

Why the District of Columbia Needs Local Budget Control

Unlike any other jurisdiction in the country, the District of Columbia's budget requires affirmative Congressional action on both federal and local funds.

○ The District's fiscal year is not aligned with local functions.

Other jurisdictions use a fiscal year that aligns with the school year, but the District's is tied to the federal government. This forces the local government to advance funds to the school system ahead of each fiscal year.

○ The District has limited ability to modify the budget in response to citizen needs.

The D.C. Home Rule Act contemplates mid-year supplemental funding, but that requires congressional approval, which is improbable and imposes a burden on Congress.

○ Budget planning is hampered by revenue estimate lag time.

The District must base its budget revenue on an estimate made eight months prior to the start of the fiscal year. This lag between the estimate and budget implementation often means the budget is out of sync with local agency needs, undermining the Council's ability to effectively allocate resources to critical priorities.

○ The District is caught up in federal government shutdowns.

When the federal government shuts down because Congress can't agree on a spending bill, the District is required to shut down as well. During those periods, basic local functions like education, trash collection, and permitting cannot be carried out.

Source: DC Council Budget Office and DC Vote

Quick Facts

- ✓ The District's annual budget is \$12.5 billion.
- ✓ Only 1% of the District's budget includes direct payments from the US government vs. 99 percent from local taxes, fees, and federal grants that are available to all other states.
- ✓ The District has 18 consecutive years of balanced budgets, year-end surpluses and a AAA bond rating.

HR 552: D.C. Budget Autonomy Act of 2015

DC Delegate Eleanor Holmes Norton introduced H.R. 552, which would allow the District to spend its locally-raised tax dollars without congressional approval and to modify the fiscal year. Local budget control would improve government efficiency while retaining congressional oversight required by law.

