FY2022 District of Columbia Budget and Appropriations

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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, annual federal appropriations legislation has typically 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 process coordinated 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 Amendment Act of 2012 (D.C. Law 19-321), which amended DC’s home rule charter to allow for enactment of DC’s local budget after a 30-day congressional review period (also known as the layover period), similar to most other DC laws, as opposed to passing the local budget through the federal appropriations process. 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 May 28, 2021, the Biden Administration submitted its detailed budget request for FY2022, which included $794.5 million in federal payments for DC. The DC government passed an $18.4 billion budget on September 2, 2021. On March 15, 2022, the President signed the Consolidated Appropriations Act, 2022 (P.L. 117-103) into law. Division E, Title IV of the act included $775.5 million in federal payments for DC. Division E, Title VIII of the act also included several general provisions relating to fiscal and budgetary controls, administrative directives, and restrictions or prohibitions related to social policy in DC. These provisions included language placing limitations on the use of federal—and in some cases local—funds for 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. 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, 2022 (P.L. 117-103), and discusses selected general provisions related to local DC policy in the FY2022 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.

The DC Council serves both oversight and deliberative legislative functions related to the budget process. Each DC Council committee holds performance review hearings and budget hearings for each agency under its jurisdiction. Committees compile information and recommendations from this oversight process into committee reports, which provide the basis for the development of a unified balanced budget at the council level.5

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.6 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 mayor transmits the federal portion to the President, who forwards it to Congress for review,

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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.
6 87 Stat. 774.
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 and the President of the Senate, for a 30-day period of review by Congress.\(^7\) If Congress does not act to disapprove the legislation within this 30-day period, it becomes a law.\(^8\)

Since the passage of P.L. 109-115 for FY2006, DC appropriations have been included in a multi-agency appropriations bill. In FY2006 and FY2007, DC appropriations were included in Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies appropriations bills (P.L. 109-115 and P.L. 110-5). Since FY2009, DC appropriations have been included in the Financial Services and General Government appropriations bill (FSGG). Before FY2006 DC appropriations was provided by the House and the Senate in a stand-alone bill.

**Local Budget Autonomy**

In 2013, DC enacted the Local Budget Autonomy Amendment Act of 2012 (D.C. Law 19-321).\(^9\) The act amended DC’s home rule charter to allow for enactment of DC’s local budget after a 30-day congressional review period (also known as the layover period), similar to most other DC laws, as opposed to passing the local budget through the federal appropriations process.\(^10\) 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.\(^11\) A 2016 DC Superior Court ruling upheld the act.\(^12\) The DC government has observed the act in its budget process since 2016.\(^13\)

**FY2022 Appropriations of Federal Payments for the District of Columbia**

**The President’s FY2022 Budget Request**

On May 28, 2021, the Biden Administration submitted its full FY2022 budget request. The President’s proposed budget for federal payments to DC was included in an appendix for *Other*

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\(^10\) Prior to the change, DC officials expressed concern regarding delays in the passage of federal appropriations extending beyond the start of a given fiscal year. For more information, see CRS Report R43253, *FY2014 Appropriations: District of Columbia*, by Eugene Boyd.


\(^13\) Information provided by the District of Columbia Office of the Chief Financial Officer, 2020.
Independent Agencies. The Administration’s proposed budget included $794.5 million in federal payments to the District of Columbia for activities including court services, offender supervision, and public defender services.

District of Columbia FY2022 Budget

On May 27, 2021, the DC Mayor submitted a proposed budget to the DC Council. The council approved a budget of $18.4 billion on August 3, 2021, and transmitted it to the mayor on September 2, 2021. The mayor signed a version of the budget on September 13, 2021. The mayor transmitted the federal portion of the DC budget to President Biden on September 17, 2021. Also on September 17, 2021, the DC Council Chair submitted the local budget to the Speaker of the House and the President of the Senate for congressional review, in accordance with the Local Budget Autonomy Amendment Act of 2012 (D.C. Law 19-321).

Congressional Action

The House Committee on Appropriations reported a Financial Services and General Government Appropriations Act, 2022 (H.R. 4345; H.Rept. 117-79), on July 1, 2021. The text of H.R. 4345 was included as Division D of H.R. 4502 when that bill was considered on the House floor. H.R. 4502 passed the House on July 29, 2021.

The Senate Committee on Appropriations did not hold hearings on the FY2022 budget request for federal payments for DC. However, the committee chair released a draft bill and draft explanatory statement on October 18, 2021.

FSGG appropriations were enacted in Division E of H.R. 2471, the Consolidated Appropriations Act, 2022. The President signed the bill into law on March 15, 2022, as P.L. 117-103. Title IV of Division E of the act included $775.5 million in federal payments for a variety of purposes in DC. Table 1 details the FY2022 proposed and enacted amounts of federal payments for the District of Columbia, as compared to the FY2021 enacted amounts.

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19 Letter from Phil Mendelson, Chair, Council of the District of Columbia, to The Honorable Nancy Pelosi and the Honorable Kamala Harris, Speaker of the U.S. House of Representatives and President of the U.S. Senate, September 17, 2021, https://app.box.com/s/qerssz0zt2a307w72n8e4nq4ka3adzw1.
21 Not all of the funds listed in Table 1 are directed to, or expended by, DC government agencies.
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P.L. 117-103 also approved the expenditure of DC local funds as outlined in the Fiscal Year 2022 Budget Request Act of 2021. Additionally, the act included a provision allowing the use of DC government local funds in the event of a federal government shutdown in FY2023 (P.L. 117-103, Division E, Title VII, Section 816). A similar provision has been included in each appropriations bill since FY2013.

<p>| Table 1. District of Columbia Appropriations FY2021-FY2022: Federal Payments |
| In Millions of Dollars |</p>
<table>
<thead>
<tr>
<th>FY2021 Enacted (P.L. 116-260)</th>
<th>FY2022 District of Columbia Request</th>
<th>FY2022 Presidential Budget Request</th>
<th>FY2022 House Passed (H.R. 4502)</th>
<th>FY2022 Senate Committee Chair’s Draft</th>
<th>FY2022 Enacted (P.L. 117-103)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Tuition Support</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
<td>40.0</td>
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<tr>
<td>Emergency Planning and Security Costs</td>
<td>38.4&lt;sup&gt;a&lt;/sup&gt;</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
<td>25.0</td>
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<td>DC Courts</td>
<td>250.1</td>
<td>357.8</td>
<td>273.5</td>
<td>273.5</td>
<td>238.0</td>
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<tr>
<td>Defender Services</td>
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<td>46.0</td>
<td>46.0</td>
<td>46.0</td>
<td>46.0</td>
</tr>
<tr>
<td>Court Services and Offender Supervision Agency</td>
<td>245.9</td>
<td>—&lt;sup&gt;b&lt;/sup&gt;</td>
<td>283.4</td>
<td>283.4</td>
<td>286.4</td>
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<tr>
<td>The Public Defender Service</td>
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<td>—&lt;sup&gt;b&lt;/sup&gt;</td>
<td>57.7</td>
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<td>Criminal Justice Coordinating Council</td>
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<td>0.6</td>
</tr>
<tr>
<td>Testing and Treatment of HIV/AIDS</td>
<td>4.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>


### 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.

Division E, Title VIII of P.L. 117-103 enumerates such provisions for FY2022. The following sections provide 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.\(^{24}\)

### 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.\(^{25}\) President Biden’s FY2022 budget request did

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\(^{24}\) 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.

\(^{25}\) 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
not include any provisions that would restrict the use of funds by the DC government for abortion services. The House-passed version and the Senate Committee Chair’s draft did not include limiting provisions related to abortion. As enacted, Division E, Title VIII, Section 810 of P.L. 117-103 prohibits the use of any funds by the DC government to provide abortion services, with certain exceptions, 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. 117-103 Division E, Title VIII, included three specific provisions in sections 802, 804, and 806(a) limiting this type of activity:

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.”

These provisions were included in the Biden Administration’s proposed budget and the Senate Committee on Appropriations majority draft. These provisions were not included among general provisions specifically pertaining to DC in the version of FSGG appropriations that passed the House of Representatives (H.R. 4502).

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

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, by Eugene Boyd.


Several similar provisions date back to the 1980s and 1990s.


Delegate Eleanor Holmes Norton, “HIV Progress in D.C. Accelerated by Federal Payments Norton Secures and Her
included provisions to prohibit or restrict the use of funds to establish a needle exchange program designed to reduce the spread of HIV and AIDS among users of illegal drugs.

The prohibition on the use of both federal and local 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 (but not federal) 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 by local professionals in public health or law enforcement to be “inappropriate” for needle exchange.

The Biden Administration’s budget included a provision that would prohibit the use of federal funds for the distribution of needles and syringes. The House-passed bill, H.R. 4502, did not include such a provision. The Senate Committee Chair’s draft included a provision that would have continued the provision prohibiting the use of federal funds for this purpose. Section 807 of Title VII of Division E of P.L. 117-103 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.

In 2014, the DC Council passed the Marijuana Possession Decriminalization Amendment Act of 2014. The act decriminalized the possession of small amounts of marijuana by making such


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

33 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. 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 conduct any ballot initiative that sought to legalize marijuana or otherwise reduce penalties for its use.

activity a civil violation subject to a civil fine of $25.\textsuperscript{35} 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.\textsuperscript{36} 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.\textsuperscript{37}

The Biden Administration’s FY2022 proposed budget 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 and the Senate Committee Chair’s draft did not include such a provision. As enacted, Section 809 of Title VII of Division E of P.L. 117-103 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\textsuperscript{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 on some such proposed legislation, please see CRS Insight IN11599, District of Columbia Voting Representation Proposals in the 117th Congress, by Joseph V. Jarosck.


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