



Congress Should Grant Greater Self-Governance to DC and Pass the Budget Autonomy Act (H.R.1045)

Budget Autonomy and the District of Columbia

The District of Columbia Home Rule Act, passed in 1973, requires that Congress approves the District's annual budget as part of the often-delayed congressional appropriations process. This hampers the DC government's ability to serve residents whose tax dollars fund the vast majority of the District's budget.

On February 12, 2009, Delegate Eleanor Holmes Norton (D-DC) introduced the District of Columbia Budget Autonomy Act (Budget Autonomy Act) which would **grant the District the right to enact its local budget without annual congressional oversight**. The legislation would amend the Home Rule Act to eliminate in non-control fiscal years all federally-imposed mandates over the District's local budget process, financial management, audits, and accountability requirements as well as most of the federal mandates concerning short-term borrowing.

Congress Should Grant DC Greater Self-Governance

Like every other locality in America, DC's locally-elected government is in the best position to make budget decisions and local laws for their constituents. Members of Congress have no reason to involve themselves in the creation of DC's local budget or local laws. Eliminating this unnecessary congressional review of DC's local budget would allow local officials to respond to the needs and interests of District residents with greater efficiency and speed.

Bill Would Improve Efficiency and Predictability in Local Budget Process

The Budget Autonomy Act will allow the District to more accurately forecast its revenue and will eliminate many of the operational problems that result from its inability to implement the budget when it is enacted. For example, the legislation would allow the District to choose its own fiscal year. Currently, it must begin on October 1, the start of the congressional fiscal year, even though this date is well after schools have opened for the year. Moving up the start date of the fiscal year would allow the District to make budgeting decisions and distribute funds to schools *before* they open their doors in September.

Delays in Congressional Approval of DC's Budget Causes Real Harm

In recent years, Congress has missed the deadline—the start of the fiscal year—for approving DC's budget by an average of three months. Thus, even though the new fiscal year has begun, the District cannot carry out new or expanded programs until Congress acts. This unpredictable congressional process also negatively affects the District's bond rating, which drives up the interest rate the District must pay to borrow funds.

New Law Has Big Impact on DC but Little Impact on Congress' Role

Although Congress has the power to make changes to DC's budget, in recent years members have not altered the District's budget before approving it. Additionally, this bill would not interfere with Congress' responsibilities for DC under the "District Clause" of the Constitution, nor would it remove Congress' authority to reinstate the "Control Board"—a non-elected panel to oversee governance in the District. The Budget Autonomy Act would simply eliminate the redundancy of the congressional appropriations process and grant the District the ability to enact a local budget, one of the hallmarks of self-government.