

**PUBLIC ROUNDTABLE ON**  
**BILL 16-988, “ANTI-DEFICIENCY ACT**  
**CLARIFICATION ACT OF 2006”**

Before the

**Committee on Finance and Revenue**  
**Council of the District of Columbia**

**The Honorable Jack Evans, Chairperson**

**November 27, 2006, 12:00 p.m.**  
**Room 120, John A. Wilson Building**



**Testimony of**  
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Good morning, Chairman Evans and members of the committee. I am Ben Lorigo, Executive Director of the Office of Integrity and Oversight, and I am here to testify on behalf of the Office of the Chief Financial Officer on Bill 16-988, the “Anti-Deficiency Act Clarification Act of 2006.” This bill would make certain amendments to the District’s anti-deficiency law in order to clarify the meaning of its provisions.

In 2002, the Council enacted the District’s Anti-Deficiency Act, D.C. Official Code §47-355.01 et seq., which established aggressive reporting requirements for agency spending so that potential overspending could be spotted and prevented early in the fiscal year. In addition, the law imposed a requirement for disciplinary action against employees who are responsible for agency overspending. The Council also created an Anti-Deficiency Review Board to investigate and report anti-deficiency law violations to the Council.

Examples of recent violations of the Anti-Deficiency Act include instances of an agency fiscal officer certifying funding to hire an FTE that was not included in a Schedule A or in an agency-approved budget; agency heads authorizing contracts that exceeded funds available in a particular object class; and agency heads spending in excess of approved budgets.

The changes proposed by Bill 16-988 are a result of a review of the Anti-Deficiency Act’s provisions by the Office of the Chief Financial Officer and the District’s Anti-Deficiency Review Board. The changes proposed are needed to make the anti-deficiency law more clear and effective in preventing actual anti-deficiency violations. The bill would change the requirement that agencies report

any budget overspending (even one dollar) to a requirement that agencies report “overspending that is greater than 5% of the agency’s budget, or one million dollars (\$1,000,000), regardless of the percentage.” This change is necessary to reduce the numerous, immaterial potential anti-deficiency violations that are currently required to be reported and investigated. Without this change, an excessive number of possible violations must be unnecessarily submitted by the Office of Budget and Planning. The proposed change to 5% or one million dollars will allow the Board to focus on and catch larger, more significant anti-deficiency violations.

The proposed amendments also change the frequency of spending projection reporting requirements by managers from a monthly to a quarterly basis. (Section 47-355.03 of the proposed amendment reads “delete the word quarterly and replace it with monthly” and “delete the word quarter and replace it with month”. The proposed amendment should actually read “delete the word monthly and replace it with quarterly” and “delete the word month and replace it with quarter”.) A change from monthly to quarterly makes this provision consistent with quarterly reporting that is elsewhere required in the Act. For example, § 47-355.05 states that the CFO is required to submit quarterly reports to the Council and the Mayor. This section also provides that the CFO is required to submit the quarterly apportionment of funds based on the spending plans submitted by agencies. Again, I support the change from monthly to quarterly proposed by this amendment, because it is a reasonable frequency and ensures the consistency of the Anti-Deficiency Act.

Bill 16-988 also changes the time periods in which agencies are required to submit reports to the Chief Financial Officer from 15 days and 10 days to one month.

Specifically, this change will give agencies ample time to analyze and process Schedule A's and spending plans for submission to the Chief Financial Officer.

Again, the Office of the Chief Financial Officer supports the changes proposed in Bill 16-988 and looks forward to working with the Council to continue to prevent anti-deficiency violations. Thank you, Chairman Evans and members of this committee. I am now available to answer any questions you may have.