



Fiscal Policy Institute

A CITIZEN'S GUIDE TO THE DC BUDGET

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Introduction

Drivers' licenses. Cash assistance for families in need. Trash collection. Financing for affordable housing. Teachers, police officers and firefighters. Library books.

All are made possible in the District of Columbia through one thing: The city's annual budget.

Certainly a budget that provides this wide a range of goods and services is a bit complicated. In 2015, DC's budget totaled \$11 billion.¹ It funds more than 130 agencies performing services from recycling pickup to recreation to rental housing assistance. But in some basic ways, the city's budget is a lot like your own.

In deciding how to spend your money, you determine your priorities. At the top of the list for many people are shelter, food, and transportation, but you may choose among various options where you live, what you eat and how you travel. So you want to examine your income, or in city budget lingo—revenue—to figure out how much money you have. Then given the choices you made, you review the expenses you pay every day, month or year—items such as rent or a mortgage, utilities, food, and insurance.

Are they exactly equal? Probably not!

If you have more money than your current expenditures, you might be able to pay for some additions without any sacrifice, or build up your savings. But if you calculate that these expenses will cost more than you will earn, you have to make some choices. Perhaps you should cut expenses, such as saving money by exercising outdoors instead of inside a gym, or by eating out less. Or maybe you'll decide to increase the amount of revenue you bring in, by working overtime or trying to find a higher-paying job. Another option might be to shift expenses from one area to another. For example, next year you might decide to buy a new suit using money you saved by brown-bagging your lunch instead of buying it every day.

Sometimes unexpected events happen—say, a car repair or a hospital visit—and you'll need to spend additional money. If your situation is an emergency, you might decide to tap into savings you've put aside for a “rainy day.” How much money should you save for such unanticipated events? And when you borrow from your savings, when and how do you pay it back?

If you've faced these kind of questions, then you already understand some of the basics of the DC budget and how it is developed. Whether it's your income or the city's, there is never enough to purchase everything you want, so choices about spending priorities and revenues need to be made each year.

This guide will help you better understand DC's budget. We will explain where DC gets its money, how it spends its money, and what happens when there's no more money left or there's a surplus. We'll outline the process for putting the budget together every year. And we'll give you ideas on how you can—and should!—get involved in the process.

¹ Enterprise funds, which include some dedicated taxes and user fees to quasi-government agencies such as DC Water, are not included as part of the overall DC budget for this guide.

How DC Slices Up the Budget Pie

First, we'll show you the big picture and take a look at how DC's financial resources are allocated on a macro level. The DC budget is divided into seven general categories. (See Figure 1.)

You'll notice a few things right away. For fiscal year (FY) 2015, the actual DC budget was about \$11 billion. This includes money raised locally as well as federal dollars that DC receives.

The biggest slice of the pie goes to programs related to Health and Human Support Services. DC is not unlike many states in this regard. This sector of the government includes many programs that keep residents safe and healthy, the most costly being health care programs that serve more than one-third of DC residents. Other services target at-risk youth, veterans, and the elderly. This sector also includes the Department of Parks and Recreation. It is a big slice, but it includes many programs vital to helping our vulnerable neighbors from falling into worse circumstances for themselves and their family members. Helping residents avoid crises is good not only for them, but also for the DC budget.

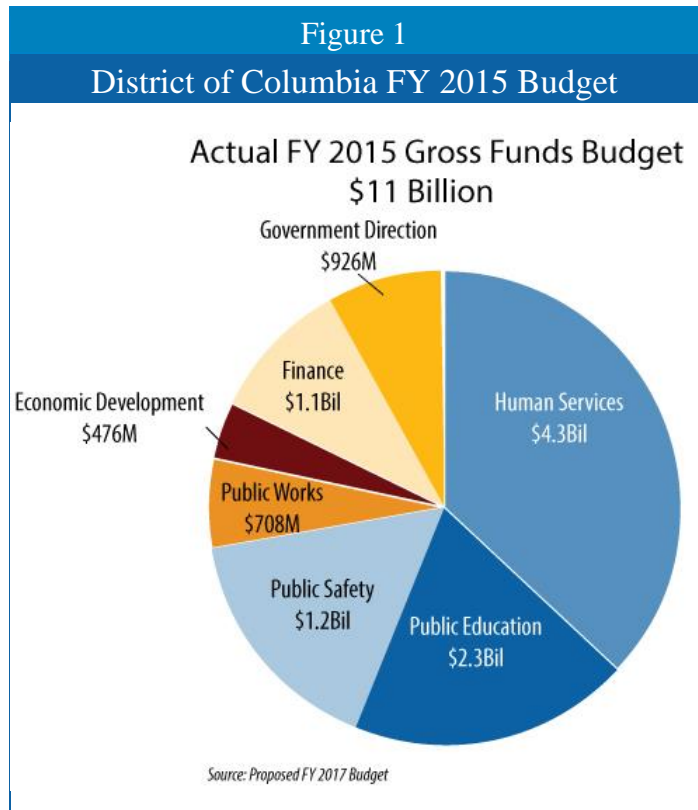
The two next biggest clusters? Public Education and Public Safety.

Public Education includes the city's traditional public schools and its public charter schools, as well as private school tuition for students who have special education needs that the public schools are not able to meet. The DC Public Library system also is included in this category.

Public Safety is another sector that is highly visible to residents. This includes the Metropolitan Police Department and the Fire and Emergency Medical Services Department, among others.

It's not unusual that these three areas take a big chunk out of DC's budget. It is true in most other communities as well.

The Financing section of the DC budget includes debt service payments on large capital projects such as schools and streetcars. It also includes other funds such as the cash reserve. The Economic Development cluster includes funding for affordable housing, workforce development, and economic development and planning. It includes agencies such as the Department of Housing and Community Development, the Department of Employment Services, and the Office of Zoning and the Office of Planning.



Public Works includes trash collection and transportation and motor vehicles. It includes agencies such as the Department of Public Works and Department of Transportation. Government Direction and Support includes many of the agencies that help manage, run and support the general operations of the government including the Office of the Mayor, the DC Council, the Chief Financial Officer, and the Office of the Chief Technology Officer.

Greater detail of each cluster is provided in Appendix A.

Why Should I Care About DC's Budget?

Very simply, the DC budget is how the Mayor and DC Council set the city's priorities for the year. The budget pays for the public needs of our 670,000 residents, as well as the hundreds of thousands of commuters and visitors who inhabit the city each day.

The budget determines how frequently trash and recycling get picked up, and how many police and firefighters will protect us. The budget is used to decide how much money will be available for health care and how many teachers will be in classrooms. The budget also dictates whether taxes will be raised or lowered, and who will be impacted by any changes.

The Mayor and DC Council decide how to allocate the city's resources through the budget based in part on input from residents about what is important to them. Every service the city provides, such as trash collection, appears in the budget every year. New initiatives—such as new programs in public school classrooms, for example—need to be funded through the budget, too.

With so many competing priorities, tough decisions must be made every year. How much do we spend? What do we spend it on? How much do we save? Should we raise taxes to bring additional resources to our city? Or should we lower taxes, which will lighten the city's treasury but add dollars to the pockets of some residents and/or businesses?

All these questions get addressed in the Mayor's budget proposal, which is presented to the DC Council each year for review and approval. The DC Council can vote to change the Mayor's proposal, but it cannot spend more in any particular area than the Mayor proposes unless it finds an equal amount of offsetting cuts or revenue increases. By law, the budget must balance, with revenue equaling expenditures (although the city can get some of those revenues by dipping into its savings).

DC's budget is divided into two parts: The **operating budget** allocates resources to run the city government day-to-day, paying for things such as the salaries of police officers and librarians, electricity and phone bills for government agencies, and health expenses for residents in one of the District's health programs. The **capital budget** supports the costs associated with building and maintaining infrastructure such as roads and schools. This includes planning and supervising these projects, as well as the direct construction costs. Most of the time, when officials speak about the budget, they are talking about the operating budget. This guide also focuses primarily on the operating budget.

The DC budget year is different from the calendar year. It operates in what's known as the "fiscal year," which for DC begins October 1 and ends September 30. DC follows this schedule because it must align its budgetary year with that of the federal government. Most states, including Maryland and Virginia, begin their fiscal year July 1.

The basic timeline each year for preparing the city's budget is as follows: The Mayor's office spends roughly six months, from September to February, developing a spending plan for the upcoming year. The proposed budget then gets sent in March or early April to the DC Council. The Council reviews the budget and holds public hearings to get input from the mayor's administration and the public on those plans. The DC Council usually approves the final budget in May. However, based on revenue projections from the city's Chief Financial Officer, the budget may be adjusted

during the year to stay in balance with the amount of money the city collects. We'll get into more detail about this process a little later.

In fiscal year 2015, the District allocated about \$10.5 billion in the operating budget. The money came from three general categories:

- **Local funds:** Such as property, income, and sales taxes. These are general tax sources that are used to fund the full range of public services. Local revenues totaled \$6.9 billion in fiscal year 2015.
- **“Special purpose” funds and “dedicated taxes:”** These are fees or taxes levied by the District where the funds are designated for a specific use. For example, the District has a nuisance abatement fund which collects fees and fines from property owners who violate building codes. A dedicated tax is a levy that is directed for a specific purpose such as building a baseball stadium or funding affordable housing. A certain percentage of the city's deed and recordation taxes, for example, go toward a special fund to finance affordable housing called the Housing Production Trust Fund. The District collected \$810 million in special purpose revenues and dedicated taxes in FY 2015.
- **Federal funds:** Like all other states and municipalities, the District receives federal funds to meet specific purposes, such as services for residents with HIV or grants for schools with significant low-income populations. These sometimes come in the form of matching funds, where the District and federal government share expenses for a particular program, or as grants fully funded by the federal government. In FY 2015, the District spent \$2.8 billion in federal funds.

Unlike the federal government, which is allowed to carry a deficit, DC must balance its budget each year. DC is like nearly all cities and states in this regard. In other words, the money the city brings in (revenue) must be equal to the money the city spends (expenditures), although the city can use money in its savings account to help meet its revenue needs. A budget gap occurs when revenue is less than expenditures; a surplus occurs when revenue exceeds expenditures.

How does a gap happen? The budget adopted by the District each year must reflect a balance of revenues and expenses. But a budget shortfall can arise either because revenue collections turn out to be lower than initially expected or because expenditures are higher than expected, or some combination of both. We will go into more detail about when a gap is determined in the budget timeline.

Many people consider the budget intimidating. Don't worry! You're not alone in thinking that the budget is hard to decipher. Even professional budget analysts have a hard time making sense of the numbers at times. Don't be afraid to ask questions. In later chapters, we'll give you resources on how to read the budget and who to contact for more information. By getting citizens like you involved, we hope to improve the District budget's transparency.

How Do I Read the Budget?

Let's say you are a devoted user of your neighborhood library. You want to make sure your branch remains open on evenings and weekends, that children's story hour happens, and that *New York Times* bestsellers get stocked at your branch.

You want to advocate for the library system at city hall—known in DC as the John A. Wilson Building. What to do?

First, there are certain questions for which you need answers. What is the library system's budget? Did it get cut last year or did it get enhanced? How does the system spend the money it receives?

These questions can be answered by looking at the library budget, which can be found online at the CFO's budget page, <http://cfo.dc.gov/page/budget>. If you are looking between March and June, you'll find information on the Mayor's proposed budget for the upcoming year (in addition to information on the current-year budget and last year's). Once the budget is approved in June, the documents will reflect the final budget as approved by the DC Council for the year.

The DC budget documents provide a set of information on every DC agency, which are the city departments identified by the service provided: Public Works, Latino Affairs, Fire and Emergency Medical Services, etc. **(CE0)**

Let's take a closer look at the agency budget chapter for the DC Public Library, using the fiscal year 2017 budget as an example. It is found in Volume 3, under the Public Education System appropriations title.

District of Columbia Public Library

www.dclibrary.org
Telephone: 202-727-1101

Table CE0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$57,451,383	\$57,402,378	\$60,275,166	5.0
FTEs	602.2	598.1	552.8	-7.6

When you find the library chapter, you will see this chart. What does it tell you?

1. The previous year's actual spending by the agency (FY 2015 Actual).
2. The current year budget (FY 2016 Approved).
3. The proposed budget for the upcoming year (FY 2017 Proposed).
4. The percentage change in dollars and personnel (full-time equivalents, or FTEs) between the current year and next year.

FY 2015 reflects the actual dollars spent on the library system, because the city has audited its books to determine the dollar per dollar spending for that year. FY 2016, which in this case of this budget document was the current fiscal year, denotes approved spending because not all the dollars

allocated have been spent and counted. FY 2017 is the upcoming year, so that budget reflects the dollars proposed to be spent.

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table CE0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table CE0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
<u>GENERAL FUND</u>										
LOCAL FUNDS	56,206	55,927	58,024	2,097	3.8	596.6	593.1	548.8	-44.3	-7.5
SPECIAL PURPOSE										
REVENUE FUNDS	282	540	1,310	770	142.6	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	56,487	56,467	59,334	2,867	5.1	596.6	593.1	548.8	-44.3	-7.5
<u>FEDERAL RESOURCES</u>										
FEDERAL GRANT FUNDS	934	919	924	6	0.6	5.6	5.0	4.0	-1.0	-20.0
TOTAL FOR FEDERAL RESOURCES	934	919	924	6	0.6	5.6	5.0	4.0	-1.0	-20.0
<u>INTRA-DISTRICT FUNDS</u>										
INTRA-DISTRICT FUNDS	30	17	17	0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR INTRA-DISTRICT FUNDS	30	17	17	0	0.0	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	57,451	57,402	60,275	2,873	5.0	602.2	598.1	552.8	-45.3	-7.6

*Percent change is based on whole dollars.

You will see that the city spent \$57.5 million on libraries in FY 2015. Approved funding was reduced by approximately \$49,000 for FY 2016. In FY 2017, the mayor proposed expanding library funding by about \$2.9 million, or 5 percent.

As a library advocate, you might be curious as to why the additional money was allocated. Before we figure out why money was subtracted and perhaps how to add it back, it's helpful to know where the money comes from in the first place. There are several key tables that show up in the budget chapter for every agency that help explain the agency's funding trends. The title of each table also includes a three-letter code for the agency. The code for the DC Public Library is "CEO."

Table CEO-2 shows the sources of library funding. The table lists all the possible streams of revenue: Local, special purpose, federal, private, and Intra-District funds.

First, a few terms: **"General fund"** is the amount of revenue from local DC sources. This includes **"local"** funds, which reflect the basic collection of taxes and fees. General fund expenditures also come from **"special purpose"** funds, which usually are fees or fines collected by the agency that are then reinvested in the agency. For example, late fees on overdue books are a library special purpose fund. **"Gross funds"** combines all the sources of funding, including federal monies, any private dollars, and resources from other DC agencies; it is the total amount spent. **"Intra-District funds"** are services provided by one District agency on behalf of another agency. For example, the library receives help from the Office of the Chief Technology Officer on

broadband access. Intra-District funds also reflect federal funds received by one agency but transferred to another. For example, DC gets federal funds for its TANF program through the Department of Human Services, but a portion is transferred to the Office of the State Superintendent of Education to support the child care programs administered by the state superintendent.

For the DC public library system, a majority of funding comes from local tax dollars, which you can see by looking at the “Total General Fund” line. Total general fund support was \$56.5 million in FY 2015, and federal funding was \$934,000. The mixture of funds varies from agency to agency. Federal dollars are more available for certain programs in human services, for example, than for public works.

A general rule of thumb in examining budgets is to see how they have changed year to year. Look for big spikes and big declines. Did costs jump in one area? Fall? Why? As you’ll notice, the budget can answer some questions, but it will raise others.

When you compare budgets from year to year, make sure that you compare apples to apples. Sometimes, for example, the general fund amount may change from year to year, but gross funds might remain the same because of an increase or decrease in federal dollars.

Well, what does all this money go toward?

Table CEO-2 also shows how many “full-time equivalent” positions, or FTEs, in the Library System are funded by various revenue sources. Table CEO-2 shows, for example, that, 596.6 positions were funded with general fund dollars in FY 2015. FTEs include librarians and other staff.

The next chart, Table CEO-3, details spending by “personal” services and “nonpersonal” services. Personal services include pay and other costs associated with employees. Nonpersonal services include the costs of office supplies, rent (if the agency rents space), contracts for services, etc.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table CEO-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table CEO-3

(dollars in thousands)

	Actual	Actual	Approved	Proposed	Change	Percentage
Comptroller Source Group	FY 2014	FY 2015	FY 2016	FY 2017	from FY 2016	Change*
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	0	27	50	50	0	0.0
32 - RENTALS - LAND AND STRUCTURES	0	0	356	0	-356	-100.0
40 - OTHER SERVICES AND CHARGES	6,584	7,409	6,847	9,335	2,489	36.3
41 - CONTRACTUAL SERVICES - OTHER	1,236	1,012	1,054	57	-997	-94.6
50 - SUBSIDIES AND TRANSFERS	0	37	0	0	0	N/A
70 - EQUIPMENT AND EQUIPMENT RENTAL	7,005	6,851	5,881	6,502	622	10.6
SUBTOTAL NONPERSONAL SERVICES (NPS)	15,736	16,032	15,070	16,388	1,318	8.7
GROSS FUNDS	54,416	57,451	57,402	60,275	2,873	5.0

*Percent change is based on whole dollars.

Table CEO-4 breaks down the agency at what is known as the “program” and “activity” levels. These are the detailed line items that show how the library’s budget is spent. For example, one of the “programs” for the Library System is called “Library Services” and operations of the Martin Luther King Jr. library, the main branch. You’ll see that funding for MLK library has fluctuated slightly, but maintained relatively stable over the last three years (roughly \$5.5 million each year).

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table CE0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table CE0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	794	753	887	134	8.1	8.0	8.0	0.0
(1015) TRAINING AND EMPLOYEE DEVELOPMENT	772	270	251	-19	1.0	1.0	1.0	0.0
(1020) CONTRACTING AND PROCUREMENT	400	425	432	7	3.0	3.0	3.0	0.0
(1030) PROPERTY MANAGEMENT	1,477	1,782	1,273	-509	3.0	5.0	5.0	0.0
(1040) INFORMATION TECHNOLOGY	1,224	1,378	1,335	-43	6.1	6.0	6.0	0.0
(1060) LEGAL SERVICES	422	516	525	9	3.0	3.0	3.0	0.0
(1070) FLEET MANAGEMENT	443	651	774	123	6.1	9.0	9.0	0.0
(1080) COMMUNICATIONS	1,296	1,377	1,557	180	10.1	11.0	11.0	0.0
(1085) CUSTOMER SERVICE	412	659	667	8	5.0	7.0	6.0	-1.0
(1087) LANGUAGE ACCESS	3	24	21	-4	0.0	0.0	0.0	0.0
(1090) PERFORMANCE MANAGEMENT	640	695	706	11	3.0	3.0	3.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	7,882	8,530	8,429	-101	48.5	56.0	55.0	-1.0
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	337	350	364	14	2.5	2.5	2.5	0.0
(120F) ACCOUNTING OPERATIONS	486	503	525	22	4.5	4.5	4.5	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	822	853	889	36	7.1	7.0	7.0	0.0

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(L200) CHIEF LIBRARIAN								
(L210) INTERGOVERNMENTAL AFFAIRS	149	149	155	6	1.0	1.0	1.0	0.0
(L220) EXECUTIVE MANAGEMENT OFFICE	295	250	236	-14	1.0	1.0	1.0	0.0
SUBTOTAL (L200) CHIEF LIBRARIAN	443	398	391	-7	2.0	2.0	2.0	0.0
(L300) LIBRARY SERVICES								
(L310) CHILDREN AND YOUNG ADULT SERVICES	4,457	5,300	6,183	883	52.5	58.0	56.0	-2.0
(L320) MARTIN LUTHER KING JR MEMORIAL LIBRARY	5,549	5,495	5,570	74	79.7	79.5	64.5	-15.0
(L330) NEIGHBORHOOD LIBRARIES	16,982	16,368	16,234	-134	261.2	253.3	235.3	-18.0
(L335) ADULT SERVICES	0	0	649	649	0.0	0.0	4.5	4.5
(L340) ADAPTIVE SERVICES	781	760	873	113	10.1	10.0	10.0	0.0
(L350) LITERACY RESOURCES	1,233	1,235	1,249	14	8.6	8.0	7.0	-1.0
(L360) TEENS OF DISTINCTION PROGRAM	174	270	45	-225	10.3	10.2	1.5	-8.7
(L370) VOLUNTEERS	70	73	78	4	1.0	1.0	1.0	0.0
(L380) COLLECTIONS	6,509	5,651	6,376	725	20.2	20.0	20.0	0.0
(L390) LIBRARY PROGRAM INFORMATION	101	95	60	-35	0.0	0.0	0.0	0.0
SUBTOTAL (L300) LIBRARY SERVICES	35,856	35,247	37,315	2,068	443.6	440.0	399.8	-40.2
(L400) BUSINESS OPERATIONS								
(L410) CUSTODIAL AND MAINTENANCE	6,656	6,320	6,388	68	59.7	51.0	48.0	-3.0
(L420) PUBLIC SAFETY	2,160	2,228	2,415	187	26.8	28.6	28.0	-0.6
(L430) ASSET MANAGEMENT	114	114	113	0	1.0	1.0	1.0	0.0
(L440) 21ST CENTURY CAPITAL PROJECTS	258	153	153	0	1.0	0.0	0.0	0.0
(L450) PUBLIC SERVICE TECHNOLOGY	3,262	3,559	4,182	623	12.6	12.5	12.0	-0.5
SUBTOTAL (L400) BUSINESS OPERATIONS	12,449	12,374	13,252	878	101.1	93.1	89.0	-4.1
TOTAL PROPOSED OPERATING BUDGET	57,451	57,402	60,275	2,873	602.2	598.1	552.8	-45.3

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Will be there be any new neighborhood libraries opening? What will the library system do differently than last year? These questions are answered in Table CEO-5, and the accompanying narrative. This section highlights the major changes proposed in the budget. That is explained in the narrative under “Agency Budget Submission,” “Mayor’s Proposed Budget,” and “District’s Proposed Budget.” Sometimes the explanations are very clear, and sometimes they are not, in which case a call or email to the relevant DC Council committee that has oversight over the agency may be in order.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table CE0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table CE0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		55,927	593.1
Other CSFL Adjustments	Multiple Programs	2,263	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		58,190	593.1
Decrease: To align personal services and Fringe Benefits with projected costs	Multiple Programs	-159	-45.8
Decrease: To align Fixed Costs with proposed estimates	Agency Management	-471	0.0
Decrease: To align resources with operational spending goals	Multiple Programs	-1,425	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		56,134	547.3
Enhance: To support Books from Birth program	Library Services	239	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		56,373	547.3
Enhance: To support opening day and general collections at multiple library branches (one-time)	Library Services	700	0.0
Enhance: To support the Books from Birth program	Library Services	600	0.0
Enhance: To support the Oral History Project	Library Services	200	0.0
Enhance: To support facility maintenance for Palisades Library	Business Operations	106	0.0
Enhance: To support additional FTE	Library Services	45	1.5
LOCAL FUNDS: FY 2017 District's Proposed Budget		58,024	548.8
FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE		919	5.0
Increase: To align budget with projected grant awards	Library Services	42	0.0
Decrease: To align personal services and Fringe Benefits with projected costs	Library Services	-36	-1.0
FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission		924	4.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget		924	4.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 District's Proposed Budget		924	4.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Approved Budget and FTE		540	0.0
Increase: To align budget with projected revenues	Business Operations	722	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Business Operations	48	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Agency Budget Submission		1,310	0.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Mayor's Proposed Budget		1,310	0.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 District's Proposed Budget		1,310	0.0
INTRA-DISTRICT FUNDS: FY 2016 Approved Budget and FTE		17	0.0
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2017 Agency Budget Submission		17	0.0
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2017 Mayor's Proposed Budget		17	0.0
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2017 District's Proposed Budget		17	0.0
GROSS FOR CE0 - DISTRICT OF COLUMBIA PUBLIC LIBRARY		60,275	552.8

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2017 Proposed Budget Changes

The District of Columbia Public Library's (DCPL) proposed FY 2017 gross budget is \$60,275,166, which represents a 5.0 percent increase over its FY 2016 approved gross budget of \$57,402,378. The budget is comprised of \$58,023,808 in Local funds, \$924,058 in Federal Grant funds, \$1,310,000 in Special Purpose Revenue funds, and \$17,300 in Intra-District funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple divisions, and it estimates how much it would cost an agency to continue its current divisions and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

DCPL's FY 2017 CSFL budget is \$58,190,002, which represents a \$2,263,455, or 4.0 percent, increase over the FY 2016 approved Local funds budget of \$55,926,547.

CSFL Assumptions

The FY 2017 CSFL calculated for DCPL included adjustment entries that are not described in detail on table 5. These adjustments include an increase of \$1,457,492 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements, and an increase of \$15,493 in nonpersonal services based on the Consumer Price Index factor of 2.3 percent.

CSFL funding for DCPL also reflects adjustments for increases of \$50,136 for the Fixed Costs inflation factor based on estimates from the Department of General Services (DGS) and \$740,334 for the Operating Impact of Capital for various capital projects.

Agency Budget Submission

Increase: In Federal Grants funds, the proposed budget includes a net increase of \$41,565 in the Library Services division primarily to support various Library Services and Technology Act (LSTA) projects. This adjustment includes increases of \$189,206 in Other Services and Charges and \$7,325 in Supplies, partially offset by a decrease of \$154,966 in Equipment cost. In Special Purpose Revenue funds, the proposed budget is increased to reflect the increased revenue projections primarily generated by the E-rate award. This funding supports telecommunication (internet, voice, and data) services for the agency's facilities in the Business Operations division. For FY 2017, DCPL allocated a net increase of \$722,500 in nonpersonal services to fund its operational objectives. This adjustment includes increases of \$702,000 in Other Services and Charges, \$398,000 in Contractual Services for professional service fees, and \$2,500 in Supplies, partially offset by a decrease of \$380,000 in Contractual Services. DCPL proposes an increase of \$47,500 in the Business Operations division to support Overtime expenses for security personnel.

Decrease: In Local funds, DCPL proposes a savings to personal services of \$159,365 and the elimination of 45.8 vacant FTEs. The budget proposal also includes a reduction of \$471,425 to Fixed Costs in the Agency Management division to align the budget for Rent with the estimates provided by DGS and a net decrease of \$1,425,272 across multiple divisions. These reductions include \$744,241 in Supplies, \$632,126 in Contractual Services – Other, and \$371,163 in Equipment, partially offset by an increase of \$322,258 in Other Services and Charges costs. In Federal Grant funds, the budget proposal reflects a net decrease in the Library Services division of \$36,038 and 1.0 FTE to account for projected personal services adjustments related to salary steps and Fringe Benefits costs.

Mayor's Proposed Budget

Enhance: DCPL's Local funds budget proposal reflects an increase of \$238,616 in Other Services and Charges in the Library Services division to support the Books from Birth program.

District's Proposed Budget

Enhance: In Local funds, the proposed budget includes various enhancements in the Library Services division. These enhancements include \$700,000 in one-time costs to fund opening day collections at the Palisades, West End, and Capital View branch libraries and general collections across all branches; \$600,000 for the Books from Birth program, which mails an age-appropriate book once per month to District children until they reach five years old; and \$200,000 to establish the Oral History Project. Other changes include increases of \$106,317 in the Business Operations division for the maintenance of the Palisades Library and \$44,935 and 1.5 FTEs for Teen Aide positions in the Library Services division.

The last part of the agency budget chapter has various performance measurements. These are created by the agencies to measure how well they are delivering services. They also contain general facts about the agency, such as how many books were circulated in the library system that year. The performance measures are tied the agency's "performance accountability report" and its "performance accountability plan." The performance information for some agencies is better than for others—that is, more complete and reflective of the agency's key functions. Pushing for better measures is an important role that residents can play.

How Does the DC Budget Get Put Together Every Year?

Now that you have idea of what is in the budget, we'll go more in depth into how and when the budget is put together.

As we noted earlier, the District's fiscal year begins October 1. Each October, just as one fiscal year is starting, officials start intensely planning for next year's budget. In other words, budgeting is a year-round process in DC. There is involvement from the Mayor and the executive branch, the DC Council, the city's Chief Financial Officer, and residents and interest groups.

By the end of the process of budget building, traditionally, two laws are adopted, and a set of budget documents are produced. The two laws are the **Budget Request Act** and the **Budget Support Act**. The Budget Request Act sets the funding level for each agency and program. This legislation also includes allocations for federal payments for the few local functions provided entirely by the federal government, such as the court system. The Budget Request Act often is limited in detail; it does not show program-by-program funding for each agency. Instead, that information is provided in the budget documents. The District's new budget autonomy law has changed the format of the Budget Request Act, as discussed below.

The Budget Support Act is legislation covering any budget changes that require a change in law, such as a tax change or a change in eligibility for a specific program. Simple increases or decreases in funding for a specific program—such as library collections—do not require legislation. It's important to look at the Budget Support Act very closely. Sometimes initiatives that are not strictly related to that budget year are placed in the Budget Support Act, such as a proposal for the city to consider online gambling.

The following highlights the key events and timeline for the DC Budget process. (See also a one-page summary on page 18.)

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 will cost the city to maintain the current level of services and obligations, which is known as the **"current services funding level"** (CSFL). The CSFL is calculated for the operating budget and for local funds only. It reflects changes in salary expenses, utilities, and other fixed costs, as well as any changes required by previously adopted laws, but does not reflect any potential new policy decisions. The CFO gathers information from agencies needed to calculate the CSFL and publishes it early in the fall.

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 for local funds, which the agency's operating budget request cannot exceed. Depending on the state of the economy and on preliminary

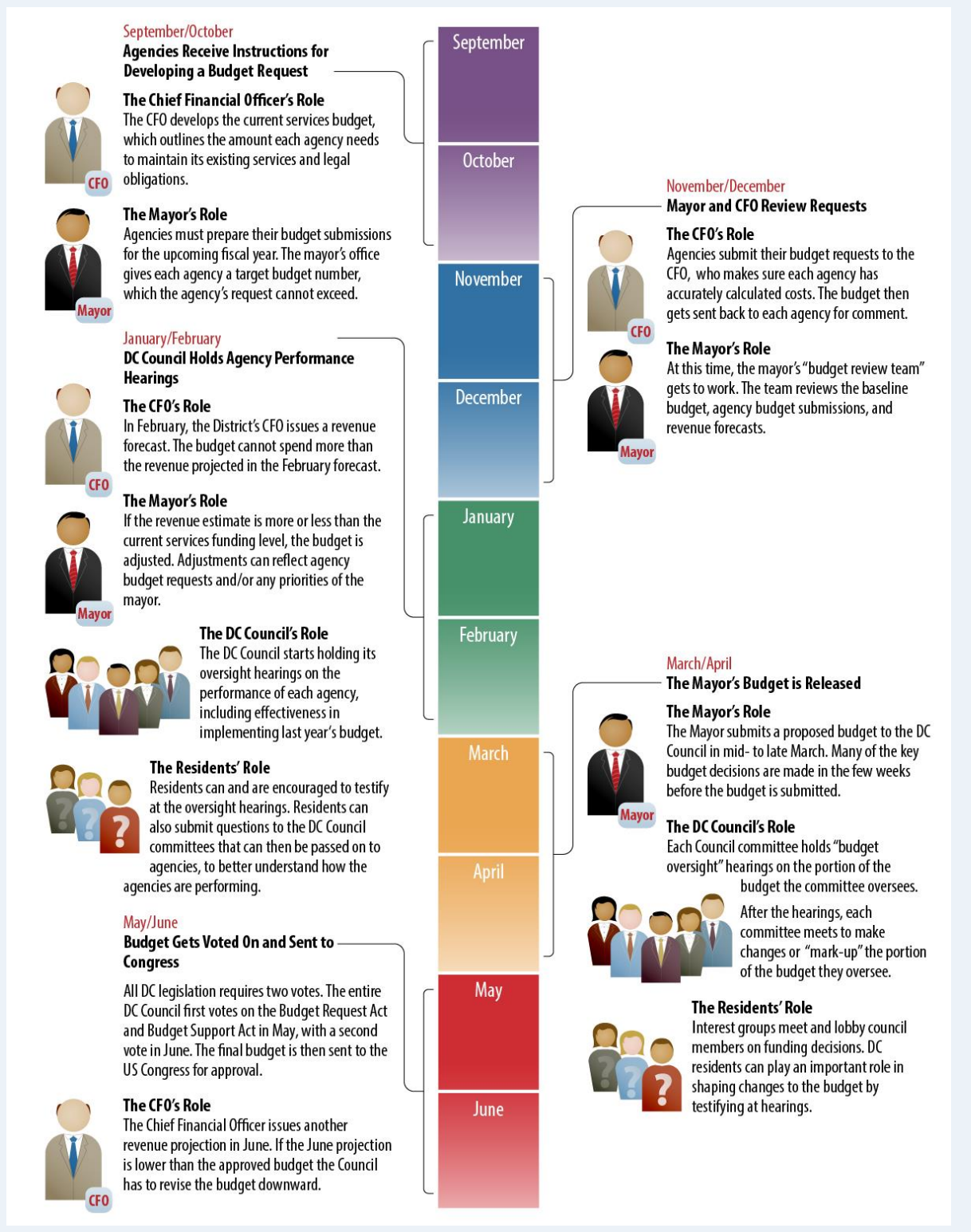
budget decisions made by the Mayor, the agency target number might vary from the CSFL number for that agency. When the city's economy and revenues are growing weakly, the targets for each agency may require them to identify savings through greater efficiencies or actual cuts in services.

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 Councilmembers to discuss their budget priorities.

DC's Budget Process at a Glance



January/February: DC Council Holds Agency Performance Hearings

The CFO's Role: 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.

The Mayor's Role: 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 policies to generate revenue increases, such as additional fees or taxes, or cuts to spending. 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 Transportation and the Environment, for example, reviews the budgets of more than a dozen agencies, including the Department of Public Works, Department of Transportation, and the Department of Motor Vehicles. In the hearings, Councilmembers 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 Councilmembers. 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 website (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 on the DC Council's website (<http://dccouncil.us/committees>).

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 Health and Human Services holds hearings on the budget for the Department of Human Services, Child and Family Services Agency, and the Department on Disability 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 website (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 receive a transfer of funds from another committee.

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 Councilmembers on funding decisions. You can contact Councilmembers 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.

Until recently, the Council held two votes on the Budget Support Act, which is how most legislation is treated, but only one vote on the Budget Request Act. That was because the Budget Request Act had to be approved by the Congress as part of the federal budget. As a result of a Budget Autonomy referendum passed by voters in 2013, the Council passes two different Budget Requests Acts, one for the locally funded portion of the budget and one for the federally funded portion. The locally funded portion of the DC budget is now treated differently; it automatically becomes law after a 30-day congressional review period and does not have to go through the federal budget. The federally funded portion of the DC budget still needs to go through the congressional budget process. (See more on Budget Autonomy on page 23.)

The second votes on all three bills—the Local Budget Act, the Federal Portion Budget Request Act, and the Budget Support Act—are held in late May or early June, and the final budget then is submitted to the U.S. Congress for 30-day review.

Because Congress considers the federally funded portion of the DC budget as part of one of its federal appropriation bills, any delays in approving the federal budget beyond the October 1 start of the fiscal year can affect the DC budget. But passing the federal budget after October 1 doesn't necessarily impair the ability of DC to implement its budget, because Congress often 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. Modifications to the approved budget are known as a supplemental budget. Prior to 2015, if a revenue forecast showed that the District would collect more revenue than anticipated in the budget, additions could be made to the approved budget. However, in 2015, the Council adopted legislation that triggers automatic implementation of a series of tax cuts recommended by the Tax Revision Commission. The tax cuts are triggered when projected revenue collections over the four-year forecast period increase above a projected baseline. The tax triggers automatically devote 100 percent of these revenue increases to tax cuts, which means that none of the growing revenues is available to invest in new services.

Does DC Save for A Rainy Day?

What happens when the economy takes a nosedive and revenue collections decrease? Does the District save money for a “rainy day?” Indeed, we do.

The logic of having a rainy day fund is much like having a savings account emergency fund. Say, you get laid off from your job. You might tap into your emergency fund to help pay the bills until you find a new job.

Likewise, rainy day funds help states and cities manage a fiscal crisis. In particular, they can help maintain public services during an economic downturn, when rising unemployment and falling incomes lead to both declining tax collections and increasing need for government services. Rainy day funds also limit the need to raise taxes in a downturn. Finally, spending rainy day reserves provides a stimulus to the local economy that can help mitigate the effects of a recession.

In 2000, the District established two reserve funds, an “emergency reserve” and a “contingency reserve,” as required by Congress. These reserves are similar to the “rainy day” funds that most states use as a cushion against major crises that might impact the budget, such as a natural disaster or a rapid drop in revenues due to an economic downturn. As of 2016, the two reserve funds held \$366 million. (Note that these reserves are not the same as the city’s “fund balance,” which includes accumulated resources from various reserve funds and other sources. The emergency and contingency reserves are part of the fund balance, but not the whole thing.)

In addition, the District established a new reserve in 2010, called the Fiscal Stabilization Fund, to augment the congressionally mandated reserves. This fund equaled 2.3 percent of DC’s budget and held \$175 million as of 2015.

The federal law governing DC’s emergency and contingency reserves includes several restrictions that make it difficult for the District to utilize them. First of all, unlike most other states and cities, the District must repay the money tapped from the fund within two years, with at least half repaid in the first year. Think about it on a personal level: When an unexpected event comes up, like a job loss, you might take money out of your savings account to help with expenses until you start working steadily again. But do you pay the money back right away? Usually not.

The federal rules also set aside a third of the funds for use only in a natural disaster. Yet the most likely fiscal shock that cities and face are economic, particularly recessions. It would make more sense to make all of the city’s rainy day reserves available for *either* a natural disaster or an economic downturn.

The locally created Fiscal Stabilization Fund has some, but not all, of the restrictions that are placed on the emergency and contingency reserves. The Fiscal Stabilization Fund can be tapped only if the city’s tax collections drop sharply in the middle of a fiscal year—most likely in response to an unexpected economic shock—but there is no requirement to replenish those withdrawn within two years. Instead, the Fiscal Stabilization Fund is replenished with year-end surpluses until it reaches the required level.

Is the DC Budget Process Different From Other Cities and States?

Washington, DC, is a city, but it also has to act like a state in a way that's different from Baltimore, Milwaukee, or San Francisco. The District, which is not a state or located within one, is in charge of many programs that Maryland, Wisconsin, or California would normally administer for their largest cities. These programs include Medicaid, unemployment insurance, and Temporary Assistance for Needy Families (TANF).

While the District has more responsibilities than many cities, it also has less autonomy in many ways, including over its budget. This is because the U.S. Constitution gives the U.S. Congress broad authority to oversee the city. Article One, Section Eight, of the United States Constitution gives Congress the power: *"To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States."*

In fact, the District did not have an elected city government until the passage by Congress of the Home Rule Act of 1973. The act handed day-to-day administration of the city government to an elected mayor and a thirteen-member City Council.

While most residents are aware that the District lacks voting representation in the Senate and the House of Representatives, many may not be aware that the city is also deprived of full budget autonomy—the ability to have ultimate authority over how to spend the money it collects, although recent actions by DC policymakers and voters have increased our level of autonomy. Indeed, every law passed by the DC Council and signed by the mayor can be modified or even rejected by the Congress, with the DC budget being a special case. Until recently, the DC budget could go into effect only after the Congress approved it; in contrast, other legislation passed by the District goes through a 30-day period of congressional review, and then becomes law if Congress fails to do anything to modify it.

In 2012, steps were taken toward DC budget autonomy when the DC Council placed a budget autonomy initiative—the Local Budget Autonomy Act—on the ballot in 2013. The initiative deemed the portion of the DC budget funded with local taxes and fees to be approved if Congress takes no action within 30 days, the way other DC laws are treated. In April of 2013, 83 percent of voters approved of the initiative, but there were a series of disagreements surrounding the legality of the vote. In March of 2016, the Superior Court of DC ruled that the vote was legal, officially giving DC control of its locally funded budget after a 30-day Congressional review period. Put simply, Congress has 30 days to reject and change the budget, but after that period, DC has the power to begin spending its local funds as outlined in its budget. This remains controversial with some leaders in Congress, but there is no doubt that the Budget Autonomy Act is current law.

This still means that the Congress can modify DC's budget any way it wants, even the portion of DC's budget supported with the city's own tax dollars. In reality, Congress largely defers to the decisions made by the Mayor and DC Council, which is why budget advocacy with the Mayor and Council is important. Yet signs of federal control are clear. For example, federal law restricts how the city can spend its rainy day fund. Congress also mandates that the city budget not only for the upcoming fiscal year, but for four years out, known in

technical jargon as the “financial plan.” In 2014, Congress acted after the District’s voters approved a ballot initiative to legalize possession of a small amount of marijuana; while they did not overturn that, Congress voted to prohibit the District from spending any money to regulate marijuana use in DC, such as rules for buying/selling or taxing sales.

How to Find Budget-Related Resources and Get Involved in the Budget Process

There are several ways of getting involved in the city's budget process. Voting in local elections is a very important way to express your opinions, but there also are many ways to influence budget decisions directly.

As noted, the DC Council holds both performance and oversight hearings every spring as they prepare to examine next year's budget. This is an easy way to get involved in the process. You may sign up to speak to the Council at these hearings. The Council is divided into a number of committees, which have oversight over specific agencies.

You might choose to get involved with groups that advocate directly on budget issues, such as the Fair Budget Coalition (www.fairbudget.org), an umbrella group made up of nonprofits and advocacy organizations.

Or you might take an interest in a specific budget area. We encourage you to read the budget and try to make sense of how the city is spending its resources in that area.

Here are some resources to help:

- **Office of Chief Financial Officer's Budget Page** (www.cfo.dc.gov): The OCFO's budget page contains links to the current budget, the current services baseline budget, and an archive of prior year budgets dating back to FY 2001.
- **Office of the Chief Financial Officer's Revenue Forecast** (<http://cfo.dc.gov/page/quarterly-revenue-estimates>): Four times a year — February, June, September, and December — the OCFO issues a revenue forecast for the current fiscal year and next four fiscal years. The February revenue forecast sets the groundwork for the mayor's proposed budget. Should the forecast get higher or lower throughout the year, DC officials may pass supplemental budgets to account for any deficits the District may face or to appropriate a surplus.
- **DC Council Budget Resources** (<http://dccouncil.us/oversight/2017>): The DC Council website posts the questions posed by each Council committee to agencies as part of the performance and budget oversight hearings, as well as the agencies' answers.
- **CFO Info** (<http://cfoinfo.dc.gov/>): The CFO Info page is an interactive web-based budget and expenditures dashboard.
- **Open Budget Tool** (<https://openbudget.dc.gov/>): This is an interactive web-based tool that allows users to generate charts and tables on the DC budget for the most recent six years.

Each DC Council committee prepares a report on their agency budgets. The reports are available online on the Council's website. Also, Council committee staff are good resources. Get to know them and don't be afraid to ask them questions and use their resources.

Appendix A: How DC Spends Its Money: An In-Depth Look at the Seven Clusters

The following summarizes the gross funding in fiscal year 2015—including both local and federal funds—for each of the major functional areas of the DC budget.

Human Support Services (\$4.3 billion in gross funding in FY 2015)

The biggest slice of the overall budget is Human Support Services. This cluster of agencies includes many charged with caring for our most vulnerable residents.

The largest agency within the Human Support Services cluster is the **Department of Health Care Finance**, which administers the city's Medicaid program, a federal-state program that acts as a health insurer for many of our city's poorest residents. It is also in charge of the DC Health Care Alliance, a city-run health care provider for uninsured residents who don't qualify for Medicaid. With the passage of the federal Affordable Care Act, many who receive DC Alliance services were moved to Medicaid due to expansion of that program. More than 250,000 DC residents receive health care services through the department's funding. The FY 2015 budget for DHCF was nearly \$3 billion, making it the largest portion of the District's Human Support Services cluster. Most of its funding comes from the federal government, which covers 70 percent of the city's basic Medicaid expenses, plus higher shares of certain Medicaid components resulting from the Affordable Care Act. (The federal government pays 50 percent to 80 percent of each state's Medicaid expenses.)

The **Department of Human Services** delivers many services and programs critical to the city's safety net, including Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), and homeless services. It is a front-line agency that gives direct assistance to the District's most economically disadvantaged and vulnerable residents. The budget for the agency was \$398 million for FY 2015.

Agency Name	FY 2015 Gross Budget (in Thousands)
Department of Health Care Finance	\$2,764,826
Department of Human Services	397,845
Child and Family Services Agency	230,672
Department of Health	266,124
Department of Behavioral Health	271,469
Department of Youth Rehabilitation Services	96,002
Department of Disability Services	156,255
Department of Parks and Recreation	42,223
Office on Aging	42,125
Employees' Compensation Fund	21,330
Unemployment Compensation Fund	5,065
Children and Youth Investment Collaboration	7,000
Office on Latino Affairs	3,065
Office of Human Rights	3,720
Office on Asian and Pacific Islander Affairs	1,151
Deputy Mayor for Health and Human Services	1,261
Office of Veterans' Affairs	323
Not-for-Profit Hospital Corporation Subsidy	7,000
DC Health Benefit Exchange Subsidy	0
Total	\$4,317,455

The **Child and Family Services Agency** investigates reports of child abuse and neglect and provides services to protect at-risk children. Services include foster care, adoption, and programs for at-risk youth. The agency's budget in FY 2015 was \$231 million.

The **Department of Health** concentrates on three priority areas: HIV/AIDS prevention and awareness, health and wellness, and public health systems. A majority of the agency's \$266 million budget in FY 2015 came from federal sources.

The **Department of Behavioral Health** works with contractors in a variety of settings to provide services for DC residents in need of mental health care, and it operates St. Elizabeth's Hospital, a psychiatric facility. The agency's budget in FY 2015 was \$271 million.

The **Department of Disability Services** coordinates care and housing to city residents with physical or mental disabilities. The FY 2015 budget for this agency was \$156 million.

The **Department of Parks and Recreation** runs 73 recreation centers and maintains 1000 acres of public park land. The FY 2015 budget for this agency was \$42 million.

Public Education (\$2.3 billion in gross funding in FY 2015)

The next biggest chunk of the DC budget goes to Public Education, which includes the DC Public Schools and DC public charter schools, as well as the public library system and the University of the District of Columbia.

DC Public Schools provides general classroom instruction, as well as vocational, early childhood, English language learner services, and summer school for about 48,000 students in 2016. In FY 2015, DC public schools were allocated \$876 million in gross funds.

The District has a vibrant charter school movement, and a growing portion of public education funding is going to charter schools. As of 2016, there are 114 charter schools with 102 campuses that enrolled almost 39,000 students. In FY 2015, **DC Public Charter Schools** received funding of \$661 million to meet both their operating and facility expenses.

Both the traditional public schools and public charter schools are funded through the Uniform Per Student Funding Formula. The formula provides a basic amount of money for each student. There are additional weighting factors, such as grade level, special education, and students who are low-income or otherwise at-risk of academic failure. Charter schools also receive a per-pupil

Agency Name	FY 2015 Gross Budget (in Thousands)
D.C. Public Schools	\$875,542
D.C. Public Charter Schools	661,074
Office of the State Superintendent of Education	406,901
Non-Public Tuition (Special Education)	74,340
Special Education Transportation	101,510
University of the District of Columbia Subsidy	73,458
D.C. Public Library	57,451
D.C. Public Charter School Board	0
Teachers' Retirement System	39,443
Deputy Mayor for Education	2,850
DC State Board of Education	990
Total	\$2,293,559

allotment for facility expenses, while DCPS gets some support from other agencies, such as building maintenance services provided by the Department of General Services.

The per-pupil funding formula is used to set the overall local funding level for the DC Public School System. The Chancellor then develops a plan to allocate funding among schools and to central office and other functions. For public charter schools, the amount of money each school receives is dependent upon enrollment.

The Public Education sector also includes the Office of the State Superintendent of Education, the University of the District of Columbia, DC Public Library, and the Deputy Mayor for Education.

**Table 5-1
Enrollments and Expenditures in Two Schools Systems (Local Funds Only)**

	DC Public Schools		Public Charter Schools		Combined Systems		
	Enrollment	Expenditures (dollars in thousands)	Enrollment	Expenditures (dollars in thousands)	Enrollment	Expenditures (dollars in thousands)	Expenditures per enrolled student*
2007	52,191	\$813,902	19,662	\$277,159	71,853	\$1,091,061	\$15,185
2008	49,076	\$868,141	21,743	\$316,675	70,819	\$1,184,816	\$16,730
2009	44,681	\$576,049	25,363	\$385,896	70,044	\$961,945	\$13,733
2010	44,467	\$517,674	27,617	\$375,845	72,084	\$893,519	\$12,396

Note: *per enrolled student (whole dollars, not thousands)
Details may not sum to totals because of rounding

The **Office of the State Superintendent of Education** (OSSE) sets academic policies and requirements. OSSE is also in charge of early childhood care services, school nutrition services, and adult education. The agency’s budget for FY 2015 was \$407 million.

Special Education includes both the category “non-public tuition” and special education transportation. Non-public tuition is the cost of legally mandated special education services for DC residents provided by private schools, when the DC Public Schools are not able to meet a child’s special education needs. (The District also serves many students with special education needs within DC Public Schools and DC Public Charter Schools, and those funds are reflected in the DCPS and DCPCS budgets.) The cost of special education provided through private schools, including transportation to get to and from the schools, was \$176 million in FY 2015.

The **University of the District of Columbia** received \$73 million in FY 2015. This supports both the university-level functions of UDC and its community college.

The **DC Public Library** system includes the flagship Martin Luther King Jr. library downtown and 26 neighborhood branch libraries. The system’s budget for FY 2015 was \$57.5 million.

Public Safety (\$1.2 billion in gross funding in FY 2015)

Two agencies make up most of the Public Safety cluster: the Metropolitan Police Department and the DC Fire and Emergency Medical Services.

The **Metropolitan Police Department** has approximately 4,000 police officers who patrol the city, which is divided into 56 police service areas in seven police districts. The agency's budget for FY 2015 was \$526 million.

DC Fire and Emergency Medical Services runs 34 firehouses across the city. Most of the city's firefighters are also trained as emergency medical providers. More than four-fifths of the department's 911 calls are medical-related. The DC FEMS budget for FY 2015 was \$223 million.

The **Homeland Security and Emergency Management Agency** concentrates on four areas: Preparedness and protection, incident and event management, homeland security, and agency management. In FY 2015, the agency received \$75 million.

The DC **Department of Corrections** operates the DC Jail and houses inmates at a correctional treatment facility. The department also contracts with private companies that operate four halfway houses. The agency's budget for FY 2015 was \$137 million.

The **Office of Unified Communications** answers and directs calls to the District's emergency number, 911, and non-emergency number, 311. The agency's FY 2015 budget was \$42 million.

Agency Name	FY 2015 Gross Budget (in Thousands)
Metropolitan Police Department	\$525,631
Fire and Emergency Medical Services Department	223,200
Homeland Security and Emergency Management Agency	74,994
Department of Corrections	136,504
Police Officers' and Firefighters' Retirement Fund	103,430
Office of Unified Communications	41,743
Office of Deputy Mayor for Public Safety and Justice	26,302
Office of Administrative Hearings	9,561
Office of the Chief Medical Examiner	7,731
D.C. National Guard	10,911
Criminal Justice Coordinating Council	2,779
Office of Police Complaints	2,133
Forensic Laboratory Technician Training Program	0
D.C. Sentencing and Criminal Code Revision Commission	1,412
Commission on Judicial Disabilities and Tenure	307
Judicial Nomination Commission	202
Homeland Security Grants	5,924
Department of Forensic Sciences	16,149
Corrections Information Council	0
Office of Victim Services and Justice Grants	0
Total	\$1,190,913

When he came into office, former Mayor Vincent Gray restored the **Office of the Deputy Mayor for Public Safety and Justice**. The mission of the office is to coordinate and provide oversight of the various public safety agencies in this cluster. This office also includes several agencies that were listed separately in prior administrations: Access to Justice, the Office of Victim Services, the Justice Grants Administration, and Motor Vehicle Theft Prevention Commission. The FY 2015 budget for the Deputy Mayor for Public Safety was \$26.3 million.

The **Office of the Chief Medical Examiner** investigates and certifies all unexpected deaths and deaths in which violence is suspected. The FY 2015 operating budget for the agency was \$10 million.

Public Works (\$708 million in gross funding in FY 2015)

The Public Works cluster has some of the most visible, quality-of-life government services agencies.

The **Washington Metro Area Transit Authority (WMATA)** provides public transportation, under the direction of the Department of Transportation. The WMATA budget for FY 2015 was \$336 million.

The **Department of Transportation** maintains the city's streets and bridges as well as operates the District's Circulator buses and runs the Urban Forestry Administration. The agency's budget for FY 2015 was \$92 million.

Agency Name	FY 2015 Gross Budget (in Thousands)
Washington Metro Area Transit Authority	\$335,703
Department of Transportation	91,506
Department of Public Works	155,141
Department of Energy & the Environment	80,055
Department of Motor Vehicles	38,215
D.C. Taxicab Commission	8,032
Washington Metro Area Transit Commission	127
Total	\$ 708,778

The **Department of Public Works** is responsible, among other things, for one service many residents appreciate, and one that some do not: solid waste management and parking enforcement. The department also maintains the city's fleet of vehicles. The public works budget for FY 2015 was \$155 million.

The **Department of Energy & the Environment** is the lead agency for creating, promulgating, and enforcing DC environmental standards, in addition to implementing federal environmental laws and regulations. It also provides certification services to the DC government and residents and develops programs designed to improve sustainability in the District. In FY 2015 it had a budget of \$80 million.

The **Department of Motor Vehicles** had an agency budget of \$38 million in FY 2015. The department manages 606,000 licensed drivers and identification holders as well as collects fines for approximately 2.4 million parking tickets each year. DMV also conducts 187,000 vehicle inspections per year.

The **DC Taxicab Commission** regulates approximately 8,500 independent taxicab drivers, 90 taxicab companies, more than 600 independent limousine drivers and 229 limo companies. The agency's FY 2015 budget was \$8 million.

Economic Development and Regulation (\$476 million in gross funding in FY 2015)

This cluster of agencies sets the direction for the city in terms of economic development. Not only does it encompass planning and zoning functions, but it also includes workforce development, affordable housing development, and small business development.

The **Department of Housing and Community Development** manages a variety of programs—both local and federal—to finance, develop, and preserve affordable housing and homeownership for low-income DC residents. The agency also contracts with community based organizations to help provide housing counseling, tenant assistance, and small business technical assistance. The agency's FY 2015 budget was \$129 million.

The **Department of Employment Services** provides job skills training, labor market analysis, and enforcement, and it runs the city's youth summer jobs program. The agency's FY 2015 budget was \$114 million.

The **Department of Consumer and Regulatory Affairs** is responsible for licensing and permits, conducting building inspections, as well as enforcing building, housing and safety codes. The agency's FY 2015 budget was \$44 million.

The **Deputy Mayor for Planning and Economic Development** sets the city's development priorities and policies. The budget for FY 2015 is \$35 million. The **DC Office of Planning** is in charge of developing plans to execute the comprehensive plan, historic preservation, and planning for the city's public facilities, parks, and open spaces. The agency's budget for FY 2015 was \$10 million.

The **DC Commission on the Arts and Humanities** provides grants that support arts organizations in the District as well as individual artists. The FY 2015 budget for the commission was \$15 million.

Agency Name	FY 2015 Gross Budget (in Thousands)
Department of Housing and Community Development	\$128,707
Department of Employment Services	113,796
Housing Production Trust Fund Subsidy	0
Department of Consumer and Regulatory Affairs	43,517
Business Improvement Districts Transfer	25,137
Housing Authority Subsidy	37,699
Department of Insurance, Securities, and Banking	18,531
Office of Deputy Mayor for Planning and Economic Development	34,499
Public Service Commission	13,277
Office of Cable Television and Telecommunications	6,890
Office of Planning	10,167
Alcohol Beverage Regulation Administration	6,188
Office of the Peoples' Counsel	6,405
Commission on Arts and Humanities	14,555
Office of Zoning	2,644
Office of Tenant Advocate	2,191
Board of Real Property Assessments and Appeals	1,680
Office of Motion Picture and Television Development	866
Department of Small and Local Business Development	9,501
Total	\$ 476,251

The **Office of the Tenant Advocate** conducts education and outreach on city laws involving rental housing and represents the interests of tenants in legislative, regulatory, and judicial matters. The FY 2015 budget for the agency was \$2 million.

Financing (\$1.1 billion in gross funding in FY 2015)

This cluster does not consist of actual agencies, but includes a variety of funds that are used to make debt service payments for capital improvement projects, payments on loans and interest, settlements and judgments, and funds to pay for the improvement of school facilities, just to name a few.

Debt service (or “repayment of loans and interest”) includes the interest and principal repayment of bonds the city issues to support infrastructure projects. The District also engages in short-term borrowing to help manage its cash flow during the year. Other debt service costs include the expenses associated with issuing bonds and a school modernization fund. The FY 2015 total operating budget for debt service was \$612 million.

Agency Name	FY 2015 Gross Budget (in Thousands)
	\$612,174
Repayment of Loans and Interest	
District Retiree Health Contribution	91,400
Convention Center Transfer	120,448
Master Equipment Lease/Purchase program	43,778
Pay-As-You-Go Capital Fund	136,245
Highway Transportation Fund Transfer	40,210
Non- Departmental	0
Settlements and Judgments	17,222
Emergency planning and Security Fund	19,009
John A. Wilson Building Fund	4,336
Workforce Investments	0
Total	\$ 1,084,822

The **District Retiree Health Contribution** includes funds for the District to make payments for health and life insurance for retired DC government employees. The FY 2015 budget for the District Retiree Health Contribution was \$91 million.

The **Convention Center Transfer** fund holds a portion of the District’s sales taxes that are automatically transferred to the Convention Center to support its operations. The FY 2015 budget for the Convention Center Transfer fund was \$120 million.

The **Pay-As-You-Go Capital Fund** provides the District with funding to do capital projects and improvements without borrowing. The FY 2015 budget for the Pay-As-You-Go Capital Fund was \$136 million.

The **Settlements & Judgments** fund is a reserve set aside for court judgments and rulings against the District of Columbia. The FY 2015 budget for Settlements & Judgments was \$17 million.

Governmental Direction and Support (\$926 million in FY 2015)

This cluster consists of several agencies that help manage, run, and support the general operations of the DC government.

The **Department of General Services** (DGS) was established in 2012 to centrally manage services related to government facilities, including DC public schools. DGS manages the capital improvement and construction program for District government facilities, acquires and disposes of real property, and provides building services such as custodial, security, utilities management, maintenance, inspection, and repairs. The DGS budget for FY 2015 was \$423 million.

The **Office of the Chief Financial Officer** provides financial management services to the DC government. The OCFO makes sure spending remains within approved budgets or expected revenues so that deficits do not occur. The FY 2015 budget for the OCFO was \$136 million.

The **Office of the Attorney General** handles legal matters for the city. The OAG represents the District in civil litigation; prosecutes certain criminal offenses; advises the Mayor, Council, and other agencies; and represents the city in other legal proceedings. The office includes about 340 attorneys and 300 staff members. The FY 2015 budget for the OAG was \$85.7 million.

The **DC Council** is the legislative branch of District government. It comprises 13 members, including one elected representative from each of the city's eight wards, four at-large members

Agency Name	FY 2015 Gross Budget (in Thousands)
Department of General Services	\$ 423,275
Office of the Chief Financial Officer	136,336
Office of the Attorney General	85,738
Office of the Chief Technology Officer	101,770
Office of Finance and Resource Management	28,668
Council of District of Columbia	19,539
Office of the Inspector General	16,103
Office of the Mayor	14,158
D.C. Department of Human Resources	15,973
Office of Contracting and Procurement	45,682
Board of Elections	7,691
Office of the D.C. Auditor	4,460
Office of the City Administrator	5,027
Medical Liability Captive Insurance Agency	2,211
Office of the Secretary	4,440
D.C. Office of Risk Management	3,380
Office of Disability Rights	1,612
Office of Campaign Finance	2,439
Office of Employee Appeals	1,525
Public Employee Relations Board	1,311
Advisory Neighborhood Commissions	825
Contract Appeals Board	1,201
Metropolitan Washington Council of Governance	450
D.C. Board of Ethics and Government Accountability	1,455
Uniform Law Commission	41
Statehood Initiatives	137
Tax Revision Commission	368
Total	\$925,816

elected citywide, and one chairman, who is elected citywide. The operating budget for the DC Council in FY 2015 was \$20 million.

The **Office of the Inspector General** conducts independent audits and investigations into the use of District funds and resources. Its budget for FY 2015 was \$16 million.

The **Office of the Mayor** is divided into six core offices: executive office of the Mayor, support services, boards and commissions, communications, policy and legislative affairs, and the Mayor's correspondence unit. The operating budget for the Office of the Mayor in FY 2015 was \$14 million.

The **Board of Elections and Ethics** runs the city's elections. The board is in charge of voter registration, election administration, and election operations. A three-person board makes policy decisions and supervises the activities of the agency. The FY 2015 budget for the board of elections was \$1.4 million.

The **DC Auditor** helps the DC Council assess spending and improve efficiency in programs. Its budget for FY 2015 was \$4.5 million.

The **Office of the City Administrator** provides support, oversight, and leadership over the city's agencies. The operating budget for the city administrator's office in FY 2015 was \$5 million.

The **Office of Campaign Finance** is the regulatory agency policing the conduct of public officials and candidates in regard to campaign finance laws. The FY 2015 budget for the Office of Campaign Finance was \$2.4 million.

Advisory Neighborhood Commissions are unpaid, grassroots elected representatives who advise the District on decisions involving planning and zoning in specific areas. The commissioners review and make recommendations on liquor licenses, zoning changes, and permits. The operating budget for the ANCs in FY 2015 was \$825 million.

Appendix B: A Glossary of Key Terms

Agency: Division of city government that is in charge of service delivery, such as Department of Public Works.

Budget: A spending plan that outlines expenditures and revenues for a given period of time.

Operating Budget: Spending plan for day-to-day government operations.

Capital Budget: Spending plan for infrastructure, such as roads and schools.

Budget Request Act: Legislation that sets the funding level for each program and activity.

Budget Support Act: Legislation needed to enact budget, including policy changes and new rules.

Current Services Funding Level (CSFL): Amount of funding needed to maintain current services.

Expenditure: Payments for personnel, goods and services, and other expenses needed to carry out the functions of the DC government.

Federal Funds: Funding provided by the federal government.

Financial Plan: Budget for the city's current fiscal year and three years beyond.

Fiscal Year: Length of time budget is allocated; in DC, fiscal year is from October 1 through September 30.

Fixed Expenses: Costs incurred in day-to-day operations. For District government, fixed costs include electricity, rent, and janitorial services.

Full-Time Equivalent or FTE: One or more employment positions in which the combined work is equal to one full-time year-round worker (40 hours and 52 weeks).

General Fund: Expenditures funded with locally raised taxes and fees, including special purpose funds.

Home Rule: Law which allows city to govern itself.

Intra-District: An accounting mechanism to track payments for services provided by one District agency on behalf of another District agency.

John A. Wilson Building: DC's City Hall, at 1350 Pennsylvania Avenue NW, which houses the Mayor's office and the DC Council.

Local Revenue: Includes tax and non-tax revenue that is not earmarked for a particular purpose.

Mark-up: Changes to legislation made by DC Council committee.

Medicaid: Government health insurance for some categories of low-income residents.

Rainy Day Fund: Informal term for financial reserves set aside by cities and states to address unforeseen circumstances.

Emergency Fund: One of two parts of the congressionally mandated rainy day fund. This money may be used for unanticipated and nonrecurring emergency needs, including a natural disaster or State of Emergency declared by the Mayor. The fund may also be used for cash flow management purposes.

Contingency Fund: One of two parts of the congressionally mandated rainy day fund. This money may be used for nonrecurring needs, including severe weather or other natural disasters, unexpected federal obligations, new public safety or health needs after the budget process has occurred, or opportunities to achieve cost savings. It may also be used to cover revenue shortfalls for three months, and for cash flow management purposes.

Fiscal Stabilization Fund: A reserve established by the District in 2010 to augment the congressionally mandated reserves.

Revenue: The annual income or receipts of the District from taxes, charges, grants, and investments.

Special Purpose Revenue: Fees or taxes levied by the District that are designated for a specific use.¹⁶

Tax: A financial charge or levy assessed on income, property or other goods and services to support government services.

Transparency: Ease of understanding and clarity.

Uniform Per Pupil Student Funding Formula: Amount of local funds allocated to DCPS and to each public charter school based on student enrollment and selected student characteristics.