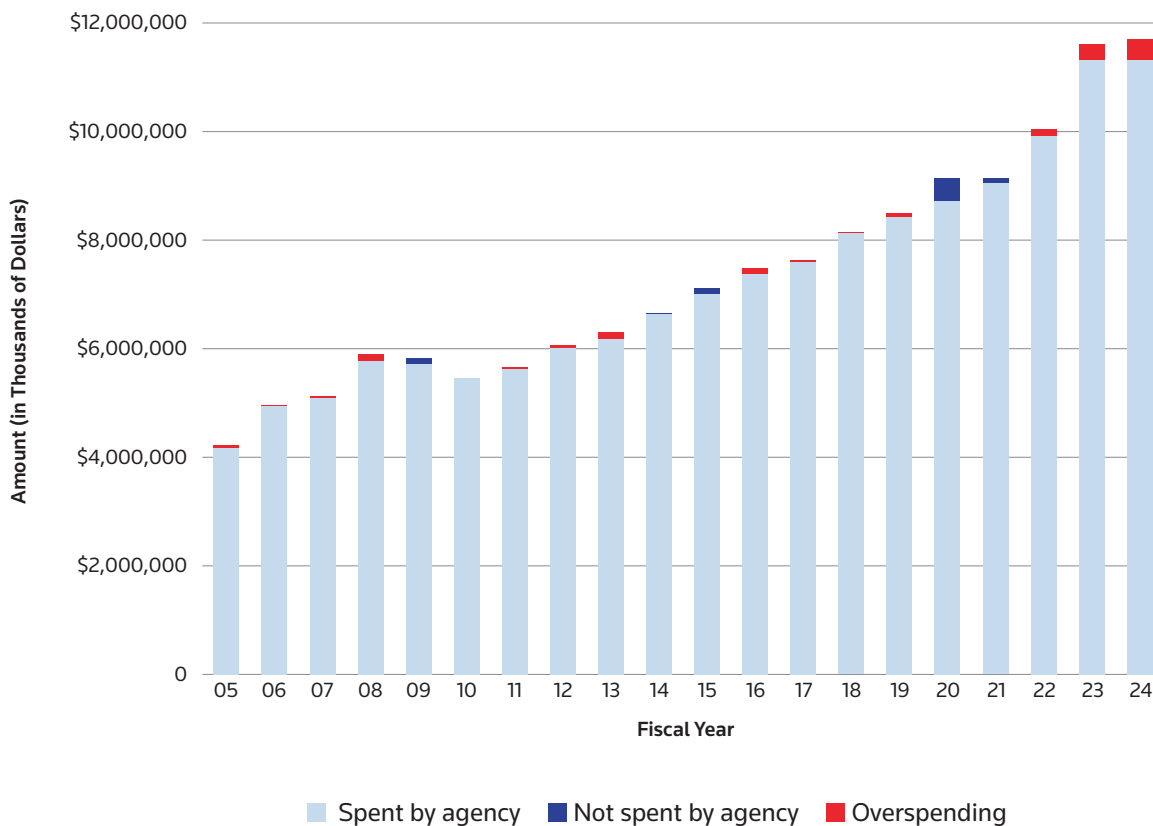


Twenty Years of D.C. Agency Overspending

November 20, 2025

A data brief by the Office of the D.C. Auditor

Council-Approved Local Source Budget
All Data (Every Line Item)



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Twenty Years of D.C. Agency Overspending

The Overspending Data Brief findings include that:

- Across the 20 years reviewed in this data brief, total local funds spending beyond what the D.C. Council had approved was the highest in the last two fiscal years—\$303 million in FY 2023 and \$396 million in FY 2024.
- The “repayment of loans and interest” line representing debt service—a budget total that grew from \$347M in local funds budgeted by the Council to \$1.1B in two decades—saw spending below the budgeted amount in each of the 20 years. This budget total is set by the Office of the Chief Financial Officer and appears to be consistently overestimated; just as consistently it has been used to cover the agencies’ overspending.
- Spending beyond the approved budget reflected in quarterly Financial Review Process reports included pressures of overtime, negotiated and discretionary pay raises, and consistently higher-than-anticipated energy costs.

November 20, 2025

A data brief by the Office of the D.C. Auditor

\$6.7B–\$11.7B

Amount of local funds spending grew—almost doubling—from FY05 to FY24*

**adjusted for inflation*

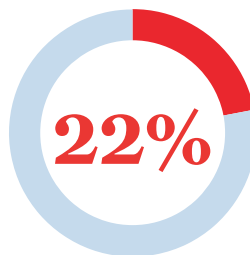
\$12,045–\$16,671

Amount of local dollars spent jumped per District resident.*

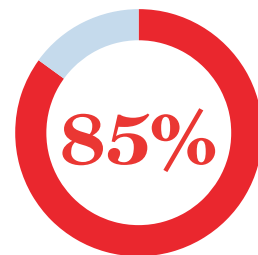
**adjusted for inflation*



83 of 97 D.C. agencies overspent their Council-approved budget in at least one of the 20 years



21 of 97 D.C. agencies overspent in 10 of 20 years



DCPS overspent **17 of 20** years



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Background

The District of Columbia has seen steady economic growth for at least the last two decades, a significant rebound from the mid-1990s when the nation’s capital was nearing insolvency.¹ Elected officials frequently cite D.C.’s number of years with balanced budgets and clean audits. Like every state and city budget the District’s finances were buffeted by the COVID-19 pandemic and benefited from the huge infusion of federal funds. The years since have been more volatile, and 2025 has brought a decisive end to consistently growing revenues with the loss of federal jobs and a one-time Congressional action that chopped \$1 billion² from the District’s approved budget, forcing mid-year restraint on elected officials not accustomed to exercising discipline in spending decisions.

In budget testimony in 2024³ and 2025⁴ the Office of the D.C. Auditor sought to bring attention to the heightened budget challenges posed by a slowdown in revenue growth, using information from the FY 2023 and FY 2024 Annual Comprehensive Financial Reports (ACFRs). This data brief is a continuation of ODCA’s review of District spending designed to respond to the D.C. Council Committee of the Whole’s interest in a careful review of agency spending, with a focus on those agencies whose expenditures have consistently exceeded their Council-approved budgets. ODCA reviewed the original Council-approved local source budgets for the last 20 years in comparison with the “final” expenditures as reported in the ACFR following the financial close of each fiscal year. Understanding where spending has grown is a first step to bringing District spending into line with anticipated revenues.

In addition to this report ODCA is publishing on our website a spreadsheet containing the 20 years of budget and spending information used to provide these summaries. Users can download the spreadsheet and see the budget/spending record for each District agency as well as other summaries of the budget/spending data. See www.dcauditor.org.

1 Financial Status – District of Columbia Finances, House of Representatives Committee on the District of Columbia, Statement of John W. Hill, Jr., Director, Audit Support and Analysis, United States General Accounting Office, July 14, 1994 <https://www.gao.gov/assets/t-aimd-94-158.pdf>
2 Flynn, Meagan, and Gathright, Jenny, “Congress upended D.C.’s budget months ago – and still hasn’t fixed it,” Washington Post, May 15, 2025, <https://www.washingtonpost.com/dc-md-va/2025/05/15/dc-congress-budget-johnson-bowser/>.
3 See https://dcauditor.wpenginepowered.com/wp-content/uploads/2024/04/FY2025.Budget.ODCA_Testimony.4.25.24.pdf.
4 See https://dcauditor.wpenginepowered.com/wp-content/uploads/2025/06/FY2026.Budget.ODCA_Testimony.5.29.25.pdf.

Objective, Scope, and Methodology

Objective

The objective of this review was to understand trends in agency spending over the last 20 years to better enable policymakers to make sound decisions in future budgets.

Scope

We reviewed budget and expenditure data contained in the Annual Comprehensive Financial Reports (ACFRs) from Fiscal Year 2005 through Fiscal Year 2024.

Methodology

To conduct this review, we:

- Downloaded the District’s comprehensive financial reports for FYs 2005 through 2024 from the Office of the Chief Financial Officer’s website.⁵
- Extracted data from the reports’ supporting schedules, specifically the information in the charts contained in Exhibit D-2, into Excel.
- Verified and validated the extracted figures and accounted for changes in budget codes and other budget process subtleties during the period of analysis.
- Created tables and tools to identify and illustrate budget and spending information and trends using various sum and count formulas and basic math functions in Excel.

This report was drafted, reviewed, and approved in accordance with the standards outlined in ODCA’s Audit Policies and Procedures Manual.⁶

5 An archive of the District’s annual financial reports is available here: <https://cfo.dc.gov/node/292422>.

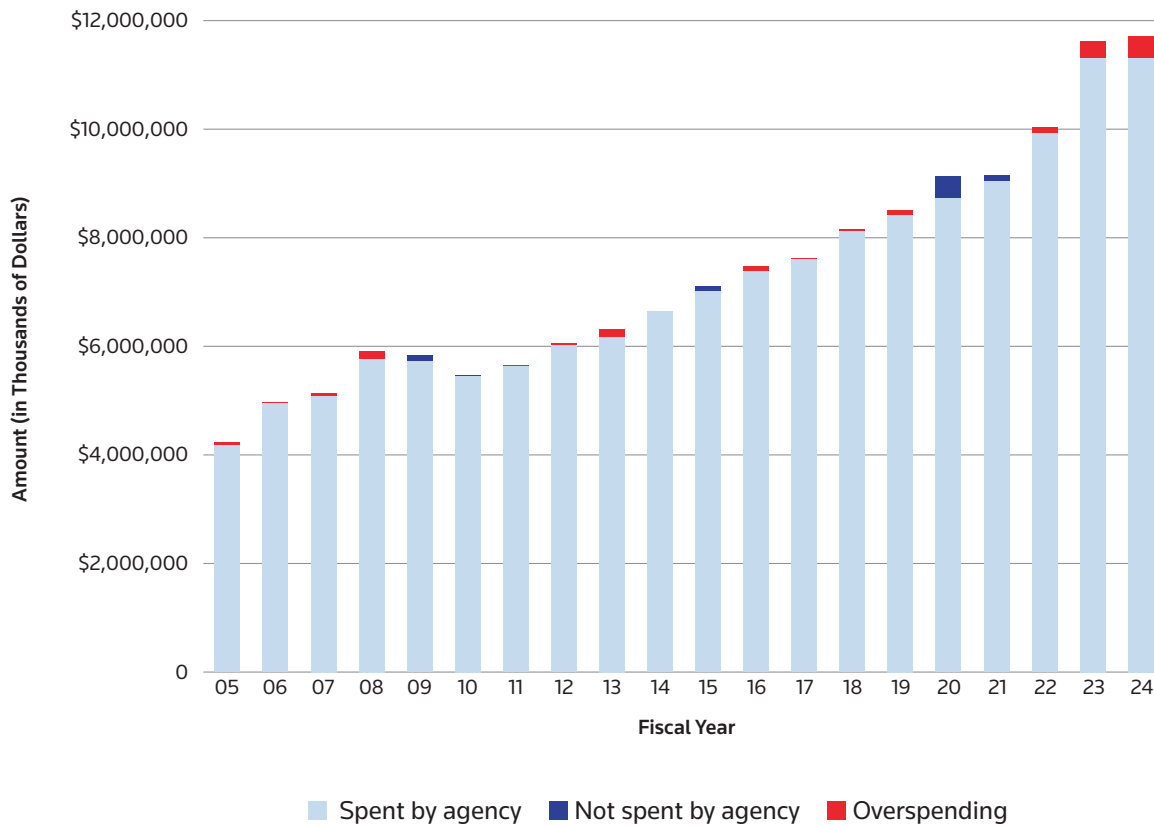
6 See Office of the D.C. Auditor, Policies and Procedures Manual (March 2025), available at <https://dcauditor.org/about-odca/odca-policy-documents/>.

Results

Twenty years of spending increases

Over the two decades reviewed for this analysis the local source spending for the District of Columbia grew from \$4.22 billion in FY 2005 (\$6.70 billion in 2024 dollars) to \$11.71 billion in FY 2024—that is, spending in inflation-adjusted local dollars nearly doubled—as shown in Figure 1.

**Figure 1: Council-Approved Local Source Budget
All Data (Every Line Item)**



Source: ODCA Analysis

In the same span the city’s population grew from 567,136 to 702,250 or 23.8% growth. On a per capita basis that reflects spending growth from \$7,448 per person in FY 2005 to \$16,671 per person in local D.C. funds in FY 2024. If adjusted for inflation the per capita spending growth would be roughly \$12,045 to \$16,671. If federal funds were included the per capita spending would be even higher.

Overview of spending beyond appropriations

The District’s budget and financial plan, as reported in the FY 2024 ACFR, covers 132 budget lines within seven appropriation titles:

- Governmental direction and support, 36 lines.
- Economic development and regulation, 14 lines.
- Public safety and justice, 24 lines.
- Public education system, 17 lines.
- Human support services, 11 lines.
- Operations and infrastructure, 14 lines.
- Other, 16 lines.

While the 132 spending designations are primarily operating agencies, they are not exclusively agencies: some are segregated buckets that will be emptied but without personnel or services—they serve essentially as parking lots for subsidies for specific purposes.

As part of the analysis, we separated out 97 agencies that have personnel and function as operating units of the District government. As shown in Figure 2, of the 97 agencies of the District government, 83 (or 86%) spent more than their Council-approved local source budget in at least one of the 20 years reviewed; 50 overspent in at least five of the 20 years; and 21 overspent in at least 10 of the 20 years.

Figure 2: Number of Agencies that Overspent at Least 1, 5, 10, 13, and 14 of 20 Years

Number of Years Overspent	Number of Agencies	% of Total Agencies
1	83	85.6%
5	50	51.5%
10	21	21.6%
13	8	8.2%
14	3	3.1%

Source: ODCA Analysis

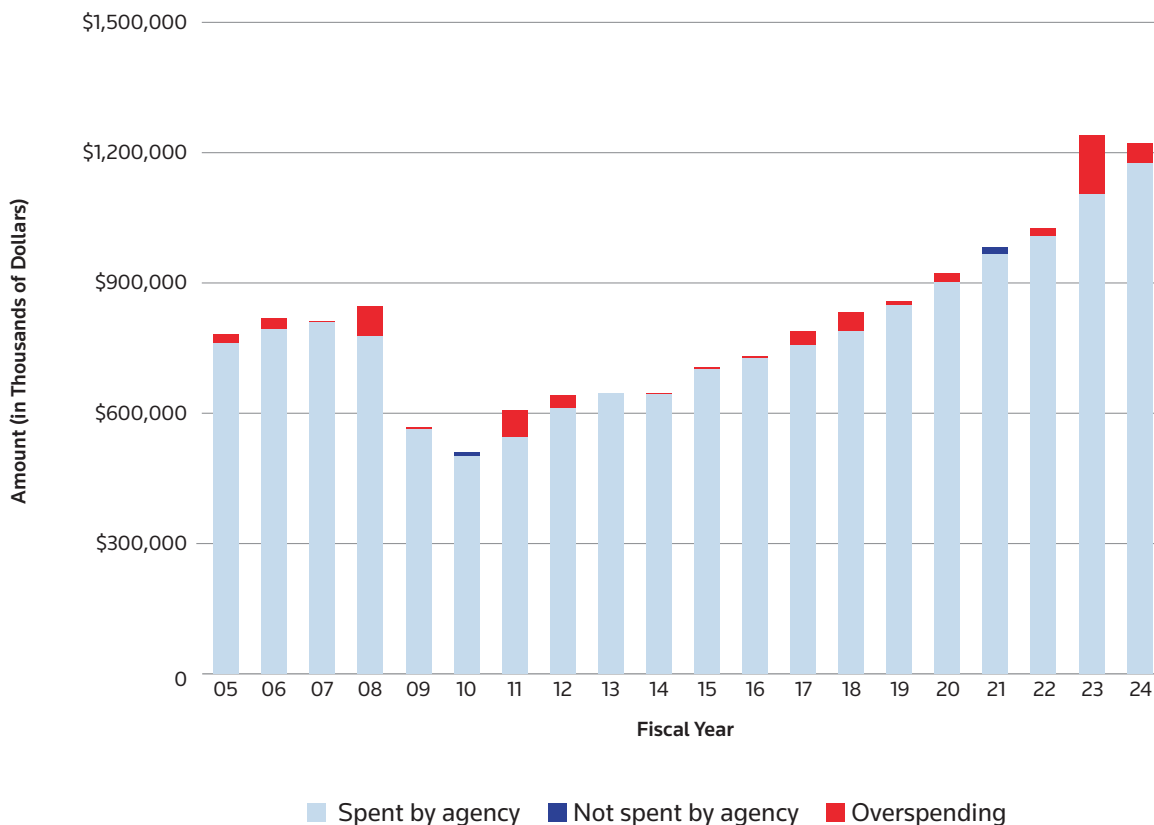
Eight major operating agencies—District of Columbia Public Schools, Department of Public Works, Fire and Emergency Medical Services Department, Metropolitan Police Department, Department of General Services, Office of the Chief Financial Officer, Department of Behavioral Health, and Deputy Mayor for Planning and Economic Development—spent more than their Council-approved local source budgets in at least 13 of the last 20 fiscal years, FY 2005 through FY 2024. The following figures and summaries provide additional information. In the bar charts that follow, the blue represents the total appropriated by the Council in the original Local Budget Act (or Budget Request Act in the pre-autonomy era) each budget cycle—both light and dark blue combined. The dark blue represents funds budgeted but unspent. The red indicates spending in excess of the original Council-approved budget.

D.C. Public Schools

Local source spending by D.C. Public Schools (DCPS) rose from \$777 million in FY 2005 to \$1.2 billion in FY 2024, as shown in Figure 3,⁷ placing the system at the top of spending for all District agencies. Fifteen of the 20 years saw an increase in the Council-approved local source budget, and in 17 of the 20 years the system overspent.

The totals shown here combine two separate lines to more accurately compare DCPS spending to its annual appropriation, a portion of which may be spent during the prior fiscal year. This chart combines 1) figures for DCPS as reported in the ACFR for each fiscal year and 2) figures for DCPS's advance appropriation as reported in the ACFR for the prior fiscal year.

**Figure 3: Council-Approved Local Source Budget
District of Columbia Public Schools**



Source: ODCA Analysis

In addition, the ACFR results shown here for FY 2022 need further explanation. The Council approved a local source budget of just over \$1 billion, and DCPS spent \$594 million in local dollars according to the ACFR. But

⁷ Totals for each year include spending of advance appropriations during the prior fiscal year.

the public school system actually spent a total of \$1.245 billion in FY 2022 according to the FY 2024 Approved Budget and Financial Plan⁸ which included \$979 million in local funds, a number considerably higher than the local source figure recorded in the ACFR. We believe the financial plan figure is correct and that an error was made in the published ACFR.

The District also received an infusion of cash in federal COVID-19 relief funds including the Elementary and Secondary School Emergency Relief (ESSER)⁹ funds allocated for education. The District received roughly \$600 million in ESSER funds during the pandemic in several federal allocations. The District also took advantage of a provision in federal legislation that permitted broad latitude in using ESSER and other COVID-19 funds to “replace” revenue lost to the pandemic, essentially redefining federal relief funds as local dollars.

An earlier report by [Alvarez & Marsal Public Sector Services for ODCA](#)¹⁰ analyzed the growth in full-time equivalent employees in the school system, and the related increase in spending. The consultants found that locally funded staff grew seven times faster than enrollment, 19.5% versus 2.6% over five years. Similarly, the data show that the number of students per general education teacher dropped from about 19 students to 17 students.

8 See [FY 2024 Approved Budget and Financial Plan](#).

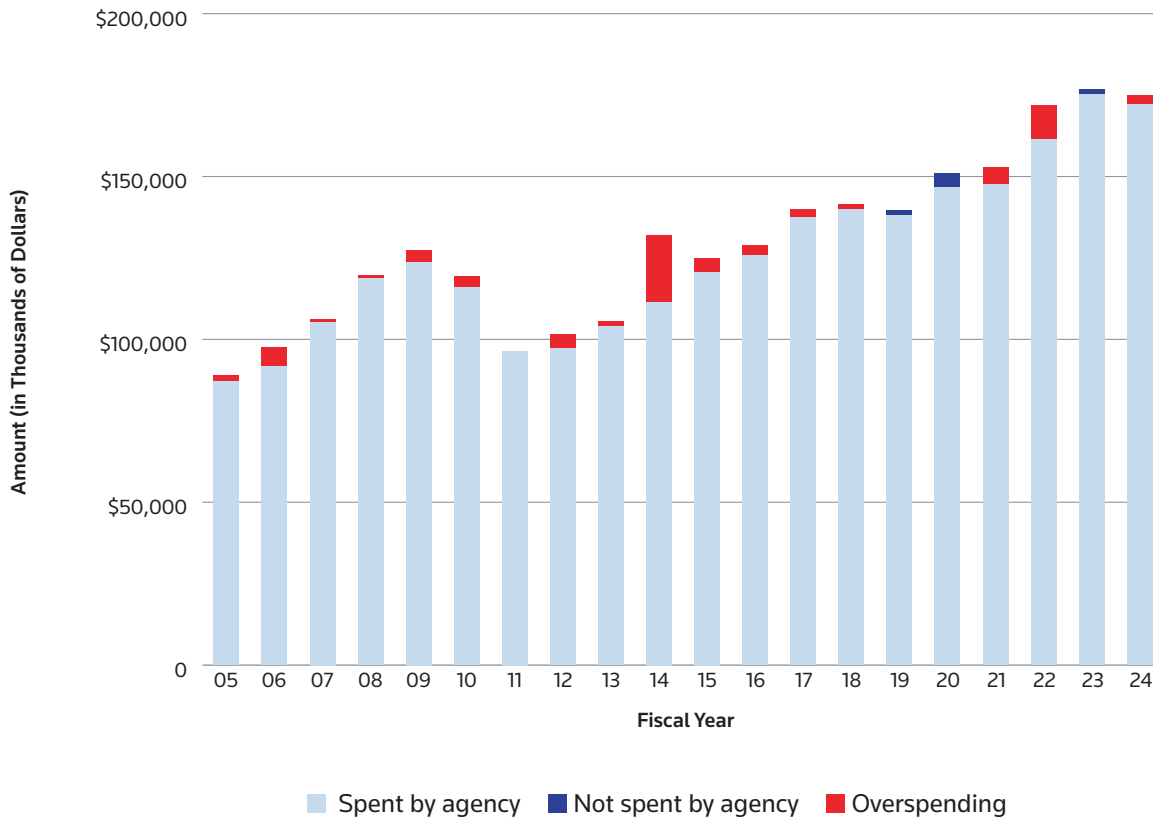
9 For more information about the ESSER grant funds awarded to the District [visit the Office of the State Superintendent of Education’s website](#).

10 Alvarez & Marsal Public Sector Services, Study of D.C. Public Schools Staffing and Resource Allocation, April 15, 2025.

Department of Public Works

The Department of Public Works (DPW) spent beyond the Council-approved local source budget in 16 of the last 20 years, averaging overspending at 4% in those 16 years. The agency also saw policy decisions to increase the local source budget in 14 of the 20 years, and the actual spending grew from \$88,869,000 in FY 2005 to \$174,810,000 in FY 2024 according to the ACFR.

**Figure 4: Council-Approved Local Source Budget
Department of Public Works**

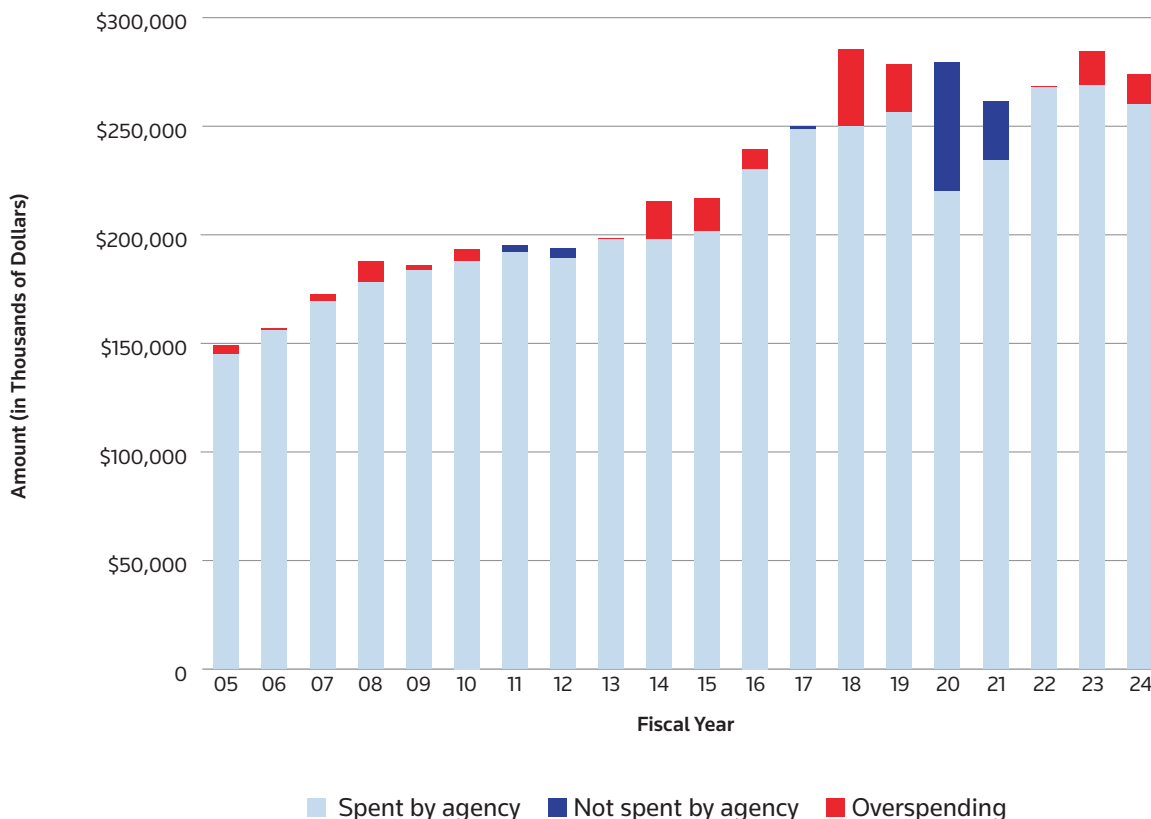


Source: ODCA Analysis

Fire and Emergency Medical Services Department

The Fire and Emergency Medical Services (FEMS) Department spent more than the Council-approved budget in 15 of the last 20 years, averaging 5% overspending and seeing a budget increase year over year in local source funds in 15 of the last 20 years, as shown in Figure 5. As the chart indicates, the agency overspent the approved budget in FY 2023, was budgeted at a lower level in FY 2024 than in FY 2023 and again spent beyond the originally approved budget in FY 2024. Total local source spending rose from \$149 million in FY 2005 to \$274 million in FY 2024.

**Figure 5: Council-Approved Local Source Budget
Fire and Emergency Medical Services Department**



Source: ODCA Analysis

In FY 2020 the chart displaying figures from the ACFR shows that the Council approved a local source budget for FEMS totaling \$280 million, and that the agency spent roughly \$220 million in local funds. But the total expenditure that year exceeded the Council’s local source budget. According to the FY 2022 Approved Budget and Financial Plan¹¹ FEMS spent a total of \$307 million from all funds, including federal resources. In FY 2020 and throughout the COVID-19 pandemic the District received significant relief funds. One of the permitted uses, which the District followed, was for emergency personnel overtime. FEMS overtime was one

¹¹ See the [FY 2022 Approved Budget and Financial Plan](#).

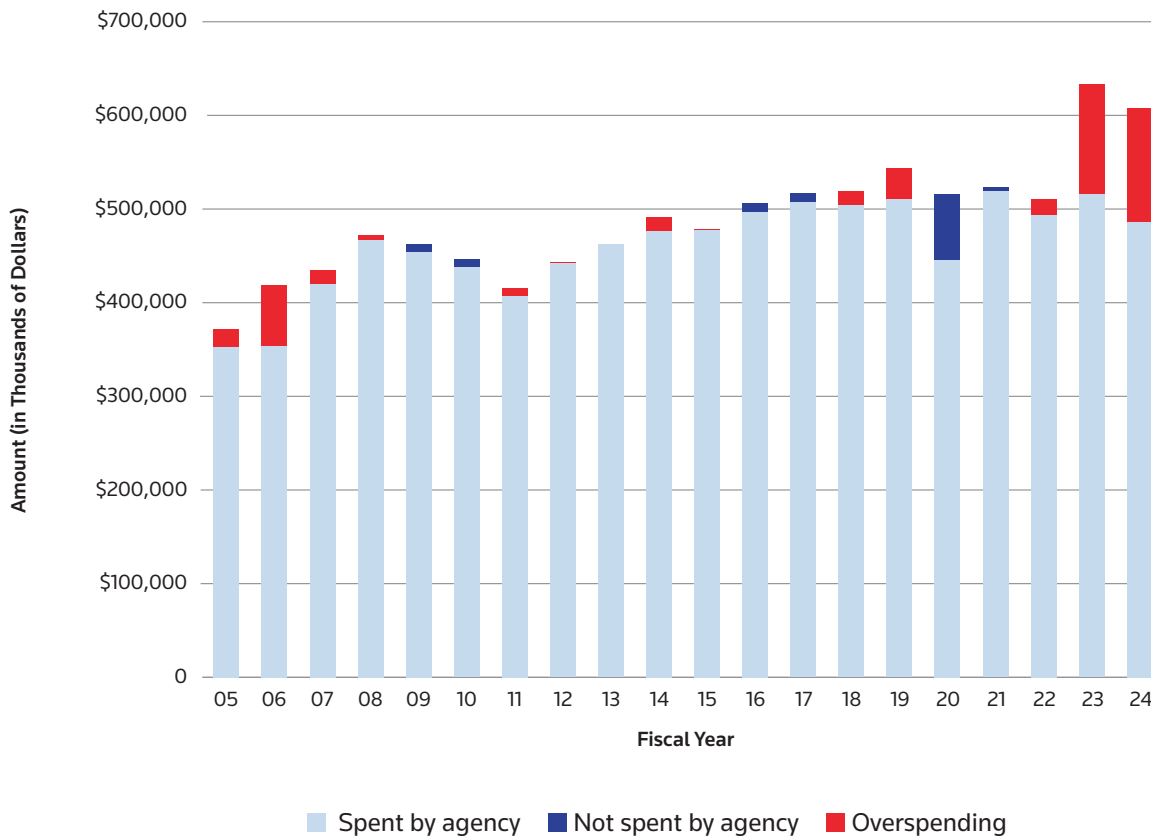
of the significant District uses of the Coronavirus Aid, Relief, and Economic Security (CARES) Act¹² funding as ODCA found in its report, [Controls Lacking in CARES Act/Coronavirus Relief Fund Spending](#).¹³ The agency's \$307 million in total funding in FY2020 included \$74 million in federal funds compared with just \$286,000 in federal funds in FY 2019.

Metropolitan Police Department

The Metropolitan Police Department (MPD) also spent more than the Council-approved local source budget in 13 of the 20 years reviewed, averaging 7% over budget in those 13 years, as shown in Figure 6.

Local source spending rose from \$371 million in FY 2005 to \$608 million in FY 2024. The agency received increases in local source budgets in 13 of the 20 years.

**Figure 6: Council-Approved Local Source Budget
Metropolitan Police Department**



Source: ODCA Analysis

¹² "The CARES Act implemented a variety of programs to address issues related to the onset of the COVID-19 pandemic." <https://home.treasury.gov/policy-issues/coronavirus/about-the-cares-act>.

¹³ Office of the D.C. Auditor, Controls Lacking in CARES Act/Coronavirus Relief Fund Spending, August 24, 2023.

As was the case with FEMS, the police department did not spend its entire Council-approved local source budget in FY 2020 but did spend significantly more than that level in total funding. The gross spending total was \$621 million according to the FY 2022 Financial Plan and Budget, including the \$445 million in local funds as noted in the ACFR and an additional \$96 million in federal funds, the majority likely supported by federal COVID-19 funds.

The last two years show significant spending beyond the Council-approved local source budget. According to the FY 2024 Third Quarter Financial Review Process (FRP) report¹⁴ for MPD, “the projected year-end forecast of \$603,782,278 results in a (\$72,591,261) deficit. The net deficit is due to the implementation of the approved Collective Bargaining Agreement, the pay parity resolution for non-union sworn officers, scheduling grievance settlements, and overtime.”

For the fiscal year just ended (FY 2025) but not shown in the charts, the department also spent well beyond its Council-approved budget, with major increases in overtime spending. The FY 2025 Third Quarter FRP for MPD points to a similar deficit and overtime spending. “The projected year-end forecast of \$650,446,219 results in a (\$51,116,174) deficit. The net deficit is due to an increase in local overtime activity, anticipated penalty and Comp time payment settlements.”

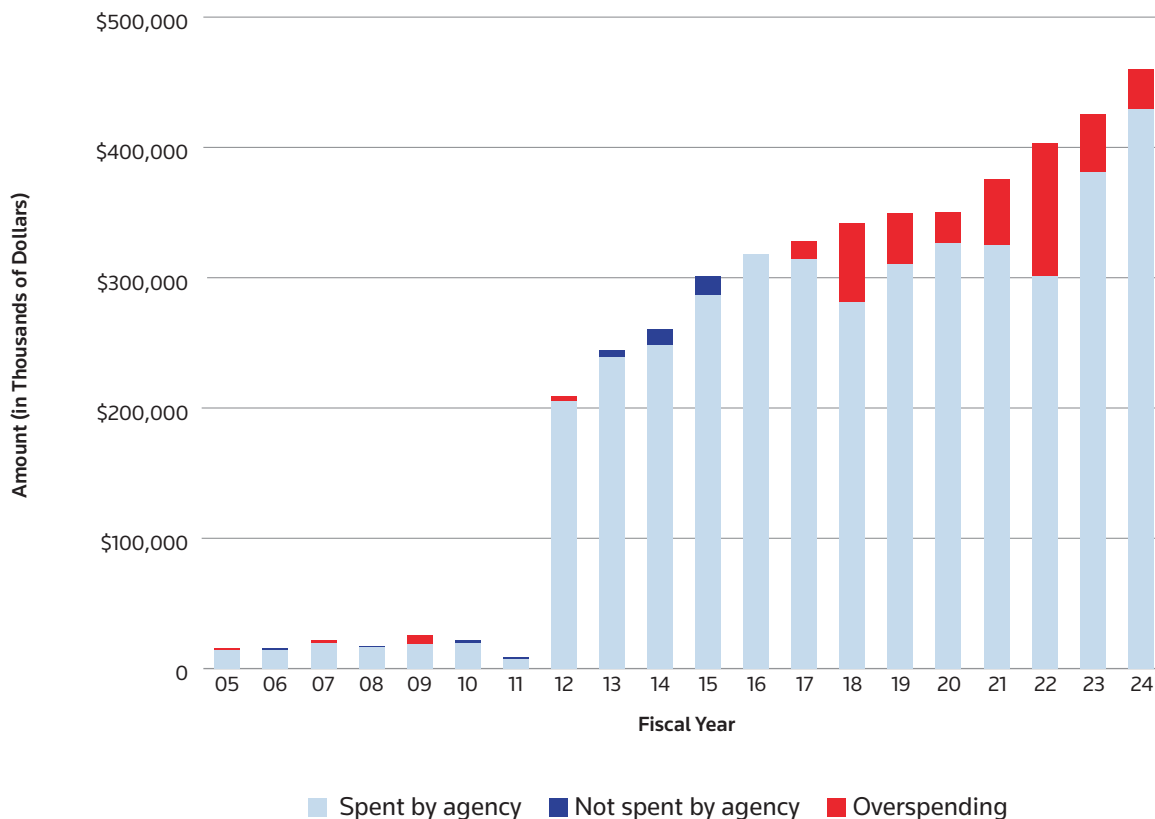
14 “The Office of Budget and Planning (OBP) and finance staff across the District monitor agency spending throughout the year. Agencies develop spending plans at the start of the year, and actual spending is compared to these plans. Agencies submit Financial Review Process (FRP) reports with summaries of spending to date and projections for the remainder of the year. Careful monitoring of the budget, including review of the FRPs, is crucial for early identification of spending pressures – areas of the budget which, if not adjusted, could lead to overspending by the end of the year. Spending pressures can be resolved by changes to spending patterns or by budget adjustments.” <https://cfo.dc.gov/page/overview-budget-execution-process>

Department of General Services

The Department of General Services (DGS) was created in 2011 and took over the functions and previous budgets of the Department of Real Estate Services and the Office of Public Education Facilities Modernization with enactment of the FY 2012 Budget and Financial Plan.

DGS’s local source spending rose from \$209 million in FY 2012 to \$460 million in FY 2024, as shown in Figure 7. The agency spent beyond its Council-approved budget in 10 of the 13 years since its creation, with overspending averaging 12%. In the last seven years, as shown on the chart, the spending beyond its approved budget ranged from 7% to as high as 34% in FY 2022.

**Figure 7: Council-Approved Local Source Budget
Department of General Services**



Source: ODCA Analysis

According to the August 8, 2022, FY 2022 June FRP for DGS, the agency faced a \$30 million mid-year spending pressure across both personal services (PS) and non-personal services (NPS). According to the FRP, “The local PS deficit is driven largely by under budgeting in additional gross pay and overtime overspending” while the NPS pressure resulted primarily from higher energy costs driven by the pandemic and international energy volatility – at “\$32.7 million over the revised energy budget of \$58.4 million.”

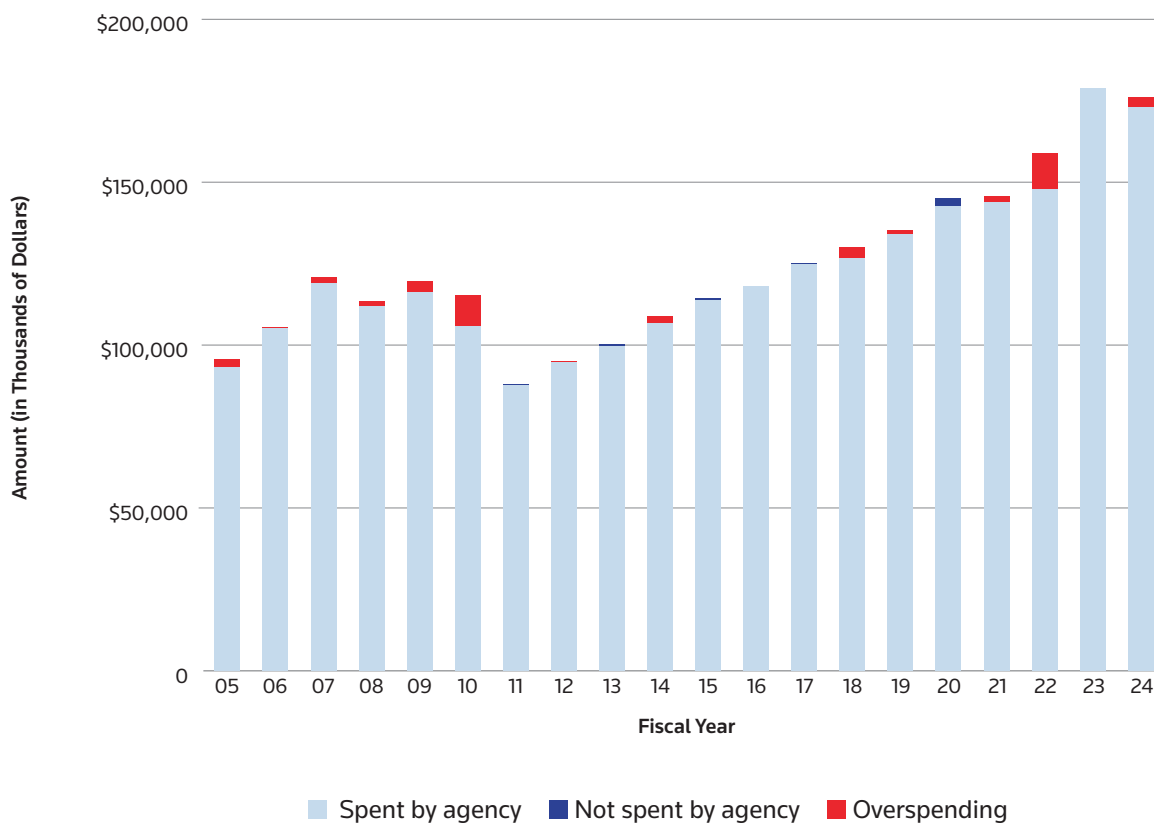
DGS spending beyond the approved budget also appears to have occurred in the fiscal year just ended. The agency’s FRP for June 2025 described mid-year spending pressures as follows: “The \$23.9 million Local deficit

is driven by three factors in DGS budget: (1) higher personal services (PS) spending of \$2.1 million; (2) higher energy costs of \$9.3 million; and (3) higher rent costs of \$12.6 million.”

Office of the Chief Financial Officer

The Council-approved local source budget for the Office of the Chief Financial Officer (OCFO) has seen increases in 14 of the last 20 years, as shown in Figure 8, with a 21% increase in FY 2023. The agency has spent more than the Council approved in 13 of the 20 years. The local source expenditures have grown from \$95 million in FY 2005 to \$176 million in FY 2024. The overspending averaged 3% during the 13 overspending years.

**Figure 8: Council-Approved Local Source Budget
Office of the Chief Financial Officer**



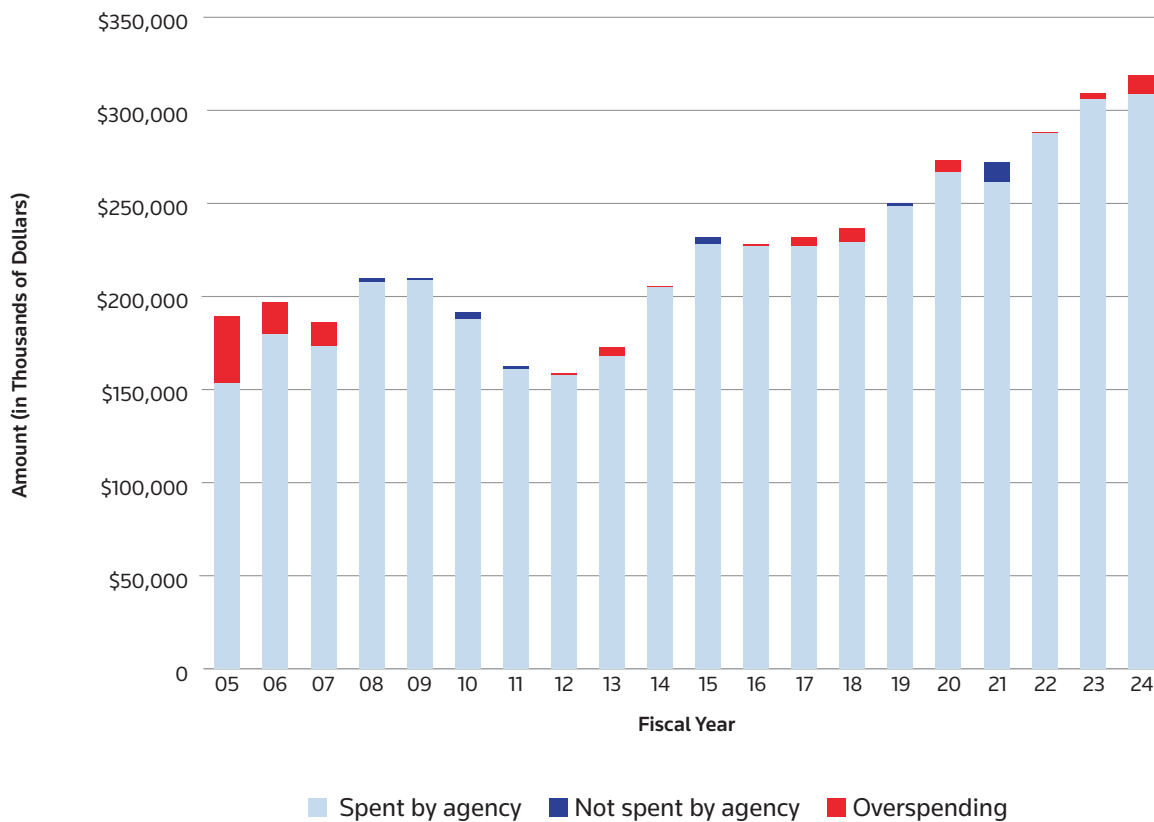
Source: ODCA Analysis

Looking specifically at the spending beyond budget for FY 2022, the agency’s July 20, 2022, FRP acknowledged a mid-year deficit of \$6 million. It noted, “The projected local fund deficit that is shown reflects the agency’s need for funding to support the pay raise received in FY 21 and the recently approved employee bonus for FY 22. Those funds are currently held in Workforce Investment...”

Department of Behavioral Health

The Department of Behavioral Health (DBH) budget roughly doubled in the 20-year period of this review. The Council approved a local source budget of \$153 million in FY 2005, and for FY 2024 approved spending \$309 million in local source funds, as shown in Figure 9. The agency spent beyond its approved budget in 13 of the 20 years, with an average overspend of 4% during those 13 years. The agency saw budget increases in 12 of the 20 years, ranging as high as 21% and 22%.

**Figure 9: Council-Approved Local Source Budget
Department of Behavioral Health**



Source: ODCA Analysis

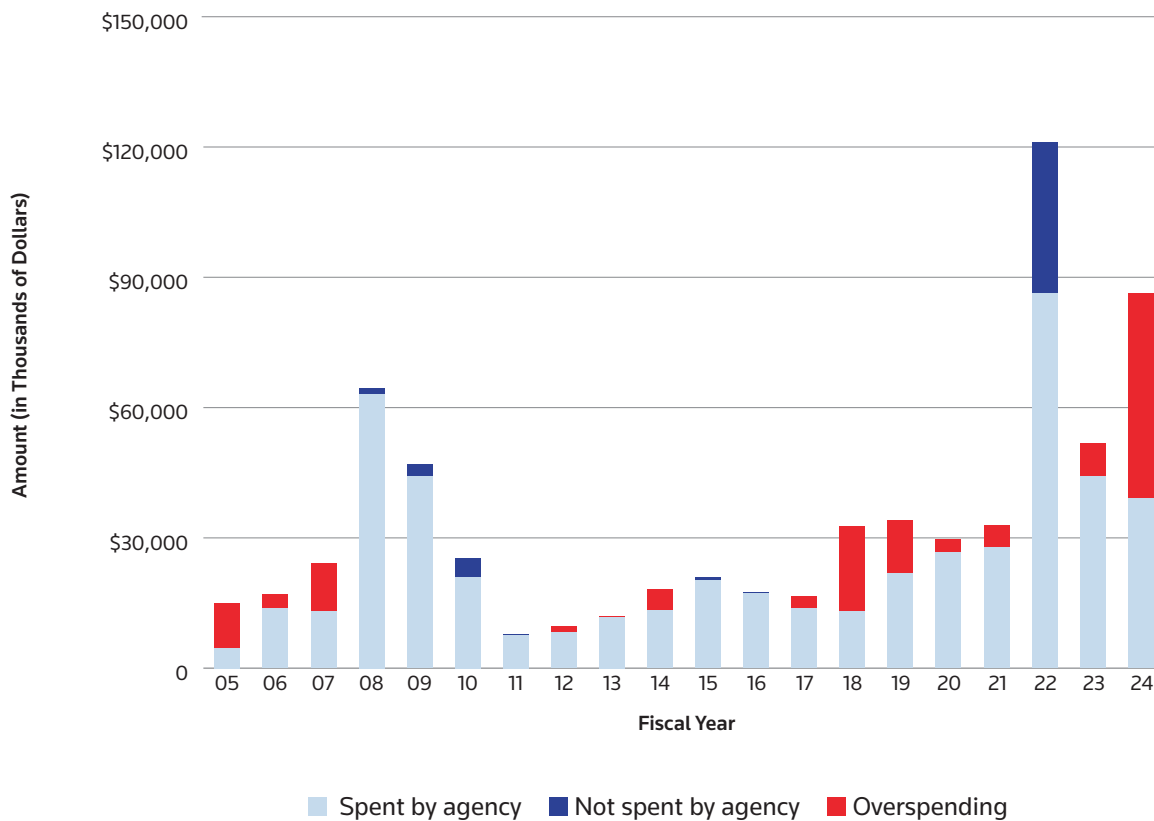
The overspending shown in the chart for FY 2024 is explained in the August 26, 2024, FRP as follows: “The agency is projecting a \$26.1M spending pressure in NPS and PS. The NPS spending pressure of \$5.6M is due to the Local Medicaid Match requirements because of the increase in MHRS [Mental Health Rehabilitation Services], and the PS spending pressure of \$20.5M is due to FY24 Collective Bargaining Agreement (CBA) Mandates and Cost of Living Allowances (COLAs) (\$6.7M), one-time retroactive payments that were made in FY24 for the Doctor’s Council of the District of Columbia Compensation Agreements (\$8.4 million), and Overtime.”

In the year just ended, the agency reported a mid-year spending pressure of \$36 million in a July 31, 2025, FRP including \$8.8 million in raises included in collective bargaining agreements, \$7.8 million for overtime, and \$21.4 million in costs to provide Mental Health Rehabilitation Services.

Deputy Mayor for Planning and Economic Development

The local source budget for the Deputy Mayor for Planning and Economic Development (DMPED) is difficult to summarize because it shows wild swings—from under \$8 million budgeted in FY 2011 to more than \$86 million actually spent in FY 2024, as shown in Figure 10. It is an anomaly among District agencies, serving as both a leadership and oversight office and an operating agency managing economic development projects and grants programs.

**Figure 10: Council-Approved Local Source Budget
Office of the Deputy Mayor for Planning and Economic Development**



Source: ODCA Analysis

For purposes of this evaluation, DMPED spent beyond its Council-approved budget in 13 of 20 years, and in FY 2024 spent more than double the Council-approved total. The original Council-approved local source budget, as shown in Figure 10, was \$39 million. But by the publication of the March 31, 2024 FRP the local source adjusted budget was listed as \$104.6 million, expected to be validated in a supplemental budget later that spring. The actual expenditure in local funds in FY 2024, as reported in the ACFR, was \$86 million.

Anomalies in D.C. budget

A changing budget structure

The Annual Comprehensive Financial Reports (ACFR)—previously labeled Comprehensive Annual Financial Reports¹⁵—for the last 20 years included a total of 182 distinct budget lines in the D-2 charts analyzed in this report. Of the total number of lines, as noted above, we determined 97 were operating agencies with personnel, programs, and services. Another distinction is worth mentioning from our analysis: of the 182 total budget lines, a significant number—67—appear across only 10 or fewer of the 20 years. And a total of 23 entities are listed for only a single year in the ACFR within the 20-year analysis.

This volatility makes accountability difficult across multiple years and signals a penchant among District policymakers and the Office of the Chief Financial Officer for creating new budget lines to address short-term purposes. Included here are just a few examples of the entities existing in the budget for a relatively short period of time.

- For the single year of FY 2020, the Council approved \$1 million in funding for an “expenditure commission” and the ACFR shows total local funds spending of \$76,000 and \$924,000 left unspent. But the commission never came into being. The Council designated a chairman and members, but the Mayor did not name members and the Council eventually repealed its authorization of an expenditure commission.
- The ACFR for FY 2007 included a “medical reserve” and in 2021 a “Medicaid reserve,” each for a single year. A deeper dive into budget books indicates that the earlier ACFR reference to a “medical” reserve was likely a typo and it should have been, like the single later ACFR reference, a “Medicaid” reserve. The 2007 ACFR showed an approved budget of \$26,927,000 for the medical reserve and the same amount as an expenditure. The FY 2009 budget book, however, shows the same amount, \$26,927,000 spent for the “Medicaid reserve.”
- For “Medicaid reserve” the 2021 ACFR shows an original local source budget of \$17,540,000, a revised local source budget of \$540,000, and no expenditures. The FY 2022 budget book has this text about the Medicaid reserve, that it “tracks expenses associated with Medicaid enrollment and Medicaid services directly related to COVID-19.... The FY 2022 recurring budget for the Medicaid Reserve includes a reduction of \$17,540,089 to account for the removal of one-time funding appropriated in FY 2021 to support operational requirements.... The Medicaid Reserve will be abolished at the end of FY2021.” And it does not reappear in the ACFR after FY 2021.
- In FY 2006 the ACFR listed a “District educational investment fund” and “District charter schools investment fund” but the designations were gone the next year. The 2006 ACFR shows an original budget of \$21,000,000, a revised budget of \$0, and no expenditure for the “District educational investment fund.” For the “District charter schools investment fund” it shows an original budget of \$4,200,000; revised budget of \$1,090,000, and no expenditures.

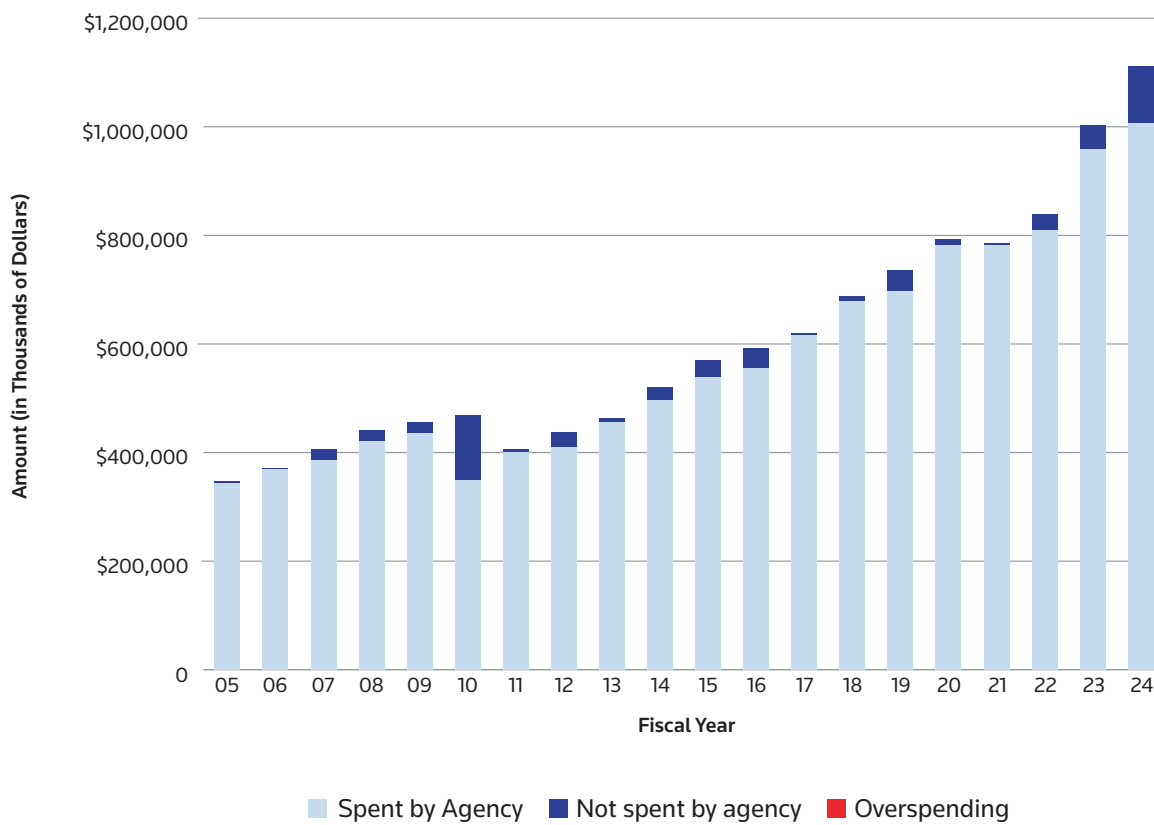
¹⁵ “In October 2021, the Governmental Accounting Standards Board issued Statement No. 98, Annual Comprehensive Annual Report, officially changing the name comprehensive annual financial report to annual comprehensive financial report and the acronym to ACFR. The immediate adoption and usage of the new name and acronym is encouraged by GASB, and would be in accordance with this policy statement.” <https://www.gfoa.org/materials/reference-comprehensive-annual-financial-report>

- The Criminal Code Reform Commission (CCRC) existed as a separately budgeted agency for eight years according to the ACFR. The work of revising the criminal code was undertaken initially by the longer-standing Sentencing Commission but the CCRC was made independent in 2016, and as of the new fiscal year, FY 2026, will function as a part of the Council’s own structure not as an independent entity.

Overbudgeting for debt service

One of the areas of the District’s budget where the ODCA analysis finds consistent OVER-budgeting is the line allocated for debt service, called “repayment of loans and interest.” Over time this line has moved up the budget chart to be the fourth largest budget line, surpassing the Metropolitan Police Department and other operating agencies, surpassed in funding only by schools (DCPS and public charter schools) and the Department of Health Care Finance, the District’s Medicaid agency.

**Figure 11: Council-Approved Local Source Budget
Repayment of Loans and Interest**



Source: ODCA Analysis

In terms of approved budget, debt service has risen from \$347 million in local funds budgeted by the Council in FY 2005 to \$1.1 billion in FY 2024 according to the ACFR, as shown in Figure 11. Actual spending has risen

from \$343 million to \$1 billion in the same timeframe. The actual spending for debt service has been lower than the amount budgeted in 20 out of 20 years. The underspending in FY 2024 totaled \$104 million and there was similar excess budgeting in the fiscal year just completed.

Debt service funds have been used consistently to fill gaps for agencies that have overspent their Council-approved local funds budget and the consistency in overbudgeting gives rise to the assumption that the allocations may be purposeful to provide a sufficient cushion to assist in addressing equally persistent overspending elsewhere.

A year ago, as District finance officials prepared for the annual closing, large reprogrammings were submitted to the Council for approval. One example: on October 8, 2024, correspondence from Chief Financial Officer Glen Lee provided the OCFO's confirmation that a total of \$47 million was authorized for reprogramming as had been requested by the Mayor, basically moving from 41 budget sources to five agencies that had spent more than their Council-approved local funds budgets during the fiscal year.¹⁶ The largest recipient of funds was the Department of Health Care Finance (DHCF) (\$28 million) and the largest contributor was "repayment of loans and interest" (\$11 million).

Similarly, this year on September 29, 2025, Mayor Bowser requested and CFO Lee authorized a reprogramming¹⁷ totaling \$90.2 million from 22 agencies to cover overspending by 11 agencies, the largest being the District Department of Transportation, which needed \$26 million for multiple programs. And again, the largest contributor would be debt service, or repayment of loans and interest, at \$84 million.

In this instance, D.C. Council Chairman Phil Mendelson introduced a resolution of disapproval of the reprogramming on October 8, 2025. As of the date of this report, the resolution (PR26-342) is pending. The resolution states,

The reprogramming request does not adequately explain why certain agencies or programs incurred "higher than anticipated costs." In addition, this reprogramming does not adequately explain why Repayment of Loans and Interest (debt service) has an available balance of at least \$84.4 million. Further, where there is deficiency spending that could have been avoided, reprogramming should not be used to circumvent the intent behind the District and federal anti-deficiency acts.

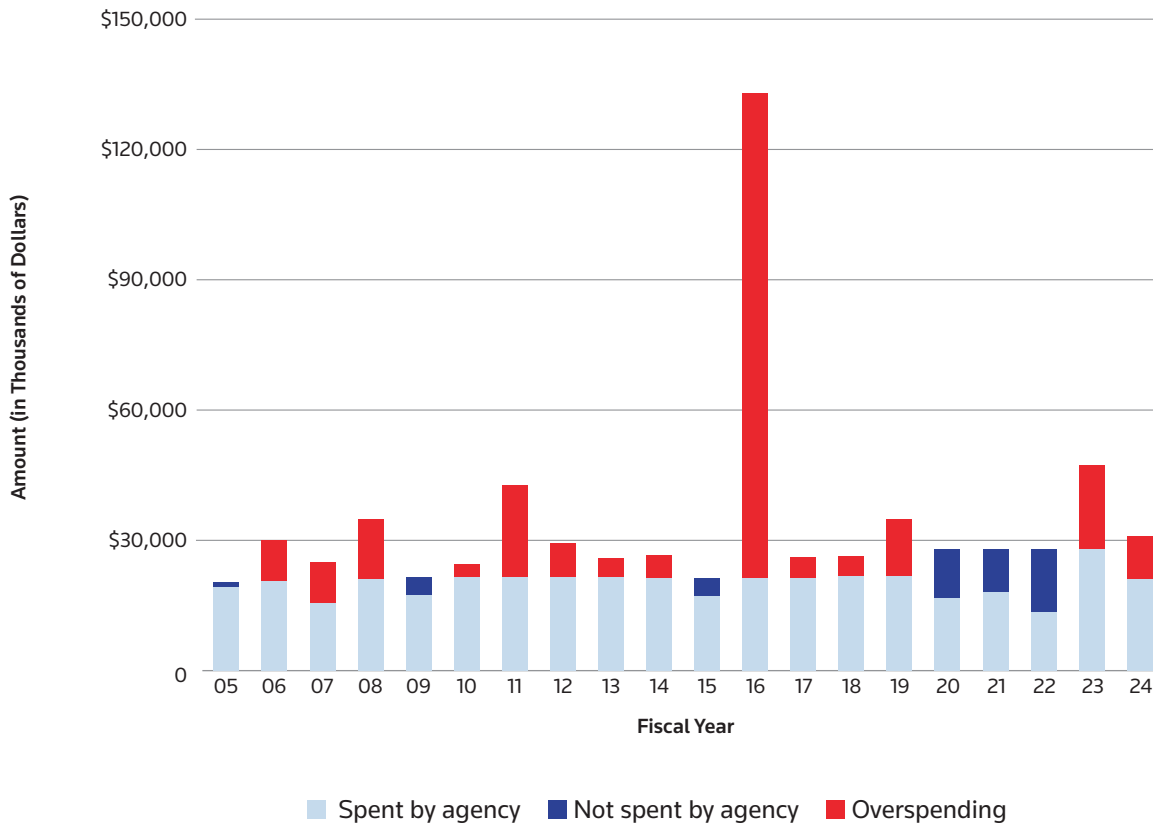
¹⁶ See <https://lims.dccouncil.gov/Legislation/REPROG25-0158>.

¹⁷ See <https://lims.dccouncil.gov/Legislation/REPROG26-0070>.

Settlements and Judgments

The District’s annual budget provides for a Settlements and Judgments Fund, which is used to pay larger awards and those older than two years.¹⁸ When costs exceed the budget of the Settlements and Judgments Fund, the excess amount is paid from a “Section 103” paper agency that the OCFO has established for each cluster. Section 103 refers to a section (the number of which may change from year to year) of annual appropriations acts that provides unlimited budget authority to pay settlements and judgments against the District.

Figure 12: Council-Approved Local Source Budget Settlements and Judgments



Source: ODCA Analysis

In Figure 12 we added the separate “Section 103” lines in the ACFR (Governmental Direction & Support, Public Safety and Justice, and Economic Development and Regulation) with the Settlements and Judgments Fund for a more accurate review of total costs and total amounts budgeted. As shown, there is great volatility in Settlements and Judgments because large payouts are hard to predict. And in some instances payments are made from an individual agency’s own account without ever being recorded as part of the District-wide settlements and judgments totals. For more information on this including the lack of consistent and

¹⁸ Smaller settlements are paid from agency budgets.

comprehensive reporting, see ODCA's 2020 report, "[D.C. Lacked Unified System to Track, Reduce Settlements & Judgments](#)."¹⁹

Conclusion

ODCA provides this summary of our analysis of spending patterns over the last 20 budget cycles to assist the Council in its unique and critical role as the District of Columbia legislature with responsibility to authorize and appropriate tax dollars and to oversee their expenditure on behalf of District residents. In [testimony before the Council's](#) Committee of the Whole on October 17, 2025, the D.C. Auditor provided additional background information on recent ODCA reports and recommendations for the Council's consideration to enhance its own oversight work on spending. We have additional reports underway that we hope will be additional support to Councilmembers and staff as well as to the Executive Branch agencies in their operations and services.

In addition to this report ODCA is publishing on our website a spreadsheet containing the 20 years of budget and spending information used to provide these summaries. Users can download the spreadsheet and see the budget/spending record for each District agency as well as other summaries of the budget/spending data. See www.dcauditor.org.

¹⁹ Office of the D.C. Auditor, D.C. Lacked Unified System to Track, Reduce Settlements & Judgments, December 7, 2020.

About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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