21.3% local share and required maintenance of effort.

Disability Determination Division



- DDD is the DC office for the Social Security Administration's review and determination of disability claims.
- 100 percent federally-funded with a proposed FY21 budget of \$13,041,000.
- Awaiting SSA approval to fill several open positions.

DDS's Other Federal Grants

- Partners in Employment, a Project of National Significance. Administration for Community Living funded to improve employment outcomes for young people with ID.
- Technical assistance through EconSys, under contract with Department of Labor's Office of Disability Employment Policy to promote Employment First through VOICE (Visionary Opportunities to Increase Competitive Employment).





DDS Budget Hearing Is A Two-Part Virtual Hearing

- Public Testimony for DDS, CFSA and DHS:
 - Friday, May 22, Hearing starts at 9 a.m.
- Directors' Testimony (DDS, CFSA and DHS):
 - Tuesday, May 26, Starts at 9 a.m.
- If you need remote help preparing your testimony:



- Quality Trust for Individuals with Disabilities (202) 459- 4014
- DC Developmental Disabilities Council (202) 727-8005



To Submit Written or Voicemail Testimony

- Submit Written Testimony to Committee on Human Services
Email: humanservices@dccouncil.us
- Voicemail testimony
Call: (202) 350-1927
- All testimony received will be made part of the official record
- The hearing record will close one week after the hearing



To Testify Live

- Four business days before hearing, by close of business
Email: humanservices@dccouncil.us
Call: (202) 724-8170
- Provide name, phone number, organizational affiliation, and title (if any), date
- The first 90 individuals to signup will provide oral testimony
- The Committee will confirm whether you have a live testimony slot
- Witnesses will be limited to three minutes
- Only one member per organization will be permitted to testify per agency

To see the Mayor's
FY2021 DDS Proposed



<https://cfo.dc.gov/budget>

Interactive CFOInfo dashboard

<http://cfoinfo.dc.gov/>

Questions and Discussion





GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR