

**PUBLIC ROUNDTABLE**  
**ON**  
**BILL 16-358, THE FISCAL YEAR 2006 TAX REVENUE**  
**ANTICIPATION NOTES ACT OF 2005**

**Before the**  
**Committee on Finance and Revenue**  
**Council of the District of Columbia**  
**The Honorable Jack K. Evans, Chairman**

**September 28, 2005; 12:00 p.m.**  
**Room 120, John A. Wilson Building**



**Testimony of**  
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**Office of Finance & Treasury**

**Natwar M. Gandhi**  
**Chief Financial Officer**  
**Government of the District of Columbia**

Good afternoon, Chairman Evans and members of the committee. My name is Lasana Mack, and I am the Acting Deputy Chief Financial Officer and Treasurer for the Office of Finance and Treasury. I am here to testify on behalf of the Office of the Chief Financial Officer (OCFO) regarding Bill 16-358, the “Fiscal Year 2006 Tax Revenue Anticipation Notes Act of 2005.”

This bill would authorize the District to issue up to \$350 million of Tax Revenue Anticipation Notes (TRANs) to finance general government expenditures for fiscal year (FY) 2006. Revenue anticipation notes are typically issued to finance seasonal cash shortages that arise due to differences in the timing between the receipt of revenues and the disbursement of expenditures within a given fiscal year.

In FY 2005, the District issued \$250 million of TRANs to finance its seasonal cash needs. These notes will be repaid on September 30, 2005, as required. The amount that we intend to borrow in FY 2006 is also \$250 million, and the additional \$100 million of borrowing authority included in this bill is simply to provide a safeguard against unforeseen circumstances.

The District’s positive operating results and corresponding increases in its fund balance since the mid-1990s have resulted in an improved cash position, including the establishment of the Emergency and Contingency Cash Reserves that currently contain a total of \$253 million. However, as you are aware, this cash is not available to be used for daily operating expenditures. The level of the District’s available cash-on-hand and its normal cash peaks and valleys over the course of a

fiscal year require short-term borrowing in order to maintain sufficient operating cash throughout the year.

This proposed short-term borrowing is included in the proposed FY 2006 Budget and Financial Plan, and the FY 2006 budget includes sufficient funds to cover the interest expense associated with this borrowing.

Mr. Chairman, this concludes my testimony. I am prepared to answer any questions that you may have at this time.

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