
Office of the Chief Financial Officer

www.cfo.dc.gov
Telephone: 202-727-2476

Table AT0-1

Description	FY 2015	FY 2016	FY 2017	% Change
	Actual	Approved	Proposed	from FY 2016
OPERATING BUDGET	\$136,335,934	\$170,933,828	\$177,789,242	4.0
FTEs	956.8	969.8	982.0	1.3

The mission of the Office of the Chief Financial Officer (OCFO) is to provide financial management services to the government and the people of the District of Columbia to sustain the District's long-term fiscal and economic viability.

Summary of Services

The Office of the Chief Financial Officer provides enhanced fiscal and financial stability, accountability, and integrity for the Government of the District of Columbia. The OCFO ensures that District spending levels remain within approved budgets and available revenues for each fiscal year, so that spending deficits do not occur; maintains adequate cash balances; minimizes receivables balances; manages the District's debt and finances in a manner that provides optimal opportunities to maximize bond ratings and minimize the cost of borrowed capital; ensures that the ratio of total debt service to General Fund expenditures remains within a maximum of 12 percent; improves tax payment compliance by increasing collections from the accounts receivable balance and the non-filer population, as measured by percentage change in delinquent collections; develops and supports financial management systems that provide accurate and timely information; and produces the District's Comprehensive Annual Financial Report (CAFR) on time with an unqualified (clean) opinion.

The agency's FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table AT0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table AT0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	113,840	118,144	125,131	6,987	5.9	874.4	874.4	881.4	7.0	0.8
SPECIAL PURPOSE REVENUE FUNDS	14,648	44,196	43,493	-703	-1.6	42.4	49.0	55.0	6.0	12.2
TOTAL FOR GENERAL FUND	128,488	162,340	168,624	6,284	3.9	916.8	923.4	936.4	13.0	1.4
FEDERAL RESOURCES										
FEDERAL GRANT FUNDS	421	525	525	0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR FEDERAL RESOURCES	421	525	525	0	0.0	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS										
INTRA-DISTRICT FUNDS	7,427	8,069	8,640	571	7.1	40.0	46.5	45.6	-0.8	-1.8
TOTAL FOR INTRA-DISTRICT FUNDS	7,427	8,069	8,640	571	7.1	40.0	46.5	45.6	-0.8	-1.8
GROSS FUNDS	136,336	170,934	177,789	6,855	4.0	956.8	969.8	982.0	12.2	1.3

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table AT0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table AT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	70,535	76,843	84,785	87,574	2,789	3.3
12 - REGULAR PAY - OTHER	621	1,385	1,015	897	-118	-11.6
13 - ADDITIONAL GROSS PAY	425	335	51	51	0	0.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	14,964	16,376	18,241	20,488	2,248	12.3
15 - OVERTIME PAY	634	806	25	25	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	87,178	95,745	104,117	109,036	4,919	4.7
20 - SUPPLIES AND MATERIALS	304	266	471	474	3	0.7
40 - OTHER SERVICES AND CHARGES	6,578	10,613	12,411	11,770	-641	-5.2
41 - CONTRACTUAL SERVICES - OTHER	28,920	28,658	53,239	55,739	2,500	4.7
70 - EQUIPMENT AND EQUIPMENT RENTAL	5,965	1,054	695	769	74	10.7
SUBTOTAL NONPERSONAL SERVICES (NPS)	41,767	40,591	66,816	68,753	1,937	2.9
GROSS FUNDS	128,945	136,336	170,934	177,789	6,855	4.0

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table AT0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	1,899	1,963	1,955	-8	14.9	15.0	14.0	-1.0
(1015) TRAINING AND EMPLOYEE DEVELOPMENT	517	629	617	-12	4.0	4.0	4.0	0.0
(1020) CONTRACTING AND PROCUREMENT	1,274	1,580	1,565	-14	10.9	12.0	12.0	0.0
(1030) PROPERTY MANAGEMENT	937	854	1,320	466	9.0	9.0	9.0	0.0
(1060) LEGAL SERVICES	2,248	2,461	2,626	165	13.8	15.0	15.0	0.0
(1080) COMMUNICATIONS	362	163	167	4	1.0	1.0	1.0	0.0
(1090) PERFORMANCE MANAGEMENT	1,437	1,929	2,001	71	8.0	10.0	10.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	8,674	9,581	10,252	671	61.6	66.0	65.0	-1.0
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	573	610	635	24	4.0	4.0	4.0	0.0
(120F) ACCOUNTING OPERATIONS	473	522	643	121	5.0	5.0	6.0	1.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,046	1,132	1,278	146	9.0	9.0	10.0	1.0
(2000) FINANCIAL OPERATIONS AND SYSTEMS								
(2100) OPERATIONS AND ADMINISTRATION	900	1,001	1,089	89	8.0	7.0	7.0	0.0
(2200) ACCOUNTING OPERATIONS	1,795	2,074	2,183	109	17.0	17.0	17.0	0.0
(2300) FINANCIAL POLICIES AND PROCEDURES	550	633	649	17	4.0	4.0	4.0	0.0
(2500) FINANCIAL CONTROL AND REPORTING	3,063	3,634	3,652	18	25.0	26.0	26.0	0.0
(2600) BENEFITS ADMINISTRATION	955	1,226	1,195	-31	8.5	9.0	9.0	0.0
(2700) PAYROLL DISBURSEMENTS AND WAGE REPORTING	4,862	4,875	5,050	175	31.4	34.0	34.0	0.0
SUBTOTAL (2000) FINANCIAL OPERATIONS AND SYSTEMS	12,124	13,443	13,819	377	93.9	97.0	97.0	0.0
(3000) BUDGET DEVELOPMENT AND EXECUTION								
(3100) EXECUTIVE DIRECTION AND SUPPORT	1,499	1,380	1,410	30	7.0	7.0	8.0	1.0
(3400) FINANCIAL PLANNING AND ANALYSIS	586	1,269	1,266	-3	7.0	8.0	8.0	0.0
(3700) OPERATING BUDGET FORMULATION AND DEV	2,615	2,728	2,912	184	22.0	21.0	21.0	0.0
(3800) CAPITAL BUDGET FORMULATION AND DEV	664	813	776	-37	6.0	6.0	5.0	-1.0
SUBTOTAL (3000) BUDGET DEVELOPMENT AND EXECUTION	5,364	6,191	6,365	173	42.0	42.0	42.0	0.0

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(4000) RESEARCH AND ANALYSIS								
(4100) EXECUTIVE DIRECTION AND SUPPORT	660	736	653	-83	6.0	3.0	3.0	0.0
(4200) FINANCIAL DATA QUALITY ASSURANCE	21	0	0	0	1.0	0.0	0.0	0.0
(4300) REVENUE ESTIMATION	1,172	1,287	1,534	248	8.0	9.0	10.0	1.0
(4500) ECONOMIC DEVELOPMENT	793	963	966	3	4.0	5.0	5.0	0.0
(4700) LEGISLATIVE AND FISCAL ANALYSIS	630	715	743	28	6.0	5.0	5.0	0.0
(4800) ECONOMIC AFFAIRS	760	1,083	1,178	94	4.0	7.0	7.0	0.0
SUBTOTAL (4000) RESEARCH AND ANALYSIS	4,036	4,784	5,074	290	29.0	29.0	30.0	1.0
(5000) TAX ADMINISTRATION								
(5100) EXECUTIVE DIRECTION AND SUPPORT	4,622	4,405	4,388	-17	20.0	21.0	20.0	-1.0
(5200) EXTERNAL CUSTOMER SERVICE INFORMATION	7,889	8,258	8,509	252	86.8	87.0	89.0	2.0
(5300) RECORDER OF DEEDS	1,877	4,002	4,148	146	24.0	24.0	25.0	1.0
(5400) REAL PROPERTY TAX ADMINISTRATION	8,976	10,154	10,793	639	97.0	95.0	99.0	4.0
(5500) TAX AUDITS AND INVESTIGATIONS	9,505	10,180	10,480	300	89.0	90.0	91.0	1.0
(5600) REVENUE ACCOUNTING	2,961	2,224	2,138	-86	22.9	18.8	18.0	-0.9
(5700) RECEIPTS AND DELINQUENT COLLECTIONS	16,308	30,157	30,718	561	201.9	203.0	200.0	-3.0
SUBTOTAL (5000) TAX ADMINISTRATION	52,138	69,379	71,174	1,795	541.6	538.8	542.0	3.2
(6000) INFORMATION TECHNOLOGY								
(6100) INFORMATION TECHNOLOGY SUPPORT	27,330	25,525	26,301	776	78.0	78.0	80.0	2.0
SUBTOTAL (6000) INFORMATION TECHNOLOGY	27,330	25,525	26,301	776	78.0	78.0	80.0	2.0
(7000) FINANCE AND TREASURY								
(7100) EXECUTIVE DIRECTION AND SUPPORT	834	1,082	1,267	185	5.0	5.0	6.0	1.0
(7200) DEBT MANAGEMENT	904	1,182	1,501	319	4.9	5.0	9.0	4.0
(7300) CASH MANAGEMENT AND INVESTMENTS	7,744	8,483	10,678	2,196	15.7	16.0	7.0	-9.0
(7400) DISBURSEMENTS	1,769	2,173	2,175	2	8.0	7.0	7.0	0.0
(7500) CASH RECEIPTS AND ACCOUNTING	3,257	4,037	3,892	-145	34.6	40.0	36.0	-4.0
(7600) ASSET MANAGEMENT FOR SPECIAL PROGRAMS	2,734	4,836	4,894	58	12.6	16.0	20.0	4.0
(7700) CENTRAL COLLECTION UNIT (CCU)	4,024	14,169	14,090	-79	0.0	0.0	10.0	10.0
SUBTOTAL (7000) FINANCE AND TREASURY	21,266	35,961	38,497	2,535	80.8	89.0	95.0	6.0

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(8000) INTEGRITY AND OVERSIGHT								
(8100) AUDIT SERVICES	3,125	3,436	3,470	34	12.0	12.0	12.0	0.0
(8200) SECURITY INTEGRITY OVERSIGHT	486	599	1,559	960	3.0	3.0	9.0	6.0
(8300) INVESTIGATIONS	747	903	0	-903	6.0	6.0	0.0	-6.0
SUBTOTAL (8000) INTEGRITY AND OVERSIGHT	4,357	4,938	5,030	92	21.0	21.0	21.0	0.0
TOTAL PROPOSED OPERATING BUDGET	136,336	170,934	177,789	6,855	956.8	969.8	982.0	12.2

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The Office of the Chief Financial Officer operates through the following 9 programs:

Financial Operations and Systems – carries out the District's accounting operations, including critical functions such as District-wide General Ledger accounting, financial reporting, and pay and retirement services. The program produces the CAFR, which shows the District's financial position at the end of each fiscal year. The program also develops accounting policies and procedures, policies that support the System of Accounting and Reporting (SOAR), the District's formal book of record, and policies and procedures for other areas of financial management throughout the OCFO.

This program contains the following 6 activities:

- **Operations and Administration** – provides leadership, general program management, personnel, procurement, automated accounting system access security, fixed asset accountability, and other logistical support services to Office of Financial Operations and Systems staff for general accounting services, specialized accounting systems management, payroll, financial reporting, accounting policies and procedures, and benefits administration for employees, agencies, and District leaders for their use in decision-making. Additionally, this activity provides citizens with financial information so that they can keep abreast of the District's financial position;
- **Accounting Operations** – provides District-wide General Ledger accounting in order to maintain the official automated book of record on which the financial position of the District is ascertained for the District's elected and appointed leaders, Congress, District agencies (directors, financial managers, and employees), public and private financial communities, and the general public. This activity ensures timely and accurate information on the District's financial position and facilities to decision-makers;
- **Financial Policies and Procedures** – provides recorded references for standard government accounting practices (policies and theories) and guidelines for operation (procedures and process flows) of the District's daily accounting functions and the supporting automated system of record to ensure that accounting and financial managers and their staff follow the District's financial policy and procedures;

- **Financial Control and Reporting** – provides statements of financial position for the Mayor, Council of the District of Columbia, Congress, District managers, national bond-rating agencies, and the general public to enable informed decisions based on timely and accurate financial information;
- **Federal Annuitant Benefits Administration** – provides accurate and timely annuity payments and related benefits to former and retired federal law enforcement officers; and
- **Payroll Disbursements and Wage Reporting** – provides a record of compensation and related payments to District employees with accurate and timely paychecks.

Budget and Planning (Budget Development and Execution) – prepares, monitors, analyzes, and executes the District government’s budget, including operating, capital, and enterprise funds, in a manner that facilitates fiscal integrity and maximizes services to taxpayers. This program also provides advice to policy-makers on the District government’s budget and has the primary responsibility for ensuring that the budget is balanced at the time of budget formulation, and maintaining that balance throughout the year as the budget is executed.

This program contains the following 4 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to Office of Budget and Planning staff and other District government personnel facilitating financial planning, budgetary, performance, and cost analysis of decision-makers to enable them to make effective decisions and achieve strategic goals. This activity also provides citizens with information on District finances;
- **Financial Planning and Analysis** – monitors and analyzes the District’s budget and expenditures; provides technical support for the District’s Anti-Deficiency Board; provides technical support of system applications to District staff; and coordinates and monitors the District’s Financial Review Process (FRP) by ensuring the timely submission of agencies’ FRP reports, which include expenditure forecasts. This activity also develops and reports on budget revisions, Intra-District modifications, and monthly operating budget expenditures; analyzes and forecasts compensation costs; provides historical information for bond issuance statements; provides supporting budget documentation to auditors; and prepares the District’s five-year Financial Plan for the budget books;
- **Operating Budget Formulation and Development** – provides the framework for formulation of the District’s annual operating budget; publishes the operating budget on behalf of the Mayor and the District; executes the operating budget during the fiscal year; monitors agency spending, including analysis of spending pressures; reviews and approves federal and private grant budget authority requests from District agency heads; and provides other financial and budgetary services to the Mayor, Council, and other stakeholders on a timely and accurate basis enabling District officials to make informed decisions on allocations of District operating resources among policy priorities; and
- **Capital Budget Formulation and Development** – provides the framework for formulation of the District’s 6-year capital budget; publishes the capital budget on behalf of the Mayor and the District; executes the capital budget during the fiscal year; provides detailed reviews of available capital financing and aligns such financing with the District’s annual capital funds budget authority within the debt cap; and provides other financial and budgetary services to the Mayor and Council on a timely and accurate basis to enable them to make informed decisions on District capital resources.

Revenue and Analysis (Research and Analysis) – provides revenue estimates, revenue policy analysis, and analysis supporting economic development. The program area is divided into two offices, both of which report directly to the CFO: the Office of Revenue Analysis (ORA) and Economic Development Finance (EDF). ORA services include the preparation of (i) analyses of revenue sources and development of quarterly revenue estimates that set the hard budget constraint for the District of Columbia budget; (ii) fiscal impact statements, which provide estimates of direct costs to the four-year Financial Plan; (iii) periodic reports on economic and revenue trends and the monthly Economic Indicators for the District of Columbia; (iv) the chapter on revenue in each annual Budget and Financial Plan that is prepared by the

District of Columbia; and (v) special studies, including on metropolitan and nationwide household tax burden comparisons, a bi-annual Tax Expenditure Study detail on statutory provisions of District taxes, a running historical update of major changes in District revenue laws, an Annual Revenue Data Book, and the monthly Cash Report of District tax collections.

EDF provides sophisticated analyses of fiscal, economic, financial, and administrative impacts of proposed projects; analyzes the financial feasibility of economic development projects in the District; and advises the CFO and Mayor on proposed economic development debt issuances. EDF oversees all Tax Increment Financing (TIF) and Payment-in-Lieu-of-Taxes (PILOT) projects into which the District enters; provides guidance on changes in development policy options and long-term financial expectations; reviews legislative proposals that include tax abatements or exemptions and provides an advisory tax abatement financial analysis (TAFA) for submission to Council; coordinates with ORA to provide fiscal impact analyses on proposed tax-supported financings, land transfers, and economic development projects; and represents the OCFO on the boards of Events DC (formerly the Washington Convention and Sports Authority) and Destination D.C.

This program contains the following 5 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to staff including research and analytical services on revenue and economic data and analysis of fiscal and administrative impacts to decision-makers;
- **Revenue Estimation** – provides economic and revenue data and analysis and District tax structure data and analysis to the Mayor, Council, and Congress so that they can have timely and quality information for policy formulation and decision-making;
- **Economic Development** – provides analysis of the fiscal, economic, financial, and administrative impact on real estate projects to the Chief Financial Officer, the Mayor, the Deputy Mayor for Planning and Economic Development, and the Council so that they can effectively assess economic development initiatives and ensure maximum economic benefit to the city;
- **Legislative and Fiscal Analysis** – provides legislative fiscal impact analysis for the Mayor, the Council, and Congress so that they can have timely and quality information for policy formulation and decision-making; and
- **Economic Affairs** – develops and presents documents detailing the economic and revenue affairs of the District of Columbia to components of the OCFO, the Mayor, the Council, and Congress so that they can have timely and quality information for policy formulation and decision-making.

Tax and Revenue (Tax Administration) – provides fair, efficient, and effective administration of the District’s business, income, excise, and real property tax laws.

This program contains the following 7 activities:

- **Executive Direction and Support** – provides general program management, leadership, and support services to the Tax Administration program so that it can coordinate comprehensive tax services for District taxpayers and ensure that the District is collecting the accurate amount of tax revenue;
- **External Customer Service, Information, and Education** – provides customer service through walk-in and telephone customer service centers, which assist approximately 300,000 taxpayers annually. This activity also consists of developing and distributing public tax forms; supporting various electronic tax filing and payment options, including electronic self-service and account management functions; initiating and responding to mail correspondence with taxpayers; and tax registration and certification services;
- **Recorder of Deeds** – provides support for the transfer and titling of real property in the District and responds to requests for title documents from individuals and real estate title industries;
- **Real Property Tax Administration** – provides for the assessment and billing of real property taxes and first-level assessment appeals;

- **Tax Audits and Investigations** – enforces tax compliance by identifying potential non-filers and performing other tax compliance checks to ensure that the District is collecting the correct amount of tax payments due from all taxpayers. This activity also identifies and investigates cases of tax fraud;
- **Revenue Accounting** – provides for the proper accounting of and reporting on revenue collections and supports issuance of tax refunds; and
- **Receipts and Delinquent Collections** – provides for the processing of more than one million tax returns annually and the recording and prompt deposit of billions of dollars in tax payments. This includes collections of delinquent tax payments.

Information Technology – provides for the development and maintenance of state-of-the-art financial information systems to support the District of Columbia’s payroll, pension, accounting, tax, budget, treasury, and web-based financial reporting systems. The principal objectives of the program are to maintain accurate systems, modify systems in response to the changing needs of the District, and maintain compliance with federal, state, and local regulations.

Finance and Treasury – provides management of the financial assets and liabilities of the Government of the District of Columbia. This includes investing, collecting, safekeeping, disbursing, recording, and acquiring District financial resources.

This program contains the following 7 activities:

- **Executive Direction and Support** – provides leadership, strategic direction, and administrative support services to department managers and employees so that they can achieve organizational and individual performance results;
- **Debt and Grants Management** – provides for the issuance of bonds, notes, and other financing vehicles for the District so that it can finance capital infrastructure projects and help ensure seasonal cash needs, and manages the cash and accounting of District agencies’ federal grant drawdowns;
- **Cash Management and Investments** – provides for the management of the cash resources of the District so that the District can meet its cash obligations and maximize its return on investments;
- **Disbursement Management** – provides check-printing and disbursement services for District agencies so that they can fulfill their payment obligations;
- **Cash Receipts and Accounting** – provides revenue collection services, including cashiering at various District sites, and provides for the management of banking services for all District agencies;
- **Asset Management for Special Programs** – provides for the management of the District-run pension plans, college savings plan, and unclaimed property; and
- **Central Collection Unit** – consolidates several District agency collection programs into the OCFO to pursue the collection of outstanding debts owed to the District.

Integrity and Oversight – maintains the accountability, integrity, and efficiency of the District of Columbia’s financial management and tax administration systems. Through its audit and investigative activities, this program provides the Chief Financial Officer with independent reviews and appraisals of OCFO operations and maintains the highest standards of integrity and security of OCFO employees.

This program contains the following 2 activities:

- **Audit Services** – provides audit and review services to assist the District’s financial managers to ensure the integrity, efficiency, and effectiveness of District programs; manages the review and response to external audit reports; and coordinates District single audits and management letter comments for District agencies so that they can improve operations; and
- **Security Integrity Oversight** – provides security and integrity oversight for the OCFO by administering the OCFO's emergency response program and conducting integrity probes and integrity awareness presentations aimed at detecting and preventing fraud and other misconduct in

OCFO programs; and maintains public confidence in the integrity of the OCFO by investigating alleged misconduct by OCFO employees, as well as by conducting background investigations to determine suitability for employment. This investigative service provides reports to OCFO management so that they can take administrative action as appropriate.

Agency Management – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Agency Financial Operations – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all agencies using performance-based budgeting.

Program Structure Change

The Office of the Chief Financial Officer has no program structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table AT0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table AT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		118,144	874.4
Other CSFL Adjustments	Multiple Programs	3,525	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		121,669	874.4
Increase: To align resources with operational spending goals	Multiple Programs	416	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	122	0.0
Decrease: To adjust the Contractual Services budget	Multiple Programs	-538	0.0
Technical Adjustment: To reflect merchant service fee adjustments	Finance and Treasury	2,756	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		124,426	874.4
Enhance: To support staffing and reporting requirements	Multiple Programs	705	7.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		125,131	881.4
FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE		525	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission		525	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget		525	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Approved Budget and FTE		44,196	49.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	724	6.0
Decrease: To align budget with projected revenues	Multiple Programs	-427	0.0
Decrease: To align CCU budget with projected costs	Finance and Treasury	-1,000	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Agency Budget Submission		43,493	55.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Mayor's Proposed Budget		43,493	55.0

Table AT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
INTRA-DISTRICT FUNDS: FY 2016 Approved Budget and FTE		8,069	46.5
Increase: To adjust the Contractual Services budget	Finance and Treasury	404	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	179	0.0
Decrease: To recognize savings from a reduction in FTEs	Tax Administration	-11	-0.8
INTRA-DISTRICT FUNDS: FY 2017 Agency Budget Submission		8,640	45.6
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2017 Mayor's Proposed Budget		8,640	45.6
GROSS FOR AT0 - OFFICE OF THE CHIEF FINANCIAL OFFICER		177,789	982.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2017 Proposed Budget Changes

The Office of the Chief Financial Officer's (OCFO) proposed FY 2017 gross budget is \$177,789,242, which represents a 4.0 percent increase over its FY 2016 approved gross budget of \$170,933,828. The budget is comprised of \$125,131,016 in Local funds, \$525,000 in Federal Grant funds, \$43,492,950 in Special Purpose Revenue funds, and \$8,640,275 in Intra-District funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OCFO's FY 2017 CSFL budget is \$121,669,138, which represents a \$3,525,265, or 3.0 percent, increase over the FY 2016 approved Local funds budget of \$118,143,873.

CSFL Assumptions

The FY 2017 CSFL calculated for OCFO included adjustment entries that are not described in detail on table 5. These adjustments were made for increases of \$3,199,065 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements, and an increase of \$303,424 in nonpersonal services based on the Consumer Price Index factor of 2.3 percent. CSFL funding for OCFO also includes an increase of \$22,776 for the Fixed Costs Inflation factor to account for adjustments in certain contract-related items.

Agency Budget Submission

Increase: In Local funds, the OCFO's proposed budget increased by a net amount of \$415,891, primarily in the Agency Management program, to cover professional services agreements and fees, equipment purchases, and supplies. The agency also shifted certain positions across programs and activities to align the budget with projected expenditures. Also, the budget increased by \$122,388 to support agency-wide salary and Fringe Benefits adjustments.

In Special Purpose Revenue funds, the proposed budget increased by \$724,355 and 6.0 FTEs for the Unclaimed Property and Central Collections Units in the Finance and Treasury program, along with other adjustments to agency salaries, Fringe Benefits costs and other programmatic changes.

In Intra-District funds, the proposed budget increased by \$403,774 to support contractual costs within the Finance and Treasury program; specifically, the budget shifts resources to cover merchant fees funded by other District agencies. Additionally, the OCFO's proposed budget increased by \$178,960 across multiple programs to support projected salary and Fringe Benefits costs.

Decrease: The proposed Local funds budget decreased by \$538,280 as a result of contractual services savings throughout the agency.

The proposed Special Purpose Revenue funds budget decreased by \$427,480 to align the budget with projected resources and program objectives. The proposed budget for the Finance and Treasury program's Central Collection Unit fund decreased by \$1,000,000 because of savings associated with the completion of a software development initiative.

In Intra-District funds, the proposed budget for the Tax Administration program decreased by \$11,338 and 0.8 FTE to eliminate a fractional allocation of a position and its associated costs.

Technical Adjustment: The proposed budget increased by \$2,756,440 in Local funds to support the collection and payment of merchant service fees, assessed when taxpayers and other entities use credit cards to make payments to the District. Previously, revenues were recorded less expenditures, resulting in the apparent net reduction of total fees collected. The OCFO now records gross revenues and expenditures for this activity separately. Thus, Local revenues will increase and match the cost of this adjustment.

Mayor's Proposed Budget

Increase: In Local funds, the OCFO's proposed budget supports an increase of \$705,438 and 7.0 FTEs. Of this amount, a total of \$560,688 and 6.0 FTEs supports additional staff within the Real Property Assessment Division (RPAD) in the Tax Administration program. Specifically, the additional positions will help improve the timeliness and accuracy of real property assessments and responses to appeals, potentially reducing the costs for taxpayers and the District government. Additionally, the proposed budget contains an increase of \$144,750 and 1.0 FTE in the Revenue Analysis program to support the production of D.C. tax expenditure reports. Pursuant to D.C. Law 20-155, the OCFO was tasked to review, evaluate, and produce reports of all District tax expenditures (such as abatements, credits, and exemptions), and the budget book includes a Tax Expenditure Report biannually (see the Revenue chapter in the Executive Summary volume).

