
Office of the Chief Technology Officer

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Table TO0-1

Description	FY 2015	FY 2016	FY 2017	% Change
	Actual	Approved	Proposed	from FY 2016
OPERATING BUDGET	\$101,770,039	\$104,173,955	\$110,391,263	6.0
FTEs	282.5	282.0	287.0	1.8

The mission of the Office of the Chief Technology Officer (OCTO) is to direct the strategy, deployment, and management of District government technology with an unwavering commitment to information technology excellence, efficiency, and value for government, residents, businesses, and visitors.

Summary of Services

OCTO is the central technology organization of the District of Columbia government. OCTO develops, implements, and maintains the District's technology infrastructure; develops and implements major enterprise applications; establishes and oversees technology policies and standards for the District; provides technology services and support for District agencies; and develops technology solutions to improve services to businesses, residents, and visitors in all areas of District government.

Combining these services into a customer-centered, mission-driven organization is the responsibility of the Office of the Chief Technology Officer.

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 TO0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table TO0-2

(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	55,750	58,268	65,994	7,725	13.3	191.5	186.9	195.9	9.0	4.8
SPECIAL PURPOSE REVENUE FUNDS	8,716	14,149	12,153	-1,995	-14.1	12.5	17.9	15.9	-2.0	-11.2
TOTAL FOR GENERAL FUND	64,466	72,417	78,147	5,730	7.9	204.0	204.8	211.8	7.0	3.4
FEDERAL RESOURCES										
FEDERAL GRANT FUNDS	207	114	48	-66	-57.8	0.0	0.0	0.0	0.0	N/A
TOTAL FOR FEDERAL RESOURCES	207	114	48	-66	-57.8	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS										
INTRA-DISTRICT FUNDS	37,097	31,643	32,196	553	1.7	78.6	77.2	75.2	-2.0	-2.6
TOTAL FOR INTRA-DISTRICT FUNDS	37,097	31,643	32,196	553	1.7	78.6	77.2	75.2	-2.0	-2.6
GROSS FUNDS	101,770	104,174	110,391	6,217	6.0	282.5	282.0	287.0	5.0	1.8

*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 TO0-3 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 TO0-3

(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	22,300	23,706	27,054	27,603	549	2.0
12 - REGULAR PAY - OTHER	2,600	2,750	2,730	3,330	600	22.0
13 - ADDITIONAL GROSS PAY	291	336	32	32	0	0.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	5,212	5,598	6,612	7,300	688	10.4
15 - OVERTIME PAY	67	85	0	55	55	N/A
SUBTOTAL PERSONAL SERVICES (PS)	30,469	32,475	36,429	38,321	1,892	5.2
20 - SUPPLIES AND MATERIALS	264	255	343	275	-68	-19.9
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	861	579	1,225	1,934	709	57.9
32 - RENTALS - LAND AND STRUCTURES	82	0	0	0	0	N/A

Table TO0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
40 - OTHER SERVICES AND CHARGES	24,959	20,090	22,444	24,644	2,199	9.8
41 - CONTRACTUAL SERVICES - OTHER	38,076	44,613	41,697	43,456	1,758	4.2
50 - SUBSIDIES AND TRANSFERS	87	0	0	0	0	N/A
70 - EQUIPMENT AND EQUIPMENT RENTAL	2,173	3,758	2,036	1,762	-274	-13.4
SUBTOTAL NONPERSONAL SERVICES (NPS)	66,503	69,295	67,745	72,071	4,325	6.4
GROSS FUNDS	96,973	101,770	104,174	110,391	6,217	6.0

*Percent change is based on whole dollars.

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

Table TO0-4 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 TO0-4

(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	529	469	647	177	3.0	3.0	4.0	1.0
(1030) PROPERTY MANAGEMENT	791	1,061	1,064	3	3.9	5.0	5.0	0.0
(1055) RISK MANAGEMENT	0	0	320	320	0.0	0.0	2.0	2.0
(1060) LEGAL SERVICES	182	210	212	2	0.0	1.0	1.0	0.0
(1080) COMMUNICATIONS	0	0	184	184	0.0	0.0	1.0	1.0
(1090) PERFORMANCE MANAGEMENT	2,193	2,466	2,653	186	14.8	11.0	13.0	2.0
SUBTOTAL (1000) AGENCY MANAGEMENT	3,694	4,206	5,078	872	21.6	20.0	26.0	6.0
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	775	913	803	-110	5.9	6.0	5.0	-1.0
(120F) ACCOUNTING OPERATIONS	443	504	525	20	4.9	5.0	5.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,218	1,418	1,328	-90	10.8	11.0	10.0	-1.0
(2000) APPLICATION SOLUTIONS								
(2010) APPLICATION SERVICES AND OPERATIONS	3,758	3,889	4,722	834	11.8	12.0	11.0	-1.0
(2011) WEB MAINTENANCE	1,912	1,754	2,072	318	9.8	8.0	10.0	2.0
(2012) ELECTRONIC DOCUMENT MANAGEMENT	772	742	1,057	314	0.0	1.0	2.0	1.0
(2013) APPLICATION QUALITY ASSURANCE	1,621	1,617	1,831	214	7.9	9.0	7.0	-2.0
(2015) MISSION FOCUSED APPLICATION SOLUTIONS	2,076	2,496	2,544	49	6.8	7.0	7.0	0.0

Table TO0-4

(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
(2016) DC GEOGRAPHIC INFORMATION SYSTEM-GIS	4,877	2,547	3,650	1,103	11.8	11.0	10.0	-1.0
(2080) ENTERPRISE PROCUREMENT APPLICATION SVCS	1,574	1,780	1,890	110	3.9	3.0	3.0	0.0
(2081) ENTERPRISE HR APPLICATION SERVICES	5,315	5,949	5,226	-723	5.9	5.0	5.0	0.0
(2085) DATA TRANSPARENCY AND ACCOUNTABILITY-CDW	734	1,212	2,140	928	2.0	3.0	5.0	2.0
SUBTOTAL (2000) APPLICATION SOLUTIONS	22,638	21,986	25,131	3,146	59.9	59.0	60.0	1.0
(3000) ENTERPRISE CUSTOMER EXPERIENCE								
(3010) AGENCY CUSTOMER RELATIONS MANAGEMENT	1,777	1,962	2,706	743	7.9	8.0	9.0	1.0
(3020) STRATEGIC INVESTMENT SERVICES	1,106	1,117	1,435	318	6.9	7.0	10.0	3.0
(3037) DIGITAL INCLUSION INITIATIVE (DII)	973	815	1,107	292	1.0	2.0	2.0	0.0
SUBTOTAL (3000) ENTERPRISE CUSTOMER EXPERIENCE	3,856	3,893	5,247	1,354	15.7	17.0	21.0	4.0
(4000) INFRASTRUCTURE AND COMMUNICATIONS TECH								
(4010) INTEGRATED PLATFORM SERVICES	7,525	7,646	8,151	505	20.7	20.0	20.0	0.0
(4015) DATA CENTER FACILITIES	1,415	1,618	1,491	-127	3.0	3.0	2.0	-1.0
(4020) GOVERNMENT CLOUD SERVICES	10,059	9,058	8,276	-783	13.2	14.0	13.0	-1.0
(4030) TELECOMMUNICATIONS GOVERNANCE	2,318	2,362	2,414	52	12.8	12.0	12.0	0.0
(4035) CITYWIDE IT OPERATIONS MONITORING	5,271	6,145	7,143	998	18.7	18.0	15.0	-3.0
(4036) DC NET	21,994	22,778	21,579	-1,199	44.6	47.0	47.0	0.0
(4050) CITYWIDE MESSAGING	4,366	4,734	5,141	408	3.0	3.0	4.0	1.0
SUBTOTAL (4000) INFRASTRUCTURE AND COMMUNICATIONS TECH.	52,949	54,341	54,196	-145	115.8	117.0	113.0	-4.0
(5000) SECURITY GOVERNANCE AND OPERATIONS								
(5010) CITYWIDE IT SECURITY SERVICES (CWITS)	4,754	5,665	6,478	813	3.9	4.0	6.0	2.0
(5020) IDENTITY MANAGEMENT PLATFORM SERVICES	1,506	1,775	2,130	355	6.9	7.0	6.0	-1.0
SUBTOTAL (5000) SECURITY GOVERNANCE AND OPERATIONS	6,260	7,440	8,608	1,168	10.8	11.0	12.0	1.0
(6000) DATA GOVERNANCE AND ANALYTICS								
(6010) IT SERVUS	11,155	10,891	10,803	-88	47.9	47.0	45.0	-2.0
SUBTOTAL (6000) DATA GOVERNANCE AND ANALYTICS	11,155	10,891	10,803	-88	47.9	47.0	45.0	-2.0
TOTAL PROPOSED OPERATING BUDGET	101,770	104,174	110,391	6,217	282.5	282.0	287.0	5.0

(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 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.

Division Description

The Office of the Chief Technology Officer operates through the following 7 divisions:

Application Solutions – provides innovative, efficient, and cost-effective application development for the District government and District residents. This division applies standard application development practices to guarantee on-time and on-budget delivery of both custom-built and some selected standard, off-the-shelf software packages.

This division contains the following 9 activities:

- **Application Services and Operations** – consists of multiple management and program management type functions, including agency relationship management and business services, project management, and enterprise contracts. The project management function provides review and approval of IT projects as part of the Project Initiation Phase and during the project life cycle to improve the quality, consistency and performance of IT projects. The enterprise contract function reviews District-wide technology contracts for cost avoidance opportunities;
- **Web Maintenance** – establishes, maintains, and implements standards, guidelines, policies, and procedures for maintaining the DC.Gov web portal, which has over 100 District agency websites and is visited over 25 million times a year by District residents, businesses, and visitors. The team creates new websites every year for District agencies and provides centralized content management and fee-for-service webmaster support for District agencies;
- **Electronic Document Management** – centralizes IT infrastructure support for the various electronic and paper records throughout the District. It provides system administration, maintenance, and application support for agencies using Filenet and Kofax applications. It is a repository for electronic content;
- **Applications Quality Assurance** – implements industry best practices for independent software and system testing for DC Government agencies. The team utilizes various testing tools and provides a wide range of testing services including functional testing, regression testing, integration testing, and performance and load testing to ensure application software and systems conform to the required specifications and business requirements for high quality functionality and performance;
- **Mission Focused Application Solutions** – provides system development, maintenance, and new functional enhancements for the Department of Motor Vehicles (DMV) and other agency business applications that support specific mission-focused application solutions. DMV's specific focus will include vehicle registration, driver's license/identification cards, dealer tags, residential parking permits, insurance verification, adjudication, law enforcement services with on-site and back-office services, the DMV web portal, and mobile application development;
- **D.C. Geographic Information System (GIS)** – provides critical geospatial data to District government agency staff within public safety, economic development, education, transportation, city planning and operations areas. Maintaining accurate geospatial data and reliable systems and applications (and other customer services) improves quality and maximizes the efficiency of District government services through the application of geospatial technology. The program also serves the general public by publishing and sharing geospatial data freely to the fullest extent possible with appropriate privacy and security protections;
- **Enterprise Procurement Application Services** – supports the Office of Contracting and Procurement by maintaining and enhancing the Procurement Automated Support System (PASS), which enables purchasing, receiving of goods, and contract compliance for all District agencies (including the District of Columbia Public Schools); and delivers a centralized workflow for the procurement function of the District government;
- **Enterprise Human Resource Application Services** – operates the Human Capital Management technology used by all District employees and the D.C. Department of Human Resources (DCHR). Maintains and upgrades the system and delivers new functionality as needed to expand and enhance the human resources management and payroll system that serves all District employees; and

- **Data Transparency and Accountability** – collects, analyzes, and publishes government data for easy consumption for both the government and the general public. This program operates a series of applications and data reporting services as a centralized hub for the exchange of citywide data; specialized data sets requested by agencies; and web-accessible “transparency data” on government operations for the public, the Office of the City Administrator, and District agencies.

Enterprise Customer Experience – centralizes the coordination of agency and enterprise-wide customer facing IT functions into one customer experience business unit. The division contains all of OCTO’s customer care functions in the same business unit for more effective control, coordination, collaboration, transparency and accountability.

This division contains the following 3 activities:

- **Agency Customer Relations Management** – trusted advisors that provide direct customer service to District agencies and acts as the point of contact to recommend services, products and expertise to ensure agencies are equipped to meet their missions. Translates customer needs into actionable technical requirements and facilitates the effective interaction between customers and OCTO technical staff;
- **Strategic Investment Services** – provides budget and operational finance coordination and oversight while identifying and monitoring the agency’s ongoing priorities and critical new capital investments. The division collaborates with stakeholders outside the agency to comply with District financial policy and procedures. The program is responsible for managing enterprise IT procurement, citywide contract management, and the agency’s resource allocation through reliable cost metrics, performance analysis, and benchmarking and profitability models. The program supports strategic decision-making and mission performance through value-added initiatives that transform data into strategic business goals; and
- **Digital Inclusion Initiative (DII)** – leads OCTO’s efforts to foster technology inclusion through outreach and coordination by developing specialized services, public events, and engagement campaigns to empower District residents and small businesses to embrace an expanding digital landscape.

Infrastructure and Communications Technology – provides the technology infrastructure foundation for the entire District government’s enterprise technology, including a vast high speed digital network, wireless networking services, telecommunications services, database management, messaging and collaboration services, Cloud services and hosted applications, Citywide IT security services, desktop support and management, mainframe and financial system hosted environments, Network Operations Center, a Security Operation Center, disaster readiness services, inter-government cooperative services, data center-based mainframe services, and state-of-the-art IT systems.

This division contains the following 7 activities:

- **Integrated Platform Services** – provides reliable, secure and efficient computing environments with sufficient resource capacity to meet the information processing requirements of the mainframe applications in OCTO’s data centers; and sustains the mainframe hardware and software that support mission-critical applications used by DMV, the Department of Employment Services, the Office of the Chief Financial Officer, and the University of the District of Columbia;
- **Data Center Facilities** – maintains the premises for OCTO’s data center sites, including facilities operations and upgrade, resource allocation and access control, power management, and site security, with consideration for environmentally-friendly solutions;
- **Government Cloud Services** – delivers a cost-effective, highly available and scalable cloud computing platform capable of meeting the District’s current and future demands. Government Cloud Services currently hosts a myriad of mission-critical web and application systems (approximately 2 petabyte of data, 3,000 virtual servers, and 500 shared databases) that are critical

to the business operations of over 80 District agencies. Government Cloud Services' core technology focus areas include designing and implementing enterprise-class cloud computing platforms, shared/centralized database services, enterprise storage and backup systems;

- **Telecommunications Governance** – manages a portfolio of approved vendors and contract vehicles to purchase telecommunications products and services, complying with procurement guidelines, and works with all District agencies to monitor and certify telecommunications inventories (e.g. landlines, cellular devices, pagers, data circuits) to best manage overall telecommunications operations; Citywide IT Operations Monitoring – provides around-the-clock monitoring of critical data, wireless and voice network components, along with server and web applications, for the District government; also provides after-hours and weekend call center services that support multiple agencies;
- **Citywide IT Operations Monitoring** – provides around-the-clock monitoring of critical data, wireless and voice network components, along with server and web applications, for the District government; also provides after-hours and weekend call center services that support multiple agencies;
- **DC-Net** – supplies a fiber-optic telecommunications platform serving as the core foundation and primary backbone conduit of all technology and telecommunications services used by over 35,000 District employees and manages secure voice, video, and data services throughout the District, supporting District agencies including public schools, public libraries, community centers, health clinics, public safety agencies, administrative offices, and District government public Wi-Fi networks; and
- **Citywide Messaging** – provides collaborative email services engineering, operations management, and modernization for the entire District government; manages mobile messaging systems engineering and operations; delivers over one million email messages daily to 39,000 electronic mailboxes throughout the District government; completes more than 450 Freedom of Information Act searches per year; implements and manages Citywide Active Directory and Identity Management systems for all user logins; manages centralized LDAP systems for specialized application authentication; and creates specialized mobility solutions.

Security Governance and Operations – responsible for the citywide information security platform and policies as well as credentialing operations and policies for District citizens and employees.

This division contains the following 2 activities:

- **Citywide IT Security Services** – manages and maintains an information security architecture that mitigates security vulnerabilities within the District government's technology infrastructure; provides a secure application and network environment for all District government agency systems; ensures compliance with health information security regulations; and provides an array of information security services for all District government agencies and public partners who conduct daily business activities with the District of Columbia Government; and
- **Identity Management Platform Services** – manages the District's identity and access management systems used in support of employees and District residents, and provides PIV-I (Personal Identity Verification Interoperability) solutions for District government agencies seeking to issue and use highly secure (identity assurance Level 4) PIV-I credentials.

Data Governance and Analytics – foundation of technology resources, capabilities, and services to align with the District administration's call for smarter government through the use of data. Provides geospatial enterprise system, comprised of data, tools and cloud publishing platform, to enable operations, policy-making and decision-making by the Executive Office of the Mayor, other District government agencies, and the public. Occupies a mission-critical role in public safety, economic development, education, transportation, planning and other government operations. Serves the general public by publishing and sharing geospatial data freely to the fullest extent possible with appropriate privacy and security protections. The IT ServUs activity allows OCTO, through service-level agreements, to provide

around-the-clock support for applications, hardware, and desktop products and services for District agencies with certified technicians who apply industry best practices with industry-level software tools to provide solutions for all end-user computer needs.

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

Division Structure Change

The Office of the Chief Technology 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 TO0-5 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 TO0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		58,268	186.9
Other CSFL Adjustments	Multiple Programs	9,405	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		67,673	186.9
Increase: To support additional FTEs	Multiple Programs	1,379	9.0
Increase: To adjust the Contractual Services budget	Multiple Programs	175	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Infrastructure and Communications Tech.	40	0.0
Decrease: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-6,300	0.0
Technical Adjustment: Reforecast of the centralized information technology cost assessment	Multiple Programs	2,278	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		65,244	195.9
Enhance: To build a new enterprise system for the DSLBD agency (one-time)	Application Solutions	750	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		65,994	195.9
FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE		114	0.0
Decrease: To align budget with projected grant awards	Multiple Programs	-66	0.0
FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission		48	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget		48	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Approved Budget and FTE		14,149	17.9
Increase: To align Fixed Costs with proposed estimates	Infrastructure and Communications Tech.	734	0.0
Decrease: To recognize savings from a reduction in FTEs	Infrastructure and Communications Tech.	-167	-2.0
Decrease: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-2,562	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Agency Budget Submission		12,153	15.9
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Mayor's Proposed Budget		12,153	15.9

Table TO0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
INTRA-DISTRICT FUNDS: FY 2016 Approved Budget and FTE		31,643	77.2
Increase: To adjust the Contractual Services budget	Multiple Programs	1,260	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Infrastructure and Communications Tech.	15	0.0
Decrease: To align Fixed Costs with proposed estimates	Infrastructure and Communications Tech.	-25	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-174	-2.0
Decrease: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-523	0.0
INTRA-DISTRICT FUNDS: FY 2017 Agency Budget Submission		32,196	75.2
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2017 Mayor's Proposed Budget		32,196	75.2

GROSS FOR TO0 - OFFICE OF THE CHIEF TECHNOLOGY OFFICER **110,391** **287.0**

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

FY 2016 Proposed Budget Changes

The Office of the Chief Technology Officer's (OCTO) proposed FY 2017 gross budget is \$110,391,263, which represents a 6.0 percent increase over its FY 2016 approved gross budget of \$104,173,955. The budget is comprised of \$65,993,768 in Local funds, \$48,200 in Federal Grant funds, \$12,153,253 in Special Purpose Revenue funds, and \$32,196,042 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 divisions, and it estimates how much it would cost an agency to continue its current divisions 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.

OCTO's FY 2017 CSFL budget is \$67,672,963, which represents a \$9,404,529, or 16.1 percent, increase over the FY 2016 approved Local funds budget of \$58,268,434.

CSFL Assumptions

The FY 2017 CSFL calculated for OCTO included adjustment entries that are not described in detail on table 5. These adjustments were made for a net increase of \$799,667 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 \$453,696 in nonpersonal services based on the Consumer Price Index factor of 2.3 percent.

CSFL funding for OCTO also includes an increase of \$8,151,166 to account for the projected cost of IT assessment services.

Agency Budget Submission

Increase: In Local funds, OCTO's proposed budget includes a net increase of \$1,378,735 and 9.0 Full-Time Equivalent (FTEs) in personal services across multiple divisions to support projected salaries, step increases, and Fringe Benefit costs. The agency also increased Contractual Services by \$174,664 to reflect spending variations from year-to-year across multiple divisions. Additionally, the Infrastructure and Communications Technology division includes an increase of \$40,000 to support projected overtime costs.

In Special Purpose Revenue funds, OCTO proposes an increase of \$734,259 to support projected Telecommunications costs mainly attributed to a shift in services from Verizon to the Level 3 Data Transport network (fiber-optic data).

In Intra-District funds, the budget proposal reflects an increase of \$1,259,868 in Contractual Services across multiple divisions to support the city-wide, customer-driven demand for enhanced DC-Net services, specifically for those agencies desiring greater bandwidth. Additionally, the budget includes a proposed personal services increase of \$15,000 to support projected overtime costs in the Infrastructure and Communications Technology division.

Decrease: In Local funds, OCTO's proposed budget reflects a decrease of \$6,300,318 across multiple divisions to reflect the realignment of IT resources and the centralization of services within the agency's divisions and activities.

In Federal Grant funds, a net decrease of \$66,000 primarily in Contractual Services aligns the budget with projected grant awards for FY 2017. Funding for the DC-Net grant is scheduled to expire in FY 2018.

In Special Purpose Revenue funds, OCTO proposes a net personal services reduction of \$167,355 and 2.0 FTEs in the Infrastructure and Communications Technology division based on lower projected revenues. Additionally, a net nonpersonal services reduction of \$2,562,186 across multiple divisions reflects the decreasing demand for contractual services from independent, federal, and non-profit agencies, providing healthcare and/or education services in and outside of the District, using the DC-Net program to provide telecommunication services.

In Intra-District funds, the budget proposal reflects a reduction of \$25,000 for Telecommunication Fixed Costs in the Infrastructure and Communications Technology division. Additional savings of \$173,821 and 2.0 FTEs in personal services and \$522,792 in nonpersonal services across multiple divisions reflect the lower demand for IT services, particularly for software maintenance and equipment costs for the Memorandum of Understanding with DC Public Schools.

Technical Adjustment: In Local funds, the proposed budget addresses a shortfall for OCTO's IT Cost Assessment. The assessment reflects the costs associated with the agency's management and provision of city-wide technology services. A reforecast of the centralized IT assessment includes a net increase of \$2,277,724 in nonpersonal services and is allocated across multiple divisions as follows: \$445,941 and \$97,824 in Other Services and Charges allocated to the Infrastructure and Communication Technology and the Application Solutions divisions, respectively; and \$792,942, \$500,000, and \$441,017 in Contractual Services allocated to the Application Solutions, the Infrastructure and Communications Technology, and the Data Governance and Analytics divisions, respectively.

Mayor's Proposed Budget

Enhance: OCTO's proposed Local funds budget includes a one-time increase of \$750,000 in the Application Solutions division to reflect the costs associated with building a new enterprise system for the Department of Small and Local Business Development (DSLBD). This funding will enable OCTO to construct a system that provides enhanced reporting capabilities and supports interoperability across several IT systems/platforms operating in DSLBD, interconnectivity with the District's procurement and accounting systems, and integration with the DC Business Center currently being developed by the Department of Consumer and Regulatory Affairs.