

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



Jeffrey S. DeWitt
Chief Financial Officer

September 30, 2020

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

Re: September 2020 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimate for the FY 2021 – 2024 District of Columbia Budget and Financial Plan. FY 2020 revenue is revised upward by \$222 million and FY 2021 has been lowered by \$212 million. The higher FY 2020 revenue reflects the unprecedented federal relief provided earlier this year, while the lower FY 2021 revenue reflects decreased economic activity in order to contain the COVID-19 pandemic. Stronger than expected income taxes and non-tax revenue comprise most of the upward revision in FY 2020. Forecasted weaker sales and deed taxes revenue are responsible for most of the downward revisions in FY 2021 through FY 2024.

September revenue estimate compared to previous estimate

Local Source, General Fund Revenue Estimate (\$ millions)	Actual	Estimated			Projected	
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
April 2020 Revenue estimate	8,314.9	7,730.2	7,916.4	8,370.3	8,681.1	8,992.0
Budget support act changes		28.2	121.3	120.7	81.1	77.4
FY 2021 Budgeted Revenue		7,758.4	8,037.7	8,491.0	8,762.2	9,069.4
September revision to estimate		222.1	-211.9	-209.7	-190.0	-170.4
September 2020 Revenue Estimate		7,980.5	7,825.9	8,281.3	8,572.2	8,899.0
Revenue Change from Previous Year						
Amount	556.5	(334.4)	(154.6)	455.4	290.9	326.8
Year-Over-Year Percent Change	7.2%	-4.0%	-1.9%	5.8%	3.5%	3.8%

The main challenge of both the April 2020 estimate and the current estimate was predicting the impact of and timeline for containing the pandemic. In April, the unprecedented shutdown of the local, national, and international economies and rapidly changing information about the pandemic required a cautious approach to forecasting revenue and projecting when and how the economy would re-open. Although more information is now available about the pandemic and its impact on the economy, the continued spread of the virus requires ongoing restrictions on business, families, and visitors that continue to complicate the ability to assess the timing of the economic recovery.

Like other state and local governments throughout the United States, in mid-March, the District government closed schools, stores, hotels, restaurants and other workplaces, and placed severe restrictions on travel and social gatherings to control the spread of COVID-19. On May 21, the ReOpen DC advisory group issued recommendations that included four phases of reopening. The phases followed the epidemiology and outlined specific milestones to achieve before moving from one phase to another. Progression from Phase 1 to Phase 2 occurred effective June 21, relaxing restrictions on certain businesses, particularly in-person retail and outdoor seating at restaurants. It also allowed some indoor seating at restaurants, though not at full capacity. Bars and performance spaces as well as sport stadiums and other large events are still restricted.

The District's reopening was slower than assumed in April. The current forecast assumes that the next stage of recovery will begin in early calendar year 2021, and large events and conventions are not expected to take place until the end of calendar year 2021. This revised timeline results in the downward revision to the forecast of sales and deed tax revenues in FY 2021.

On the other hand, the unprecedented shift to telework and the massive federal relief appear to have kept industries other than in-person retail and hospitality relatively whole over the last six months. Three features of the federal fiscal package supported the District's economy and prevented it from declining as much as forecasted in April. First, over \$3 billion in small business loans was very effective as a job retention and wage maintenance program. Second, the one-time relief checks provided at least \$1,200 for low and moderate income District residents. Third, unemployment compensation was expanded by \$600 per week and extended to traditionally ineligible workers like contract drivers and the self-employed. These payments to individuals raised personal income by approximately \$4 billion for District residents. In April, little was known about the timing or efficacy of these programs and they were not reflected in the estimate.

In addition to the substantial federal fiscal package, extraordinary monetary policy actions by the Federal Reserve ensured that financial instruments, particularly commercial loans and municipal bonds, were maintained and interest rates were kept low. This protection, along with the assurance of low-cost money in the future, boosted the stock market to pre-pandemic levels and contributed to increased revenue from capital gains and business income.

Revenue Highlights

Real property tax

Real property tax revenue in FY 2020 is unchanged as collections have been in line with expectations. FY 2021 is revised downward by \$5.4 million. The FY 2020 revenue reflects real property valuations made last year, while increased vacancies and reduced effective rents wrought by the pandemic on commercial and multifamily properties will affect assessments in

the next and future years. For single-family and condominium homes, the market remains strong and is expected to remain so for the next several years, maintaining modest growth in assessed values for these properties over the financial plan period. For multifamily residential buildings, there have not been widespread delinquent rent payments, but apartment managers are offering significant concessions to retain and attract tenants (though federal relief, which is ending, may have masked underlying weakness in this sector). Similarly, commercial office landlords are feeling pressure for reduced rents or significant concessions. These trends will reduce net operating income for commercial office properties over the forecast period resulting in the slower rate of growth for taxable assessments in FY 2021 and a minor contraction in FY 2022. Real property tax revenue is forecasted to grow 2.6 percent in FY 2020, 0.9 percent in FY 2021, decline 0.6 percent in FY 2022, and grow between 2.7 percent and 2.9 percent for the rest of the financial plan period.

Sales tax

Forecasted sales tax revenue for FY 2020 is essentially unchanged from April, while the revenue for FY 2021 is revised downward by \$296 million, reflecting the revised reopening timeline. The pandemic restrictions have had the largest impact on sales tax revenue. The tax revenue generated by the hospitality industry – hotels and restaurants – dropped from \$766 million in FY 2019 to an estimated \$360 million in FY 2020 because of the closing of indoor spaces and the ban on gatherings, which effectively closed all performance venues and bars, and significantly reduced the operations of restaurants, hotels and sports venues. This significant reduction was reflected in the previous estimate. Although restrictions were relaxed following the move from Phase 1 to Phase 2 of the ReOpen DC recovery timeline, most indoor activity is still constrained either by restrictions or lack of consumer confidence in being indoors. The transition to when more indoor activities will be safe and permitted is not expected to occur until 2021.

The forecast assumes three components of consumer demand will likely follow different schedules. First, the forecast assumes that consumer demand for indoor activity, particularly more indoor dining, bars and performances, is likely to return quickly when the public health experts sanction the move to Phase 3. Second, tourism will follow the reopening of the Smithsonian and other attractions, and when restrictions are lifted for large gatherings like marches and popular events like the Cherry Blossom Festival. Smithsonian Institution museums have begun reopening, but the capacity is anticipated to be significantly constrained. Third, travel for business and conventions is likely to be the last component of hospitality demand to return to pre-pandemic levels. Large conventions usually have at least a one-year planning horizon, so the next major convention for the District will likely not occur through 2021, and not in significant numbers until spring 2022. For smaller meetings and business travel, the success and accessibility of virtual conferencing that make stay-at-home work possible may also change business travel and, as a result, likely reduce demand for small gatherings that can be done remotely without the expense.

Sales tax revenue is expected to decline by 21.4 percent in FY 2020 and 12.7 percent in FY 2021, rebounding 24.2 percent in FY 2022 and growing over 8 percent for the rest of the financial plan period.

Income taxes

Income taxes revenue growth was surprisingly strong and has been revised upward by \$94 million in FY 2020, and \$136 million in FY 2021. Withholding for individual income taxes, which was expected to slow significantly in 2020 due to more extensive unemployment and reduced wages, held up well and grew 3.8 percent from FY 2019. Employment declines have been concentrated in the hospitality and non-essential retail trade sectors, but the resulting wage reductions in these industries have been offset by the ability of many high wage workers in the government and professional sectors to shift to remote work. The expansion of unemployment compensation has also contributed to withholding tax revenue as the District, like many states, taxes unemployment compensation. Finally, the federal paycheck protection program (PPP) resulted in a \$3 billion injection into District small business, likely supporting many jobs that would have otherwise been furloughed.

Collections from final returns, delayed until July 15, 2020, showed positive gains to date. However, estimated payments for tax year 2020 have weakened. We expect the resurgence and strength of the stock market will be offset by slowing corporate profits and dividend and interest payments, reducing remaining estimated payments this year and final return liabilities next year.

Similarly, corporate franchise tax collections were strong in FY 2020 reflecting the economy in 2019. While the pandemic will reduce business profitability in tax year 2020, it is expected to be partially offset by federal support for financial markets. The net impact is reduced corporate franchise tax revenue in fiscal year 2021, with a return to more normal growth rates for the balance of the financial plan. For unincorporated business (UB) franchise tax, the weakness in real property assets, particularly multifamily and office properties, reduces taxable income for investment partnerships that account for a large share of this tax revenue. UB franchise tax revenue is also influenced by capital gains from property sales that are expected to be slower and discounted from pre-pandemic levels.

These factors will combine to grow income tax revenue by 1.9 percent in FY 2020, 0.4 percent in FY 2021, with growth recovering between 3.9 percent and 4.8 percent for the rest of the financial plan.

Deed taxes

Deed taxes revenue is unchanged from the April estimate in FY 2020 and lowered by \$93 million in FY 2021. The pandemic influences deed taxes revenue by affecting the timing of property transactions (buying and selling and refinancing), and the impact can be different for different types of residential and commercial properties. The impact of the pandemic has been much greater for commercial properties than residential properties.

To date, the market for single-family and condominium homes has not experienced significant weakness because although the number of sales has declined, the average value has increased.

Multifamily and commercial property transactions are primarily for investment purposes and have been affected by the pandemic's impact on incomes earned by owners of these properties (through increased vacancy rates and reduced rents), thus having a negative effect on investments

and transactions. This impact will last longer, and the recovery will come later than assumed in April. Refinancing of commercial property to take advantage of lower interest rates offsets slower commercial property sales and transfers of economic interest in properties in FY 2020.

Deed tax revenue declined 17.4 percent in FY 2020, and another 0.9 percent in FY 2021, before rebounding 22 percent in FY 2022, 9.4 percent in FY 2023 and 2.8 percent in FY 2024.

Non-tax revenue and lottery

Non-tax and lottery revenue have been revised upward by \$75 million in FY 2020 and revised downward by \$62 million in FY 2021. In April, declining non-tax revenue led to a projection of deterioration, assuming people would not be able to renew or apply for permits and registrations, and traffic fines would be much lower because of reduced commuting. However, District agencies were able to continue operations virtually, particularly for online building permits. Traffic fines did not decline by as much as estimated in April. Lottery sales fell early in the pandemic but rebounded as the District moved to Phase 2 of the ReOpen DC timeline. In FY 2021, reduced revenue from interest income and a full year of lower revenue from building permits, for-hire vehicle fees, and traffic fines make up the majority of the reduction in revenues.

National and Regional Economies

The spread of COVID-19 around the globe brought the pattern of steady growth in the national economy to an abrupt halt, ending the longest period of expansion in U.S. history. The economy contracted over 9 percent from the second quarter in 2020 over the prior year. It is expected to rebound somewhat in the third quarter but not to pre-pandemic levels. In September 2020, the Blue Chip Economic Indicators consensus forecast estimated that by December 2020, real GDP would be 2.8 percent below what it was a year earlier and the national economy would not return to its pre-pandemic level of real GDP until 2022.

Economic Outlook

The economic outlook for the District's economy is much like that for the national one—sharp contractions in April, May and June, followed by a recovery process that goes into calendar year 2022. It will take even longer for employment levels to return to where they were prior to the public health emergency. Our outlook is generally consistent with the forecasts for the U.S. economy by the Congressional Budget Office and with the national and D.C. forecasts prepared by IHS Markit and Moody's Analytics.

The outlook for key economic variables includes:

- Jobs located in DC decline 2.9 percent in FY 2020 and an additional 1 percent in FY 2021 as public health restrictions continue through 2021. A rebound of 2.8 percent growth in FY 2022 and 2.0 percent in FY 2023 brings jobs in DC back up to 2019 levels.
- Population growth continues with 13,500—1.9 percent—added over the three fiscal years 2020 through 2022. This pace is slower than the 3.0 percent growth from FY 2016 to FY 2019.
- Resident employment declines by 2.3 percent in FY 2020 and 1.1 percent in FY 2021, with increases of 2.3 percent and 2.6 percent in the following years. The unemployment rate, which

was 5.5 percent in FY 2019, rises to an average 7.3 percent rate in FY 2020, with a peak of 9.7 percent in the quarter ending June 2020, and increases to 8.7 percent in FY 2021. The rate declines to 5.7 percent in FY 2024, similar to pre-pandemic levels.

- DC Personal Income growth is expected to be 4.3 percent in FY 2020, supported by federal transfers like the one-time relief check and expanded unemployment compensation. Personal income declines 2.2 percent in FY 2021, still slightly above the pre-pandemic level. Normal personal income growth of about 4 percent returns in FY 2022.
- The S&P 500 index, despite rebounding from the March contraction and setting new highs over the summer, is forecasted to decline 1.2 percent year-over-year in the fourth quarter of calendar year 2020, recovering its prior peak by the summer of 2021.

Risks to the Forecast

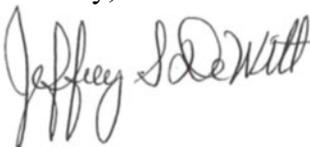
The initial economic damage from pandemic related restrictions and the loss of some key months for District economic activity has created an uncertain outlook for the District. A quick deployment of a vaccine would accelerate activity and result in the most positive change to the forecast. Short of this, demonstration of safe indoor activities and a continued improvement in COVID metrics like positivity rates, hospital capacity and utilization, and contact tracing may allow additional entertainment activity and attract tourists from the surrounding area. Recently, the Mayor reported that five of the ten performance indicators that would allow a transition to Phase 3 had been met as of September 28, 2020. Finally, additional relief for unemployed workers and businesses would maintain the economic pause until the emergency is lifted.

Conversely, a “second wave” of infection, either in the District, the surrounding area or the nation, with rising infection rates and deaths, represents the most significant downside risk. Lack of additional federal relief also represents a significant risk. Under these scenarios, erosion of consumer and business confidence and decreased economic activity would lead to additional layoffs and delay a return of workers to downtown offices.

There is considerably uncertainty in the forecast and we cannot assume, given the extensive disruptions to the economy, that things will quickly return to pre-pandemic levels. There could be lingering effects on shopping, work and travel patterns, along with changes in the interest in moving to and working in the District of Columbia and other cities. There could also be reduced demand for office space, as well as reduced confidence to gather in bars, restaurants, sporting events, live performances, or movies.

We will continue to closely monitor national and local economic and public health conditions. If you have any questions regarding this matter, please contact me at (202) 727-2476.

Sincerely,



Jeffrey S. DeWitt

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Kathy Patterson, District of Columbia Auditor

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TABLE 1: REVENUE SUMMARY TABLE

\$ in Thousands	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS	
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
PROPERTY	2,827,757	2,888,452	2,911,558	2,894,930	2,976,436	3,061,632
Real Property	2,710,080	2,781,772	2,806,041	2,789,264	2,865,332	2,948,353
Personal Property	78,997	77,000	70,193	69,990	75,071	76,886
Public Space Rental	38,680	29,680	35,323	35,676	36,033	36,394
<i>Dedicated to other funds</i>	(52,642)	(50,926)	(47,927)	(48,213)	(58,755)	(62,698)
PROPERTY (NET)	2,775,115	2,837,526	2,863,631	2,846,716	2,917,680	2,998,934
SALES & EXCISE	1,707,223	1,342,031	1,185,965	1,454,032	1,564,228	1,691,339
General Sales	1,597,727	1,255,915	1,096,591	1,362,439	1,472,829	1,600,087
Alcohol	7,042	5,983	6,006	6,199	6,299	6,400
Cigarette	28,546	24,177	23,103	22,116	21,172	20,267
Motor Vehicle	45,973	37,446	35,623	36,051	36,483	36,921
Motor Fuel	27,935	18,510	24,642	27,227	27,445	27,664
<i>Dedicated to other funds</i>	(533,623)	(405,375)	(377,156)	(466,163)	(502,057)	(531,682)
SALES & EXCISE(NET)	1,173,600	936,656	809,333	987,870	1,062,170	1,159,658
INCOME	2,941,982	2,996,566	3,007,090	3,124,406	3,253,116	3,403,398
Individual Income	2,299,326	2,326,811	2,385,179	2,478,779	2,585,974	2,710,855
Corporate Franchise	507,911	529,775	502,652	524,929	537,126	558,812
U.B. Franchise	134,745	139,980	119,259	120,698	130,016	133,731
INCOME (NET)	2,941,982	2,996,566	3,007,090	3,124,406	3,253,116	3,403,398
GROSS RECEIPTS	395,068	365,727	362,286	373,168	379,936	386,744
Public Utilities	156,274	134,317	130,707	134,328	138,058	141,900
Toll Telecommunications	41,899	40,961	35,657	35,301	34,948	34,598
Insurance Premiums	118,802	119,980	121,626	123,938	126,297	128,701
Ballpark Fee	45,096	37,232	35,356	37,400	37,400	37,400
Private sports wagering	0	0	1,413	2,072	2,279	2,507
Games of Skill			1,210	3,329	3,662	3,845
Health Related Taxes	32,999	33,237	36,318	36,800	37,292	37,793
<i>Dedicated to other funds</i>	(136,184)	(126,143)	(138,214)	(142,175)	(144,143)	(148,473)
GROSS RECEIPTS (NET)	258,885	239,584	224,072	230,994	235,792	238,271
OTHER TAX	583,377	503,996	493,364	595,108	647,850	665,414
Estate	22,311	40,374	34,092	35,039	35,414	35,796
Deed Recordation	299,512	268,468	253,695	301,836	331,594	341,357
Deed Transfer	228,249	182,730	192,918	229,337	251,946	259,364
Economic Interest	33,306	12,424	12,660	28,896	28,896	28,896
<i>Dedicated to other funds</i>	(82,399)	(68,474)	(69,184)	(80,868)	(88,634)	(91,217)
OTHER TAX (NET)	500,977	435,522	424,180	514,240	559,216	574,197
TOTAL TAX (GROSS)	8,455,407	8,096,772	7,960,263	8,441,644	8,821,565	9,208,528
TOTAL TAX (NET)	7,650,559	7,445,853	7,327,781	7,704,225	8,027,975	8,374,458
NONTAX	619,241	495,161	451,951	515,567	477,857	477,784
Licenses & Permits	146,956	122,572	111,686	137,340	141,738	145,311
Fines & Forfeits	195,392	148,200	113,866	143,658	137,170	130,975
Charges for Services	77,487	72,668	74,845	77,937	82,651	86,881
Miscellaneous	199,407	151,721	151,554	156,633	116,298	114,618
NONTAX (NET)	619,241	495,161	451,951	515,567	477,857	477,784
LOTTERY	45,050	39,447	46,134	61,515	66,382	69,265
<i>Dedicated to other funds</i>	-	-	-	-	-	(22,481)
LOTTERY (NET)	45,050	39,447	46,134	61,515	66,382	46,784
GROSS REVENUE	9,119,699	8,631,380	8,458,348	9,018,727	9,365,804	9,755,577
LOCAL FUND REVENUE	8,314,851	7,980,461	7,825,867	8,281,308	8,572,214	8,899,025
OTHER FUNDS (See Table 2)	804,848	650,919	632,482	737,419	793,590	856,552

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TABLE 1: REVENUE SUMMARY TABLE (Continued)

% Change from Year Ago	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS	
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
PROPERTY	6.3%	2.1%	0.8%	-0.6%	2.8%	2.9%
Real Property	6.1%	2.6%	0.9%	-0.6%	2.7%	2.9%
Personal Property	17.2%	-2.5%	-8.8%	-0.3%	7.3%	2.4%
Public Space Rental	2.8%	-23.3%	19.0%	1.0%	1.0%	1.0%
<i>Dedicated to other funds</i>	17.9%	-3.3%	-5.4%	0.0%	21.9%	6.7%
PROPERTY (NET)	6.1%	2.2%	0.9%	-0.6%	2.5%	2.8%
SALES & EXCISE	6.9%	-21.4%	-11.6%	22.6%	7.6%	8.1%
General Sales	7.0%	-21.4%	-12.7%	24.2%	8.1%	8.6%
Alcohol	7.4%	-15.0%	0.4%	3.2%	1.6%	1.6%
Cigarette	2.1%	-15.3%	-4.4%	-4.3%	-4.3%	-4.3%
Motor Vehicle	4.4%	-18.5%	-4.9%	1.2%	1.2%	1.2%
Motor Fuel	6.3%	-33.7%	33.1%	10.5%	0.8%	0.8%
<i>Dedicated to other funds</i>	70.2%	-24.0%	-7.7%	22.7%	7.5%	5.6%
SALES & EXCISE(NET)	-8.6%	-20.2%	-13.6%	22.1%	7.5%	9.2%
INCOME	11.4%	1.9%	0.4%	3.9%	4.1%	4.6%
Individual Income	11.2%	1.2%	2.5%	3.9%	4.3%	4.8%
Corporate Franchise	16.4%	4.3%	-5.1%	4.4%	2.3%	4.0%
U.B. Franchise	-2.5%	3.9%	-14.8%	1.2%	7.7%	2.9%
INCOME (NET)	11.4%	1.9%	0.4%	3.9%	4.1%	4.6%
GROSS RECEIPTS	8.2%	-7.4%	-0.9%	3.0%	1.8%	1.8%
Public Utilities	12.2%	-14.1%	-2.7%	2.8%	2.8%	2.8%
Toll Telecommunications	5.4%	-2.2%	-12.9%	-1.0%	-1.0%	-1.0%
Insurance Premiums	5.3%	1.0%	1.4%	1.9%	1.9%	1.9%
Ballpark Fee	24.5%	-17.4%	-5.0%	5.8%	0.0%	0.0%
Private sports wagering	-	-	-	46.7%	10.0%	10.0%
Games of Skill	-	-	-	175.1%	10.0%	5.0%
Health Related Taxes	-10.8%	0.7%	9.3%	1.3%	1.3%	1.3%
<i>Dedicated to other funds</i>	4.2%	-7.4%	9.6%	2.9%	1.4%	3.0%
GROSS RECEIPTS (NET)	10.5%	-7.5%	-6.5%	3.1%	2.1%	1.1%
OTHER TAX	14.8%	-13.6%	-2.1%	20.6%	8.9%	2.7%
Estate	-37.5%	81.0%	-15.6%	2.8%	1.1%	1.1%
Deed Recordation	16.3%	-10.4%	-5.5%	19.0%	9.9%	2.9%
Deed Transfer	13.8%	-19.9%	5.6%	18.9%	9.9%	2.9%
Economic Interest	136.1%	-62.7%	1.9%	128.2%	0.0%	0.0%
<i>Dedicated to other funds</i>	15.8%	-16.9%	1.0%	16.9%	9.6%	2.9%
OTHER TAX (NET)	14.7%	-13.1%	-2.6%	21.2%	8.7%	2.7%
TOTAL TAX (GROSS)	8.8%	-4.2%	-1.7%	6.0%	4.5%	4.4%
TOTAL TAX (NET)	6.1%	-2.7%	-1.6%	5.1%	4.2%	4.3%
NONTAX	24.6%	-20.0%	-8.7%	14.1%	-7.3%	0.0%
Licenses & Permits	48.9%	-16.6%	-8.9%	23.0%	3.2%	2.5%
Fines & Forfeits	18.9%	-24.2%	-23.2%	26.2%	-4.5%	-4.5%
Charges for Services	-11.6%	-6.2%	3.0%	4.1%	6.0%	5.1%
Miscellaneous	36.5%	-23.9%	-0.1%	3.4%	-25.8%	-1.4%
NONTAX (NET)	24.6%	-20.0%	-8.7%	14.1%	-7.3%	0.0%
LOTTERY	-9.0%	-12.4%	17.0%	33.3%	7.9%	4.3%
<i>Dedicated to other funds</i>						
LOTTERY (NET)	-9.0%	-12.4%	17.0%	33.3%	7.9%	-29.5%
GROSS REVENUE	9.6%	-5.4%	-2.0%	6.6%	3.8%	4.2%
LOCAL FUND REVENUE	7.2%	-4.0%	-1.9%	5.8%	3.5%	3.8%
OTHER FUNDS (See Table 2)	43.7%	-19.1%	-2.8%	16.6%	7.6%	7.9%

Table 2: Dedicated/Enterprise revenue

\$ in Thousands

DEDICATED TO	Tax Type	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS	
		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
TIF	Real Property	17,944	19,239	19,843	19,280	24,134	27,041
	General Sales	30,732	19,069	18,959	23,697	36,760	39,494
PILOT	Real Property	34,698	31,687	28,085	28,933	34,621	35,657
	General Sales	14,340	8,221	7,134	8,887	9,617	10,458
Convention Center	General Sales	141,276	72,899	48,954	88,306	100,111	115,666
Convention Center-DestinationDC	General Sales	6,358	3,776	1,905	3,824	4,251	4,904
Ballpark	General Sales	16,150	12,000	8,000	18,000	18,000	18,000
	Public Utility	8,180	6,399	7,325	7,691	8,075	8,479
	Toll Telecom	2,336	1,841	2,191	2,122	2,056	1,991
	Ballpark Fee	45,096	37,232	35,356	37,400	37,400	37,400
Healthy DC - Marijuana	General Sales	1,158	1,400	1,666	1,983	2,359	2,406
Healthy DC - MCO	Insurance premium	47,573	47,433	56,825	57,961	59,121	60,303
WMATA - Operations	General Sales	79,782	54,052	44,918	66,228	68,546	70,945
WMATA - Capital	General Sales	178,500	178,500	183,855	189,371	195,052	200,903
Healthy Schools	General Sales	4,266	5,110	5,590	5,590	5,590	5,590
ABRA	General Sales	1,170	1,170	1,170	1,170	1,170	1,170
Comm. on Arts and Humanities	General Sales	31,956	30,669	30,362	31,880	33,156	34,482
Highway Trust Fund	Motor Fuel	27,935	18,510	24,642	27,227	27,445	27,664
Nursing Facility Quality of Care	Health Related	14,338	15,345	15,652	15,965	16,285	16,610
Hospital Fund	Health Related	8,452	7,506	8,454	8,623	8,796	8,971
Hospital Provider Fee Fund	Health Related	5,345	5,308	6,673	6,673	6,673	6,673
ICF-IDD Stevie Sellows	Health Related	4,864	5,077	5,539	5,539	5,539	5,539
Dept of Health	Sports Wager			200	200	200	200
Neighborhood Safety and Engagement Fund	Sports Wager						1,153
	Lottery						11,241
Early Childhood Development Fund	Sports Wager						1,153
	Lottery						11,241
Housing Production Trust Fund (HPTF)	Deed Recordation	40,698	37,410	35,978	43,199	47,665	49,126
	Deed Transfer	28,743	22,511	25,381	30,844	34,239	35,347
	Economic Interest	4,880	427	641	833	833	833
HPTF-Debt Service	Deed Recordation	2,856	2,860	2,077	2,077	2,074	2,077
	Deed Transfer	4,892	4,899	3,556	3,556	3,552	3,558
	Economic Interest	80	80	58	58	58	58
West End Maintenance	Deed Recordation	125	144	746	150	106	109
	Deed Transfer	125	144	746	150	106	109
TOTAL		804,848	650,919	632,482	737,419	793,590	856,552

Table 3. Key Economic Variables

Variable	Actual					Estimated		Forecast		
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Gross Domestic Product - DC (\$billions)	124.2	128.5	133.0	138.9	144.8	146.5	147.2	153.6	160.0	166.2
% change annual	4.8%	3.4%	3.5%	4.5%	4.2%	1.2%	0.5%	4.3%	4.2%	3.9%
Real GDP-DC (2005 \$billions)	116.9	118.8	120.7	123.2	125.4	124.2	123.0	126.4	129.6	131.9
% change annual	2.3%	1.6%	1.6%	2.1%	1.8%	-0.9%	-1.0%	2.8%	2.5%	1.8%
Personal Income (\$billions)	50.1	52.5	54.5	57.0	59.2	61.7	60.3	62.8	65.3	68.0
% change annual	8.0%	4.8%	3.6%	4.6%	3.8%	4.3%	-2.2%	4.1%	4.0%	4.1%
Real Personal Income (2005 \$billions)	41.5	44.3	44.8	45.8	46.9	48.3	46.5	47.6	48.8	49.9
% change annual	8.1%	6.5%	1.3%	2.1%	2.4%	3.0%	-3.6%	2.4%	2.5%	2.3%
Per capita personal income	74,403	76,762	78,503	81,337	83,879	86,925	84,457	87,371	90,295	93,384
% change annual	5.9%	3.2%	2.3%	3.6%	3.1%	3.6%	-2.8%	3.4%	3.3%	3.4%
Real per capita personal income (2005\$)	61,652	64,647	64,603	65,313	66,430	68,022	65,150	66,259	67,454	68,600
% change annual	6.1%	4.9%	-0.1%	1.1%	1.7%	2.4%	-4.2%	1.7%	1.8%	1.7%
Wages in DC (\$billions)	67.1	69.3	72.1	75.5	78.4	79.8	80.1	83.0	86.6	90.0
% change annual	5.0%	3.3%	4.1%	4.7%	3.8%	1.8%	0.5%	3.6%	4.3%	3.9%
Wages of DC residents (\$billions)	24.7	25.6	26.9	28.3	29.3	29.8	30.4	31.3	32.5	33.8
% change annual	7.6%	3.7%	5.0%	5.2%	3.6%	1.8%	1.8%	3.2%	3.8%	3.9%
Population (000s)	673.6	684.4	693.6	700.6	705.2	709.5	714.0	718.7	723.4	728.0
% change annual	1.9%	1.6%	1.3%	1.0%	0.7%	0.6%	0.6%	0.7%	0.7%	0.6%
Households (000s)	298.2	303.7	308.9	315.0	318.3	321.0	322.4	325.0	328.5	331.8
% change annual	2.4%	1.9%	1.7%	2.0%	1.0%	0.8%	0.4%	0.8%	1.1%	1.0%
Civilian labor force (000s)	387.1	393.8	399.6	404.1	408.1	405.9	407.5	412.5	416.6	421.5
% change annual	2.8%	1.7%	1.5%	1.1%	1.0%	-0.5%	0.4%	1.2%	1.0%	1.2%
Employment in DC (000s)	759.3	774.9	782.7	791.0	796.5	773.3	765.4	786.6	802.5	812.5
% change annual	1.7%	2.1%	1.0%	1.1%	0.7%	-2.9%	-1.0%	2.8%	2.0%	1.2%
Employment of DC residents (000s)	359.4	369.3	375.2	380.9	385.3	376.4	372.1	380.6	390.4	397.4
% change annual	3.7%	2.7%	1.6%	1.5%	1.2%	-2.3%	-1.1%	2.3%	2.6%	1.8%
Unemployment rate	7.2	6.2	6.1	5.8	5.6	7.3	8.7	7.7	6.3	5.7
Housing Starts	3,915	4,154	4,185	4,473	6,199	5,477	4,648	3,451	3,106	2,876
Housing Stock (000s)	325	329	333	338	343	348	353	358	363	368
% change annual	1.80%	1.30%	1.20%	1.60%	1.40%	1.60%	1.40%	1.40%	1.40%	1.20%
Home Sales	7,929	8,340	8,598	8,957	8,434	8,626	8,799	8,930	9,064	9,064
% change annual	4.1%	5.2%	3.1%	4.2%	-5.8%	2.3%	2.0%	1.5%	1.5%	0.0%
Avg Home Sale Price (000s)	768	795	825	835	864	912	917	954	996	1,038
% change annual	4.3%	3.5%	3.8%	1.2%	3.4%	5.6%	0.5%	4.1%	4.4%	4.2%
SP 500 Stock Index	2.0%	6.4%	19.2%	3.3%	14.7%	-1.2%	4.0%	4.0%	4.0%	4.0%
US 10 Year Treasury	2.2	1.9	2.3	2.7	2.5	1.1	0.7	1.0	1.3	1.5
Washington Area CPI: % change prior year	(0.1)	0.6	2.0	2.4	1.5	1.0	1.8	2.2	1.6	1.8

* Change in S and P 500 Index of Common Stock is the change from the 4th quarter to the 4th quarter on a calendar year (rather than fiscal year) basis. (For example, the value in FY 2018 is the % change from CY 2017.4 to CY 2018.4)

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by IHS Markit Global Insight (August 2020) and Moody's Analytics (August 2020); forecasts of the national economy prepared by the Congressional Budget Office (July 2020) and Blue Chip Economic Indicators (September 2020); BLS labor market information from July 2020; the Census Bureau estimates of the D.C. population (2019); Bureau of Economic Analysis estimates of D.C. Personal Income (March 2020); Metropolitan Regional Information System (MRIS) D.C. home sales data (August 2019), CoStar information on commercial office buildings and residential property in D.C. (June 2020); and Delta Associates commercial office buildings and apartments in DC (June 2020).