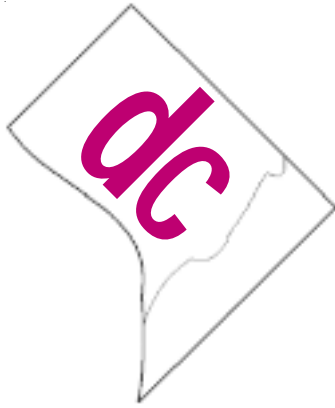


the



budget process explained

Contents:

- The DC budget process
- Acronyms
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- Advocacy intervention points in the budget process

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Susie Cambria, MSW
Public Policy Consulting

4006 Hamilton Street • Hyattsville, MD 20781
Phone: 301-832-2339 • Email: secambria@gmail.com
Web: <http://susiecambria.blogspot.com> • Twitter: [@susiecambria](https://twitter.com/susiecambria)

the



budget process

July

July - September

Budget instructions & targets

OBP prepares instructions for agency budget development for the following fiscal year. The executive develops agency budget targets.

Agency restructuring

Agencies may reorganize the agency. They must enter changes into the online budget system.

August

July - September

Budget instructions & targets

See July for information.

Agency restructuring, cont.

See July for information.

September

Budget kickoff

Agencies receive instructions from OBP and targets from EOM.

September - December

Agencies develop budget submissions

Agencies prepare budget submissions for following fiscal year.

Fiscal year ends

Current year ends September 30.

Revenue estimates

OCFO releases quarterly estimates for a five-year period including the current fiscal year.

October

September - December

Agencies develop budget submissions, cont.

See September for information.

October - December

Mayor and City Council revise current fiscal year budget if required

Fiscal year begins

New year begins October 1.

November

September - December

Agencies develop budget submissions, cont.

See September for information.

October - December

Mayor and City Council revise current fiscal year budget if required, cont.

December

September - December

Agencies develop budget submissions, cont.

See September for information.

Revenue estimates

See September for information.

January

Current Services Funding Level (CSFL)

In this document, OBP projects spending for the next fiscal year based on current year programs.

Budget scrubbing

OBP scrubs budget submissions to ensure they comply with the instructions. OBP eliminates redundancies and verifies costs.

BRT (Budget Review Teams)

OBP, EOM and agencies meet to review the submission and discuss policy initiatives and cost saving proposals.

Council develops budget priorities

The Council prioritizes its policy and thus budget goals for the year. The list is used during budget deliberations.

February

February - March

Mayor develops budget proposal, cont.

The mayor considers the CSFL and BRT results and makes modifications based on his policy goals and the city's financial situation.

Mayor develops revised current year budget

Depending on revenue and spending patterns, the mayor may develop a revised current year budget to be presented with the next year's budget.

Agency oversight hearings for past and current fiscal years

The Council holds hearings to assess past and current performance of government agencies; the public may testify.

Revenue estimates

The quarterly estimate is released. The February estimates are the "official binding revenue estimate that is used to develop the budget for the next fiscal year."¹

Comprehensive Annual Financial Report (CAFR) released

The CAFR is the city's official annual audit and is released by the CFO.

March

February - March

Mayor develops budget proposal, cont.

See February for information.

Mayor develops revised current year budget

See February for information.

Past and current fiscal year agency oversight hearings

See February for information.

April

Mayor releases next fiscal year's budget

The mayor submits proposed budget to the City Council.

April - May

Budget hearings

The City Council holds public hearings; the public may testify.

May

April - May

Budget hearings, cont.

See April for information.

Budget markups

Council committees mark-up the proposed budget.

City Council votes on BRA & BSA

The Council votes on the BRA. This is the first and only vote on this legislation. The Council also takes the first of two votes on the BSA.

June

City Council votes on BSA

The Council holds second of two votes on the BSA.

Mayor signs budget legislation

The mayor signs the Budget Support Act and sends to the President who forwards to Congress.



Susie Cambria, MSW
Public Policy Consulting

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Some finer points of the DC budget process

Acronyms

- **BRA: Budget Request Act.** The Home Rule Act² prescribes a process for the District to pass an annual budget. The District uses the BRA as the vehicle to comply with the Charter and transmit the city's plan to the President of the United States. The legislation must "specify the agencies and purposes for which funds are being requested."³
- **BRT: Budget Review Team.** "The Budget Review Team (BRT) is a collective of representatives from the Executive Office of the Mayor (EOM) and/or Office of the City Administrator (OCA), the Office of the Chief Financial Officer (OCFO), and District agencies under the Mayor's authority. . . . The purpose of the BRT meeting is to review agency budget submissions in a given fiscal year and consider all information needed to recommend to the Mayor a proposed budget for each agency. . . . Each BRT meeting is a piece of the puzzle that brings together the entire District budget. The results of the BRTs directly affect the Mayor's budget submission."⁴

The public is not allowed to participate in the BRTs. And materials generated specifically for BRTs are considered "work product" and thus not released to the public.

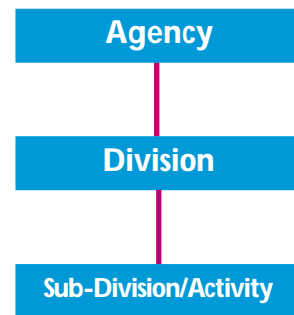
- **BSA: Budget Support Act.** This legislation incorporates any policy modifications requiring a change in law.
- **CFO/OCFO: Chief Financial Officer/Office of the Chief Financial Officer.** The CFO is responsible for the "oversight and direct supervision of the financial and budgetary functions of the District government" including maintaining a financial management system, and managing the city's borrowing and debt.⁵
- **OBP: Office of Budget and Planning.** OBP is one division of the Office of the Chief Financial Officer (OCFO). OBP "prepares, monitors, analyzes, and executes the District's budget, including operating, capital and enterprise funds, in a manner that ensures fiscal integrity and maximizes service to taxpayers."⁶
- **PS, NPS: Personal Services, Nonpersonal Services.** Personal Services are those related to DC government agency staffing--namely salaries and benefits.

Nonpersonal Services is a budget category that includes expenditures not related to personnel. NPS includes supplies, utilities, technology, rent, and equipment. NPS also includes contracts and grants which do contain salaries and benefits. But these salaries and benefits are not associated with DC government staff.

This and that

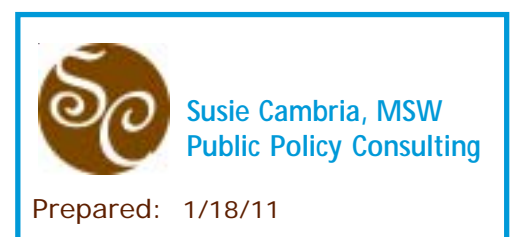
- Hard copies of the budget are generally not given to the public. The budget is posted on the DC government web site (<http://dc.gov>) and (budget.dc.gov) and the Mayor's Office of Budget and Finance/OCA/OBP may make CD-ROMs available.
- The comment period for committee budget hearings is compressed. It is only a few days. (The comment period for regular hearings is usually a week or 10 days.)

- In the budget books, the District's budget is presented in tables that track appropriations and expenditures by division, control center, and object class. Strictly speaking, the only "line items" in the District's budget are the figures that appear in the Budget Request Act. The mayor holds a line-item veto authority with respect to these figures, and the Council may override the mayor's line-item veto.
- The city has moved to a Division-Based Structure that better reflects the way agencies operate. It is illustrated here:



Where to find things

- The **mayor's budget proposal** is posted online in the hours following the transmittal to the Council. It can be found here: <http://dc.gov> and/or budget.dc.gov.
- **Revenue estimates:** These are found in the "Tax Rates and Revenues" section of cfo.dc.gov.
- **Approved and prior year budgets:** budget.dc.gov and in the "Annual Operating Budget and Capital Plan" section of cfo.dc.gov.
- **Which Council committee is responsible for overseeing which executive branch agencies:** This information is in the Council rules. The rules are online in the City Council's Legislative Information Management System (LIMS) as PR(CP number)-0001. The organizational rules are always the first resolution of the CP.
- **Current Services Funding Level:** This is posted on the CFO web site (cfo.dc.gov).



Advocacy intervention points in the budget process

Point in Process	Budget Advocacy Intervention Points	Budget Advocacy Actions
Beginning	Summer, before instructions are out	Advocate to the agency and EOM to have the agency structure modified
	While agencies are preparing their budget submissions for OBP	Develop budget, policy and program priorities: <ul style="list-style-type: none"> • include need, cost, funding sources • share with agencies, EOM and the Council in a variety of ways (emails, visits, etc.) • work with others who have the same priorities Share ideas with others -- journalists, bloggers, on your web site or blog, etc.
	While the mayor is thinking about priority areas	Meet with EOM staffer to identify mayor's priorities, areas of interest, etc. <ul style="list-style-type: none"> • provide information on needs, examples of similar initiatives in other jurisdictions, etc. • work with others who have the same priorities
	During agency performance and oversight hearings	Provide Council committee staff with questions prior to hearings
Middle	Post-release of mayor's proposed budget	Submit questions to Council committee staff <ul style="list-style-type: none"> • for advance questions to agencies • for member to ask from the dais Participate in hearings--testify, submit statements, provide follow-up to hearings
		Engage clients
		Issue calls to action
End	Council mark-ups	Work with others
	Council votes	Communicate with Council and EOM Communicate with Council and EOM

Endnotes

- 1 Office of the Chief Financial Officer, Tax Rates and Revenues, Revenue Estimates, <http://cfo.dc.gov/cfo/cwp/view,a,1324,q,612671.asp>
- 2 <http://dccouncil.us/homeruleact>
- 3 District of Columbia Home Rule Act (amended through July 15, 2008), Public Law 93-198; 87 Stat. 774, D.C. Official Code § 1-201.01 et seq., Approved December 24, 1973, Revised November 1, 2008, online <http://dccouncil.us/homeruleact>, p. 28
- 4 Office of the Chief Financial Officer, *Draft FY 2012 Operating Budget Manual*, November 5, 2010, p. 37
- 5 Office of the Chief Financial Officer, About the CFO, <http://cfo.dc.gov/cfo/cwp/view,a,1327,q,591020.cfoNav,|33299|,asp>
- 6 Office of the Chief Financial Officer, About the OCFO, Central Financial Operations, <http://cfo.dc.gov/cfo/cwp/view,a,1327,q,591013.asp>



Susie Cambria, MSW
Public Policy Consulting

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