



PRESS STATEMENT

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DC Should Use Surplus to Help DC Residents and Stabilize Economy

The Comprehensive Annual Financial Report (CAFR), released yesterday, shows that the District ended 2018 with a \$205 million surplus, bringing DC's fund balance to almost \$3 billion – one of the healthiest fund balances in the nation.

The surplus is great news for DC, as is the fact that DC leaders consider the reserve an important “rainy day fund.” However, the rules on how the District spends these funds focus only on saving, rather than spending when unexpected circumstances arise. This is a mistake.

Under these rules, DC leaders are setting aside every unrestricted dollar of the just-announced surplus—about \$80 million— in savings, instead of using it to help DC residents who are still struggling to make ends meet due to the shutdown and those who struggle to make ends meet under normal circumstances.

The surplus reflects DC's growing prosperity. It gives District leaders a tool to invest in greater long-term prosperity for the city, particularly for residents who have not been benefitting from DC's growing economy. But the surplus can only make a difference if DC's leaders are ready to invest some of it back into DC communities.

“At a time when residents and businesses are still suffering from the shutdown, using some of the surplus would help them, and provide needed stability for DC's economy,” said Ed Lazere, Executive Director of the DC Fiscal Policy Institute. “Leaving money in the bank when it could be used to tackle challenges like affordable housing actually is fiscally irresponsible. Investing now in DC's long-term needs will have long-term payoffs. The surplus and rainy day fund should be used to tackle DC's greatest challenges and unexpected circumstances that arise.”

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