

COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



BUDGET PROCESS – STEP-BY-STEP

Budget Submission Requirements Resolution

Each fall, the Council passes a budget submission requirements resolution that establishes the date by which the Mayor must submit the proposed budget for the next fiscal year; the resolution also states what information and documentation must be submitted with the proposed budget.

Mayor's Budget Process

The budget process begins in the executive branch in the fall, when the Mayor gives each agency a target budget number for the upcoming fiscal year. Agencies return their draft budget to the Mayor and then meet internally in December and January to discuss opportunities for savings, potential increases, and other proposed changes. During this same time, the Mayor may reach out to Councilmembers for their input. Then, in December, the Chief Financial Officer (CFO) releases a report delineating what it would take for each agency to maintain the same level of service through the next year. The Mayor uses this information when reviewing the budget requests of each agency.

Each February, the CFO issues the Comprehensive Annual Financial Report (CAFR), which is the audit of the previous fiscal year. At the end of February, the CFO issues a revenue estimate that will serve as the “ceiling” for expenditures in the coming fiscal year. Total spending in the upcoming budget cannot exceed the total revenues from the February revenue estimate unless additional revenue is generated from new proposals.

During this time, the Mayor reconciles the agency's requests, her vision for the District, and the available revenue to propose any cuts, increases, or changes in each agency.

Agency Performance Review

In January and February, the Council undertakes the first prong of the annual agency-by-agency review process: Agency performance oversight hearings. Each Council committee has jurisdiction over a specific list of government agencies. During the performance oversight season, committees hold public hearings to discuss the agency's performance over the last fiscal year. Following public witness testimony, agency directors respond to questions from Councilmembers; these questions can be on any topic, but usually focus on the agency's responsibilities and how well it accomplishes those goals.

Mayor's Proposed Budget and Financial Plan

In mid-to-late March (as set by that year's budget submission requirements resolution), as the culmination of all the executive branch's meetings with individual agencies, the Mayor's proposed budget document is released. The budget includes consists of two components - an operating budget,

which covers ongoing operations, and a capital budget, which funds the Capital Improvement Plan for the development, improvement, or replacement of District-owned assets during a six-year period.

The Mayor's budget package also includes three measures: The Local Budget Act, the Federal Portion Budget Request Act, and the Budget Support Act. All three measures are included in the Council's budget approval process. Pursuant to the Home Rule Act, the Council must approve the next fiscal year budget within 70 days of receiving it from the Mayor.

Budget Hearings

Following the Mayor's release of the budget, the Council committees initiate the second prong of their agency-by-agency review, this time focusing specifically on the agency's proposed budget. These budgetary discussions are directly informed by the agency's responses to the questions recently asked at the performance oversight hearings.

Council committees review the budget proposal for each agency under their purview. In preparation for each agency budget oversight hearing, Council committees may request that government agencies provide information in advance of the hearing about their expenditures, contracts, funding sources, and workforce. In addition, the Office of the Budget Director requests that each agency provide a standard set of documents. These documents ensure that the Council has the same set of critical information from each agency necessary for completing its work on the annual budget, including information on contracts, intra-district transfers, federal grants, spending plans, and employee positions listings.

The committees then hold public hearings where they receive testimony from public witnesses and question agencies about their proposed budgets.

Committee Reports

After the budget hearing period concludes, each committee chairperson prepares a committee report that includes recommendations for funding and personnel levels for each agency in its purview, policy proposals, and any appropriation language changes. The reports also identify additional budget needs, legislation required to implement the committee's recommendations, and any other budget-related analysis that the committees deem appropriate. Each chair presents the report to the full committee for markup and approval.

After all committees approve their reports, the Council's Office of the Budget Director, under the Chairman's direction, incorporates the committees' recommendations and additional Council-wide recommendations into a single unified budget. As required by the District's Home Rule Act, the final product must be a balanced budget. The whole Council then reviews and approves the budget and corresponding report.

Approved Budget

Upon Council approval, the budget is forwarded to the Mayor, who may sign or veto the Council's budget. After her signature, the Chairman transmits the local portion of the budget for a passive 30-day congressional review. The Mayor submits the federal portion of the annual budget to the President for inclusion in a federal appropriations act approved by Congress.