

THE DISTRICT'S DIME

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Here's What You Need to Know About DC's FY 2020 Budget Season

By DCFPI Staff

The DC budget—our community's decisions about how to spend our resources—is our central tool for addressing challenges like widening racial inequities in access to affordable housing, quality health care, and educational opportunities. By crafting a budget that strengthens our community, we can ensure that all DC residents have the resources they need to thrive. There are a number of opportunities throughout budget season to voice our values and shape the Fiscal Year (FY) 2020 DC budget. You can—and should—have a say in where our community invests our resources.



Even though 2019 just started, the process of planning the District's FY 2020 budget has already begun, and there are opportunities right now for residents to shape the budget for next year. The District's fiscal year runs from October through September, and the budget process for a given fiscal year starts about a year beforehand. This blog explains the timeline for the FY 2020 budget process. For a deeper dive into the DC budget and tools for getting involved, see <u>A Resident's Guide to the DC Budget</u>.

Fiscal Year 2020 Budget Timeline

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| Budget Instructions Issued to Agencies | Fall 2018 |
| Current Services Funding Level Released | November 15, 2018 |
| Mayor's Budget Team Works to Assemble Budget Proposal | Winter 2018-19 |
| Announcement of FY 2018 Surplus | February 1, 2019 |
| Revenue Forecast Released | February 2019 |
| Agency Performance Oversight Hearings | February 6 – March 1 |
| Mayor's Budget Proposal Released | March 20 |
| Agency Budget Oversight Hearings | March 25 – April 25 |
| Council Hearing on Overall Proposed Budget | April 26 |
| Council Committee Budget Markups | April 30, May 1-2 |
| First Budget Vote | May 14 |
| Second Budget Vote | May 28 |

1275 FIRST STREET NE, SUITE 1200 • WASHINGTON, DC 20002 • 202-886-5180 • WWW.DCFPI.ORG • @DCFPI

Mayor's Budget Team Works to Assemble Budget Proposal: Winter 2018-19 [WE ARE HERE]

The Mayor's budget review team works to assemble the budget proposal and policy decisions about program cuts or increases, and revenue increases.

At this time, you can contact the Mayor's office to make a request for additional funding (or to maintain funding) for a program or services you care about. Most often, this is easiest to do by finding out who is responsible in the City Administrator's office or in the Mayor's Office of Budget and Finance for the issue area you are concerned about and meeting with them or sending them a letter or email.

You can also attend one of the Mayor's Budget Engagement Forums, which usually take place in mid- to late February. This is an opportunity to gather with other DC residents and share your priorities with the Mayor before the proposed budget is finalized. More information can be found <u>here</u>.

FY 2018 Audit Announcement: February 1, 2019

The annual audit of the District's finances—the Comprehensive Annual Financial Report (CAFR)— will show what the fund balance of the city was at the close of 2018. The balance represents DC's accumulated monetary assets, including various reserve funds—a mix of federally-required and locally-controlled rainy-day funds to help DC manage its bills. The city's fund balance has grown substantially in recent years. Read more about how DC used its surplus last year <u>here</u>.

Revenue Forecast Released: February 2019

In late February, the CFO issues a revenue forecast that includes projected revenues for FY 2020. The budget submitted in March must be balanced. This means that total spending cannot exceed the total revenues from the February forecast, unless the budget also includes provisions to increase revenue. In recent history, forecast revenue has tended to grow from year to year, due to increases in population and economic activity. If there are no increases to taxes or fees, or major cuts to existing programs, this future revenue growth is what will be available for program enhancements or new programs in FY 2020.

Agency Performance Oversight Hearings: February 6 – March 1, 2019

The Council holds hearings on the FY 2019 performance and spending of every agency. These are freeform open hearings where any member of the public can comment on virtually any aspect of the agency, and where agency heads are questioned by committee chairs and other Councilmembers. The written questions submitted by committees to the agencies in advance of the hearing, as well as the agencies' responses, can be found on the Council website. The schedule of performance oversight hearings can be found <u>here</u>.

This is a good time to testify on programs and services that you think are working well and help make the case they should be continued or expanded in the upcoming fiscal year. It is also a good time to discuss any changes or improvements you think could be made to the programs and services you care about.

Mayor's Budget Proposal Released: March 20, 2019

The Mayor submits a proposed Budget and Financial Plan, which describes proposed operating funding for all DC government agencies and services, in late March. The Mayor also will submit a proposed capital budget, which is a six-year plan for building and improving government facilities and infrastructure.

The budget legislation that reflects proposed funding levels is called the Budget Request Act. The Mayor also submits a Budget Support Act, which includes legislation for any budget proposal that requires a statutory change.

The proposed FY 2020 budget and related documents will be posted <u>here</u> on the Chief Financial Officer's website.

Agency Budget Oversight Hearings: March 25 – April 25, 2019

Shortly after the budget is submitted, each committee holds hearings on the budgets of the agencies the committee oversees. There are both public witnesses and executive branch witnesses. The schedule for budget oversight hearings, questions regarding agency budgets that are submitted by committees to the agencies, and the agencies' responses will be posted on the DC Council website.

This is a good time to testify on elements of the Mayor's budget that you do and do not like, especially if things are not included at all.

Council Hearing on Overall Proposed Budget: April 26, 2019

Each year, the full DC Council holds a hearing on the Mayor's budget proposal shortly after it is released. Video archives of this hearing, along with other hearings, can be found <u>here</u> on the Council's web site.

Council Committee Budget Markups: April 30, May 1-2, 2019

Each Council committee meets to markup the budgets for the agencies they oversee. The committees cannot appropriate more in total for their agencies than the amount in the Mayor's proposed budget, but they can shift funds within and between their agencies. Committees can also transfer funds to agencies in other committees, or request and accept the transfer of funds from other committees' agencies to theirs. The committees can make recommendations for things they were not able to fund but that they hope the full Council will find a way to fund. The committees also adopt recommendations on the Budget Support Act provisions that relate to the committee.

After each committee has completed markup, there is a short period during which the Councilmembers work to merge the committee actions into a comprehensive budget. This work happens behind the scenes. There is no markup on the Council's comprehensive budget.

First Budget Vote: May 14, 2019

The full Council (Committee of the Whole) votes on the Budget Request Act (BRA), which sets the appropriations level for each agency. There is only one vote on the BRA. Also in May, the Council will hold its first vote of the Budget Support Act (BSA). There is a second vote on the BSA.

Second Budget Vote: May 28, 2019

The Council holds the second vote on the Budget. The federal portion of the budget is then submitted to the U.S. Congress for approval.

Resources

- <u>Budget & Financial Plans</u>, for FY 2019 and prior years, via the Office of the Chief Financial Officer. The Mayor's proposed FY 2020 budget will appear here on March 20.
- <u>Resident's Guide to the DC Budget</u> is a deep dive into the DC Budget, including what the budget funds, how it is put together, and information on how to get involved in shaping the budget.
- <u>DCFPI Budget Toolkit</u>, which includes budget by issue areas (e.g. child care, education, health), and other helpful resources. The FY 2020 budget toolkit will be available in early April 2019.

September- December

Agencies Develop Budget Requests The Chief Financial Officer's Role

The CFO develops the Current Services Funding Level (CSFL), which is the amount each agency needs to maintain existing services.

The Mayor's Role

The Mayor's office sets a budget target for each agency, often set below the current budget, to encourage agencies to look for savings. Agencies prepare budget requests that meet those targets, but also are allowed to submit requests for targeted service enhancements.

March- Early May

Mayor Submits Proposed Budget to DC Council

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The Mayor's Role

The Mayor submits a proposed budget to the DC Council in mid- to late March. Many key budget decisions are made in the few weeks before the budget is submitted.



The DC Council's Role

Each DC Council committee holds "budget oversight" hearings on the proposed budgets for the agencies it oversees.

Later, in early May, each committee meets to make changes or "markup" their portion of the budget. The committee can add funding to selected programs, but needs to find this funding by increasing taxes and fees, cutting other programs, or finding savings.



The Residents' Role

DC residents and advocates play an important role in shaping budget changes by testifying at hearings. Residents also meet with councilmembers to encourage funding increases for programs that are important to them.



October

November

December

January

February

May

June







January- February

DC Council Holds Agency Performance Hearings

The CFO's Role

In February, the CFO issues a revenue forecast. The budget the Mayor will release in the spring is based on this forecast.

The Mayor's Role

The Mayor's "budget review teams" meet with each agency to review their budget requests. In particular, the Mayor considers enhancements she will include. When the economy is strong, more enhancements are possible. When the economy is weak, the Mayor may have to make service cuts.

The DC Council's Role

Each DC Council committee holds "performance oversight" hearings for the agencies it oversees. This means examining the agency's operations as well as effectiveness in implementing last year's budget.

The Residents' Role

Residents and advocates are encouraged to testify at the performance oversight hearings. They can also submit questions for Council committee members to ask agency officials at the performance oversight hearings.

May- June

Budget Gets Voted On and Sent to Congress

The DC Council's Role

About a week after committee markups, the full Council meets to vote on the entire budget. Like all DC legislation, the budget has a second vote, or "second reading" a few weeks after the first vote. The budget is sent to the US Congress for approval, but they rarely change anything.

The Resident's Role

Advocacy by DC residents and advocates continues through the full Council votes. These last-minute efforts can make a big difference in the final budget.

