



# **Council of the District of Columbia**

## Budget Process Review

Thursday, March 19, 2015

**Jennifer Budoff, Budget Director**

# Timeline for Council's consideration of the Budget

## APRIL

**April 2, 2015**

Mayor submits the District's FY 2016 Proposed Budget and Financial Plan to Council. The Council has *56 calendar days* after receipt of the budget to act on and adopt the District's budget.

**April 15 – May 7**

Council holds agency budget overview hearings. Members of the public are welcome to testify.

## MAY

**May 12 - 14**

Council committees mark-up the District's Budget and Financial Plan.

**May 27**

Council votes on the District's Budget Request Act and Budget Support Act.

**June, date TBD**

Council holds a *second and final vote* on the Budget Support Act.

# Role of the Council Budget Office

- Provides advice and analysis for each Council committee and office regarding the District's annual operating and capital budgets and ongoing budget-related initiatives
- After Committee budget markups:
  - Consolidates all recommendations
  - Identifies any conflicting directives
  - Provides fiscal and legal analysis of Budget Support Act
- Presents summary of Committee recommendations at Council-wide budget discussions and responds to questions as Council reviews its options for FY 2016

# Where the Money Comes From

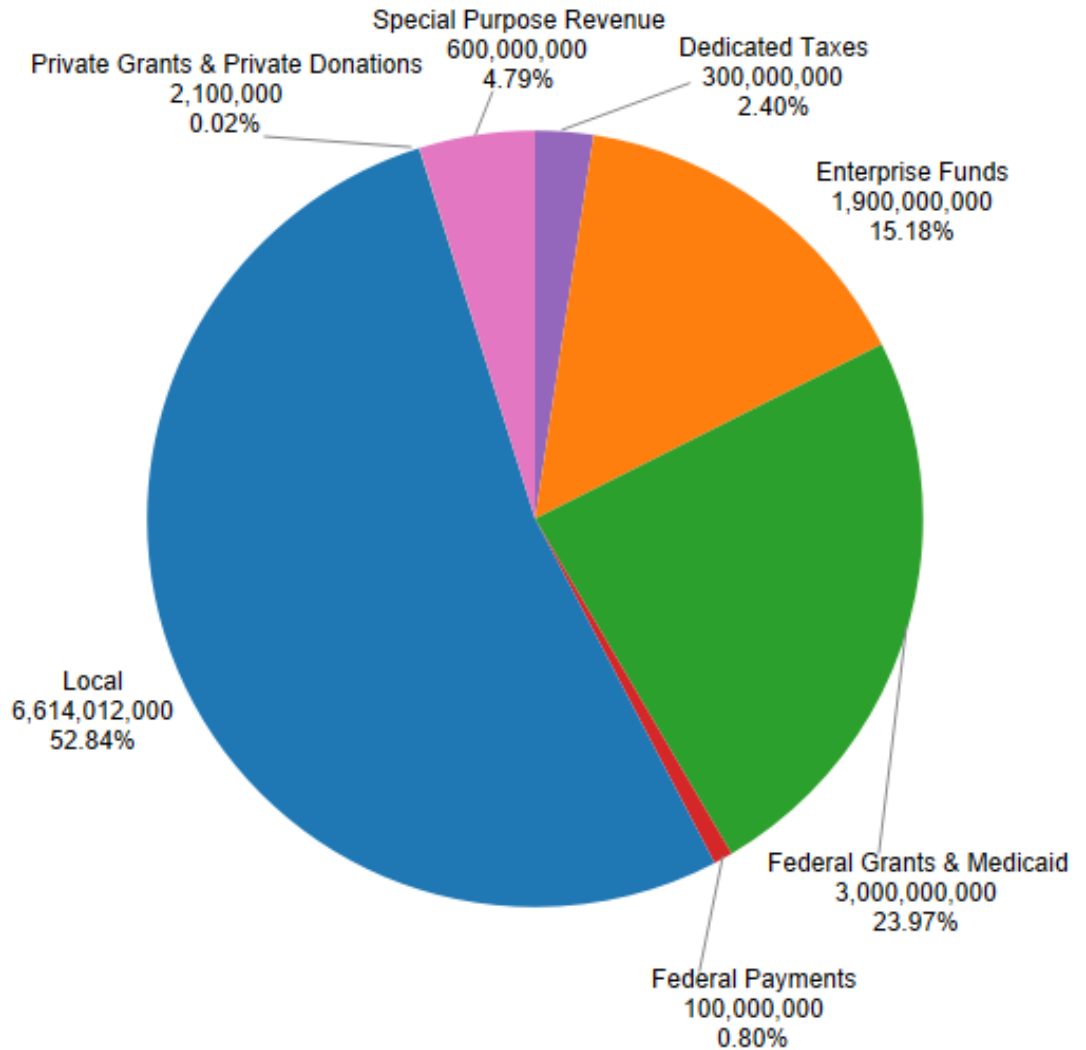
FY 2015  
Gross Revenues:  
Operating Budget

Based on June 2014 Revenue Estimate

**\$12.7B**

## Fund Type

- Dedicated Taxes
- Enterprise Funds
- Federal Grants & Medicaid
- Federal Payments
- Local
- Private Grants & Private Donations
- Special Purpose Revenue



# Where the Money Comes From

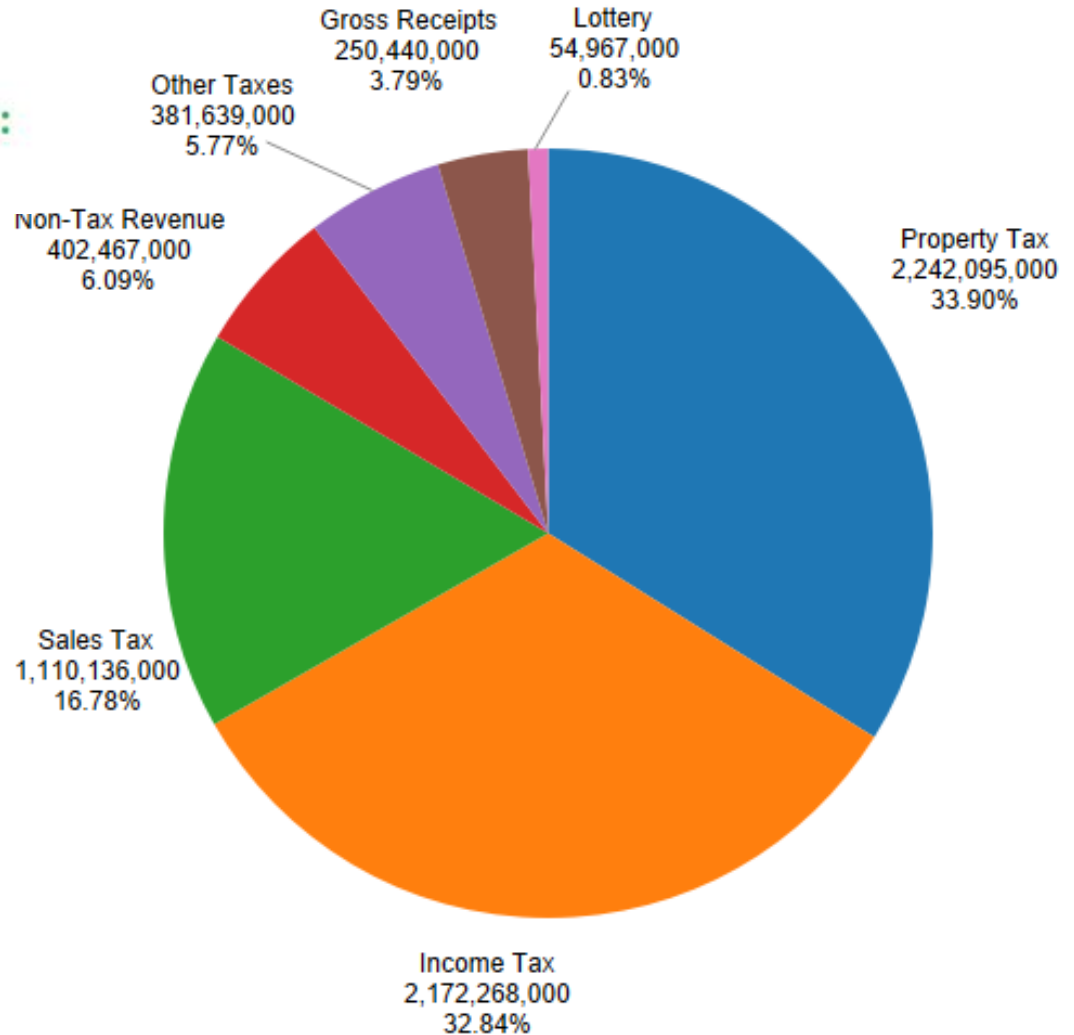
**FY 2015**  
**Local Funds Revenues:**  
**Operating Budget**

Based on February 2015 Revenue Estimate

**\$6.6B**

## Revenue Type

- Property Tax
- Income Tax
- Sales Tax
- Non-Tax Revenue
- Other Taxes
- Gross Receipts
- Lottery



# Where the Money Comes From

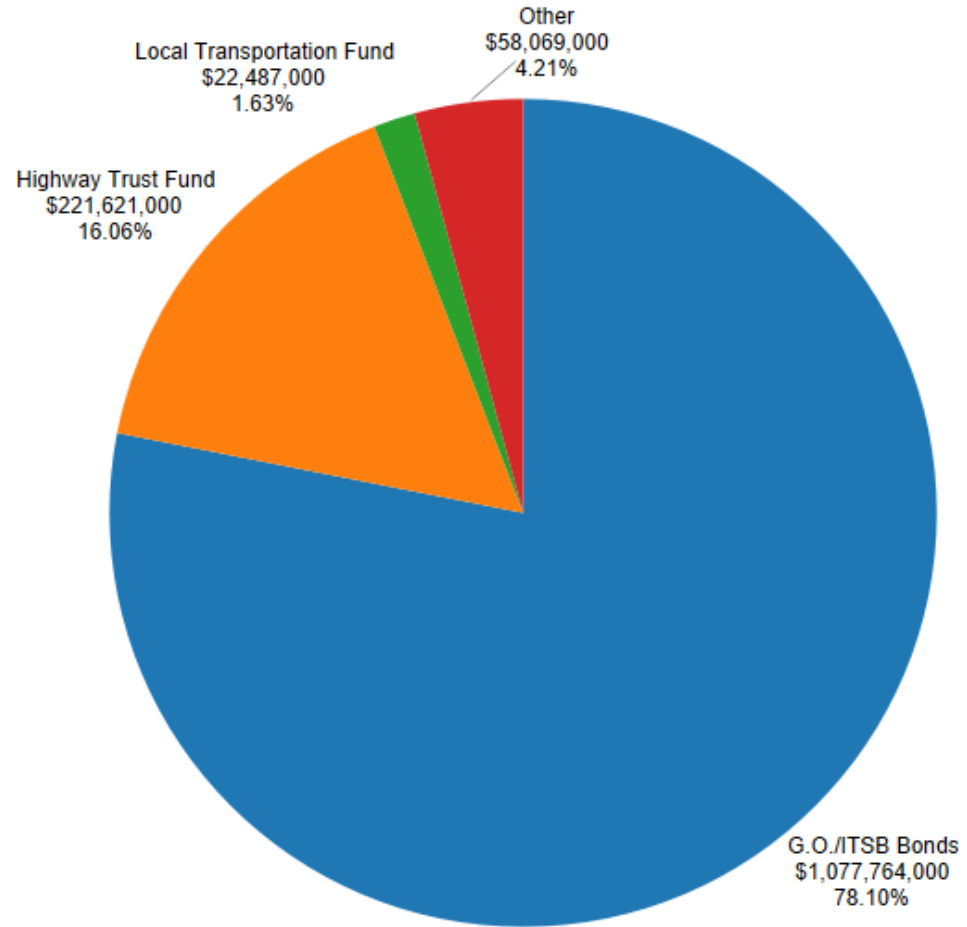
## FY 2015 Capital Sources

Based on April 2014 Available Debt Cap

# \$1.3B

### Fund Type

- G.O./ITSB Bonds
- Highway Trust Fund
- Local Transportation Fund
- Other



# How We Spend the Money

FY 2015

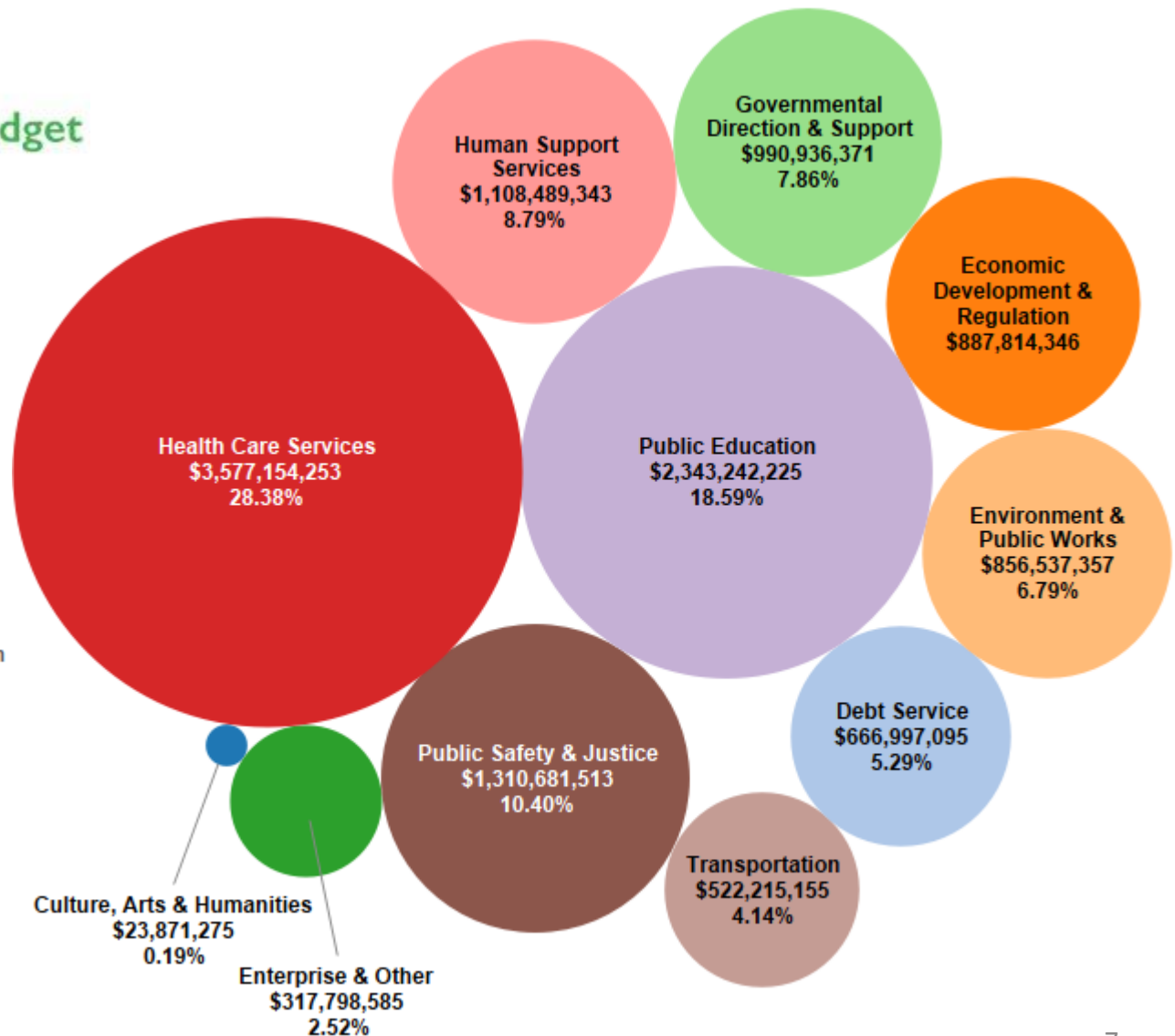
Gross Operating Budget

Based on FY15 Approved Operating Budget

**\$12.6B**

Cluster

- Health Care Services
- Public Education
- Public Safety & Justice
- Human Support Services
- Governmental Direction & Support
- Economic Development & Regulation
- Environment & Public Works
- Debt Service
- Transportation
- Financing & Other
- Culture, Arts & Humanities



# How We Spend the Money

FY 2015

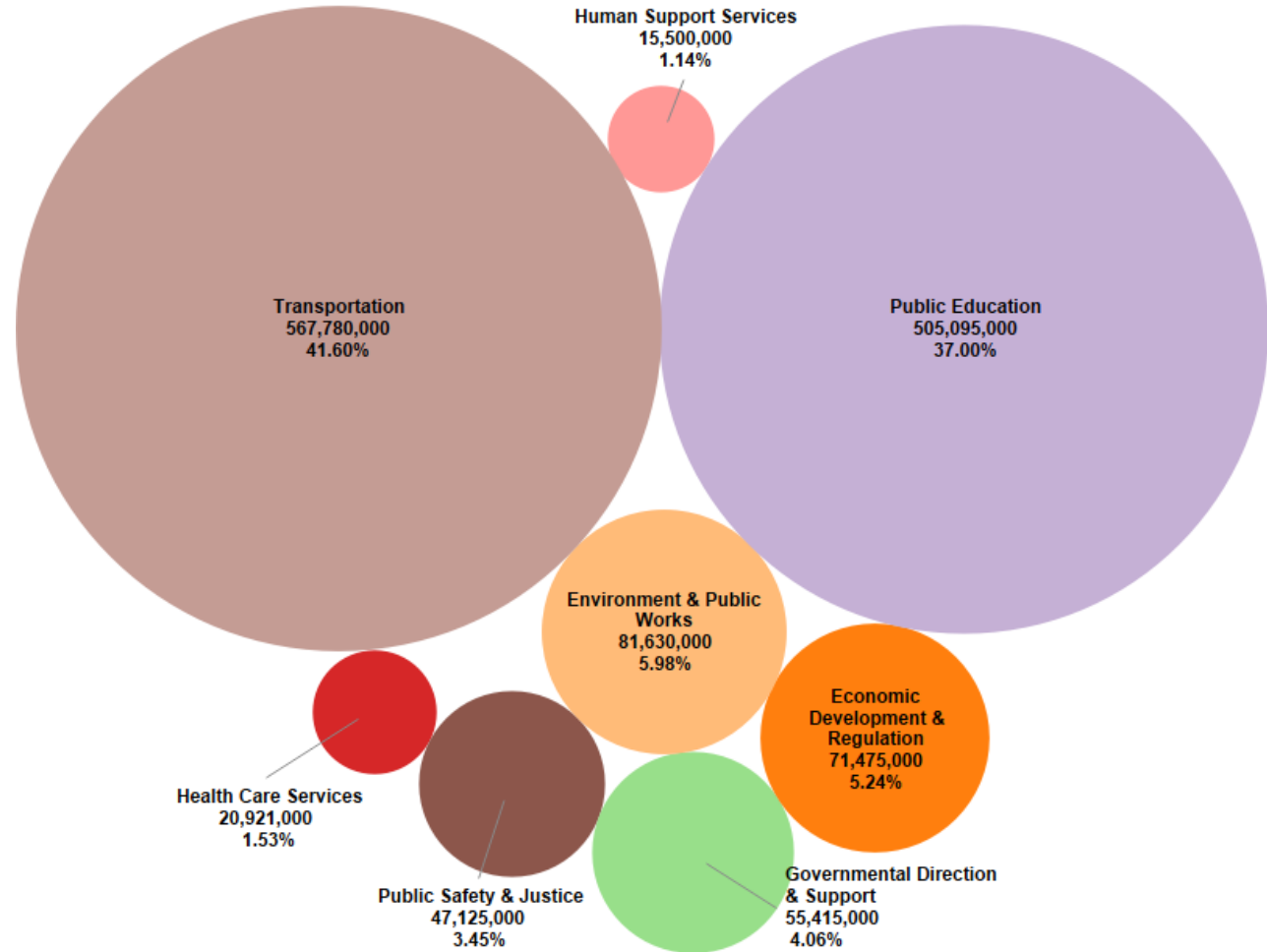
Capital Budget

Based on FY15 Approved Capital Budget

**\$1.3B**

Cluster

- Transportation
- Public Education
- Environment & Public Works
- Economic Development & Regulation
- Governmental Direction & Support
- Public Safety & Justice
- Health Care Services
- Human Support Services



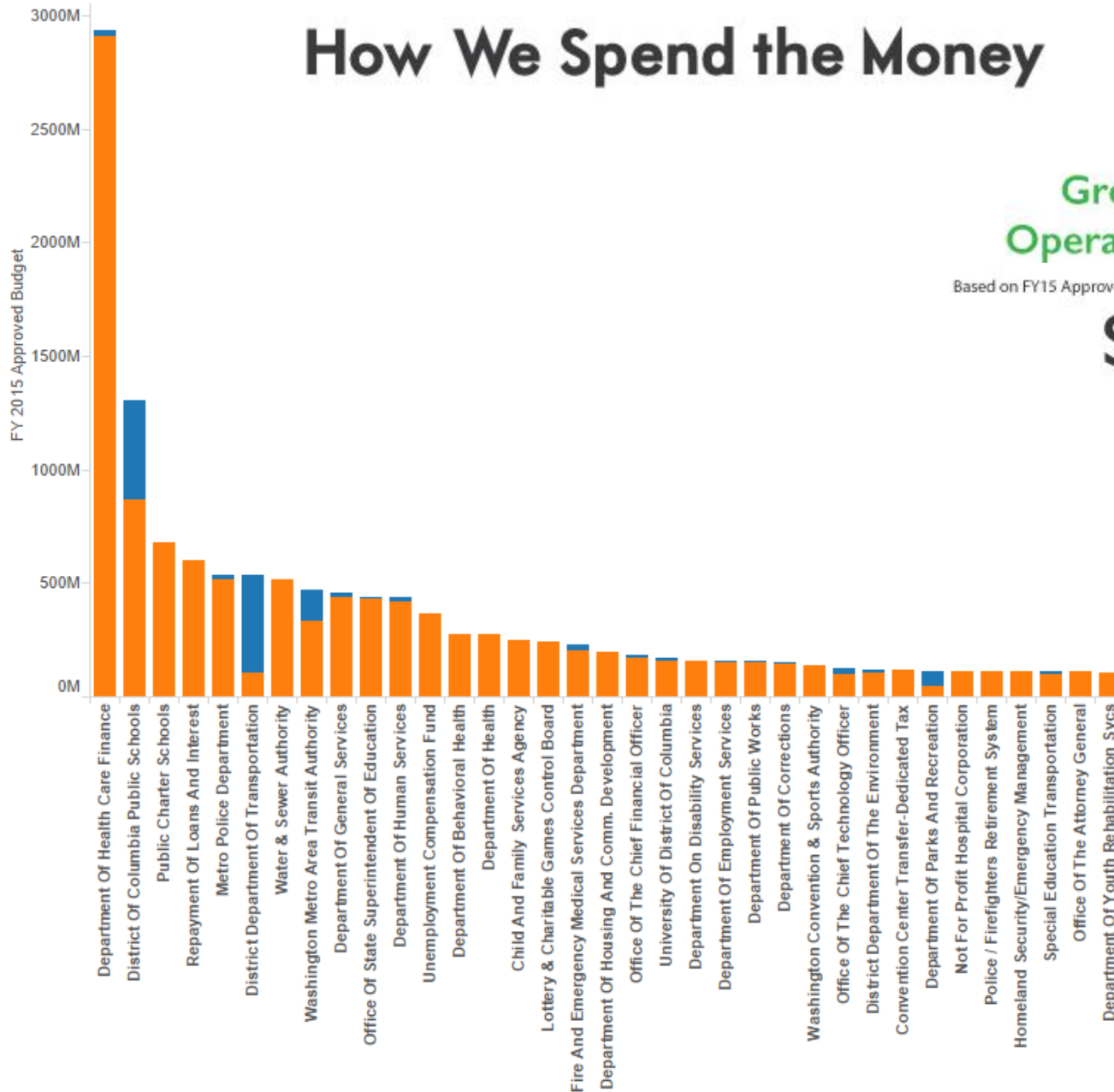


# How We Spend the Money

FY 2015  
Gross Capital &  
Operating Budgets

Based on FY15 Approved Operating & Capital Budgets

**\$13.9B**



Budget Type  
■ Capital  
■ Operating

# Tax Revision Commission

- As part of the Fiscal Year 2015 Budget the Council under took a major investment in progressive tax reform by enacting a number of recommendations from the Tax Revision Commission chaired by former Mayor Anthony Williams
- Significant tax relief was enacted in tax year 2015 including a new middle income tax bracket, expansion of the EITC to cover single workers, a higher standard deduction and a lower business income tax
- Within the next few years, and contingent upon the District's continued revenue growth, District residents will enjoy the following tax relief:
  - A new middle income tax bracket of \$40K to \$60K at 6.5% (reduced from 8.5%)
  - An Earned Income Tax Credit (EITC) for single earners (in addition to the EITC for heads of households)
  - A standard deduction that conforms to the federal level
  - A personal exemption that conforms to the federal level
  - An estate tax threshold that conforms to the federal level
  - An unincorporated and incorporated business franchise tax at 8.25%, which is the same rate as Maryland

# Contact Information

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  - Committee on Transportation & the Environment