
Office of the Chief Financial Officer

www.cfo.dc.gov

Telephone: 202-727-2476

Description	FY 2010 Actual	FY 2011 Approved	FY 2012 Proposed	% Change from FY 2011
Operating Budget	\$139,957,038	\$129,400,865	\$127,365,574	-1.6
FTEs	925.8	905.0	869.0	-4.0

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 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, among other duties, 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 2012 proposed budget is presented in the following tables:

FY 2012 Proposed Gross Funds Operating Budget, by Revenue Type

Table AT0-1 contains the proposed FY 2012 agency budget compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table AT0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
General Fund						
Local Funds	119,559	115,213	87,825	94,642	6,817	7.8
Special Purpose Revenue Funds	14,736	15,154	33,792	24,932	-8,860	-26.2
Total for General Fund	134,295	130,367	121,617	119,574	-2,043	-1.7
Federal Resources						
Federal Grant Funds	938	950	0	0	0	N/A
Total for Federal Resources	938	950	0	0	0	N/A
Private Funds						
Private Donations	20	9	0	0	0	N/A
Total for Private Funds	20	9	0	0	0	N/A
Intra-District Funds						
Intra-District Funds	6,565	8,631	7,784	7,792	8	0.1
Total for Intra-District Funds	6,565	8,631	7,784	7,792	8	0.1
Gross Funds	141,817	139,957	129,401	127,366	-2,035	-1.6

*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 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Full-Time Equivalents, by Revenue Type

Table AT0-2 contains the proposed FY 2012 FTE level compared to the FY 2011 approved FTE level by revenue type. It also provides FY 2009 and FY 2010 actual data.

Table AT0-2

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change
General Fund						
Local Funds	770.2	748.0	721.5	782.5	61.0	8.5
Special Purpose Revenue Funds	74.4	135.2	140.0	41.0	-99.0	-70.7
Total for General Fund	844.5	883.1	861.5	823.5	-38.0	-4.4
Intra-District Funds						
Intra-District Funds	34.4	42.6	43.5	45.5	2.0	4.6
Total for Intra-District Funds	34.4	42.6	43.5	45.5	2.0	4.6
Total Proposed FTEs	879.0	925.8	905.0	869.0	-36.0	-4.0

FY 2012 Proposed Operating Budget, by Comptroller Source Group

Table AT0-3 contains the proposed FY 2012 budget at the Comptroller Source Group (object class) level compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table AT0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
11 - Regular Pay - Cont Full Time	69,929	69,209	66,312	69,013	2,701	4.1
12 - Regular Pay - Other	1,089	570	494	477	-17	-3.4
13 - Additional Gross Pay	3,031	275	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	13,341	13,804	13,135	15,158	2,023	15.4
15 - Overtime Pay	384	389	102	0	-102	-100.0
99 - Unknown Payroll Postings	308	0	0	0	0	N/A
Subtotal Personal Services (PS)	88,082	84,247	80,043	84,649	4,605	5.8
20 - Supplies and Materials	571	494	679	542	-137	-20.1
30 - Energy, Comm. and Bldg Rentals	510	384	0	0	0	N/A
31 - Telephone, Telegraph, Telegram, Etc	887	746	0	0	0	N/A
32 - Rentals - Land and Structures	11,800	20,136	0	0	0	N/A
33 - Janitorial Services	110	170	0	0	0	N/A
34 - Security Services	1,214	630	0	0	0	N/A
35 - Occupancy Fixed Costs	208	276	0	0	0	N/A
40 - Other Services and Charges	8,363	7,119	8,153	6,485	-1,668	-20.5
41 - Contractual Services - Other	26,816	24,692	39,957	35,065	-4,892	-12.2
70 - Equipment and Equipment Rental	3,257	1,063	568	624	56	9.9
Subtotal Nonpersonal Services (NPS)	53,736	55,710	49,358	42,717	-6,641	-13.5
Gross Funds	141,817	139,957	129,401	127,366	-2,035	-1.6

*Percent Change is based on whole dollars.

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 7 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 OFOS 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 ascertained by 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 facilitates to decision-makers;
- **Financial Policy 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;

- **Accounting Systems Management/Functional Integration** – provides training and expert assistance on the automated accounting system, which follows generally accepted accounting principles, for the central OCFO cluster employees and agency financial staff to improve the daily recordings of accounting transactions and the reporting of financial position within each agency by activity;
- **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 Development and Execution (BDE) – provides for the preparation, monitoring, analysis, and execution of the District government's budget, including operating, capital, and enterprise funds, in a manner that facilitates fiscal integrity and maximizes services to taxpayers. The BDE program also provides advice to policy-makers on the District government's budget, and has the primary responsibility for expenditure forecasts.

This program contains the following 4 activities:

- **Executive Direction and Support** - provides general program management, leadership, technical assistance, and support services to the Office of Budget and Planning (OBP) 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. It also provides citizens with information on District finances;

- **Financial Planning and Analysis** - provides monitoring and analysis of the District's budget and expenditures, including spending pressures, staffing for the District's Anti-Deficiency Board, and guidance, development, and coordination of the District's Financial Review Process, budget modification process, intra-District fund transfer process, and other reporting functions;
- **Operating Budget Formulation and Development** – provides for the formulation and execution processes of the District's annual operating budget, as well as other financial and budgetary services, to the Mayor and Council on a timely and accurate basis enabling District officials to make informed decisions on allocations of the District operating resources among policy priorities; and
- **Capital Budget Formulation and Development** – provides detailed reviews of available capital financing and aligns such financing with the District's annual capital funds budget authority, 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.

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 DC revenue laws, an Annual Revenue Data Book, the monthly Cash Report of District tax collections and, in FY 2009, a

system for the overall tracking of the American Recovery and Reinvestment Act of 2009 (ARRA).

EDF provides sophisticated analyses of fiscal, economic, financial, and administrative impacts of proposed projects; is responsible for analyzing 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. EDF provides guidance on changes in development policy options and long-term financial expectations. EDF coordinates with ORA to provide fiscal impact analyses on proposed tax-supported financings, land transfers, and economic development projects. EDF represents the OCFO on the boards of 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 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 all have timely and quality information for policy formulation and decision-making.

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 to 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 the development and distribution of public tax forms, support of 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 the real estate 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 (IT) - 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, and Executive Information 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.

Office of Finance and Treasury (OFT) - provides management of the financial assets and liabilities of the Government of the District of Columbia. This includes investing, receiving, safe-keeping, disbursing, recording, and acquiring District financial resources.

This program contains the following 6 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 draw-downs;
- **Cash Management and Investment** - provides for the management of the cash resources of the District so that the District can meet its cash obligations and maximize return on investments;
- **Asset Management** - provides for the management of the District-run pension plans, college savings plan, and unclaimed property;
- **Disbursement Management** - provides check-printing and disbursement services for District agencies so that they can fulfill their financial obligations; and

- **Cash Receipts and Accounting** - provides revenue collection services, including cashiering at various District sites, and recordation and accounting of such receipts for District agencies.

Office of Integrity and Oversight (OIO) - ensures the maintenance of the accountability, integrity, and efficiency of the District of Columbia's financial management and tax administration systems. Through its audit and investigative activities, OIO provides the Chief Financial Officer with independent reviews and appraisals of OCFO operations, and ensures the maintenance of the highest standards of integrity and security of OCFO employees.

This program contains the following 3 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;
- **Security Integrity Oversight** - provides security and integrity oversight for the OCFO by administering the emergency response program for the OCFO and conducting integrity probes and integrity awareness presentations aimed at detecting and preventing fraud and other misconduct in OCFO programs; and
- **Investigations** - 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 2012 Proposed Budget.

FY 2012 Proposed Operating Budget and FTEs, by Program and Activity

Table AT0-4 contains the proposed FY 2012 budget by program and activity compared to the FY 2011 approved budget. It also provides the FY 2010 actual data.

Table AT0-4

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(1000) Agency Management Program								
(1010) Personnel	1,621	1,424	1,565	141	15.1	14.0	14.0	0.0
(1015) Training and Employee Development	544	514	555	41	4.0	4.0	4.0	0.0
(1020) Contracting and Procurement	2,544	1,116	1,196	79	10.4	12.0	11.0	-1.0
(1030) Property Management	1,693	781	757	-24	8.4	10.0	9.0	-1.0
(1060) Legal Services	1,881	1,897	2,009	112	14.0	14.0	14.0	0.0
(1080) Communications	272	260	181	-80	3.0	2.0	1.0	-1.0
(1090) Performance Management	1,474	1,350	1,224	-125	8.0	9.0	8.0	-1.0
Subtotal (1000) Agency Management Program	10,030	7,343	7,487	144	63.0	65.0	61.0	-4.0
(100F) Agency Financial Operations								
(110F) Budget Operations	636	632	683	51	5.0	5.0	5.0	0.0
(120F) Accounting Operations	406	337	368	31	5.0	4.0	4.0	0.0
Subtotal (100F) Agency Financial Operations	1,042	969	1,052	82	10.1	9.0	9.0	0.0
(2000) Financial Operations and Systems								
(2100) Operations and Administration	2,394	955	815	-140	7.1	8.0	7.0	-1.0
(2200) Accounting Operations	1,806	1,969	1,955	-14	19.2	21.0	18.0	-3.0
(2300) Financial Policies and Procedures	1,000	496	1,067	571	8.1	4.0	8.0	4.0
(2400) ASM/Functional Support	1,392	80	1,246	1,167	15.8	0.0	9.0	9.0
(2500) Financial Control and Reporting	397	2,525	1,006	-1,518	7.1	24.0	8.0	-16.0
(2600) Benefits Administration	913	739	763	24	10.0	8.0	8.0	0.0
(2700) Payroll Disbursements and Wage Reporting	4,783	4,280	3,859	-421	31.1	33.0	34.0	1.0
(2800) Accounting Systems Administration	652	0	0	0	0.0	0.0	0.0	0.0
Subtotal (2000) Financial Operations and Systems	13,337	11,044	10,711	-333	98.4	98.0	92.0	-6.0
(3000) Budget Development and Execution								
(3100) Executive Direction and Support	1,240	1,733	1,847	113	10.8	12.0	12.0	0.0
(3200) Financial and Policy Analysis	456	0	0	0	0.0	0.0	0.0	0.0
(3300) Budget Formulation and Development	2,365	0	0	0	0.0	0.0	0.0	0.0
(3400) Financial Planning and Analysis	366	527	471	-56	5.0	4.0	3.0	-1.0
(3500) Information and Systems Management	532	0	0	0	0.0	0.0	0.0	0.0
(3600) Strategic Budgeting	153	0	0	0	0.0	0.0	0.0	0.0
(3700) Operating Budget Formulation and Development	717	2,362	2,456	94	23.2	23.0	22.0	-1.0
(3800) Capital Budget Formulation and Development	5	751	631	-120	5.4	6.0	5.0	-1.0
Subtotal (3000) Budget Development and Execution	5,834	5,373	5,404	32	44.4	45.0	42.0	-3.0

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Table AT0-4 (Continued)

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(4000) Research and Analysis								
(4100) Executive Direction and Support	843	615	629	14	3.0	3.0	3.0	0.0
(4200) Financial Data Quality Assurance	0	0	608	608	0.0	0.0	0.0	0.0
(4300) Revenue Estimation	966	910	1,132	222	9.1	9.0	9.0	0.0
(4500) Economic Development	762	691	691	0	5.0	5.0	4.0	-1.0
(4700) Legislative and Fiscal Analysis	614	670	562	-108	5.0	6.0	5.0	-1.0
(4800) Economic Affairs	520	583	606	23	3.4	4.0	4.0	0.0
Subtotal (4000) Research and Analysis	3,704	3,470	4,229	759	25.6	27.0	25.0	-2.0
(5000) Tax Administration								
(5100) Executive Direction and Support	19,817	3,449	3,301	-148	22.2	21.0	19.0	-2.0
(5200) External Customer Service Information	7,336	6,674	6,840	166	77.4	79.0	77.0	-2.0
(5300) Recorder of Deeds	2,925	3,009	2,682	-327	26.3	26.0	23.0	-3.0
(5400) Real Property Tax Administration	8,292	7,557	7,976	419	82.5	78.0	77.0	-1.0
(5500) Tax Audits and Investigations	8,625	8,084	8,686	602	99.2	90.0	87.0	-3.0
(5600) Revenue Accounting	1,628	1,840	1,777	-63	19.1	19.0	17.0	-2.0
(5700) Receipts and Delinquent Collections	13,238	26,218	25,021	-1,198	169.7	169.0	170.0	1.0
Subtotal (5000) Tax Administration	61,861	56,832	56,282	-549	496.5	482.0	470.0	-12.0
(6000) Information Technology								
(6100) Information Technology Support	23,260	23,027	20,662	-2,365	86.2	82.0	78.0	-4.0
Subtotal (6000) Information Technology	23,260	23,027	20,662	-2,365	86.2	82.0	78.0	-4.0
(7000) Finance and Treasury								
(7100) Executive Direction and Support	1,922	1,003	1,051	47	7.1	6.0	5.0	-1.0
(7200) Debt Management	648	726	691	-35	5.0	5.0	4.0	-1.0
(7300) Cash Management and Investments	4,740	4,940	4,976	36	8.1	8.0	8.0	0.0
(7400) Disbursements	3,510	3,352	2,894	-458	11.1	11.0	10.0	-1.0
(7500) Cash Receipts and Accounting	2,503	2,824	2,846	21	36.2	34.0	31.0	-3.0
(7600) Asset Management for Special Programs	2,261	4,106	4,281	175	10.9	11.0	13.0	2.0
Subtotal (7000) Finance and Treasury	15,584	16,952	16,740	-212	78.3	75.0	71.0	-4.0
(8000) Integrity and Oversight								
(8100) Audit Services	3,977	3,005	3,460	455	13.1	12.0	12.0	0.0
(8200) Security Integrity Oversight	559	561	582	21	3.0	3.0	3.0	0.0
(8300) Investigations	769	826	757	-69	7.0	7.0	6.0	-1.0
Subtotal (8000) Integrity and Oversight	5,305	4,392	4,799	407	23.2	22.0	21.0	-1.0
Total Proposed Operating Budget	139,957	129,401	127,366	-2,035	925.7	905.0	869.0	-36.0

(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 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Budget Changes

Intra-Agency Adjustments: The Office of the Chief Financial Officer (OCFO) will continue to provide financial management services for the District's fiscal and financial stability, and promote long-term fiscal and economic viability for the Government of the District of Columbia and its people, despite the impact of the national economic challenges. For FY 2012, the OCFO has reduced its gross funds budget by \$2,035,291 and has reduced total full-time equivalent (FTE) positions by 36.0.

In Local funds, the OCFO budget has eliminated 28.0 FTEs, decreasing the budget by \$1,189,684 reflecting the decrease of average salary amounts without taking into account fringe benefit costs; has decreased several contract-related functions, including certain banking operations, certified mailings, and maintenance of the STAX federal system costs by a total of \$2,971,313 in the Tax Administration program; has decreased the budget for office support, travel, supplies, and training cost by \$1,306,547; and has decreased overtime pay by \$96,980. The OCFO's Local funds budget will support an increase of \$4,577,637 for personal services cost due to changes in salaries, step and fringe benefit increases; and an increase of \$64,895 in fixed costs to support information technology (IT) and vehicle maintenance assessments. The funding source for 7.0 FTEs have been shifted to intra-District funds.

In Special Purpose Revenue funds, the OCFO reduced its contractual spending, which includes a reduction in its transfer pricing analysis, and maintenance of data warehousing contracts, totaling \$2,143,854. The OCFO has also reduced its budget for office support and equipment costs by \$168,082. A total of \$672,544 will cover higher salary and fringe benefit costs that are partially offset by a reduction in overtime spending, totaling \$5,000. A total of 3.0 FTEs are being eliminated.

In the agency's intra-District budget, funding for office support functions in the Financial Operations and Systems program has been decreased by \$824,239, and funding for cashier services in the Finance and Treasury program is reduced by \$245,641 and 5.0 FTEs. Positions shifted from Local

funds and changes in salaries and fringe benefits will produce a net increase of \$827,539 and 7.0 FTEs across the agency. Additionally, the OCFO has increased its budget for costs related to single audit grants within the Integrity and Oversight program by \$250,000.

Policy Initiatives: The OCFO has transferred out a total of \$16,927 in Local funds to consolidate IT assessments within the Office of the Chief Technology Officer. A total of \$608,000 in Local funds will be allocated to the Office of Revenue Analysis so that the agency can comply with provisions associated with the Tax Revision Commission Establishment Act. A total of \$7,147,563 and 96.0 FTEs will be shifted from the Special Purpose Revenue budget to the Local budget as part of an initiative to move the funding for certain agency funds back to the District's General Fund. In addition, the Special Purpose Revenue budget reflects a reduction of \$67,667 associated with a legally-required transfer to District General Fund.

FY 2011 Approved Budget to FY 2012 Proposed Budget, by Revenue Type

Table AT0-5 itemizes the changes by revenue type between the FY 2011 approved budget and the FY 2012 proposed budget.

Table AT0-5

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2011 Approved Budget and FTE		87,825	721.5
Cost Decrease: Elimination of FTEs	Multiple Programs	-1,190	-28.0
Cost Increase: Adjustments to fringe benefits rates	Multiple Programs	1,634	0.0
Cost Decrease: Reduction in Overtime pay	Tax Administration	-97	0.0
Cost Decrease: Reduction in office support, travel, printing, postage and certain IT-related costs	Multiple Programs	-875	0.0
Cost Decrease: Flexible Staff Augmentation system	Tax Administration	-800	0.0
Cost Decrease: Various IT-related system changes including banking operations, certified mailings, maintenance of STAX federal system, and printing costs	Tax Administration	-2,096	0.0
Cost Increase: Adjustments to personal services budget	Multiple Programs	2,944	0.0
Cost Increase: Vehicle maintenance assessment	Multiple Programs	48	0.0
Cost Increase: OCTO IT assessment	Tax Administration	17	0.0
Cost Decrease: Supply and materials cost savings	Tax Administration	-100	0.0
Cost Decrease: Reduction in certified mailings contract	Tax Administration	-75	0.0
Cost Decrease: Reduction in travel, training and office support cost	Tax Administration	-332	0.0
Shift: Positions moved to Intra-District funds	Multiple Programs	0	-7.0
FY 2012 Initial Adjusted Budget		86,903	686.5
Shift: SPR funding associated with the conversion of the Compliance and Real Property Tax Administration fund to Local funds	Tax Administration	7,148	96.0
Transfer Out: Local portion of IT assessment to OCTO	Tax Administration	-17	0.0
Cost Increase: Funds to comply with the Tax Revision Commission Establishment Act (One-time)	Research and Analysis	608	0.0
LOCAL FUNDS: FY 2012 Proposed Budget and FTE		94,642	782.5
SPECIAL PURPOSE REVENUE FUNDS: FY 2011 Approved Budget and FTE		33,792	140.0
Cost Decrease: Reduction in transfer pricing analysis contract	Tax Administration	-2,000	0.0
Cost Decrease: Maintenance of data warehousing	Tax Administration	-180	0.0
Cost Increase: Miscellaneous contract costs	Multiple Programs	36	0.0
Cost Decrease: Reduction in Overtime pay	Tax Administration	-5	0.0
Cost Decrease: Equipment purchases	Tax Administration	-31	.0
Cost Decrease: Reduction in office support, travel, training, printing and postage	Multiple Programs	-137	0.0
Cost Increase: Adjustments to personal services budget	Multiple Programs	400	0.0
Cost Increase: Adjustments to fringe benefits rates	Multiple Programs	273	0.0
Correct: Eliminate FTEs	Multiple Programs	0	-3.0

(Continued on next page)

Table ATO-5 (Continued)
(dollars in thousands)

	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS (cont.)			
FY 2012 Initial Adjusted Budget		32,147	137.0
Shift: Special Purpose Revenue funds associated with the conversion of the Compliance and Real Property Tax Administration Fund to Local	Tax Administration	-7,148	-96.0
Cost Decrease: Reflects reduction associated with legally-required transfer to District General Fund	Financial Operations and Systems	-68	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Proposed Budget and FTE		24,932	41.0
INTRA-DISTRICT FUNDS: FY 2011 Approved Budget and FTE		7,784	43.5
Shift: Positions moved from Local funds	Financial Operations and Systems	824	7.0
Cost Decrease: Reduction in cashier services	Finance and Treasury	-246	-5.0
Cost Decrease: Adjustments to salary and step increases	Multiple Programs	-143	0.0
Cost Increase: Adjustments to fringe benefits rates	Multiple Programs	146	0.0
Cost Decrease: Reduction in office support cost	Financial Operations and Systems	-824	0.0
Cost Increase: Higher costs related to single audit program	Integrity and Oversight	250	0.0
FY 2012 Initial Adjusted Budget		7,792	45.5
INTRA-DISTRICT FUNDS: FY 2012 Proposed Budget and FTE		7,792	45.5
Gross for ATO - Office of the Chief Financial Officer		127,366	869.0

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

