FY2021 District of Columbia Budget and Appropriations

April 19, 2021
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The District of Columbia (DC) government’s local operating budget and much of its local legislation is subject to congressional approval, pursuant to the plenary legislative authority of Congress over the federal capital granted by the U.S. Constitution. In addition to congressional authority over the DC budget process, typically, annual federal appropriations legislation has included a series of federal payments for a variety of services and initiatives in DC. Such legislation also often includes general provisions, specific to DC, that establish fiscal, budgetary, and policy controls on federal, and in some cases, local DC funds.

Each year, the DC government produces a budget through a coordinated process between the Executive Office of the Mayor and the DC Council. The budget consists of a federal portion and a local portion, which are adopted by the DC Council in two separate bills. Once approved, the federal portion is transmitted by the mayor to the President, who forwards it to Congress for review, possible modification, and approval through the annual appropriations process. The local portion is submitted by the chair of the DC Council to the Speaker of the House of Representatives, for review by Congress. In 2013, DC enacted the Local Budget Autonomy Act of 2012, which amended DC’s home rule charter by decreasing the length of the congressional review period (also known as the layover period) for its local budget to 30 days, similar to most other DC laws, during which Congress may act to disapprove the legislation. After a series of legal and legislative challenges, the act was upheld by a DC Superior Court ruling. The DC government has observed the act in its budget process since 2016.

On February 10, 2020, the Trump Administration submitted its detailed budget request for FY2021, which included $753 million in federal payments to the District of Columbia. The DC government passed a $16.9 billion dollar FY2021 budget on August 31, 2020. The U.S. House of Representatives and the Senate passed the Consolidated Appropriations Act, 2021 (P.L. 116-260). Division E, Title IV of the act included $734.5 million in federal payments for DC. The act also included several general provisions relating to fiscal and budgetary controls, administrative directives, and restrictions or prohibitions related to social policy. Some such provisions pertain to issues including abortion services, DC voting representation, needle exchange initiatives, and Schedule I controlled substances.
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Introduction

The U.S. Constitution provides Congress with plenary legislative authority over the District of Columbia (DC) as the federal capital. With the passage of the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (Home Rule Act; P.L. 93-198), Congress granted DC limited home rule authority and empowered DC residents to elect a mayor and city council. However, Congress retained its authority to review and approve all DC laws, including DC’s annual budget. In addition to its budget authority, generally, Congress annually appropriates a series of federal payments to DC for a variety of purposes, funded through the Financial Services and General Government (FSGG) appropriations bill.1

The provisions in annual federal appropriations acts related to the DC budget typically include the following three components:

1. Federal payments for specific purposes;2
2. Approval, disapproval, or modifications to DC’s operating budget;3 and
3. General provisions pertaining to fiscal, budgetary, and policy directives, controls, and restrictions.4

This report provides an overview of the DC budget process, details the types and amounts of federal payments appropriated in the Consolidated Appropriations Act, 2021 (P.L. 116-260), and discusses some general provisions related to local DC policy in the FY2021 appropriations act.

District of Columbia Budget Process

The DC Home Rule Act codifies the process by which the Executive Office of the Mayor and DC Council develop DC’s operating budget. Under this process, the DC Mayor establishes a proposed budget, consistent with guidance on funding levels from the DC Chief Financial Officer. The mayor’s budget also considers agency requests and other analysis by the Executive Office of the Mayor.

With regards to the budget, the DC council serves in an oversight role. As required by the Home Rule Act, the DC Council must approve a budget within 70 days after receiving a budget proposal from the DC mayor. The budget consists of a federal portion and a local portion, which are adopted by the DC Council in two separate bills. Once approved, the federal portion is transmitted by the mayor to the President, who forwards it to Congress for review, possible modification, and approval through the annual appropriations process. The local portion is submitted by the chairman of the DC Council to the Speaker of the House of Representatives, for a 30-day period of review by Congress.5 If Congress does not act to disapprove the legislation within this 30-day period, it becomes a law.6

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1 For more information on FSGG appropriations, see CRS Report R46621, Financial Services and General Government (FSGG) FY2021 Appropriations: Overview, by Baird Webel.
2 The federal payments for FY2020 and FY2021 are enumerated in Table 1 of this report.
3 D.C. Code §1-204.46
4 For an overview of some such provisions, see “General Provisions: Key Policy Issues” in this report.
Since the passage of P.L. 109-115 for FY2006, the DC appropriations have been included in a multi-agency appropriations bill; before FY2006 the DC budget was considered by the House and the Senate as a stand-alone bill. The DC budget is currently included in the Financial Services and General Government appropriations bill (FSGG).

**Local Budget Autonomy**

In 2013, DC enacted the Local Budget Autonomy Amendment Act of 2012 (D.C. Law 19-321). The act amended DC’s home rule charter by decreasing the length of the congressional review period (also known as the layover period) for its local budget to 30 days, similar to most other DC laws. The DC Board of Elections placed the proposed charter amendment on an April 23, 2013, ballot. DC voters approved the local budget autonomy charter amendment with 83% of the vote in support of the amendment. The act faced legal and federal legislative challenges. A 2016 DC Superior Court ruling upheld the act. The DC government has observed the act in its budget process since 2016.

**FY2021 Appropriations of Federal Payments for the District of Columbia**

The President’s FY2021 Budget Request

On February 10, 2020, the Trump Administration submitted its detailed budget request for FY2021. The President’s proposed budget for federal payments to DC was included in an appendix for Other Independent Agencies. The Administration’s proposed budget included $753 million in federal payments to the District of Columbia for activities including court services, offender supervision, and public defender services, which would have represented a $39 million increase over the FY2020 appropriations of $714 million.

The President’s budget specifically sought to eliminate appropriations of certain federal payments for DC, including resident tuition assistance, citing that the program’s authorization expired in FY2012 and there is “a lack of a clear Federal role for supporting the cost of higher education specifically for District residents.” The budget request also sought to eliminate a federal payment for the DC Sewer and Water Authority.

https://dccouncil.us/how-a-bill-becomes-a-law/


13 Office of Management and Budget, A Budget for America’s Future: Appendix, 2020, p. 1253,
District of Columbia FY2021 Budget

On May 18, 2020, the DC mayor submitted a proposed budget to the DC Council. The council approved a budget of $16.9 billion on July 28, 2020, and transmitted it to the mayor on August 17, 2020. On August 27, 2020, the mayor transmitted the federal portion of the budget to President Trump. The mayor signed and returned a version of the budget to the DC Council August 31, 2020. On August 31, 2020, the DC Council Chair submitted the local budget to Congress for review, in accordance with the Local Budget Autonomy Amendment Act of 2012 (D.C. Law 19-321). The federal payment figures in the DC proposed budget did not include the proposed cuts to resident tuition support and the DC Water and Sewer Authority in the Trump Administration’s budget proposal.

Congressional Action

The House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2021 (H.R. 7668) on July 17, 2020. The bill proposed approximately $762 million in federal payments to DC, representing an increase of approximately $48 million compared to the FY2020 level. The text of H.R. 7668, as reported, was subsequently included as Division D of H.R. 7617 when that bill was considered on the House floor. H.R. 7617 passed the House July 31, 2020.

The Senate Appropriations Committee did not hold hearings on the FY2021 budget request for federal payments for DC. However, the committee majority released a draft bill and a draft explanatory statement on November 10, 2020.

FSGG appropriations were enacted in Division E of H.R. 133, the Consolidated Appropriations Act, 2021. The House and Senate passed the H.R. 133 on December 21, 2020. The President signed the bill into law on December 27, 2020, as P.L. 116-260. Title IV of Division E of the act included $734.5 million in federal payments for a variety of purposes in DC. Table 1 details the

https://www.govinfo.gov/content/pkg/BUDGET-2021-APP/pdf/BUDGET-2021-APP.pdf.


FY2021 proposed and enacted amounts of federal payments for the District of Columbia, as compared to the FY2020 enacted amounts.\textsuperscript{20}

P.L. 116-260 also approved the expenditure of DC local funds as outlined in the *Fiscal Year 2021 Budget Request Act of 2020*.\textsuperscript{21} Additionally, the act included a provision allowing the use of DC government local funds in the event of any potential federal government shutdown in FY2022. A similar provision has been included in all appropriations bills since FY2013.\textsuperscript{22}

**Table 1. District of Columbia Appropriations, FY2020-FY2021: Federal Payments**

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\textsuperscript{20} Please note that not all of the funds in Table 1 are directed to, or expended by, DC government agencies.


## General Provisions: Key Policy Issues

Generally, FSGG appropriations acts include a series of general provisions pertaining to federal payments and other sources of DC budgetary funding. These provisions can be grouped into several distinct but overlapping categories, with the most predominant being provisions related to fiscal and budgetary directives and controls. Other provisions include administrative directives and controls, limitations on lobbying for statehood or congressional voting representation, congressional oversight, and congressionally imposed restrictions and prohibitions related to social policy.

Title VIII of Division E of P.L. 116-260 enumerates such provisions for FY2021. The remainder of this section provides an overview of some proposed and enacted provisions restricting or prohibiting the use of federal and/or local funds for particular local social policy initiatives in DC.23

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23 Such provisions are limitations (also known as limitation provisions or, more colloquially, riders) that restrict/prohibit the use of funds for certain purposes. For information on limitations, see CRS Report R41634, *Limitations in Appropriations Measures: An Overview of Procedural Issues*, by James V. Saturno.
Abortion Services

The use of public funding for abortion services in DC is a perennial issue debated in Congress during annual deliberations on DC appropriations. President Trump’s FY2021 budget request included a provision intended to continue existing restrictions on the use of any funds, federal or local, by the DC government for abortion services, except in instances of rape, incest, or when the woman’s life would be endangered if the pregnancy were carried to term. The House-passed FY2021 FSGG appropriations bill, H.R. 7617, included a provision that would have restricted the use of federal funds for the same purposes outlined in the President’s budget request, but it did not mention other sources of funding (i.e., local funds). A proposed provision in the Senate Committee on Appropriations majority draft would have prohibited the use of federal and local DC funds, with certain exceptions. As enacted, Section 810 of Title VIII of Division E of P.L. 116-260 similarly prohibits the use of any funds by the DC government to provide for abortion services, stating:

> No funds available for obligation or expenditure by the District of Columbia government under any authority shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

DC Voting Representation in Congress

For several years, the general provisions of annual appropriation acts have prohibited the DC government from using federal or local funds to lobby for voting representation in Congress, including statehood. P.L. 116-260 included three specific provisions limiting this type of activity in sections 802, 804, and 806 of Title VIII of Division E. The three provisions state:

1. “None of the Federal funds provided in this Act shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.”
2. “None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3-171; D.C. Official Code, sec. 1-123).”
3. “None of the Federal funds contained in this Act may be used by the District of Columbia Attorney General or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.”

Substantially similar provisions were included in the Trump Administration’s proposed budget and the Senate Committee on Appropriations majority draft. These provisions were not included:

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24 Since 1979, with the passage of the District of Columbia Appropriations Act of 1980 (P.L. 96-93; 93 Stat. 719), Congress has placed some limitation or prohibition on the use of public funds for abortion services for District residents. For a detailed overview of these provisions, see CRS Report R41772, District of Columbia: A Brief Review of Provisions in District of Columbia Appropriations Acts Restricting the Funding of Abortion Services.


26 Several similar provisions date back to the 1980s and 1990s.
among general provisions specifically pertaining to DC in the version of FSGG appropriations that passed the House of Representatives (H.R. 7617).

**Needle Exchange**

Addressing the spread of HIV and AIDS among intravenous drug abusers has been a policy issue of ongoing debate in congressional appropriations for DC. Some appropriations acts have included provisions to prohibit or restrict the use of funds to establish a needle exchange program aimed at reducing the spread of HIV and AIDS among users of illegal drugs.

The prohibition on the use of federal and District funds for a needle exchange program was first approved by Congress as Section 170 of the District of Columbia Appropriations Act, 1999 (Division A of P.L. 105-277). The FY1999 act did allow private funding of needle exchange programs. The Financial Services and General Government Appropriations Act, 2008 (Division D, Title VIII of P.L. 110-161) contained language that further modified the needle exchange provision included in previous appropriations acts. This act allowed the use of local funds for a needle exchange program, a provision that has been continued in subsequent fiscal years. Under the Consolidated Appropriations Act, 2010 (Division C, Title VIII of P.L. 111-117), the provision was further modified to prohibit the use of federal funds in locations deemed to be “inappropriate” for needle exchange, by local professionals in public health or law enforcement.

The Trump Administration’s FY2021 budget proposal included a provision that would have prohibited the use of federal funds for the distribution of needles or syringes for this purpose. As passed in the House, H.R. 7617 did not include a provision restricting or prohibiting the use of funds for needle or syringe distribution. The Senate committee majority version of FSGG appropriations would have continued the provision prohibiting the use of federal funds for related needle and syringe distribution. Section 807 of Title VIII of Division E of P.L. 116-260 continued the provision prohibiting the use of federal funds for this use, as stated below:

*None of the Federal funds contained in this Act may be used to distribute any needle or syringe for the purpose of preventing the spread of blood borne pathogens in any location that has been determined by the local public health or local law enforcement authorities to be inappropriate for such distribution.*

**Schedule I Substances**

Several general provisions included in appropriations acts have restricted or prohibited the DC government from implementing local laws related to the legalization or decriminalization of schedule I controlled substances, including marijuana. These provisions have varied depending on the legislation that they were designed to restrict, ranging from legalization to decriminalization of such substances for medical or recreational purposes.

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29 For a definition of schedule I substances, see 21 U.S.C. §812.

30 In 1998, District of Columbia voters approved Initiative 59, which allowed the use of medical marijuana to assist persons suffering from debilitating health conditions and diseases, including cancer and HIV infection. The certification and implementation of the initiative, however, were delayed over a decade by Congress due to the passage of the “Barr Amendment,” which, in a series of DC appropriations acts, prohibited the use of appropriated funds to
In 2014, the DC Council passed the “Marijuana Possession Decriminalization Amendment Act of 2014”\(^{31}\) that decriminalized the possession of small amounts of marijuana by making such activity a civil violation subject to a civil fine of $25.\(^{32}\) The act went into effect in July 2014. Also in 2014, almost 65% of DC voters voted to approve Initiative 71 to legalize the possession, growth, and exchange of certain amounts of marijuana among individuals aged 21 and older in DC.\(^{33}\) Subsequently, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235) included a general provision prohibiting the use of funds contained in the act to carry out such laws or regulations. Similar provisions have been included in subsequent appropriations acts. In November, 2020, approximately 76% of DC voters voted to approve ballot Initiative 81, to decriminalize some psychedelic plants and fungi.\(^{34}\)

The Trump Administration’s FY2021 budget proposal and the Senate Appropriations Committee majority draft included a provision that would have prohibited the use of any funds to enact or implement the legalization or decriminalization of schedule I substances. The bill that passed the House of Representatives, H.R. 7617, did not include this provision. As enacted, Section 809 of Title VIII of Division E of P.L. 116-260 continued the provision prohibiting the use of federal and local funds for the legalization or decriminalization of schedule I substances in DC, as stated below:

(a) None of the Federal funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 801 et seq.) or any tetrahydrocannabinols derivative.

(b) No funds available for obligation or expenditure by the District of Columbia government under any authority may be used to enact any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 801 et seq.) or any tetrahydrocannabinols derivative for recreational purposes.

**Concluding Observations**

Congress maintains plenary authority over DC legislation and budgets, as granted under the U.S. Constitution. One way in which Congress has exercised its authority has been through general provisions in annual federal appropriations legislation. Some Members of Congress have proposed legislation that would modify the role of Congress in passing local DC legislation. For instance, in the 117\(^{th}\) Congress, Delegate Eleanor Holmes Norton introduced the District of Columbia Legislative Autonomy Act (H.R. 411), which would amend the DC Home Rule Act by eliminating the process of congressional review for legislation passed by the DC Council.

Other proposed legislation related to voting representation in Congress for DC residents, would also likely change the role of Congress in local legislation and policy decisions. For information

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on some such proposed legislation, please see CRS Insight IN11599, *District of Columbia Voting Representation Proposals in the 117th Congress*, by Joseph V. Jaroscak.

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