

Overview and Timeline of the DC Budget Process

The following, taken from DCFPI's *Citizens Guide to the DC Budget*¹, highlights the key events and timeline for the DC Budget process. (See a one-page summary on page 2.)

September/October: Agencies Receive Instructions for Developing a Budget Request

The budget season kicks off in the fall, when each agency submits a detailed line-by-line budget request to the Chief Financial Officer's Office of Budget and Planning.

The Chief Financial Officer's Role: The CFO kicks things off by giving city agencies instructions on how to prepare their budget submission for the upcoming fiscal year. The starting point of discussion is how much it costs the city to maintain the current level of services and obligations, which is known as the **"current services funding level."** The CSFL reflects changes in salary expenses, utilities, and other fixed costs, as well as any changes required by previously adopted laws.

The Mayor's Role: In recent years, the Mayor's office, through the Office of the City Administrator, has given each agency a target budget number, which the agency's request cannot exceed. When the city's economy and revenues are growing weakly, the targets for each agency may require them to identify savings through greater efficiencies or actual cuts in services.

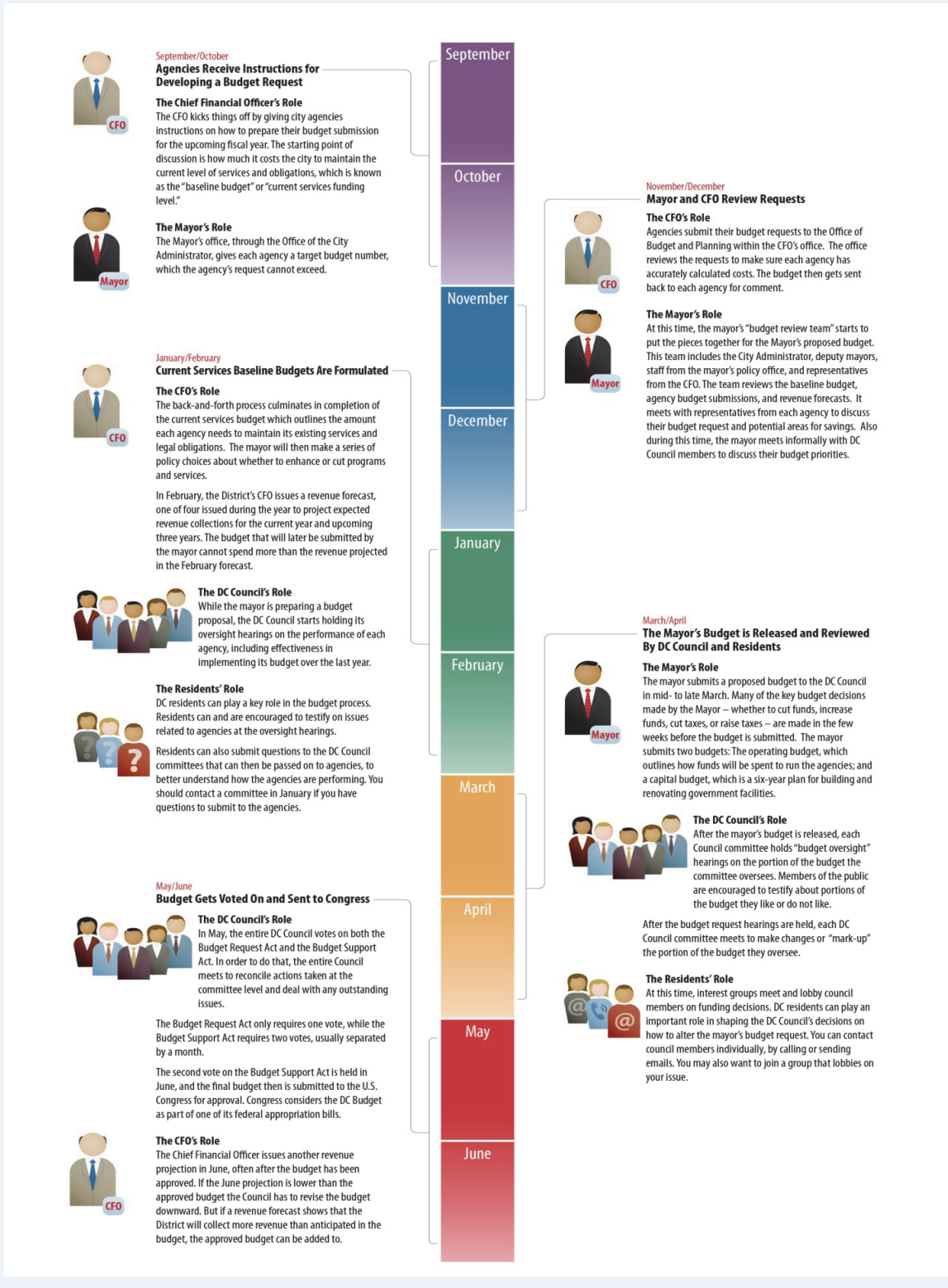
November/December: Mayor and CFO Review Requests

The CFO's Role: Agencies submit their budget requests to the Office of Budget and Planning within the CFO's office. The office reviews the request, "scrubbing" the budget to make sure each agency has accurately calculated personnel and administrative costs and made other appropriate adjustments, such as reducing the budget to adjust for prior-year expenses that were needed only on a one-time basis. The budget then gets sent back to each agency director for comment and reconciliation.

The Mayor's Role: At this time, the Mayor's "budget review team" starts to put the pieces together for the Mayor's proposed budget. This team includes the City Administrator, deputy mayors, staff from the Mayor's policy office, and representatives from the CFO. The team reviews the baseline budget, agency budget submissions, and the revenue forecasts. It meets with representatives from each agency to discuss their budget request and potential areas for savings. The budget review team then begins to share recommendations and options with the mayor. Also during this time, the mayor meets informally with DC Council members to discuss their budget priorities.

¹ Available at: www.dcfpi.org/a-citizens-guide-to-the-dc-budget

DC's Budget Process at a Glance



January/February: Current Services Funding Levels Are Formulated And DC Council Holds Agency Performance Hearings

The CFO's Role: The back-and-forth process culminates in completion of the Current Services Funding Level, which is then sent to the Mayor. The current services budget outlines the amount each agency needs to maintain its existing services and legal obligations. It is the jumping off point for the mayor, who will then make a series of policy choices about whether to enhance or cut programs and services.

In February, the District's CFO issues a revenue forecast, one of four issued during the year to project expected revenue collections for the current year and upcoming three years. The budget that will later be submitted by the Mayor cannot spend more than the revenue projected in the February forecast. If the revenue estimate is less than the current services funding level, the budget must be adjusted to remain within the revenue limits. The adjustment can include revenue increases, such as additional fees or taxes, or cuts to spending in selected areas. If the revenue forecast is higher than the baseline, the Mayor can make choices to enhance funding in selected areas.

The DC Council's Role: While the Mayor is preparing a budget proposal, the DC Council starts holding oversight hearings on the performance of each agency, including effectiveness in implementing its budget over the last year. The DC Council is divided into a number of committees, which have oversight over a set of related agencies. The Committee on Public Works and Transportation, for example, reviews the budgets of about a dozen agencies including the Department of Public Works, Department of Transportation, and Department of Motor Vehicles. In the hearings, council members ask questions about how the agency spent its money.

The head of the agency also is required to discuss the agency's performance and expenditures in the past fiscal year and answer oversight questions from Council members. Before each oversight hearing, each Council committee submits a detailed set of questions to the agencies they oversee. Those questions and the answers are posted on the DC Council web site (www.dccouncil.us), under its "Budget" tab. You can contact the office of the DC's Council's Budget Director, or the committee clerk for any committee of interest, if you need help to find these documents.

The Residents' Role: DC residents can play a key role in the budget process. This is a great chance to inform the Council about how you see dollars being spent and to make recommendations for improving how an agency is funded – at the same time that the Mayor is putting together the next year's budget. Residents are encouraged to testify on any aspect of an agency's performance or budget. Let's take public libraries, for example. Perhaps your neighborhood branch had to reduce its hours. The oversight hearing presents an opportunity to ask why that decision was made.

Residents can take a further step by helping submit questions to the committees that can then be passed on to agencies, to better understand how the agencies are performing. As noted, each Council committee submits a detailed set of questions to the agencies they oversee before each oversight hearing. There is no formal process for citizens to submit questions, but you are welcome to share your questions with staff of the relevant committee and encourage the committee to include your questions in the committee's submission to the agency. You should contact a committee in

January if you have questions to submit to the agencies. DC Council committees and the agencies they oversee are listed in the appendix.

March/April: The Mayor's Budget is Released and Reviewed by DC Council and Residents

The Mayor's Role: The Mayor submits a proposed budget to the DC Council in mid- to late March. Many of the key budget decisions made by the Mayor – whether to cut funds, increase funds, cut taxes, or raise taxes – are made in the few weeks before the budget is submitted. The Mayor submits two proposed budgets: The operating budget, which outlines how funds will be spent to run the agencies; and a capital budget, which is a six-year plan for building and renovating government facilities.

The DC Council's Role: After the Mayor's budget is released, each Council committee holds "budget oversight" hearings on the portion of the budget the committee oversees. For example, the Committee on Human Services holds hearings on the budget for the Department of Human Services, Child and Family Services, Administration, and the Department of Youth Rehabilitation Services, among others.

As in the case in the performance oversight hearings held earlier in the year each Council committee submits a detailed set of questions to each agency they oversee prior to the budget oversight hearings. Those questions and the answers are posted on the DC Council web site (www.dccouncil.us), under its "Budget" tab. You can contact the office of the DC's Council's Budget Director, or the committee clerk for any committee of interest, if you need help to find these documents.

After the budget oversight request hearings are held, each DC Council committee meets to "mark-up" the portion of the budget they oversee. The "mark-up" is the process through which the committees make changes to the Mayor's budget. While the committees can shift funds from one program to another or from one agency to another, they cannot propose spending more than the amount in the Mayor's proposed budget for the agencies overseen by that committee, unless they identify a new source of revenue, such as an increase in taxes or fees, or make offsetting spending cuts.

During this process, the committees also adopt recommendations on the Budget Support Act provisions that relate to their committee. The recommendations are compiled and then considered by the entire Council in the Committee of the Whole.

The Residents' Role: DC residents can play an important role in shaping the DC Council's decisions on how to alter the Mayor's budget request. Members of the public are encouraged to testify at the budget oversight hearings about portions of the budget they like or do not like. In addition, residents can submit questions to the committees that can then be passed on to agencies, to better understand various issues arising from the Mayor's proposed budget.

At this time, interest groups meet and lobby Council members on funding decisions. You can contact Council members individually, by calling or sending emails. You may also want to join a group that lobbies on your issue.

May/June: Budget Gets Voted On and Sent to Congress

The DC Council's Role: In May, the entire DC Council votes on both the Budget Request Act and the Budget Support Act. In order to do that, the entire Council meets to reconcile actions taken at the committee level and to deal with any outstanding issues.

The Budget Request Act only requires one vote, while the Budget Support Act requires two votes, usually separated by a month. The Council normally votes twice on all legislation, but the Budget Request Act technically is part of the federal budget and not a piece of local legislation, so only one vote happens.

The second vote on the Budget Support Act is held in June, and the final budget then is submitted to the U.S. Congress for approval. Congress considers the DC budget as part of one of its federal appropriation bills. While the goal is to have the DC budget approved by October 1, the start of the new fiscal year, Congress often approves appropriations bills late. But passing the budget after October 1 usually doesn't impair ability of DC to implement its budget, because Congress usually passes a provision to enable the city's budget to move ahead.

The CFO's Role: The Chief Financial Officer issues another revenue projection in June, often after the budget has been approved. If the June projection is lower than the approved budget—as happened in June 2009 for the FY 2010 budget—the Council has to revise the budget downward. But if a revenue forecast shows that the District will collect more revenue than anticipated in the budget, the approved budget can be added to. This happened in the FY 2012 budget. In either case, modifications to the approved budget are known as a supplemental budget.