
Current Services Funding Level (CSFL)

The Office of the Chief Financial Officer (OCFO) submits to the Mayor the Current Services Funding Level (CSFL). The CSFL is a **Local funds** only representation of the true cost of operating District agencies, without consideration of policy decisions.

While not the starting point of an agency's proposed budget, the CSFL may be used as a tool for policy makers to help develop estimates of how much it will cost agencies to continue their current programs and operations. The CSFL may also be used by policy makers to identify and evaluate the budgetary impact of changes in policy. Unlike the Mayor and the District's proposed budgets, which contains policy decisions, the CSFL is not required to comply with a balanced budget requirement for expenditures or projected revenues.

How the CSFL was Constructed and is Used

When creating the CSFL, OBP examines the past several years of spending against agency budgets. OBP reviews reprogramming requests to determine if an agency has sufficient funds within it and simply hasn't allocated the budget during formulation to cover costs. Also, OBP collaborates with agency OCFO staff as well as the OCFO's General Council to determine if there are costs resulting from changes to federal or local laws that are not part of the recurring budget. Lastly, the OBP considers the impact of other modifications to the Local funds budget (i.e. allocation of Emergency Contingency Reserve funding or approved supplemental budget appropriations).

General and Specific assumptions are used to develop the CSFL. The assumptions are estimates used to calculate the cost of operating District agencies.

CSFL General Assumptions

These assumptions are typically standardized calculations used to apply grow or reduce most District agency CSFL budgets. The following are the “general assumptions” used to develop the CSFL:

- **Fringe Benefit Rate Adjustments (By Agency):** The Fringe Benefit rate increase (or a decrease) of the individual fringe rate for most District agencies. The Fringe rate is calculated by using a three-year average of fringe cost data; the percentage of health benefits and other benefits to total fringe; and a projection of growth in benefits.
- **Consumer Price Index (CPI) Growth Factor:** This inflation factor is based on the seasonally adjusted CPI for the Metropolitan District of Columbia region, which is forecasted by the Office of Revenue Analysis (ORA). CPI is applied to only certain non-personal services categories.

CSFL Specific Assumptions

Given the varying budgetary needs of each District agency, assumptions specific to a given agency are used to calculate the CSFL budget. The following are the “specific assumptions” used to develop the CSFL:

- **Removal of One-Time items:** The CSFL removes all one-time items contained within the prior year Approved Budget.
- **Restoration of One-Time Reductions:** Where applicable, one-time budget reductions made to the prior year budget, for which the CSFL is based on, are restored.
- **Fixed Cost Inflation Factor:** OBP calculate certain “fixed costs” using historical trends combined with a complex methodology called the Budget Appropriation Utilization Rate (BAUR). When calculating fixed costs for the Department of General Services (DGS), the BAUR methodology is used.
- **Medicaid Growth Factor:** Based on an aggregate growth factor provided by the Department of Health Care Finance, OBP applies that growth factor to applicable expenditure budget data, which will represent the District’s Local matching share of the Federal Medical Assistance Percentage for Medicaid (FMAP).
- **Debt Service Adjustments:** Projected adjustments provided by the Office of Finance and Treasury.
- **Operating Impact of Capital:** The projected effect of agency’s capital projects or items, implemented or completed, that create a Local fund operational cost. This estimate is only applied to contractual services costs. Guidelines for the Operating Impact of Capital Projects can be found on the [Budget Formulation Documents website](#).
- **Other Adjustments:** This scenario is used to capture adjustments that did not meet the criteria for all other adjustment scenarios.