

A Resident's Guide to the DC Budget

Fiscal Year 2022

Public transportation. Community centers. Drivers' licenses. Cash assistance to help families make ends meet. Trash collection. 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.

Whether you realize it or not, the DC budget impacts all of us every day. It's our key tool for creating the building blocks of thriving communities. By getting involved in the budget process, you can help ensure that every neighborhood is strong and that every resident has the tools they need to succeed.



The DC Budget is a Lot Like Your Own

While understanding the DC budget may seem complicated, setting the city's budget is a lot like setting your own. You determine your top priorities, like rent or mortgage. You look at your current income and expenses, and then make choices that reflect your needs.

You've probably had to make tough decisions about budgeting: What can you cut to save money? How should you spend the money that's left over after covering the basics? Do you need to move expenses around from year to year to meet changing needs?

If you've faced these kinds of questions, then you already understand some of the basics of the DC budget and how it is developed. You certainly know enough to get involved!

The DC Budget Plays Unique and Important Roles

That said, there are ways the DC budget is different from your personal budget. First, while the DC budget is there to meet the needs of all residents and businesses, it also is a key tool for addressing many social inequities in our city. DC residents of color are not always provided the same economic opportunities as their white counterparts, and must live with job discrimination, inadequate access to health care, and a lack of affordable housing—reflecting our nation and city's history of racism and ongoing discrimination.

Using the budget to invest in high-quality early education, support community-based mental health and addiction treatment services, and improve housing options for returning citizens are just a few ways the DC budget can transform the District into a more equitable community where all residents share in our city's prosperity.

Second, the DC budget differs from your personal budget because through it, we can increase our city's resources by making our tax code fairer and better able to meet our needs. Eliminating ineffective tax subsidies that allow big corporations to avoid paying their fair share of taxes, for example, would give us more money for things that benefit DC residents, like affordable housing, better funded schools, and ending chronic homelessness.

The Purpose of this Guide

Many people consider the budget intimidating. Don't worry! This guide will give you all you need to understand DC's budget and become a powerful advocate. In it, we will:

1. Explain where DC gets its money, and where it is spent.
2. Tell you what happens when there is no more money left or when there's a surplus.
3. Outline the process for putting the budget together every year.
4. Give you the tools you need to get involved in the process.

Together, we have the power to address the challenges our city faces and put our shared values into action. We hope you'll use this guide to help shape this year's DC budget and use the glossary (found at the end) as a reference for defining some of the more technical terms we share.

How the Budget Works

The Mayor and DC Council decide how to allocate the city's resources through the budget, with input from residents about what is important to them. (Read on to learn about the different ways residents can provide budget input.) 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 will we spend? What will we spend it on? How much will we save? Should we reduce taxes for residents who struggle to make ends meet? Should we raise taxes to meet urgent needs, like Metro? If so, how much should we raise and what's the right way to make sure the increases affect residents and businesses most able to contribute?

All these questions are 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 be balanced, 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. 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** (FY), which begins October 1 and ends September 30 for DC. The District 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.

- This year, the Mayor will send her proposed budget to the DC Council on May 27. The Council then reviews the budget and holds public hearings to get input from city residents and the Mayor’s administration. The DC Council then approves the final budget. In addition, the DC Chief Financial Officer forecasts how much revenue the city will collect during the year, and the Mayor and Council may need to adjust spending throughout that time to stay in balance with the amount of money the city collects. We’ll get into more detail about this process a little later.
- Updated dates for these processes this year are forthcoming, and this guide will be updated as DC Council finalizes the schedule.
- In a later section of this guide, we provide the timeline for a typical budget cycle (page 13).

Where the District Gets Its Money

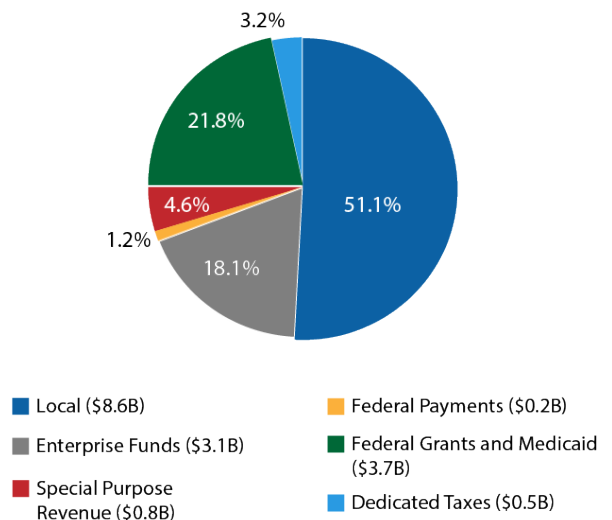
At the time lawmakers approved the FY 2021 budget, the District anticipated collecting \$16.9 billion in revenue in FY 2021.¹ This money comes from four general categories (*Figure 1*):

- **Local funds.** This is mostly tax revenue generated from property, income, and sales taxes, as well as several other taxes and non-tax revenue. Local funds from these revenues were projected to be \$8.6 billion in FY 2021.
- **Special purpose revenues and dedicated taxes.** These are taxes and fees 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. In another example, 15 percent of the city’s deed recordation and transfer taxes are dedicated to a special fund to finance affordable housing called the Housing Production Trust Fund. The District was originally projected to collect \$1.3 billion in special purpose revenues and dedicated taxes in FY 2021.
- **Enterprise funds.** Enterprise funds, which include some dedicated taxes and user fees for quasi-government agencies such as DC Water and the Housing Finance Agency, were originally projected to be \$3.1 billion in FY 2021.
- **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 2021, the District is projected to use \$3.7 billion in federal funds. The largest share

FIGURE 1

Where the Money Comes From

Source of Gross Funds for FY 2021 (\$16.9 Billion), Excluding Intra-District Funds



Source: Approved FY 2021 Budget and Financial Plan. Excludes Enterprise and other Funds.

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goes to support our Medicaid program. This does not include the significant amount of COVID relief that Congress approved in 2020 and is expected to approve in March 2021.

Unlike the federal government, which is allowed to carry a deficit, DC must balance its budget each year. DC is similar to nearly all cities and states in this regard. In other words, the money the city brings in (**revenue**) must be equal or greater than 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 be balanced. But a budget deficit can arise either because revenue collections turn out to be lower than initially expected, because expenditures are higher than expected, or both. Due to the pandemic, District officials are currently projecting a deficit for the current budget, meaning the Mayor and DC Council will have to pass a supplemental FY 2021 budget to bring the budget into balance.

How the District Spends Its Money

For FY 2021, the approved gross DC budget was about \$16.9 billion. This includes money raised locally as well as federal dollars that DC receives.

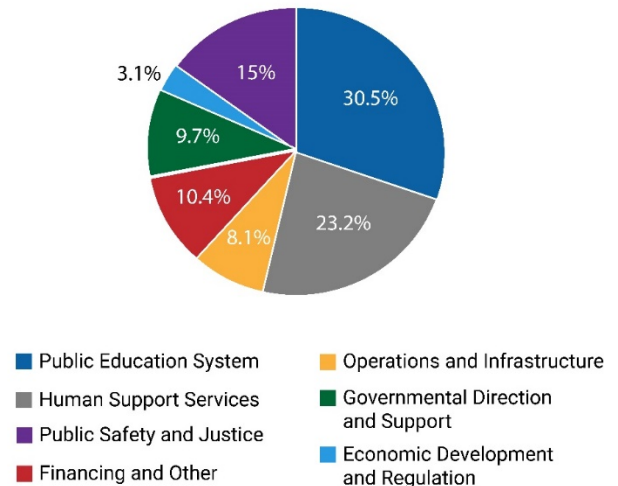
The DC budget is divided into seven clusters, known as **appropriation titles** (Figure 2).

- *Human Support Services* is the biggest chunk of the DC budget, as it is in many other states' budgets. This sector of the government includes many programs that keep residents safe and healthy. The majority of these expenditures are for health care programs that serve more than one-third of DC residents. Other services target youth, veterans, and the elderly. This sector also includes the Department of Parks and Recreation. Human Support Services accounted for \$5.1 billion of the city's budget in FY 2021.
- *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. The District spent \$3.2 billion on Public Education in FY 2021.
- *Public Safety and Justice* includes the Metropolitan Police Department and the Fire and Emergency Medical Services Department, among others. In FY 2021, the Public Safety sector had \$1.6 billion in expenditures.
- *Financing* includes debt service payments on major capital projects, such as school modernization, and other types of city borrowing. It also includes various other funds, including for DC government employees' retirement. Financing took up \$1.4 billion of the city's budget in FY 2021.
- *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

FIGURE 2

Fiscal Year 2021 Source of Gross Funds

Share of Local Fund Budget, by Appropriation Title



Source: Approved FY 2021 Budget and Financial Plan. Excludes Enterprise and other Funds.

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Financial Officer, and the Office of the Chief Technology Officer. This sector had \$1 billion in spending in FY 2021.

- *Operations and Infrastructure* includes trash collection and transportation and motor vehicles. It includes agencies such as the Department of Public Works and the Department of Transportation. Public Works accounted for \$1.1 billion of the District's budget in FY 2021.
- *Economic Development* 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. The District spent \$414 million on the Economic Development sector in FY 2021.

Each appropriation title is explained in greater detail in the Appendix on page 20.

How Do I Read the Budget?

Let's say you regularly use your neighborhood library. You want to make sure your branch continues to be open on evenings and weekends, that children's story hour happens, and that New York Times bestselling books 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 do you 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 in the budget section of the Office of the Chief Financial Officer's [website](#). 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**. These are the city departments identified by the service provided: Department of Transportation, Fire and Emergency Medical Services, Department of Housing and Community Development, etc.

Let's take a closer look at the agency budget chapter for the DC Public Library, using the Mayor's proposed FY 2021 budget as an example. It is found under the Public Education System **appropriation title**.

“While understanding the DC budget may seem complicated, setting the city's budget is a lot like setting your own. You determine your most important priorities, like rent or mortgage. You look at your current income and expenses, and then make choices that reflect your needs.”

(CE0)

District of Columbia Public Library

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

Table CE0-1

Description	FY 2018 Actual	FY 2019 Actual	FY 2020 Approved	FY 2021 Proposed	% Change from FY 2020
OPERATING BUDGET	\$61,882,602	\$63,167,867	\$67,351,788	\$67,965,921	0.9
FTEs	533.6	526.7	609.2	605.3	-0.6
CAPITAL BUDGET	\$64,468,700	\$70,960,016	\$40,575,000	\$0	-100.0
FTEs	0.0	3.0	5.0	0.0	-100.0

When you find the library chapter, you will see this table, CE0-1. What does it tell you?

- The previous year’s actual spending by the agency, and the number of workers at the agency (**full-time equivalents, or FTEs**) (*FY 2019 Actual*).
- The current year budget and FTEs (*FY 2020 Approved*).
- The proposed budget for the upcoming year and FTEs (*FY 2021 Proposed*).
- The percentage change in dollars and FTEs between the current year and next year.

FY 2019 reflects the actual dollars spent on the library system, based on the city’s annual audit of its books. FY 2020, which was the current fiscal year in this budget document example, denotes spending that has been approved, but not actual spending because that fiscal year is not over. FY 2021 is the upcoming year in this example, so that reflects the dollars proposed to be spent.

You will see that the city spent \$63.2 million on libraries in FY 2019. Approved funding increased by \$4.1 million for FY 2020, to \$67.3 million. For FY 2021, library funding increased 8.6 percent, to \$73.2 million.

As a library advocate, you might be curious as to why the additional money was allocated. Before we figure out why money was added, it’s helpful to know where the additional 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 “CE0.”

FY 2021 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table CE0-2 contains the proposed FY 2021 budget by revenue type compared to the FY 2020 approved budget. It also provides FY 2018 and FY 2019 actual data.

Table CE0-2
(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2018	Actual FY 2019	Approved FY 2020	Proposed FY 2021	Change from FY 2020	% Change*	Actual FY 2018	Actual FY 2019	Approved FY 2020	Proposed FY 2021	Change from FY 2020	% Change
GENERAL FUND												
Local Funds	58,629	59,661	64,976	65,472	496	0.8	528.1	521.1	603.7	599.8	-3.9	-0.6
Special Purpose Revenue Funds	1,214	1,208	1,155	1,230	75	6.5	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	59,843	60,869	66,131	66,702	571	0.9	528.1	521.1	603.7	599.8	-3.9	-0.6
FEDERAL RESOURCES												
Federal Grant Funds	1,040	1,030	1,115	1,130	15	1.3	5.5	5.6	5.5	5.5	0.0	0.0
TOTAL FOR FEDERAL RESOURCES	1,040	1,030	1,115	1,130	15	1.3	5.5	5.6	5.5	5.5	0.0	0.0
PRIVATE FUNDS												
Private Donations	0	3	17	17	0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR PRIVATE FUNDS	0	3	17	17	0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS												
Intra-District Funds	999	1,266	89	117	28	32.1	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR INTRA-DISTRICT FUNDS	999	1,266	89	117	28	32.1	0.0	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	61,883	63,168	67,352	67,966	614	0.9	533.6	526.7	609.2	605.3	-3.9	-0.6

Table CE0-2 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:

- The **General Fund** is revenue generated by the District. This includes **local funds**, which reflect the basic collection of taxes and fees, as well as **special purpose revenues**, which are usually fees or fines collected by the agency that are then reinvested in the agency. For example, parking meter fees help fund Metro.
- **Gross funds** combine all the sources of funding, including **federal funds**, 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 Temporary Assistance for Needy Families (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 \$60.9 million in FY 2019, and federal funding was \$1 million. 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 guideline for examining budgets is to see how they have changed from year to year. Look for big spikes and big declines. Did costs jump or fall in one area? 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,” or similar categories of spending. 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 CE0-2 also shows how many **full-time equivalent** positions, or FTEs, in the Library System are funded by various revenue sources. Table CE0-2 shows, for example, that 521.1 positions were funded with general fund dollars in FY 2019. FTEs include librarians and other staff.

FY 2021 Proposed Operating Budget, by Comptroller Source Group

Table CE0-3 contains the proposed FY 2021 budget at the Comptroller Source Group (object class) level compared to the FY 2020 approved budget. It also provides FY 2018 and FY 2019 actual expenditures.

Table CE0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2018	Actual FY 2019	Approved FY 2020	Proposed FY 2021	Change from FY 2020	Percentage Change*
11 - Regular Pay - Continuing Full Time	32,745	33,453	36,263	36,903	640	1.8
12 - Regular Pay - Other	1,850	1,904	2,045	1,923	-122	-6.0
13 - Additional Gross Pay	751	1,041	751	751	0	0.0

Comptroller Source Group	Actual FY 2018	Actual FY 2019	Approved FY 2020	Proposed FY 2021	Change from FY 2020	Percentage Change*
14 - Fringe Benefits - Current Personnel	8,506	8,685	10,273	10,025	-248	-2.4
15 - Overtime Pay	417	372	405	405	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	44,270	45,456	49,737	50,007	270	0.5
20 - Supplies and Materials	542	484	492	462	-31	-6.2
31 - Telecommunications	130	105	137	137	0	0.0
32 - Rentals - Land and Structures	12	0	0	0	0	N/A
40 - Other Services and Charges	9,033	9,500	9,809	10,315	506	5.2
41 - Contractual Services - Other	266	449	0	0	0	N/A
50 - Subsidies and Transfers	20	5	40	40	0	0.0
70 - Equipment and Equipment Rental	7,610	7,169	7,136	7,005	-132	-1.8
SUBTOTAL NONPERSONAL SERVICES (NPS)	17,613	17,712	17,615	17,959	344	2.0
GROSS FUNDS	61,883	63,168	67,352	67,966	614	0.9

The next chart, Table CE0-3, details spending by personal services and non-personal 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.

Table CE0-4 breaks down the agency at what is known as the program and activity level. These are the detailed line items that show how the library’s budget is spent.

“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.”

FY 2021 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table CE0-4 contains the proposed FY 2021 budget by division/program and activity compared to the FY 2020 approved budget. It also provides FY 2018 and FY 2019 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 2018	Actual FY 2019	Approved FY 2020	Proposed FY 2021	Change from FY 2020	Actual FY 2018	Actual FY 2019	Approved FY 2020	Proposed FY 2021	Change from FY 2020
(1000) AGENCY MANAGEMENT										
(1010) Personnel	792	905	1,124	1,080	-44	8.5	8.4	9.0	8.0	-1.0
(1015) Training and Employee Development	156	182	183	128	-55	1.0	0.9	1.0	1.0	0.0
(1020) Contracting and Procurement	425	427	472	393	-80	2.8	2.8	3.0	3.0	0.0
(1030) Property Management	1,371	1,329	1,358	1,289	-69	4.7	4.7	5.0	5.0	0.0
(1040) Information Technology	1,310	1,374	1,423	1,398	-24	5.7	5.6	6.0	6.0	0.0
(1060) Legal Services	523	461	595	590	-6	2.8	2.8	3.0	3.0	0.0
(1070) Fleet Management	470	553	707	645	-62	7.6	6.5	8.0	9.0	1.0
(1080) Communications	1,589	1,961	2,002	2,016	14	10.4	10.2	12.0	13.0	1.0
(1085) Customer Service	714	789	787	732	-55	5.7	6.5	7.0	6.0	-1.0
(1087) Language Access	10	7	14	14	0	0.0	0.0	0.0	0.0	0.0
(1090) Performance Management	698	705	757	771	14	2.8	5.6	3.0	4.0	1.0
SUBTOTAL (1000) AGENCY MANAGEMENT	8,059	8,693	9,422	9,056	-366	52.0	54.0	57.0	58.0	1.0

Will there be any new neighborhood libraries opening? What will the library system do differently from last year? These questions are answered in Table CE0-5 (next page) 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’re not. If you have questions, you might consider making a call or sending an email to the DC Council committee that has oversight over a particular agency.

FY 2020 Approved Budget to FY 2021 Proposed Budget, by Revenue Type

Table CE0-5 itemizes the changes by revenue type between the FY 2020 approved budget and the FY 2021 proposed budget. For a more comprehensive explanation of changes, please see the FY 2021 Proposed Budget Changes section, which follows the table.

Table CE0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2020 Approved Budget and FTE		64,976	603.7
Removal of One-Time Costs	Library Services	-5	0.0
LOCAL FUNDS: FY 2021 Recurring Budget		64,971	603.7
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	4,764	0.1
Increase: To support nonpersonal services costs	Multiple Programs	202	0.0
Decrease: To offset adjustments to nonpersonal services costs	Multiple Programs	-202	0.0
Enhance: To support MLK Operating Impact of Capital	Business Operations	912	0.0
Reduce: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-242	0.0
Reduce: To adjust the Collections budget	Library Services	-450	0.0
Reduce: To recognize savings in personal services	Multiple Programs	-4,483	-4.0
LOCAL FUNDS: FY 2021 Mayor's Proposed Budget		65,472	599.8

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 information for some agencies is better than for others and includes information 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 an 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, three laws are adopted, and a set of budget documents are produced. The three laws are the Local Budget Act, the Federal Portion Budget Request Act, and the Budget Support Act.

The **Local Budget Act** sets the budget for each DC government agency and program. The Local Budget Act 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 **Federal Portion Budget Request Act** includes funds appropriated for the District for specific purposes, such as the federally operated DC court system.

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 that showed up a few years ago.

The following sections highlight the key events and timeline for the typical DC Budget process. See also the infographic on page 13. (Due to the pandemic and federal aid efforts, the Mayor requested to delay her budget release until April 22nd, extending the budget schedule through June or July this year.)

September- December: Agencies Develop Budget Requests

The Chief Financial Officer's Role: The CFO calculates 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: The Mayor's office, through the Office of the City Administrator, gives each agency a target budget number for local funds, which the agency's operating budget request cannot exceed. This target number is often set below the current budget, to encourage agencies to look for savings. Agencies develop budget requests that meet those targets but are also allowed to submit requests for targeted service enhancements or new initiatives.

January- March: DC Council Holds Agency Performance Hearings

The CFO's Role: In February, the 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: The Mayor's budget review teams meet with each agency to review their budget requests. In particular, the Mayor considers enhancements she will include. If the revenue forecast is less than the CSFL, the budget must be adjusted to remain within the revenue limits. Adjustments can include policies to increase revenue, such as additional taxes or fees, or cuts to spending. If the revenue forecast is higher than the CSFL 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 **performance oversight hearings** on the performance of each agency, to review the agency's operations and 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 is also required to discuss the agency's performance and expenditures in the past fiscal year and answer oversight questions from Councilmembers. Before each performance 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. You can contact the Council's Office of

the Budget Director, or the committee clerk for any committee of interest, if you need help finding these documents.

The Residents' Role: DC residents and advocates play a key role in the budget process. This is a chance to inform the Council about how you see dollars being spent and to make recommendations for improving how an agency is funded. 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 has reduced its acquisition of new books. The performance oversight hearing presents an opportunity to ask why that decision was made.

Residents can also submit questions for the Council committee members to ask agency officials at the performance oversight hearing. 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 residents to submit questions, but you're welcome to share your questions with staff of the relevant committee and encourage the committee to include your questions in their submission to the agency. You should contact a committee in January if you have questions to submit to the agencies. DC Council committees, their chairperson and members, and the agencies they oversee can be found on the DC Council website by clicking "The Council," then "Committees".

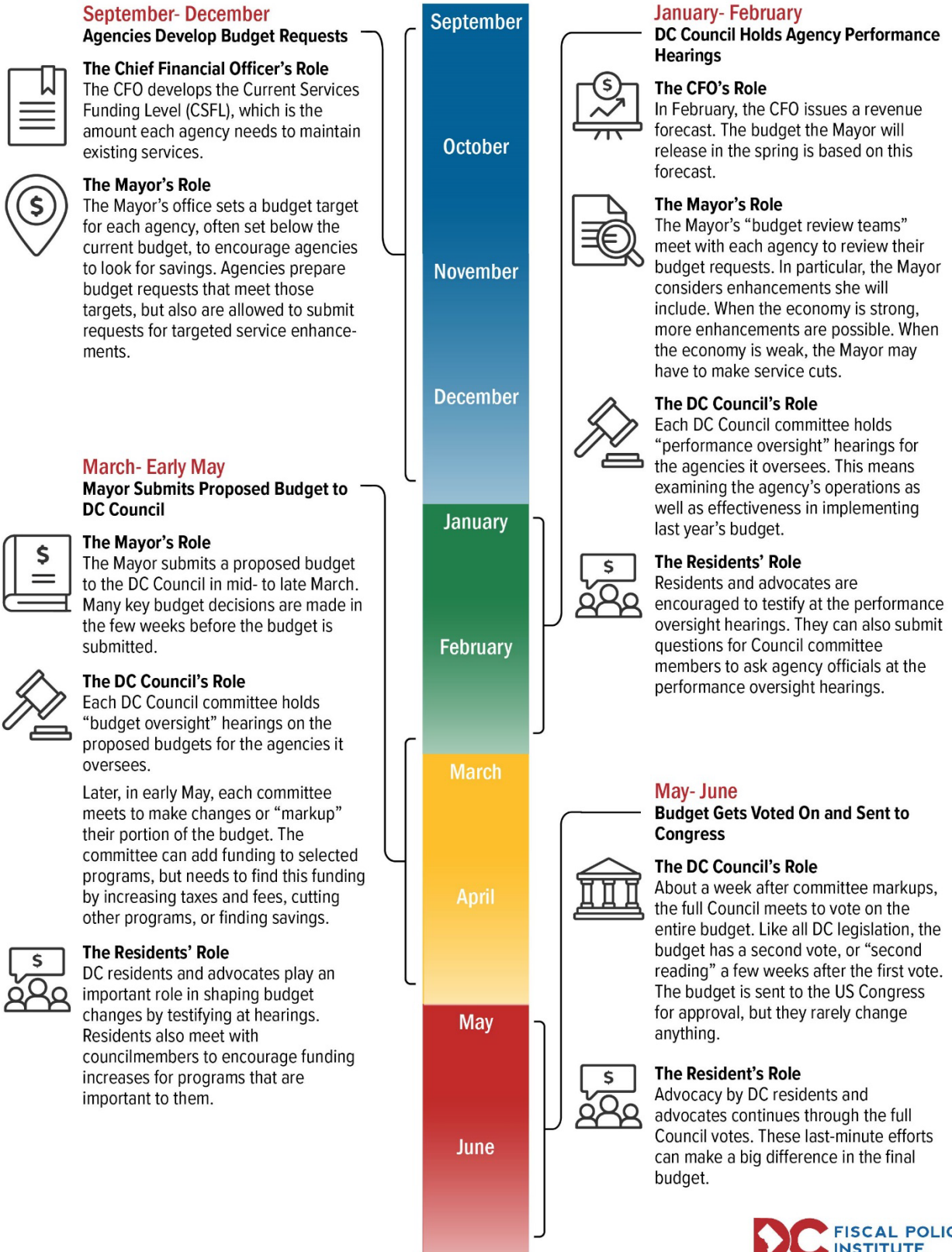
March- Early May: Mayor Submits Proposed Budget to DC Council

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

The DC Council's Role: After the Mayor's budget is released, each Council committee holds **budget oversight hearings** on the portion of the budget the committee oversees. For example, the Committee on Human Services holds hearings on the budget for the Department of Human Services, Child and Family Services 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 in the [Budget Oversight page](#) on the DC Council's website. If you need help finding these documents you can contact the office of the DC Council's Office of the Budget Director, or the committee clerk for any committee of interest.

After the budget oversight hearings are held, each DC Council committee meets to markup the portion of the budget they oversee. The **markup** 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 total 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.



The Residents' Role: DC residents and advocates play an important role in shaping the DC Council's budget decisions on how to alter the Mayor's budget request by testifying at budget oversight hearings about portions of the budget they like or do not like. In addition, residents can submit questions to the committees to pass on to agencies.

Residents also meet with Councilmembers to encourage funding increases for programs that are important to them. You can contact Councilmembers individually, by calling or sending emails. You may also want to join a group that advocates 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 Local Budget Act, the Federal Portion 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.

Like all DC legislation, the budget has a second vote, or “second reading.” The second votes—on the Local Budget 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 a 30-day review. Notably, Congress very rarely changes anything. (The Council holds only one vote on the Federal Portion Budget Request Act, which Congress then incorporates into the federal budget.)

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.

Does DC Save for A Rainy Day?

What happens if the economy takes a nosedive and tax collections decrease? Does the District save money for a rainy day?

The answer is yes, but it's a bit more complicated than that. DC had \$1.4 billion in four different reserves at the start of FY 2020 that potentially could be helpful in a recession or other fiscal emergency, but serious restrictions on three of the reserves leave most of this money unavailable.

The logic of having a **rainy day fund** is much like having an emergency savings account. 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. 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.

The District's reserves are spread across four funds. The District has built up these reserves with the goal of having enough cash on hand to meet 60 days of operating expenses, a target recommended by the Government Finance Officers Association. This standard is intended to ensure that governments have resources to be used in challenging times, such as in a recession. The GFOA standard notes that "it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates." In other words, the goal of the standard is to build up adequate reserves so that the funds can be withdrawn as needed.

Yet current rules governing DC's reserves essentially leave the District with just nine days of easily available cash, undermining the point of reaching the 60-day standard.

- **The Fiscal Stabilization Reserve:** This fund, which accounts for one-seventh of DC's reserves and totals nearly \$213 million (or nine days of revenue), is the only one that is easily available for use in a recession, because repayments come from future budget surpluses. During the pandemic, the mayor and DC Council tapped this entire reserve.
- **The Cash Flow Reserve Account:** This almost \$730 million reserve (half or about 31 days of DC's savings) is used only for short-term cash flow needs; any money used must be repaid in the same fiscal year. It cannot be used as a rainy day fund in a recession, when the fallout of shrinking revenue and increased demand for services stretch beyond a year.

While having money on hand for cash flow needs makes sense, the District doesn't need to restrict this amount of funding in the Cash Flow Reserve. That's because the District has other options to find money for cash flow needs, in particular, by borrowing money for periods of less than a year. Known as temporary revenue anticipation notes, this is a cost-effective tool used by cities and states across the country. In the Great Recession, before the Cash Flow Reserve was created, the District met its cash flow needs through short-term borrowing. The cost was just \$4.5 million in FY 2009 and \$2.3 million in FY 2010—primarily for interest costs.

Two of DC's reserves—the Emergency Reserve and the Contingency Reserve—are mandated by Congress and were created during the Control Board two decades ago. While federally mandated, the money set aside is local funds generated entirely by DC taxes and fees. The District has \$480 million in these reserves in the FY 2021 budget.

Unfortunately, rules set in federal law make these reserves largely inaccessible as a rainy day reserve. Federal law requires DC to repay any funds used from these reserves within two years, with at least 50 percent repaid in one year. Yet when DC faces a multi-year economic slowdown, this rapid repayment requirement makes it difficult to use them. State fiscal policy experts recommend against requirements to rapidly replenish rainy day funds for this reason.

There are other things to note about the federally mandated reserves.

- The Emergency Reserve—\$160 million, or 7.3 days worth of operating cash—can be used to meet "extraordinary needs of an emergency nature, including a natural disaster or calamity," or in a state of emergency declared by the Mayor. Given this restriction, the District rarely uses this reserve, including during the current pandemic.

- The Contingency Reserve—\$320 million, or 14.6 days’ worth of operating cash—can be used for “unforeseen needs that arise during the fiscal year,” such as a natural disaster, public health or public safety needs, or a 5 percent drop in revenue collections. While this allows the reserve to be used in a recession, the rapid repayment requirement makes it difficult to use as a rainy day fund.

It is worth noting that Mayor Bowser regularly uses the Contingency Reserve, but not as a rainy day fund. In some cases, these reflect temporary uses, such as fronting funds for COVID expenses that ultimately will be paid for with federal relief funds. In other cases, the Mayor has used the Contingency Reserve to spend money outside the budget process with the hope that the funds will be replenished with surplus funds identified at the end of the fiscal year.

While the mayor has been able to use the Contingency reserve, the repayment requirement effectively keeps the DC Council from it in the budget, since they also would have to budget for repayment. The Council has never initiated steps to use this fund.

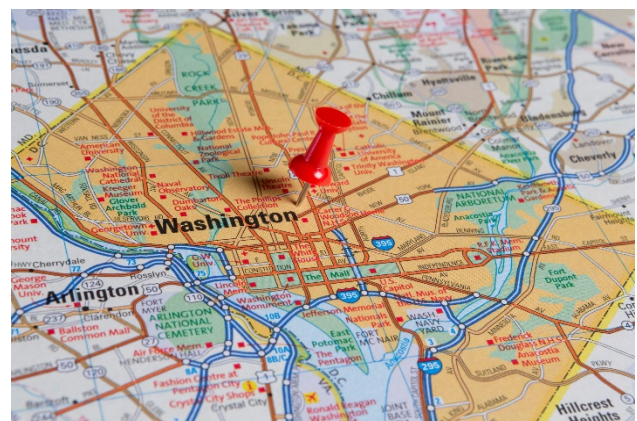
Is the DC Budget Process Different from Other Cities and States?

Washington, DC is a city, but 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 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 Congress, 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 Congress, with the DC budget being a special case. Until recently, the 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 act 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 DC 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 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, which is known 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 or selling or taxing sales.

“There are several ways to get involved in the city’s budget process. Voting in local elections is an important way to express your opinions, but there also are many ways to influence budget decisions directly.”

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

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

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

You might choose to get involved with groups that advocate directly on budget issues, 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:

DC's Budget & Financial Plan

Office of the Chief Financial Officer

The OCFO's budget page contains links to the current budget, the current services funding



level baseline budget, and an archive of prior year budgets dating back to FY 2007.

www.cfo.dc.gov/budget

Quarterly Revenue Forecast

Office of the Chief Financial Officer

Four times a year, in 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.

www.cfo.dc.gov/page/quarterly-revenue-estimates

Budget and Performance Oversight Resources

DC Council

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.

<https://dccouncil.us/budget-oversight-2021/>

Committee Reports

DC Council

Each DC Council Committee prepares a report on their agency budgets. The reports are available online on the Council's website.

<https://www.dccouncilbudget.com/fy-2021-budget>

CFOInfo Interactive Dashboard

The CFOInfo page is an interactive web-based budget and expenditures dashboard. In addition to viewing each agency's budget in depth, users can filter by fund and expense type.

<http://cfoinfo.dc.gov/>

DC Council Committee Staff

Get to know them and don't be afraid to ask them questions and use their resources.

www.dccouncil.us/committees

DC Fiscal Policy Institute Budget Toolkits

Each year, DCFPI writes summaries of what's in the Mayor's proposed budget and the approved DC budget for issues including education, homeless services, and health care.

www.dcfpi.org/resource/budget-toolkit/

Glossary

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

Appropriation titles: The seven clusters in which DC agencies are grouped together based on their general function.

Budget autonomy: A law giving DC control of its locally funded budget after a 30-day Congressional review period, which originated with a 2013 ballot initiative.

Budget oversight hearings: After the Mayor's budget is released, each Council Committee holds budget oversight hearings on the portion of the budget the Committee oversees

Budget Support Act (BSA): Legislation covering budget changes that require a change in law, including tax changes, policy changes, and new program rules.

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

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

Committee: The DC Council is divided into a number of Committees which have oversight over a set of related agencies.

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

Dedicated tax: A tax whose revenue is directed for a specific purpose. Dedicated taxes are part of the city's General Fund.

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

Federal funds: Funding received from the federal government.

Federal Portion Budget Request Act: Legislation that sets federal funding for certain functions paid for by the federal government, like DC courts. This Act goes through the congressional budget process.

Financial plan: Budget for the city's current fiscal year and three years beyond. The four-year financial plan is mandated by Congress.

Fiscal year (FY): Length of time the budget is allocated. In DC, the fiscal year runs from October 1 through September 30.

Full-time equivalent (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).

Fund balance: The District's accumulated resources, including various reserve funds and other sources. The city's rainy day fund is part of the fund balance.

General Fund: Expenditures funded with locally raised taxes and fees. Local revenue, special purpose revenue, and dedicated taxes are part of the General Fund.

Gross funds: Combines all the sources of funding, including the General Fund, federal funds, and any private dollars.

Intra-District funds: 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 and state house, at 1350 Pennsylvania Avenue NW, which houses the Mayor's office and the DC Council.

Local Budget Act: Legislation that sets the budget for each agency for the fiscal year. automatically becomes law after a 30-day congressional review period.

Local funds: Includes tax and non-tax revenue that is generated by the District and is not earmarked for a particular purpose. Local funds are part of the General Fund.

Markup: Changes to legislation or the Mayor's budget proposal made by a DC Council Committee.

Nonpersonal services: In an agency budget, includes costs not associated with employees, such as contracts for services, office supplies, and rent.

Operating budget: Spending plan for day-to-day government operations, including programs, services, and government employee salaries.

Performance oversight hearings: The hearings DC Council Committees hold in January- February to examine each agency's operations and effectiveness in implementing last year's budget.

Personal services: In an agency budget, includes pay and other costs associated with government employees.

Rainy day fund: Informal term for financial reserves set aside by cities and states to address unforeseen circumstances. DC's rainy day fund includes the federally-mandated emergency and contingency cash reserves, as well as a locally-mandated fiscal stabilization reserve.

Revenue forecast: The Chief Financial Officer's estimate of how much revenue the city will take in, for the current fiscal year and next four fiscal years.

Revenue: The annual income or receipts of the District from all sources, including taxes, fees, grants, and investments.

Special purpose revenue: Fees and other non-tax revenues where the funds are designated for a specific use. Special purpose revenues are part of the city's General Fund, along with local funds and dedicated taxes.

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

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

Appendix: An In-Depth Look at the DC Budget's Seven Appropriation Titles

The following summarizes the gross funding in FY 2021—including both local and federal funds—for each of the major functional areas of the DC budget.²

Human Support Services

The biggest slice of the overall budget is Human Support Services, with gross funds of \$5.1 billion in FY 2021. 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** (DHCF), 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. Nearly 280,000 residents receive health care services through DHCF. The FY 2021 budget for the agency was \$3.6 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 **Department of Human Services** delivers many services and programs critical to the city's safety net, including Temporary Assistance for Needy Families, 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 \$610 million for FY 2021.
- 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 2021 was \$219 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 \$264 million budget in FY 2021 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 2021 was \$308 million.
- The **Department of Disability Services** coordinates care and housing for city residents with physical or mental disabilities. The FY 2021 budget for this agency was \$194 million.

Public Education

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. Gross funds for public education totaled \$3.2 billion in FY 2021.

DC Public Schools provides general classroom instruction, as well as vocational, early childhood, English language learner services, and summer school for about 50,000 students in 2021. In FY 2021, DC public schools were allocated \$1.1 billion 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 2020, there are 66 non-profits who operate 128 charter schools, which enroll about 44,300 students. In FY 2021, DC Public Charter Schools received funding of \$935 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** (UPSFF). 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 allotment for facility expenses, while DC Public Schools 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:

- 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 2021 was \$597 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 \$121 million in FY 2021.
- The **University of the District of Columbia** received \$90 million in FY 2021. 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 25 neighborhood branch libraries. The system's budget for FY 2021 was \$73 million.
- The **Department of Parks and Recreation** runs 73 recreation centers and maintains 1000 acres of public park land. The FY 2021 budget for this agency was \$61 million.

Public Safety and Justice

Two agencies make up most of the Public Safety cluster: the Metropolitan Police Department and the DC Fire and Emergency Medical Services. Gross funds for public safety in FY 2021 totaled \$1.6 billion.

- The **Metropolitan Police Department** has nearly 3,800 police officers who patrol the city, which is divided into 56 police service areas in seven police districts. The agency's budget for FY 2021 was \$546 million.

- **DC Fire and Emergency Medical Services (DC FEMS)** runs 33 firehouses across the city. Most of the city's firefighters are also trained as emergency medical providers. DC FEMS answers over 200,000 fire or medical incidents each year. The DC FEMS budget for FY 2021 was \$266 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 2021, the agency received \$170 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 two halfway houses. The agency's budget for FY 2021 was \$179 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 2021 budget was \$54 million.
- The **Office of the Deputy Mayor for Public Safety and Justice** coordinates and provides oversight of the various public safety agencies in this cluster. The FY 2021 budget for the Deputy Mayor for Public Safety was \$1.7 million.
- The **Office of Victim Services and Justice Grants** coordinates and funds programs in the District that serve crime victims, prevent crime, and improve the administration of justice for victims and offenders. The FY 2020 budget for this agency in 2021 was \$60 million.
- The **Office of the Chief Medical Examiner** investigates and certifies all unexpected deaths and deaths in which violence is suspected. The FY 2021 operating budget for the agency was \$14 million.
- The **Department of Forensic Sciences** provides independent analysis of evidence and samples submitted by agencies within the District of Columbia and its federal neighbors. The FY 2021 budget for this agency was \$30 million.

Financing

This appropriation title does not consist of agencies that actually provide services to residents or oversee programs; it 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. In FY 2021, the District dedicated \$1.4 billion in gross funds to financing.

- **Debt Service** or "repayment of loans and interest," includes the interest and principal repayment of bonds the city issues to support infrastructure projects. The FY 2021 expenditures for debt service were \$811 million. (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 small school modernization fund.)
- The **District Retiree Health Contribution** includes funds for the District to make payments for health and life insurance for retired DC government employees. In FY 2021, \$48 million was dedicated to this purpose.
- 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. \$97 million was transferred for this purpose in FY 2021.

- The **Pay-As-You-Go Capital Fund** provides the District with funding to do capital projects and improvements without borrowing. The FY 2020 budget for the Pay-As-You-Go Capital Fund was \$289 million.
- The **Settlements and Judgments** fund is a reserve set aside for court judgments and rulings against the District of Columbia. In FY 2021, \$28 million was allocated to the fund.

Governmental Direction and Support

This cluster consists of several agencies that help manage, run, and support the general operations of the DC government. In FY 2021, gross funds for governmental direction and support were \$1.0 billion.

- The **Department of General Services** 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. In FY 2021, DGS received \$511 million.
- The **Office of the Chief Financial Officer** (OCFO) 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 2021 budget for the agency was \$199 million.
- The **Office of the Attorney General** (OAG) 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 District allocated \$143 million to the OAG in FY 2021.
- 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 elected citywide, and one chairman, who is elected citywide. The operating budget for the DC Council in FY 2021 was \$29 million.
- The **Office of the Inspector General** conducts independent audits and investigations into the use of District funds and resources. Its budget for FY 2021 was \$19 million.
- The **Office of the Mayor** is divided into five core offices: executive office of the Mayor, boards and commissions (MOTA), community affairs, volunteerism (Serve DC), and the agency management unit. The operating budget for the Office of the Mayor in FY 2021 was \$18 million.
- The **Board of Elections** 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. In FY 2021, the agency's budget was \$10 million.
- The **DC Auditor** helps the DC Council assess spending and improve efficiency in programs. Its budget for FY 2021 was \$6 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 2021 was \$11 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 Office of Campaign Finance received \$9 million in FY 2021.

- **Advisory Neighborhood Commissions (ANCs)** 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 2021 was \$1.6 million.

Operations and Infrastructure

The Operations and Infrastructure cluster has some of the most visible, quality-of-life government services agencies. In FY 2021, \$1.1 billion was dedicated to operations and infrastructure.

- The **Washington Metro Area Transit Authority (WMATA)** provides public transportation, under the direction of the Department of Transportation. The District's contribution to WMATA was \$458 million in FY 2021.
- 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 2021 was \$147 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 2021 budget was \$74 million.
- 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 2021 was \$190 million.
- The **Department of Energy and the Environment** is the lead agency for creating 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 2021 it had a budget of \$143 million.
- The **Department of Motor Vehicles (DMV)** had an agency budget of \$48 million in FY 2021. The department manages 637,000 licensed drivers and identification holders as well as collects fines for approximately 2.6 million parking tickets each year. DMV also conducts 178,000 vehicle emission inspections per year.
- The **DC Department of For-Hire Vehicles** regulates approximately 100,000 drivers, 60 taxicab companies, and more than 20 limo companies. The agency's FY 2021 budget was \$18 million.

Economic Development and Regulation

The agencies in this appropriation title set the direction for economic development in the city. Not only does it encompass planning and zoning functions, but it also includes workforce development, affordable housing development, and small business development. Gross funding for economic development was \$414 million in FY 2021.

- 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 2021 budget was \$84 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. In FY 2021, \$162 million was dedicated to the agency.
- The **Deputy Mayor for Planning and Economic Development** sets the city's development priorities and policies, with a FY 2021 budget of \$33 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. In FY 2021, the agency received \$12 million.
- The **DC Commission on the Arts and Humanities** provides grants that support arts organizations in the District as well as individual artists. The Commission's budget was \$39 million in FY 2021.
- 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 2021 budget for the agency was \$4 million.

¹ The Chief Financial Officer has updated its revenue projections, which are coming in lower than the levels approved in the FY 2021 budget.

² All FY 2021 budget figures in this appendix are from Fiscal Year 2021 Budget & Financial Plan. See https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC_OCFO_Budget_Vol_1-Bookmarked-9-1-2020.pdf