PUBLIC OVERSIGHT ROUNDTABLE ON BUDGET FORMULATION, EXECUTION, AND AGENCY OVERSPENDING

Before the
Committee of the Whole
Council of the District of Columbia

The Honorable Phil Mendelson, Chairman

Thursday, October 29, 2026, at 10 a.m.
Room 500
John A. Wilson Building

Comments of
Glen Lee
Chief Financial Officer
Government of the District of Columbia

Chairman Mendelson and members of the Committee of the Whole, thank you for the opportunity to provide comments for your public oversight roundtable on budget formulation and execution. My name is Glen Lee, and I am the Chief Financial Officer for the Government of the District of Columbia.

A core value for the Office of the Chief Financial Officer (OCFO) is continuous improvement, and we are always evaluating and improving the processes and systems that support our mission. In recent years, no area has received more focus than budget formulation.

Specifically, we have refined our formulation practices to ensure that all of the District's anticipated expenses are fully represented by appropriations in the budget. The OCFO requires that known and reasonably predictable expenses and obligations must be included in the budget and financial plan for the OCFO to attest that funds are sufficient. This includes adjusting appropriations for programs and services with chronic spending pressures and incorporating expenses that have been repeatedly supported by the Contingency Reserve. In addition, we have implemented new budgeting systems that allow us to better incorporate actual

spending trends in our formulation and support compiling the District's voluminous budget documents with minimal errors.

During budget execution, agency fiscal officers are continuously working with program staff and directors to ensure each agency's spending adheres to its appropriation. The Office of Budget and Planning (OBP) is a partner in this effort by reviewing quarterly financial review process reports that document agency budget execution and any spending pressures that need to be addressed. When the executive branch chooses to request a supplemental budget or reprogrammings of existing funds, OBP also reviews these requests to ensure they adhere to applicable laws and that the funds requested or identified for transfer are available.

The topic for this roundtable is important because the District is facing fiscal stresses not experienced since the 1990s. These are driven by a sharp decline in federal employment and spending in the District and by the lingering effects of post-pandemic employment patterns for office workers. As a result, the approved budget and financial plan ordained by Council this past summer features a 4.5% reduction in the General Fund budget in fiscal year 2028, including an 8% reduction in education spending and a 6% reduction in social services. Improved

budget formulation is essential to ensure accurate fiscal planning as the District addresses these significant challenges, and the OCFO, as always, stands ready to assist the Council in its budget and oversight responsibilities. Thank you for the opportunity to provide comments for the record.