

EDUCATION ★ PUBLIC SAFETY ★ OPPORTUNITY FOR ALL

**FY 2004**  
**PROPOSED BUDGET**  
AND **FINANCIAL PLAN**

*A Citizen's Guide*

SUBMITTED TO THE CONGRESS OF THE UNITED STATES  
By The Government of the District of Columbia

June 2, 2003



### **Priority 1: Strengthen children, youth, families and elders**

**EDUCATION** D.C. Public Schools' gross budget for FY 2004 is \$916,796,772 to serve about 64,400 students.

**HEALTH** The Department of Health through the Health Care Safety Net, created an expanded array of service delivery sites that include six network hospitals, 28 neighborhood clinics and 820 primary care providers, at a total program cost of \$81,311,952. DOH has federal approval to provide expanded home and community-based services to elderly and mentally retarded residents.

### **Priority 2: Build sustainable neighborhoods**

**CAPITAL PROJECTS** During a six-year period, the Highway Trust Fund will spend about \$1.3 billion, an annual average of \$212 million, from federal and local sources. The local street maintenance fund has budgeted \$219 million for six years.

### **Priority 3: Promote economic development**

**TOURISM** The new Washington Convention Center sprawls over 2.3 million square feet, covering six city blocks on 17 acres. It will attract three million visitors and generate more than \$1 billion annually in revenue.

### **Priority 4: Make government work**

**IMPROVED INFORMATION AND BUSINESS SYSTEMS** The District plans to spend about \$71 million on a new system to make budgeting, personnel and procurement work better together.

**OFFICE OF ADMINISTRATIVE HEARINGS** This new agency unifies the adjudicative functions of the departments of Health, Mental Health, Human Services, Motor Vehicles, Child and Family Services, Board of Appeals and Review, and D.C. Public Schools.

### **Priority 5: Enhance unity of purpose and democracy**

**PERFORMANCE-BASED BUDGETING** Thirty-four agencies participate, representing more than 80 percent of the District's budget. PBB organizes agencies' work into their programs and activities, thus giving a clearer picture of how taxpayer dollars are used.

## Operating Budget

(gross funds in thousands)

	FY 2003 APPROVED	FY 2004 PROPOSED	CHANGE	PERCENT CHANGE
Governmental Direction and Support	262,875	284,414	21,539	8.2%
Economic Development and Regulation	247,139	276,648	29,509	11.9%
Public Safety and Justice	623,327	747,259	123,932	19.9%
Public Education System	1,169,988	1,168,027	(1,961)	-0.2%
Human Support Services	2,478,818	2,366,883	(111,934)	-4.5%
Public Works	319,351	327,048	7,696	2.4%
Financing and Other	472,105	522,795	50,690	10.7%
<b>Total</b>	<b>5,573,602</b>	<b>5,693,074</b>	<b>119,472</b>	<b>2.1%</b>

**OPERATING BUDGET** refers to money for day-to-day District activities. It includes salaries, supplies and other nonpersonal items, as well as debt service and overhead.

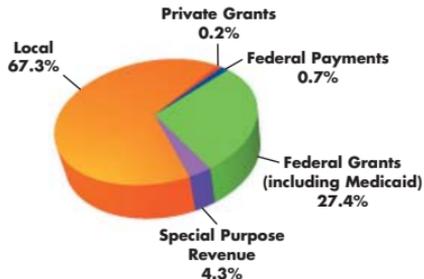
## Pennies well spent

### HOW MUCH OF EACH TAX DOLLAR GOES WHERE



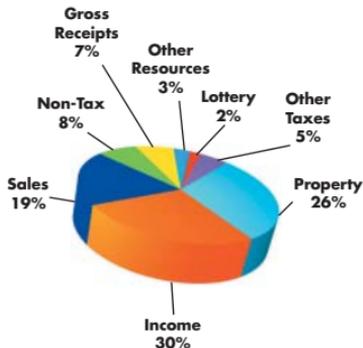
## Total Resources

FY 2004 \$5.69 Billion



Total resources for the District of Columbia are expected to reach \$5.69 billion for FY 2004. About two-thirds of this money comes from local sources that the District collects from residents, visitors, and businesses.

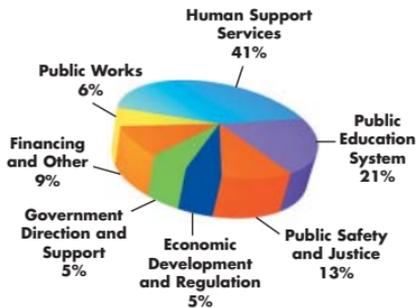
## Local Resources



The greatest single local resource\* is the District's income tax, followed by property and sales taxes. Most of the remaining revenue comes from the federal government, usually in the form of direct payments or grants.

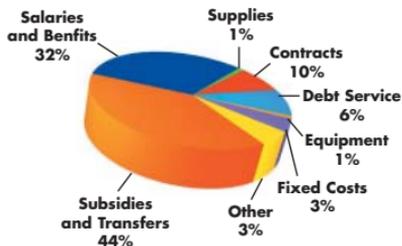
\* Local revenue in the District is expected to reach \$3.83 billion

## Total Expenditures, by program



Education and human support services take up nearly two thirds of the District's budget, followed by public safety and justice, financing and public works. Governmental Direction and Support is the District's operating cost - running the Mayor's office, the District Council, the Office of the Chief Financial Officer and others.

## Total Expenditures, by expense type

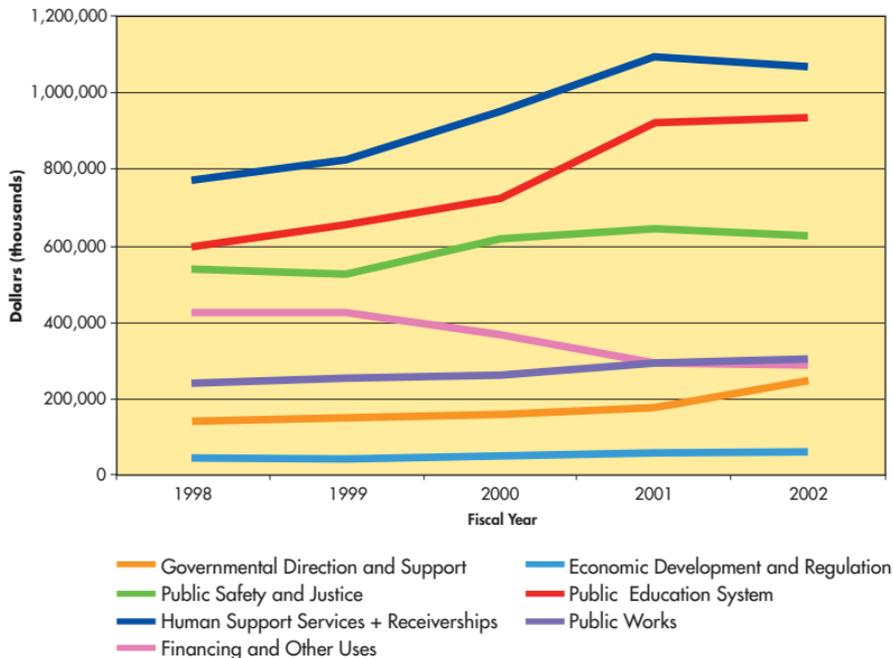


**Subsidies** are financial aid and transfers from District agencies to other District agencies and regional entities, such as the Washington Area Metropolitan Transit Authority and Public Charter Schools.

**Salaries and benefits** include part-time pay. **Contracts** provide money for services from outside contractors. **Debt service** refers to principal and interest payments on bonds. **Other services** means maintenance, travel and professional fees.

**Equipment** is furniture, automotive supplies, trucks and similar items. **Fixed costs** are such overhead as rent, utilities and postage. **Supplies** are all materials to perform agency tasks.

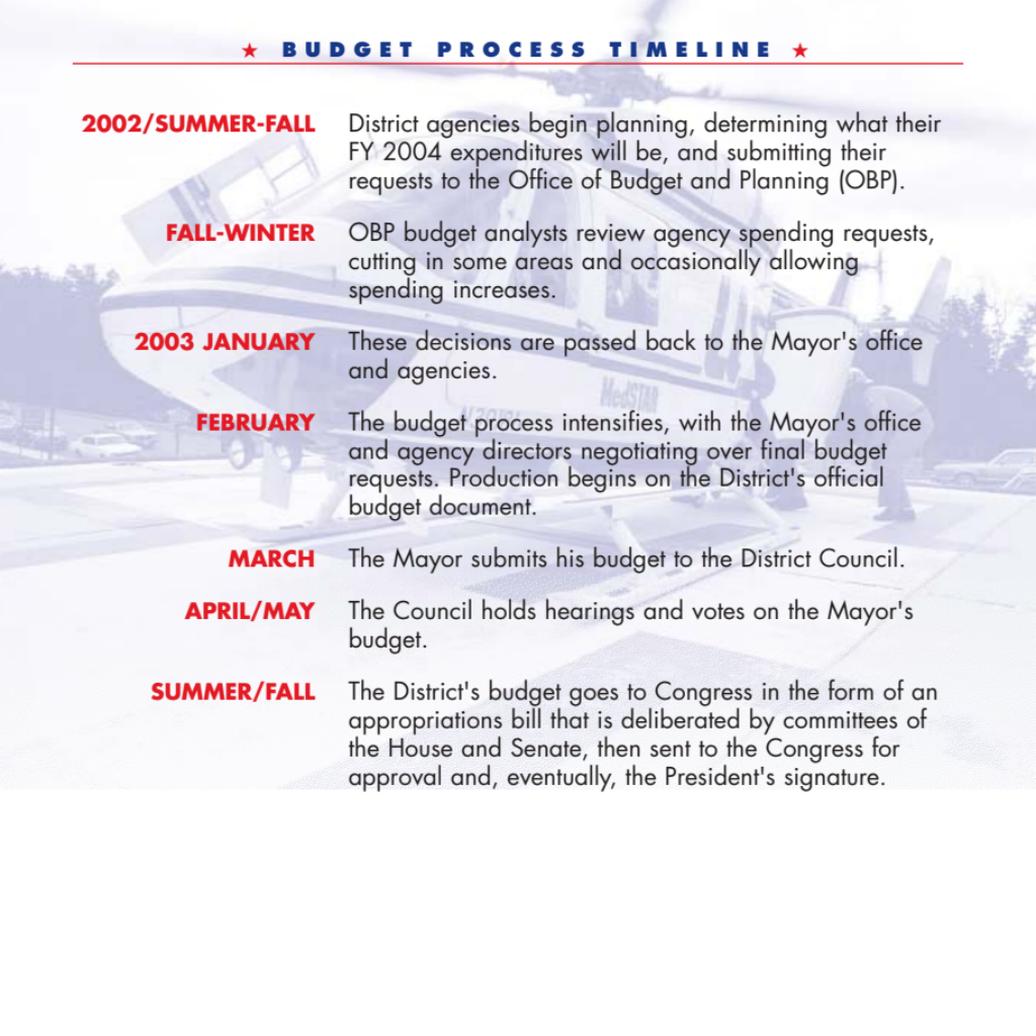
## Local Fund Expenditures by Program Area



Local fund expenditures for the last four years remained constant for most program areas, though two - Human Support Services and Public Education - increased from FY 1999 through FY 2002.

## ★ BUDGET PROCESS TIMELINE ★

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- 2002/SUMMER-FALL** District agencies begin planning, determining what their FY 2004 expenditures will be, and submitting their requests to the Office of Budget and Planning (OBP).
- FALL-WINTER** OBP budget analysts review agency spending requests, cutting in some areas and occasionally allowing spending increases.
- 2003 JANUARY** These decisions are passed back to the Mayor's office and agencies.
- FEBRUARY** The budget process intensifies, with the Mayor's office and agency directors negotiating over final budget requests. Production begins on the District's official budget document.
- MARCH** The Mayor submits his budget to the District Council.
- APRIL/MAY** The Council holds hearings and votes on the Mayor's budget.
- SUMMER/FALL** The District's budget goes to Congress in the form of an appropriations bill that is deliberated by committees of the House and Senate, then sent to the Congress for approval and, eventually, the President's signature.

## **FY 2004 Proposed Budget and Financial Plan**

### **The CD**

#### **This disk also contains:**

FY 2004 Proposed Operating Appendices  
FY 2004-FY 2009 Capital Appendices  
FY 2004-FY 2009 Proposed Highway Trust Fund

#### **For more information:**

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**The biennial Citizen Summit will be in October 2003.**

**Plan to attend to make your voice heard in District government.**