Government of the District of Columbia

FY 2007 Proposed Budget and Financial Plan

The Citizens' Budget

Special Studies

Submitted
to the
Council of the District of Columbia

by

Anthony A. Williams, Mayor
Government of the District of Columbia

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the District of Columbia for its annual and capital budget for the fiscal year beginning October 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria of a policy document, a financial plan, an operational guide and a communications device.

The award is the fourth in the history of the District of Columbia. The Office of Budget and Planning will submit this FY 2007 Budget and Financial Plan for consideration by GFOA, and believes the FY 2007 Proposed Budget and Financial Plan continues to conform to the GFOA's requirements.

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Special Studies

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Introduction

Introduction

The FY 2007 Proposed Budget and Financial Plan includes several special studies of topics that add detail and context to information presented in the primary budget volume. These chapters summarize work done by the Office of Budget and Planning, and other offices in the Office of the Chief Financial Officer, as part of their efforts to provide decision-makers with better information upon which to make budget and management decisions regarding the District's finances.

This volume presents four studies:

- Baseball in the District of Columbia - The chapter on Baseball in the District describes the return of baseball to the District of Columbia, the terms of the agreement between Major League Baseball and the District, and how the new stadium will be financed. It also briefly summarizes the roles of various District agencies that will take part in the construction project.

- **Benchmarking** - For several agencies or functions, this study presents benchmarks for District programs. Data for other jurisdictions are included.

- **History and Resolution of the Capital Fund Deficit** - The District's capital fund has had a deficit balance in recent years. This chapter explains how the deficit came about and what steps the District is taking to resolve it.

- **Fixed Costs** - Fixed costs expenditures are a major cost driver of the District's overall expenditures. If fixed costs were budgeted as a separate agency, that agency would be one of the largest in District government. This study describes the methodology for estimating fixed costs, the challenges in developing estimates, and how changes in fixed costs are made a part of the District's budget.

Baseball in the District of Columbia

1

Baseball in the District of Columbia

On April 14, 2005 the Washington Nationals played their season home opener at a renovated RFK stadium before approximately 45,596 spectators. The former Montreal Expos team was moved to the District as the result of an agreement to relocate a franchise to the Nation's Capital, provided that the District renovate Robert F. Kennedy Memorial Stadium (RFK) for the new team for the 2005 to 2007 seasons and build a new ballpark in time for the 2008 season.

Background

In October 2004, the Mayor, representatives of the District of Columbia Sports and Entertainment Commission (SEC), and Major League Baseball signed the Baseball Stadium Agreement (BSA). At that time, the Mayor estimated the costs of renovating RFK Stadium and building a new stadium to be $435.2 million. In December 2004, the Chief Financial Officer (CFO) estimated the cost of the renovation and construction project, using information provided by the Executive Office of the Mayor (EOM) and other sources, to be $534.8 million. Of that amount, $279.4 million was for constructing the ballpark, $65 million for obtaining the land, $24 million for renovating RFK Stadium, $16.5 million for parking, $50 million for infrastructure and environmental remediation, $51.3 million for contingency, and $48.6 million for the cost of issuing the bonds.

In December 2004, the Council passed the Ballpark Omnibus Financing and Revenue Act of 2004. The legislation created the Ballpark Revenue Fund within the General Fund as a special non-lapsing account to pay for the costs of development, construction, or renovation of a stadium that has as its primary purpose the hosting of professional athletic events in the District of Columbia. Deposits in this Fund can be used for no other purposes.

The bill authorized the issuance of bonds of a total par amount not to exceed $534.8 million. The bonds will be repaid through the collection of certain fees (called the ballpark fee and measured by business gross receipts), utility taxes on non-residential users, sales taxes collected from activities taking place at the ballpark, and rental receipts for the use of the ballpark.

Tax and fee receipts for the Ballpark Revenue Fund will come from a sales tax of 10 percent on the purchase of tickets to certain events at the Ballpark, a 10 percent tax on sales of tangible personal property and services at the Ballpark and the current 12 percent tax on parking at the Ballpark. In addition, rents from the new ballpark estimated at between $3.5 million and $8.5 million per year will be placed in the fund. A new ballpark fee paid by businesses with gross receipts of more than $5 million will be deposited in the fund. A utility tax, yielding approximately $12-14 million annually, will be collected from non-residential users. The CFO estimates that the fees and taxes in this legislation will raise enough money to pay the debt service on a par amount of bonds of $534.8 million.

The Ballpark Omnibus Financing and Revenue Act of 2004 also required the CFO to re-estimate the $115 million costs to the District for land acquisition and infrastructure related to the stadium site. If the total of the re-estimated costs to the District exceeded $165 million, the Southeast site would be deemed unavailable. The OCFO engaged the consulting firm of Deloitte and Touche to perform the re-estimation study. In March 2005, Deloitte delivered their report in which they estimated the total for land acquisition, environmental remediation and infrastructure improvements at $161.4 million.

The Council also passed the Private or Alternative Stadium Financing and Cost Trigger Emergency Act of 2004, which required the CFO to request and review supplemental or alternative stadium financing plans and proposals that would substantially reduce (a) the annual amount of the Ballpark Fee required to repay bonds issued to construct the baseball stadium and (b) the principal amount of bonds needed to fund the project. The request for supplemental plans was issued on December 23, 2004. Eight plans were received by January 18, 2005, the closing date for providing submissions. On March 15, 2005, the CFO delivered a report to the Mayor and the Council describing and evaluating all alternative financing plans that were submitted. The CFO certified that two plans met the criteria established in the Act.

On March 31, 2005, the SEC announced the award of the architectural-engineering contract for design of the new baseball stadium to a joint venture consisting of Hellmuth Obata Kassabaum (HOK) Sport Venue Entertainment, Inc. of St. Louis, MO and Devrouax & Purnell Architects-Planners of Washington, DC (HOK/D&P Joint Venture). In conjunction with MLB and the architects, the SEC began developing the Project Program Statement, the Baseball Stadium Plans and Specifications and the Essential Design Elements. The SEC concurrently began negotiating the Lease detailing the terms associated with the rental and use of the new stadium. The SEC awarded the construction management services contract for the new Washington Nationals Ballpark in August 2005 to the joint venture team of Clark Construction, Hunt Construction Group and Smoot Construction of Washington, DC.

In December 2005, the CFO revised the cost estimate for constructing a new stadium at the Southeast site to approximately $630.8 million, which does not include the cost of improvements to the Navy Yard Metro Station or roadwork. Based on concerns over rising costs and the requirement that the District fully fund the project, a December 2005 vote on the proposed Lease was postponed. MLB and the District entered into mediation and in February 2005, the Council passed the Ballpark Hard and Soft Costs Cap and Ballpark Lease Conditional Approval Emergency Act of 2006.

The legislation imposed caps on the District's contribution to the project budget for hard and soft costs of the proposed ballpark. The bill approved the proposed lease agreement between the SEC and MLB conditioned upon the submission of documentation to the Council prior to March 7, 2006 with a certification by the CFO that the two parties have agreed that any amount of the hard and soft costs in excess of the caps shall be paid by the team, savings realized from value engineering, or federal, private, or other non-District government funds, except that District government non-General Fund funds may be used if required by the bond indenture to finance the Ballpark project.

On March 6th, 2006 the SEC and MLB submitted such documentation, which was certified by the CFO. On March 7th 2006, the Council passed legislation approving the lease, as well as the Construction Administration Agreement between the SEC and the construction team of Clark, Hunt, Smoot. The CFO can now proceed to issue the baseball stadium bonds

Frequently Asked Questions

1. **Revenue Sufficiency** -- Will the revenue sources be sufficient to pay for a new ballpark and to renovate RFK? The total estimated project construction costs are $600.5 million.

   The fees and taxes will allow the District to issue $534.8 million in par amount of bonds. The average annual estimated gross debt service on bonds is about $38 million. The ballpark fee, the utility tax, the sales taxes revenue, and the stadium rent will yield an average annual estimated $58 million.

2. **Budget Sufficiency** -- Can RFK be renovated, land purchased and a new ballpark constructed for $600.5 million? Reasonable cost estimates of the various project components suggest the funds will be sufficient.

   In December 2005, the CFO revised the stadium cost estimate to $630.8 million, which does not include improvements to the Navy Yard Metro Station and roadwork. The revision factored into consideration the District's official property appraisals, the increased cost of materials and labor due to Hurricane Katrina, and more developed construction estimates based on architectural drawings.

3. **Other Obligations** -- Among other things, the Baseball Stadium Agreement requires the District to guarantee timely payment and performance of all financial obligations of the SEC, and the RFK License, the Lease and the Construction Administration Agreement. It also exempts construction materials purchased by SEC for the Stadium Complex and RFK from any D.C. sales, use or excise taxes. The Ballpark Hard and Soft Costs Cap and Ballpark Lease Conditional Approval Emergency Act of 2006 requires the SEC and MLB to agree that cost overruns shall be paid by the team, savings realized from value engineering, Federal, private or other non-District government funds, except District government non-General Fund funds if required by the bond indenture.

4. **TIF Area** -- What is the impact of a new Tax Increment Financing (TIF) area on the General Fund? The new TIF area creates a diversion of revenues from the General Fund. To the extent that there are additional funds generated by new development, these funds will no longer be available to the General Fund.

Notable Provisions in Lease Agreement

Section 2.5: All stadium revenues belong to the team except for up to 18 days when the commission has the right to use the Stadium.

Section 5.6(a): The team has the right to reserve up to 300 parking spaces at all times to be made available to authorized parkers at no charge.

Section 5.6(d): Fifteen times per year, the team is entitled to issue up to 100 vouchers for free parking during designated public parking times.

Section 6.3: The commission bears the cost of all necessary capital improvements and shares the cost of upgrade improvements.

Section 6.4: The commission must establish a capital reserve fund and deposit $1.5 million annually into the fund

Section 6.5: The commission must deposit $5 million into a contingency reserve fund on or before the 5th anniversary of the lease commencement.

Section 11.3: The commission must carry property, business interruption, workers compensation and automobile liability insurance naming the team as an additional insured.

Budgeting for Baseball Costs

The District of Columbia will own the new stadium, and the stadium is a capital project for the District. Two implementing agencies will manage most of the baseball project for the District.

- The **D.C. Sports and Entertainment Commission (SEC)**, a component unit of the District,[1] will manage the stadium construction. The SEC operates RFK Stadium and will also manage the renovations to that stadium.
- The **Office of Property Management (OPM)** will acquire the land for the new stadium.

Other agencies will have a role in managing the overall project, although these are not construction-related roles and may not be paid from bond proceeds:

- The **Deputy Mayor for Planning and Economic Development (DMPED)** will help coordinate the District government's role in the development.
- The **Anacostia Waterfront Corporation (AWC)**, a component unit, will handle the master planning for the site.
- The **Office of the Attorney General (OAG)** will assist with the land acquisition process.
- The **Office of the Chief Financial Officer (OCFO)** will issue the bonds, make debt service payments, collect taxes, and distribute them to appropriate accounts. In addition, the OCFO will establish and monitor budget authority, account for all flows of funds, and estimate potential revenue streams from development of the stadium and any additional development surrounding the stadium.

Table 1-1 shows costs by agency, as well as sources of funds for the total project cost.

A financing agency, the Ballpark Revenue Fund (BRF), has been created to account for the flows of funds related to the baseball project. These flows include both capital budget and operating budget dollars. The entire expenditure budget for stadium construction will be as a series of capital projects in the BRF. Implementing agencies will be able to access these funds in two ways:

- **Component unit (SEC)**: The SEC will have budget authority for the entirety of their portion of the project. They will obligate funds and pay bills. The District will review all contracts and invoices related to the project. The District will advance cash from the BRF to the SEC periodically to allow it to make approved payments.
- **District agencies (OPM, others)**: Agencies within the District government will charge the BRF directly for their obligations and expenditures. The individual agencies will not have their own budget authority.

Operating budget funds also flow through the BRF. The team's rent payments, as well as dedicated tax revenues, will flow into the BRF. The BRF will pay debt service, insurance premiums on the stadium, and an annual $1.5 million payment to a capital improvements fund. Figure 1-1 shows the flows of funds related to the baseball project.

Timing of the Costs

The Washington Nationals will play in RFK Stadium for two more years, 2006 and 2007, and begin play in the new stadium in 2008.

The District needed to begin paying a portion of the overall costs for RFK stadium renovations and preliminary work on the new stadium before the issuance of the bonds. During FY 2005, the District allocated funds from the Contingency Reserve Fund to several agencies. These amounts represent spending limits on the associated purposes. Any amounts that are actually spent on project-related activities will be repaid to the Contingency Reserve Fund from bond proceeds and revenues from the taxes that are currently being collected but are not yet needed for debt service.

[1] A component unit is not an agency within the District government. It is a legally separate organization for which elected officials of the District are financially accountable.

Table 1-1

Baseball Stadium Construction: Projected Costs, by District Agency, and Sources of Funds

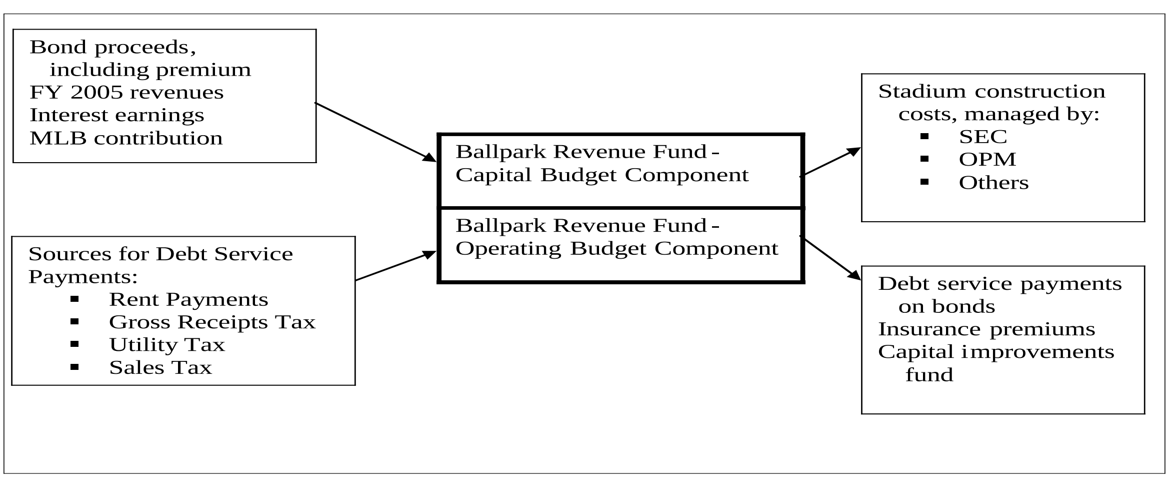
(dollars in millions)

Agency	Component	Projected Budget March 2005	Projected Budget March 2006
D.C. Sports and Entertainment Commission (SEC)	New Stadium Construction, including ancillary costs	$279.4	$407.1
	Contingency for Construction	$21.3	$24.9
	Renovation of RFK Stadium	$18.5	$18.5
	Contingency for Renovation	$5.5	$5.5
	Parking	$16.5	$21.0
Office of Property Management	Land Acquisition	$65.0	$101.6
District Agencies	Stadium Development	-	$2.6
District Department of Transportation, Others	Infrastructure	$50.0	-
SEC and District Agencies	Contingency for Project	$30.0	$19.3
	Subtotal, Baseball Project	**$486.2**	**$600.5**
	Bond Issuance and Reserves	$48.6	$30.3
	Total Project Cost	**$534.8**	**$630.8**
	Sources of Funds:		
	Borrowing	$534.8	$534.8
	FY 2005 Baseball Taxes	-	$37.0
	Construction Interest	-	$30.0
	Bond Premium	-	$9.0
	Subtotal, District of Columbia Funds	**$534.8**	**$610.8**
	Major League Baseball Contribution	-	$20.0
	Total Project Cost	**$534.8**	**$630.8**

Note: New Stadium Construction costs include site preparation costs.

Figure 1-1

Flows of Funds Related to Baseball Project



Benchmarking

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Benchmarking

Since FY 2005, the Office of Budget and Planning (OBP) has worked with many government agencies in benchmarking studies for performance improvement. OBP has expanded the number of benchmarks and the depth of analysis each fiscal year. In FY 2007, 28 agencies provided 76 benchmarks.

Background

As the Nation's Capital, the District of Columbia is committed to providing residents and visitors with the best services in the country. One part of this is consistently comparing, or benchmarking, the District's performance with other similar, high-performing, jurisdictions. Benchmarking lets District leaders, agency managers and other stakeholders see how the District compares with other jurisdictions providing the same services and develop strategies for operational improvements and efficiencies.

The lack of available comparison data prevents the District from benchmarking all its performance measures. Agencies, though, have selected key indicators for comparison. These present a picture of the District's performance in relation to other jurisdictions. The benchmarks also provide data on operations, funding, and service delivery, highlighting both the District's achievements and challenges. District leaders and community leaders can use this data to foster continued improvement in services.

Comparison Jurisdictions

The District of Columbia's unique blend of service delivery makes finding comparable jurisdictions difficult. The District provides services at the special district, city, county, and state levels, and it supports the nation's headquarters for federal and foreign operations. Since no other jurisdiction in the country has the same responsibilities, none of the benchmarks will be an exact comparison. However, many jurisdictions do have enough similar characteristics to make comparisons to the District meaningful. Factors include the type of government, community demographics, geography, proximity to the District, and recognized leaders in the respective fields.

Fiscal Year 2007 Agency Benchmarks

The Office of Budget and Planning, in partnership with the Office of the City Administrator, coordinated agency benchmarking for performance-based budgeting agencies. There are 76 benchmarks from 29 agencies in this publication. Like the format of the District's budget book, the benchmarks are presented by appropriation title and organized alphabetically by agency code. Each benchmark is listed with a description, graph, and analysis.

Governmental Direction and Support

Office of the Inspector General (AD0)

Program: Accountability, Control, and Compliance

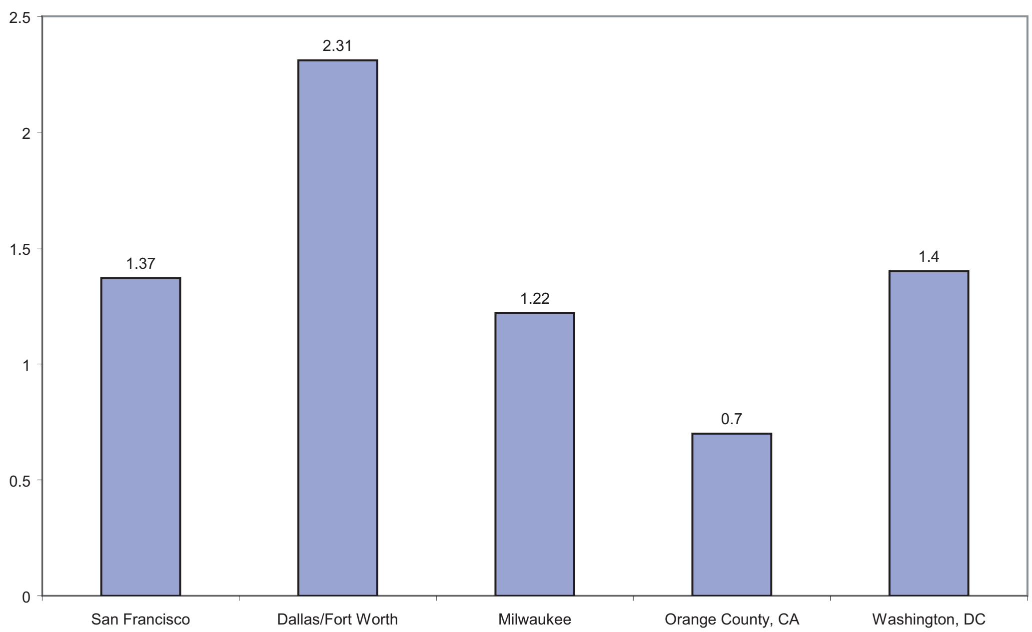
One of the key benchmark measures for the Office of the Inspector General (OIG) Accountability, Control, and Compliance program is the average number of final reports issued per auditor. This measure links to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Average Number of Reports Issued Per Auditor FY 2005

Note: The Office of the Inspector General provided all benchmark data.

According to OIG, the District performed well in relation to the comparison jurisdictions. The District's OIG performed issued more reports per auditor than 3 comparison jurisdictions and fewer reports than the fourth. This benchmark is an important tool for the OIG to compare the productivity and output of its staff to those of comparable jurisdictions.

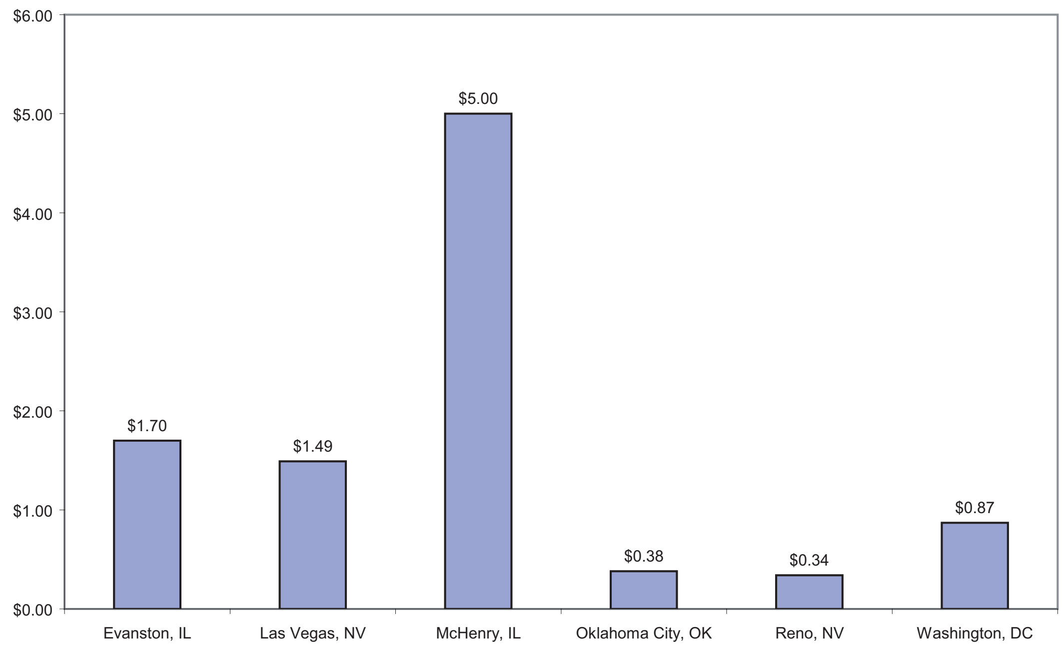
Office of Property Management (AM0)



Program: Facilities Management

One of the key benchmark measures for the Office of Property Management's (OPM) Facilities Management program is custodial expenditures per square foot for administrative/office facilities. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Custodial Expenditures Per Square Foot: Administrative/Office Facilities FY 2005



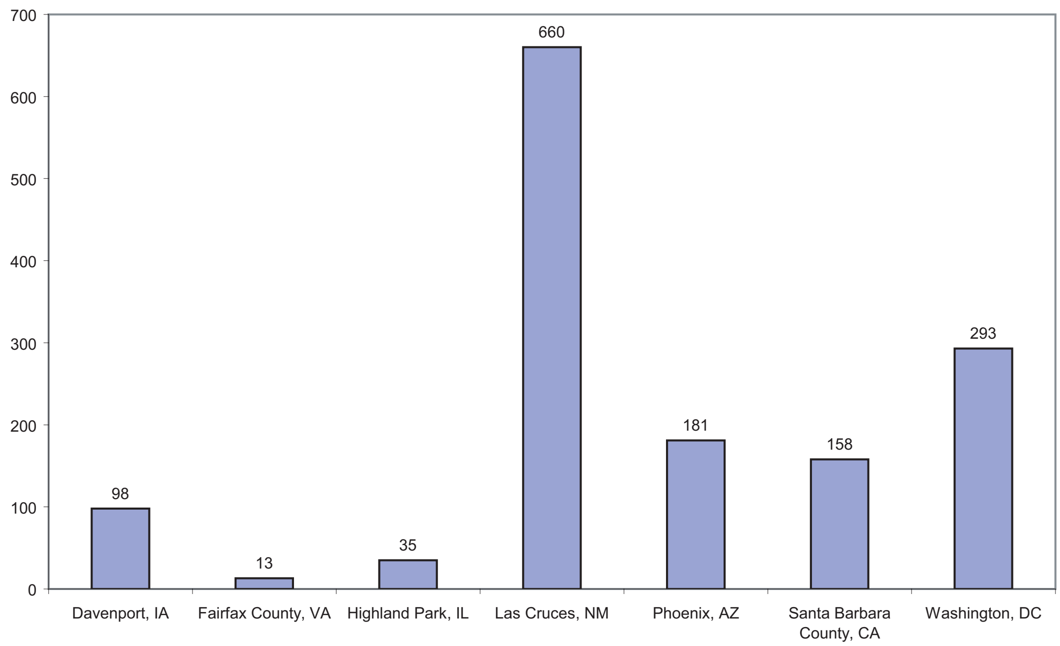
Note: The Office of Property Management provided all benchmark data.

According to OPM, the District spent $0.87 in FY 2005 per square foot on custodial services for 3 of the city's core administrative buildings: One Judiciary Square, the Reeves Center, and the Daly Building. In comparison to the 5 other jurisdictions providing the International City/County Management Association (ICMA) with data on this benchmark, the District's performance is above average. OPM will use this benchmark to help evaluate how the District's cost per square foot for in-house and contractual custodial services corresponds to other jurisdictions.

Program: Facilities Management

One of the key benchmark measures for the Office of Property Management's (OPM) Facilities Management program is the number of emergency repair/maintenance requests for service received. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Emergency Repair/Maintenance Requests for Service Received FY 2005



Note: The Office of Property Management provided all benchmark data.

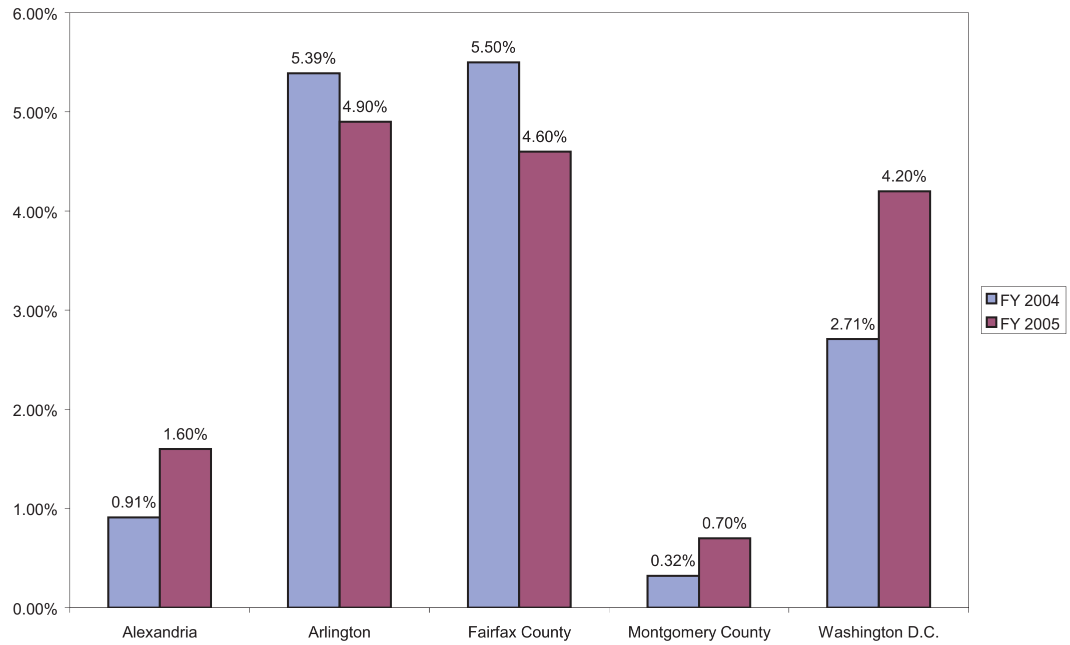
According to OPM, the District received 293 emergency repair requests in FY 2005. In comparison to the 6 other jurisdictions who provided the International City/County Management Association (ICMA) with data on this benchmark, the District had the second highest number of emergency repair requests.

Office of the Chief Financial Officer (AT0)

Program: Budget Development and Execution

One of the key benchmark measures for the Office of the Chief Financial Officer's (OCFO) Budget Development and Execution program is the percent variance between the revised General Fund budget and actual expenditures. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent Variance in General Fund Revised Expenditures vs. Actual Expenditures



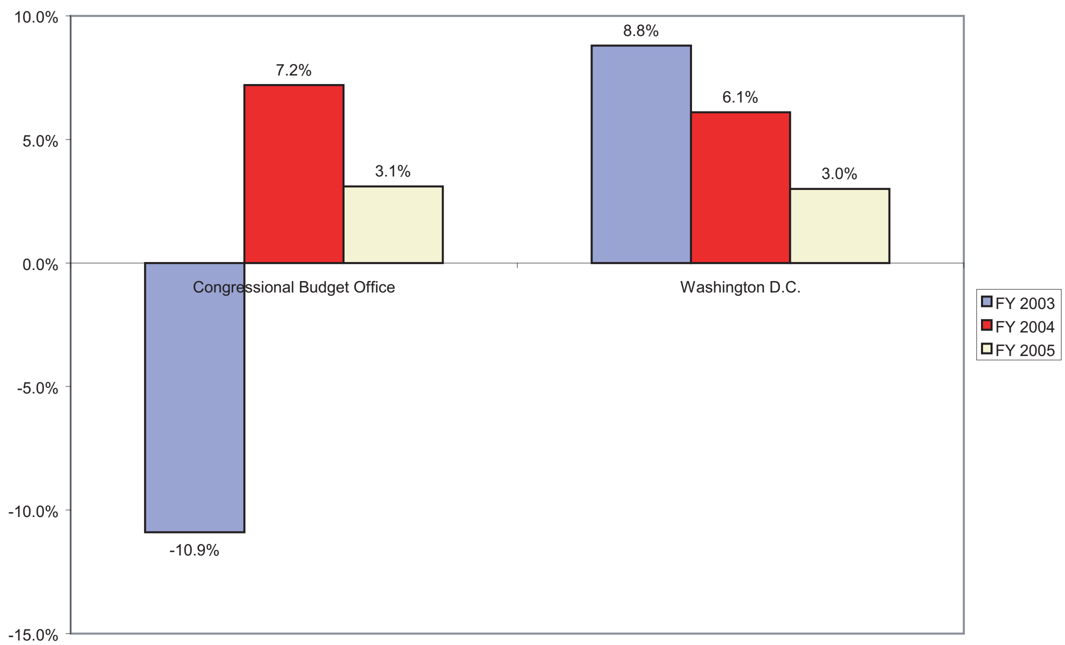
Note: The Office of the Chief Financial Officer provided all benchmark data.

According to the OCFO, this data shows that in FY 2004 and FY 2005 the District budgeted more accurately than half of these neighboring jurisdictions. A small variance can be an indicator that a jurisdiction performs well at estimating expenditures and is successful in controlling expenditures throughout the fiscal year. Additionally, a positive variance is considered better than a negative variance, as a negative variance indicates spending exceeded budget authority.

Program: Revenue and Analysis

One of the key benchmark measures for the Office of the Chief Financial Officer's (OCFO) Revenue and Analysis program is the percent variance between the estimated and actual revenues in the General Fund. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent Variance of Estimated vs. Actual Revenue



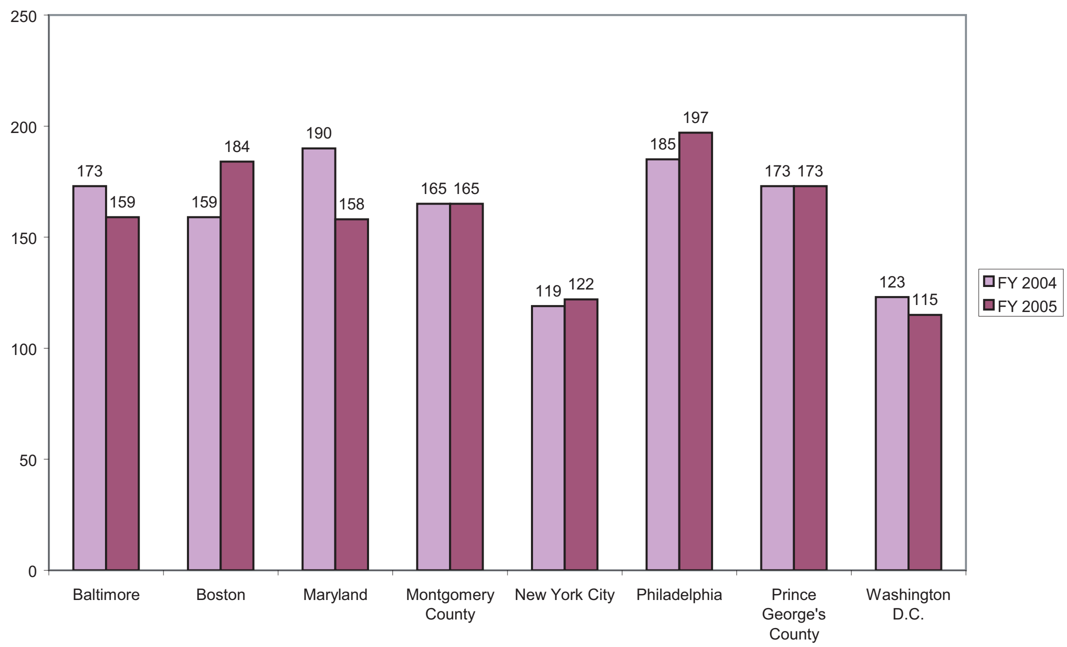
Note: The Office of the Chief Financial Officer provided all benchmark data.

According to the OCFO, this data shows that the District had a positive variance in FY 2004 and in FY 2005.

Program: Financial Operations and Systems

One of the key benchmark measures for the Office of the Chief Financial Officer's (OCFO) Financial Operations and Systems program is the number of days from end of fiscal year to issue date of FY 2004 and FY 2005 CAFR. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table shows the District's performance with benchmark jurisdictions.

Number of Days to Publish CAFR



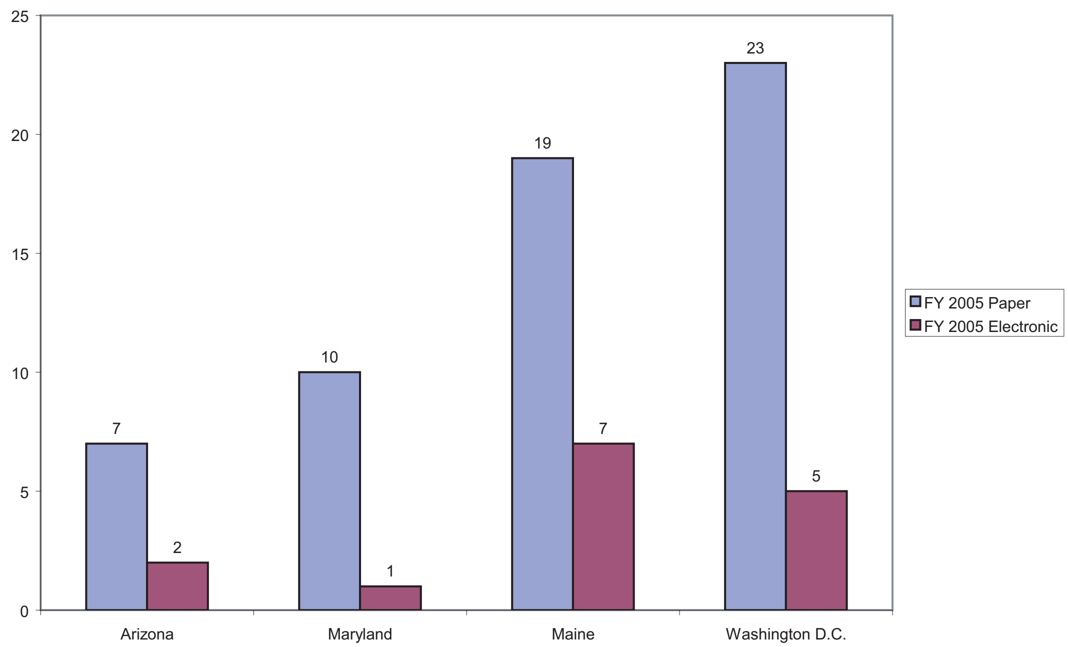
Note: The Office of the Chief Financial Officer provided all benchmark data.

According to the OCFO, this data shows that the District had the shortest number of days from the end of the fiscal year to the issue date of the CAFR in FY 2005.

Program: Tax Administration

One of the key benchmark measures for the Office of the Chief Financial Officer's (OCFO) Tax Administration program is the average number of days to process a tax refund (electronic and paper) in FY 2004 and FY 2005. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Average Number of Days to Process Tax Returns FY 2005



Note: The Office of the Chief Financial Officer provided all benchmark data.

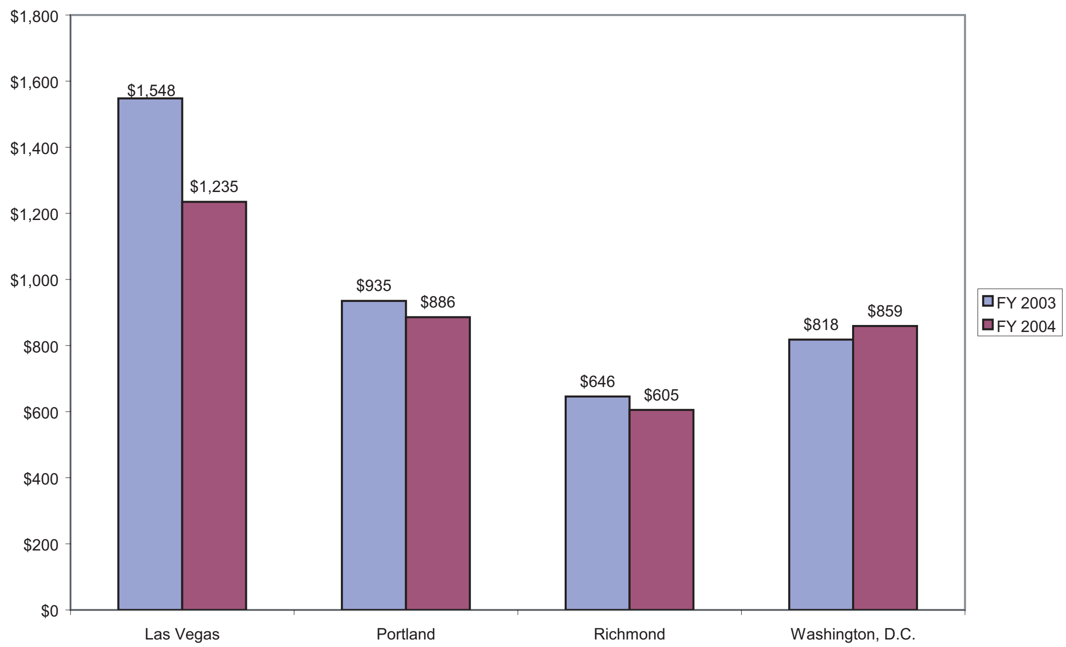
According to the OCFO, this data shows that the District had the highest number of days to process paper returns and the second highest number of days to process electronic returns, in comparison to the benchmark jurisdictions in FY 2005.

D.C. Office of Personnel (BE0)

Program: Management Services

One of the key benchmark measures for the D.C. Office of Personnel (DCOP) Management Services program is the Human Resources (HR) cost per Full Time Equivalent (FTE) processed by DCOP. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

HR Cost Per FTE



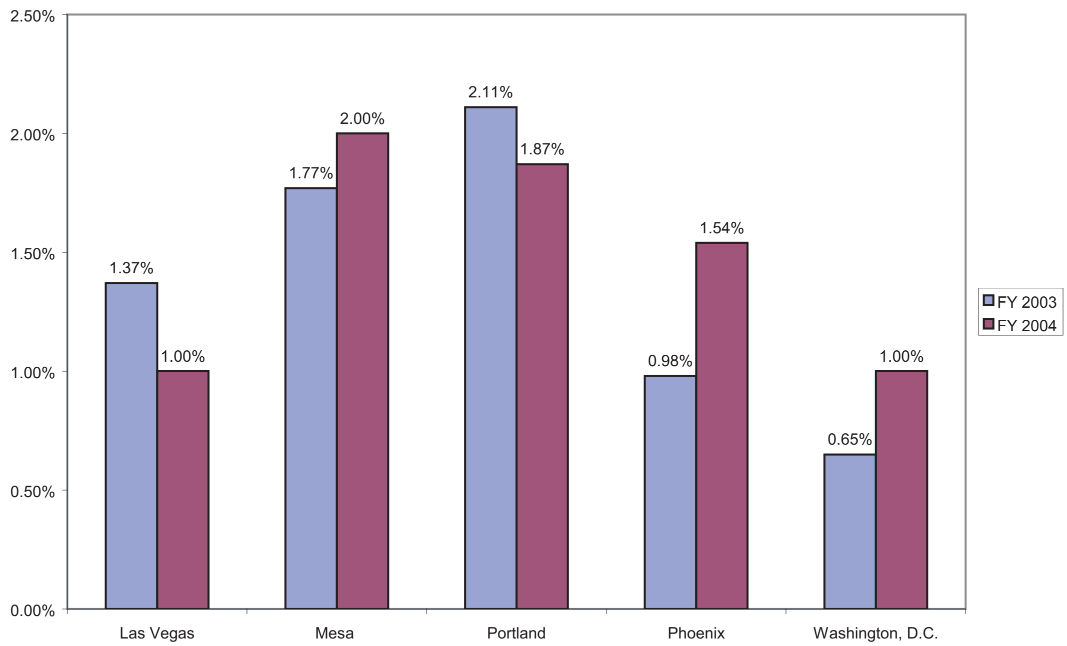
Note: The D.C. Office of Personnel provided all benchmark data.

According to DCOP, the District's FY 2004 average HR expenditures per FTE is $859. The District's expenditures per FTE place in the middle range of the comparison jurisdictions.

Program: Agency Management

One of the key benchmark measures for the D.C. Office of Personnel (DCOP) Agency Management program is the HR budget as a percentage of the operating budget. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

HR Budget as percent of Total Operating Budget



Note: The D.C. Office of Personnel provided all benchmark data. For the District, only agencies under the authority of the Mayor were included in the Total Operating Budget. Independent agencies that perform their own HR functions have budgets within their independent agencies. By only including the budgets of the agencies that have their HR functions handled through the BE0 budget, one gets a more valid data point

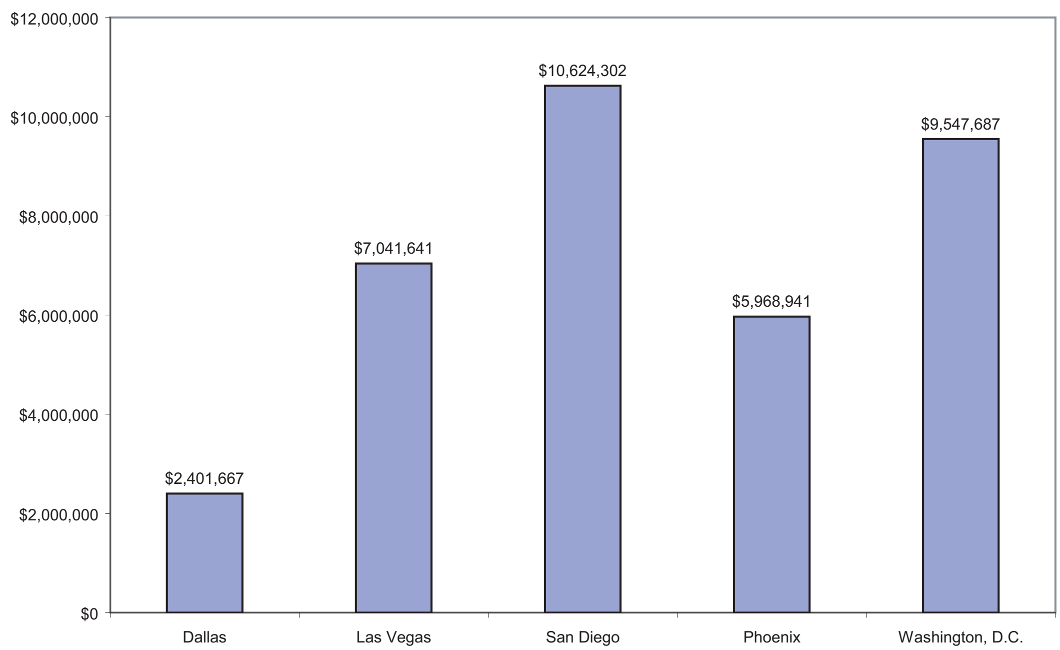
According to DCOP, the District's FY 2004 HR budget as a percentage of the operating budget is 1.0 percent. The District matches Las Vegas with the lowest HR budget as a percentage of the operating budget.

Office of Contracting and Procurement (PO0)

Program: Contracting

One of the key benchmark measures for the Office of Contracting and Procurement (OCP) Contracting program is the total purchase dollars per FTE purchasing employee. This measure ties to the District's city-wide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Total Purchase Dollars Per FTE Purchasing Employee



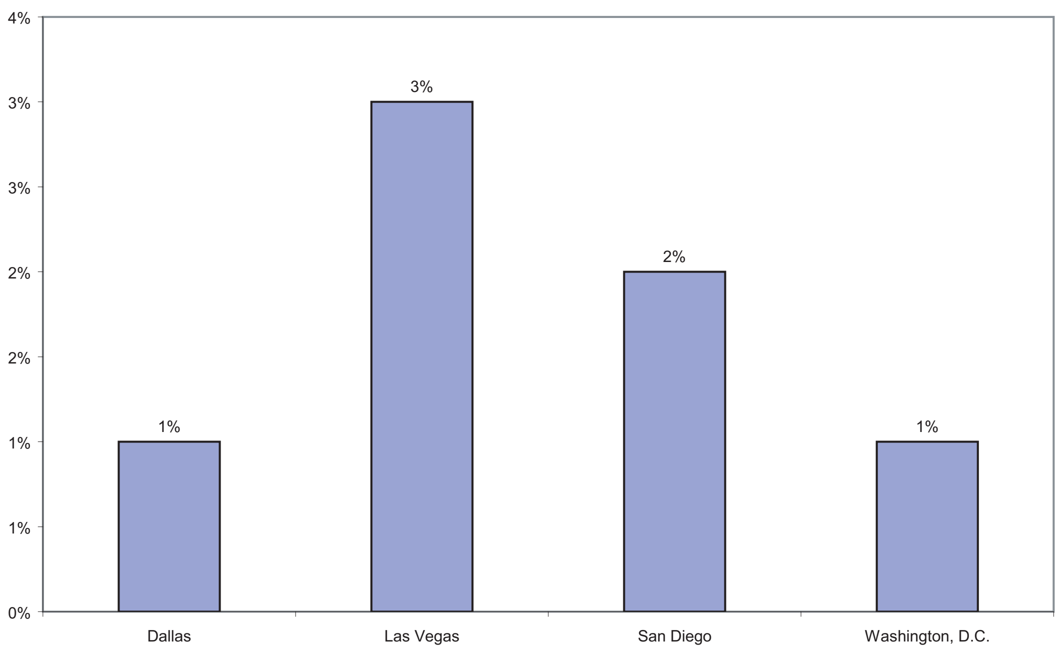
Note: The Office of Contracting and Procurement provided all benchmark data.

According to OCP, the agency had the second highest total purchase dollars per FTE purchasing employee of the comparison jurisdictions in FY 2004. OCP had 114 FTE purchasing employees and total purchases of $1,088,436.355. The average purchasing dollar per FTE was $9,547,687.

Program: Contracting

One of the key benchmark measures for the Office of Contracting and Procurement (OCP) Contracting program is the percent of purchases processed via purchase card. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Purchases Processed via Purchase Card FY 2004



Note: The Office of Contracting and Procurement provided all benchmark data.

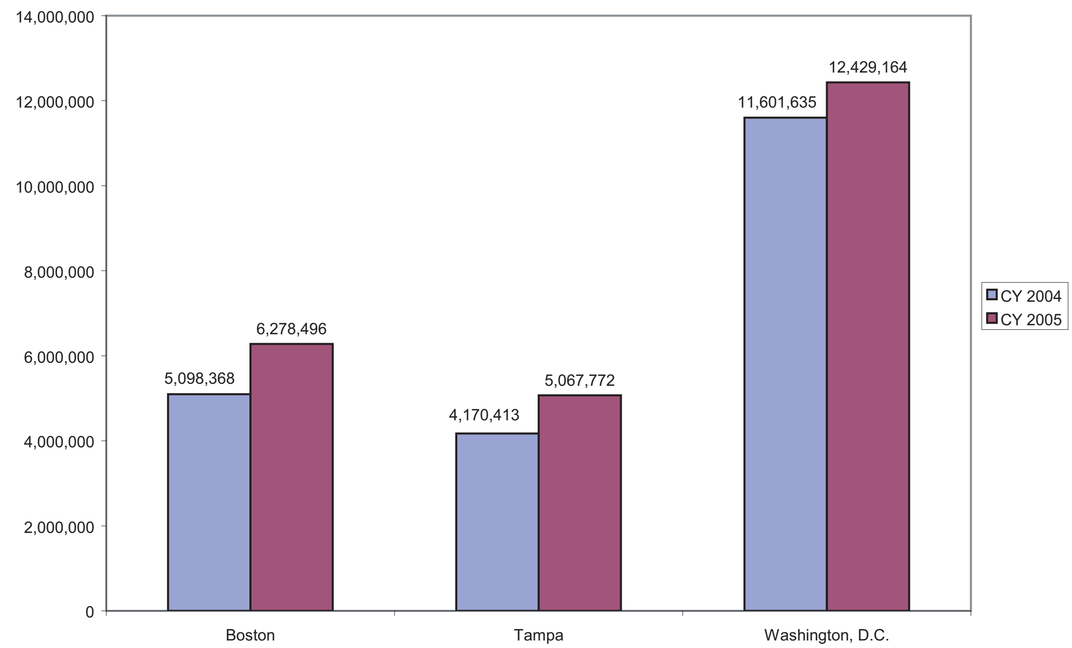
According to OCP, purchase card purchases accounted for approximately 1 percent of the agency's total purchases by dollar value in FY 2004. Credit card purchases totaled $6,261,430 while purchases processed by OCP personnel totaled $1,088,436,355. The dollar volume of purchase card usage in the District is less than 1 percent, compared to a range of 1 percent to 3 percent in other jurisdictions. This benchmark indicates that OCP should consider increasing purchase card usage among customer agencies.

Office of the Chief Technology Officer (TO0)

Program: E-government Public Outreach and Education

One of the key benchmark measures for the Office of the Chief Technology Officer's (OCTO) E-government Public Outreach and Education program is the number of visits to the city website portal. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Visits to City Website Portal



Note: The Office of the Chief Technology Officer provided all benchmark data.

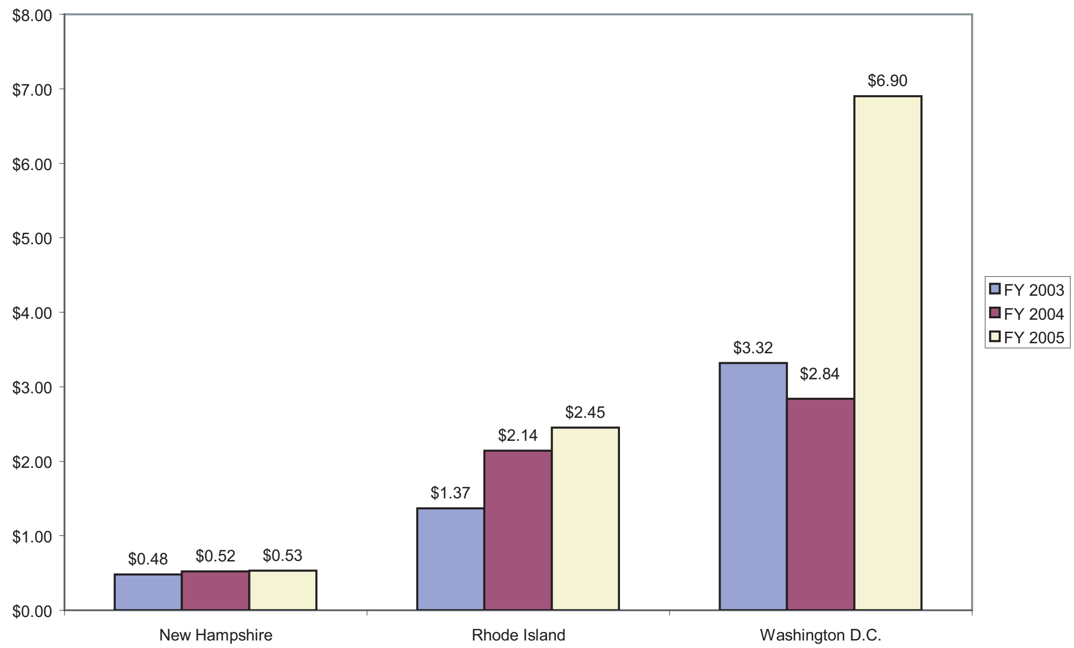
According to OCTO, the D.C. government website has twice been named by The Center for Digital Government as the best municipal web-portal in the country. The award-winning dc.gov website offers more online applications than any other municipal website in the nation. This program is designed to reach everyone in the city and beyond who can benefit from this rich source of information and services. This measure indicates how well the public outreach campaign is working and how much demand there is for specific applications and services from District residents.

Commission on the Arts and Humanities (BXO)

Program: Art Building Communities

One of the key benchmark measures for the Commission on the Arts and Humanities' Art Building Communities program is the per capita spending on the arts by designated state departments. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Per Capita Spending on the Arts



Note: The Commission on the Arts and Humanities provided all benchmark data.

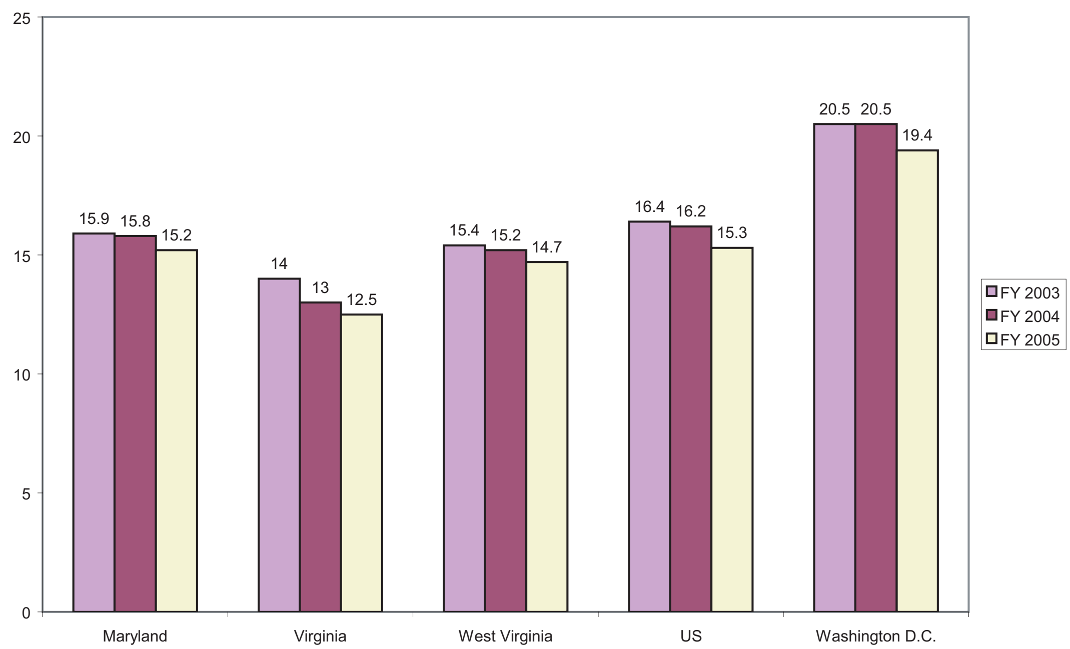
According to the Commission on the Arts and Humanities, this benchmark shows that the District spends significantly more on the arts than the other peer jurisdictions. The District ranks third in per capita spending on the arts in the United States and has ranked among the top ten states in per capita spending for the past 5 years.

Department of Employment Services (CF0)

Program: Unemployment Insurance

One of the key benchmark measures for the Department of Employment Services (DOES) Unemployment Insurance program is the average duration (measured in weeks) that unemployment insurance claimants collect benefits. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Duration (in weeks) Unemployment Insurance Claimants Collect Benefits



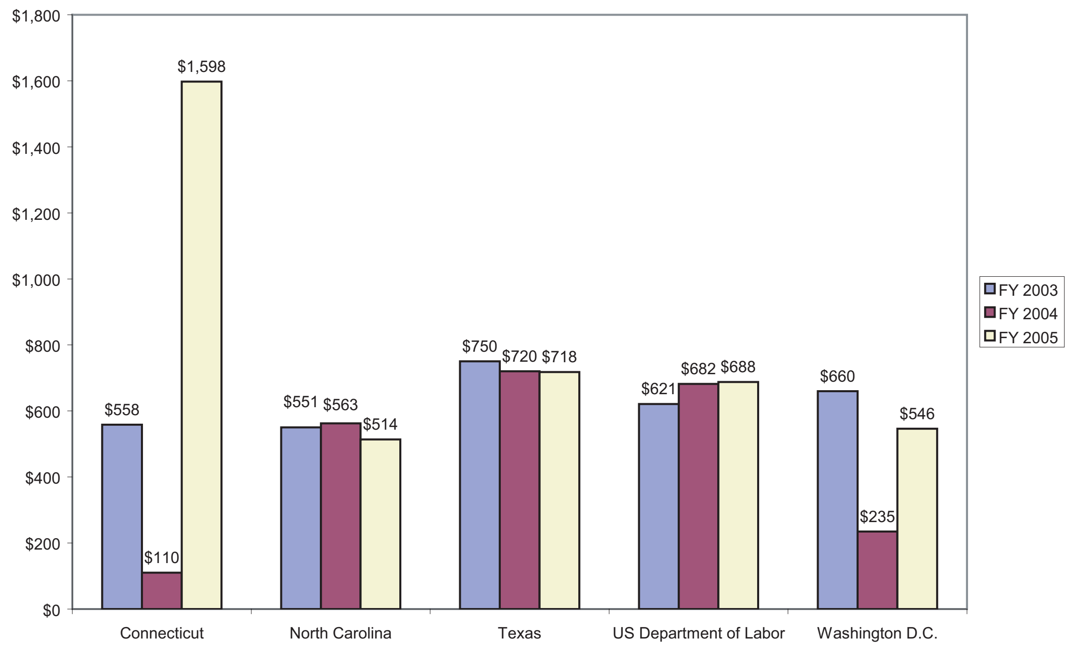
Note: The Department of Employment Services provided all benchmark data.

The Unemployment Compensation Program is administered at the state level (the District, the Virgin Islands, and Puerto Rico are considered states). The District is unique in that it is the only city that operates its own program; there is no state or states that are matches. Therefore benchmarking is with those states that neighbor the District, namely Maryland, Virginia, and West Virginia. To provide a national perspective, the benchmarking data also includes the U.S. as a whole. The city's average duration (AD) has traditionally been high. For 2005 and 2004, the city had an AD of 19.4 and 20.5 weeks respectively. In 2005 and 2004, the District was the highest of any state. In 2003, the city had an AD of 20.5 weeks, which was surpassed only by the Virgin Islands at 23.5 weeks. One factor in the District's high AD is the fact that the city has comparatively little manufacturing when compared to other jurisdictions that operate UI Programs; it does not have in its pool of recipients those individuals who collect for only a few weeks due to a temporary layoff (a plant shutdown for retooling.) Please note that the differences between the benchmarked jurisdictions and the District are related to regional differences between workforce population job skill/job readiness levels and other social barriers to reemployment. These barriers must be addressed in order to decrease the length of time UI recipients remain unemployed.

Program: Labor Standards

One of the key benchmark measures for the Department of Employment Services (DOES) Office of Wage and Hour program is the average collection per aggrieved employee. This measure ties to the District's city-wide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Back Wages Collected Per Aggrieved Employee



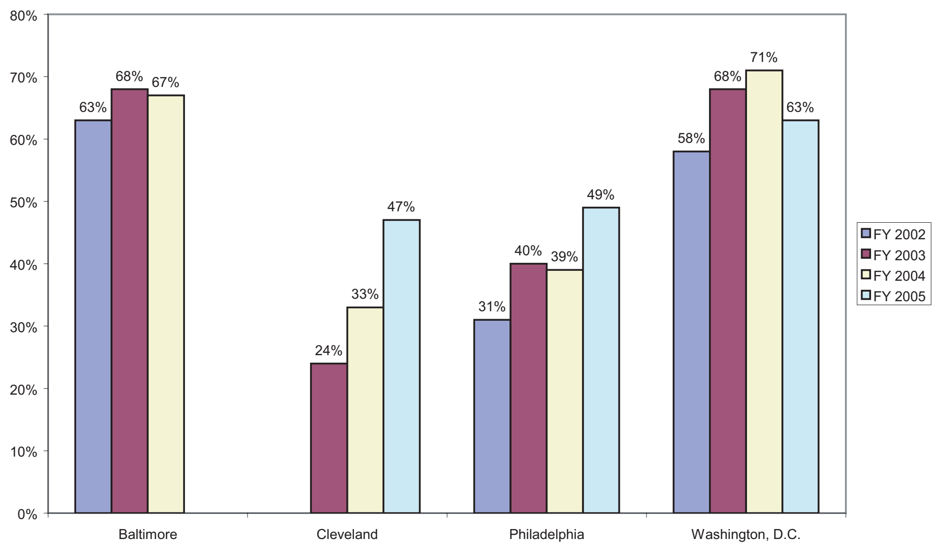
Note: The Department of Employment Services provided all benchmark data.

According to DOES, the District's average collections per aggrieved employee were competitive to higher in FY 2003. In FY 2004 and FY 2005, the comparison jurisdictions collected, on a whole, a higher dollar figure (versus per aggrieved employee collection). This was attributed to their sheer size difference, the higher number of civilian labor force employees, and the fact that the District has little manufacturing and is dominated by white-collar and service level jobs. Another contributing factor is the District's high concentration of federal and local government workers and its small 4 member compliance staff. The District's Wage-and Hour Office covers private employers only.

Program: Workforce Development

One of the key benchmark measures for the Department of Employment Services (DOES) Workforce Development program is the percent of Welfare-to-Work participants who enter subsidized employment transitioning to unsubsidized employment. This measure ties to the District's citywide priorities of *Making Government Work*, *Strengthening Children, Youth, Families, and Elders,* and *Promoting Economic Development*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Welfare-to-Work/TANF Participants Who Enter Subsidized Employment Transitioning to Unsubsidized Employment



Note: The Department of Employment Services provided all benchmark data.

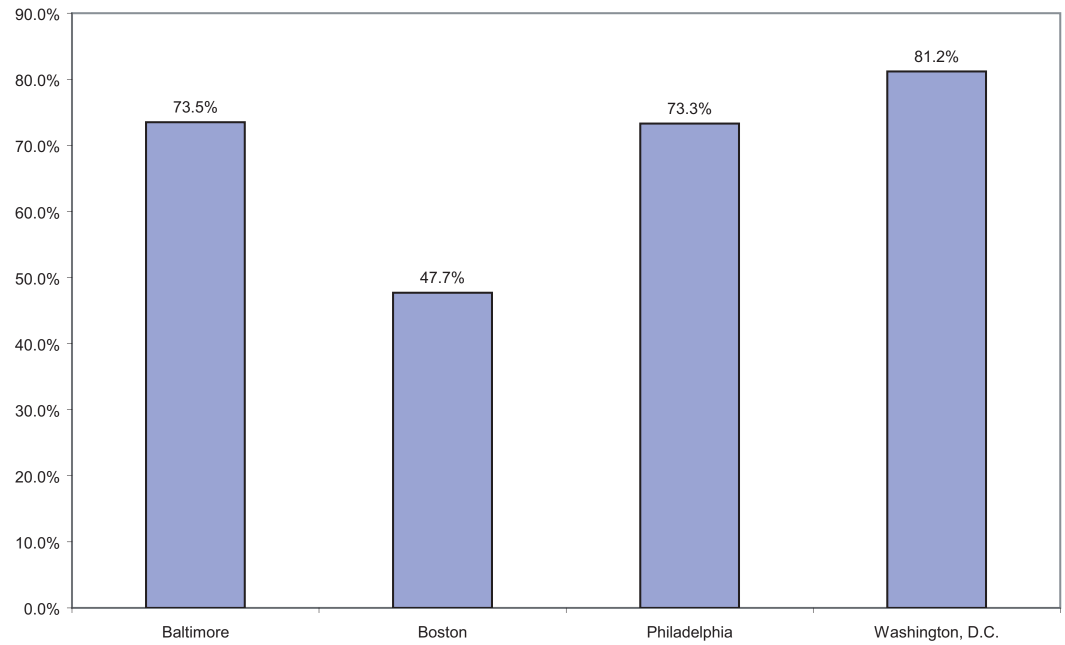
According to DOES, welfare reform mandated that states implement work-related programs for TANF recipients to promote timely attachment to the workforce. The District, along with similar jurisdictions located throughout the country, developed strategies to encourage public and private sector employers to hire/retain TANF recipients in unsubsidized employment. Analysis of the data indicates that economic factors contributed to the successful placement of TANF/Welfare-to-Work participants following completion of subsidized employment. For example, with the number of layoffs and downsizings occurring nationally, the competition for entry-level and other jobs directly impacted the placement of TANF recipients. The programs in the comparison jurisdictions are similar to the District's in that they are located in urban areas, serve predominantly minority clientele, and have similar service components. Project Empowerment exceeded the performance of all comparable programs listed, which is attributable to 3 major factors: an intensive and lengthy (4 weeks) Job Readiness/Life Skills component that kept our attrition rate low; the Job Coaching module that provided crucial support to participants during subsidized employment; and the innovative Job Club unsubsidized placement component that provided crucial support to participants during their unsubsidized job search.

This will be the last year that TANF/Welfare to Work data will be provided as the program was terminated on May 27, 2005, due to lack of funding. In the future, similarly situated participants will be served through workforce development programs.

Program: Workforce Development

One of the key benchmark measures for the Department of Employment Services (DOES) Workforce Development program is the percent of summer youth employment applicants who become enrolled. This measure ties to the District's citywide priority of *Making Government Work*, *Strengthening Children, Youth, Families, and Elders,* and *Promoting Economic Development*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Applicants Enrolled in Summer Youth Employment FY 2005



Note: The Department of Employment Services provided all benchmark data.

According to DOES, the District has the highest percentage among the comparison jurisdictions of summer youth employment applicants who become enrolled. The benchmark was chosen because of the District's continued focus on the expansion and enhancement of services to youth. The summer program, along with most of the agency's youth initiatives, targets youth residing in areas of high unemployment who face multiple barriers to employment.

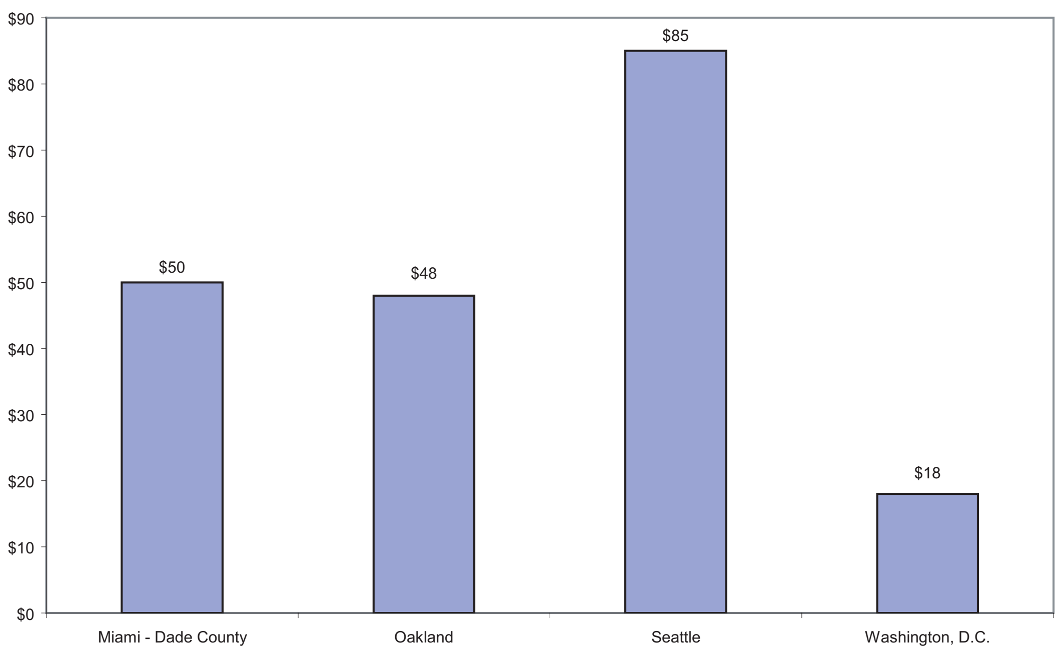
An analysis of the data indicates that funding is the primary contributing factor to the number of youth who can apply/register as well as the number of youth employed. With the implementation of the Workforce Investment Act, federal dollars were no longer available to states for stand-alone summer programs. States and the District of Columbia were required to utilize funding for year-round youth services including a summer jobs component. With increased local funding commitments, jurisdictions can increase the number of youth actually registered and employed and broaden the number of services offered.

Department of Consumer and Regulatory Affairs (CR0)

Program: Basic Licensing

One of the key benchmark measures for the Department of Consumer and Regulatory Affairs Licensing and Permitting program is the business licensing registration fee, which is considered a function of the cost of issuing business licenses. This measure ties to the District's citywide priority of *Promoting Economic Development*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Basic Business Licensing Fee FY 2005



Note: The Department of Consumer and Regulatory Affairs provided all benchmark data. The District of Columbia's business license fee is $35 for two years, which equates to $17.50 per year. The fees of other benchmark jurisdictions are for one year.

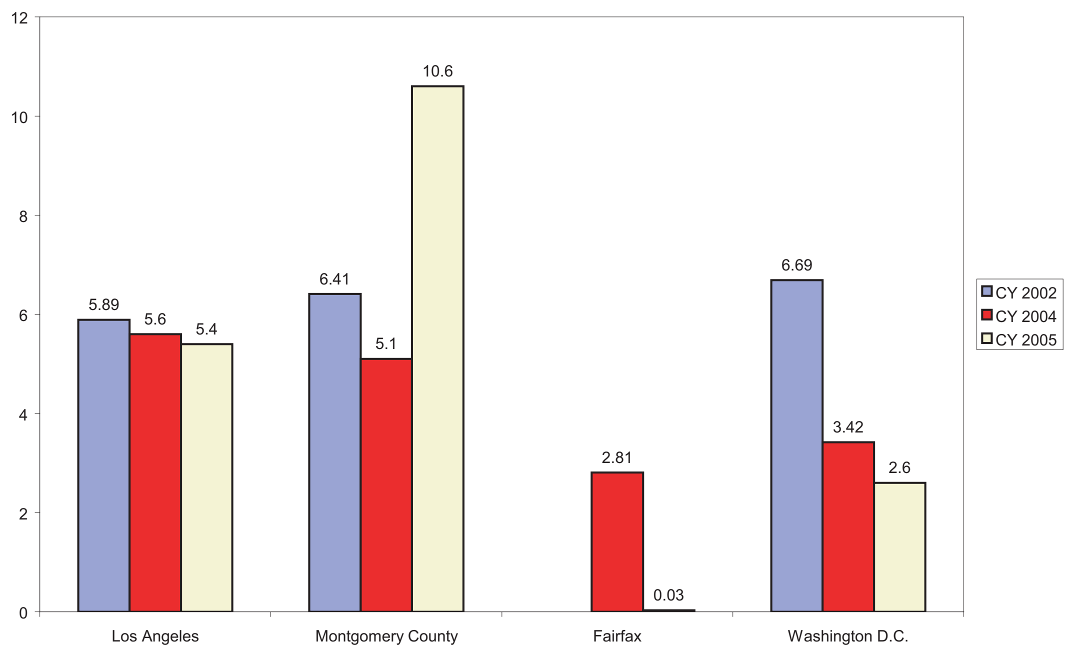
According to the Department of Consumer and Regulatory Affairs, this benchmark indicates that the District's fee is less than half of the next highest fee, which is $48.00 in Oakland. Since the fee is considered a function of the costs of issuing the licenses, the data suggesting that of all the benchmark jurisdictions, the District has the lowest cost for processing business licenses.

Office of Cable Television and Telecommunications (CTO)

Program: Regulatory

One of the key benchmark measures for the Office of Cable Television and Telecommunications' (OCTT) Regulatory program is the number of complaints per 1,000 cable television subscribers. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Complaints Per 1000 Cable Television Subscribers



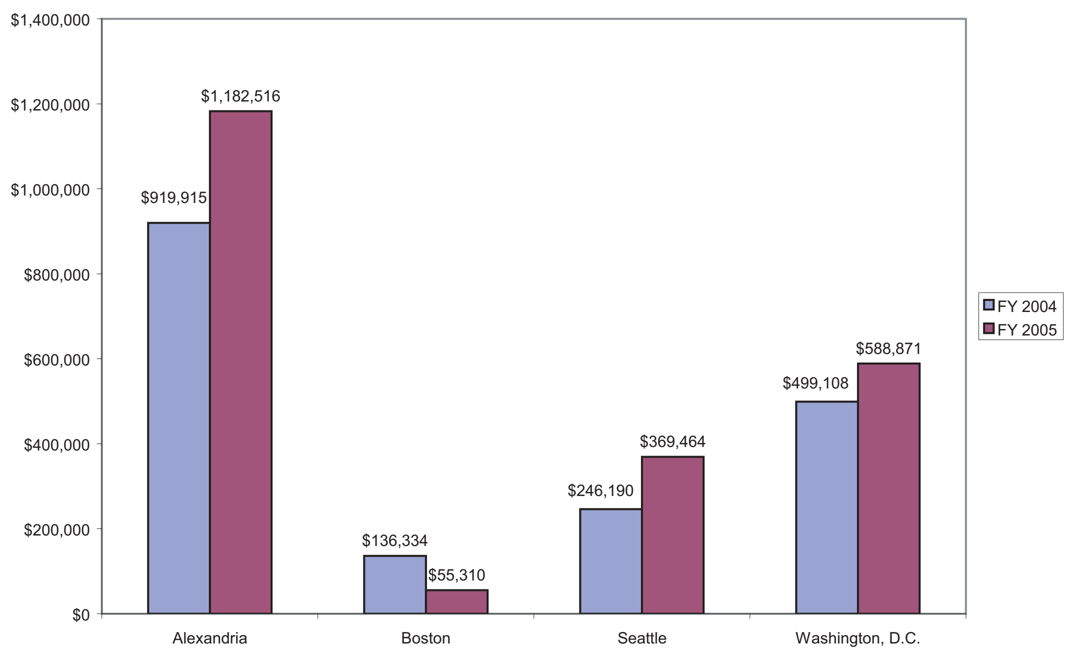
Note: The Office of Cable Television and Telecommunications (OCCT) provided all benchmark data.

According to OCTT, the number of complaints per 1000 television subscribers has declined steadily since CY 2002. OCTT's number of complaints was below the average for the comparison jurisdictions.

Program: Home Purchase Assistance

One of the key benchmark measures for the Department of Housing and Community Development (DHCD) Home Purchase Assistance program is the amount of loan funds expended per 100,000 population. This measure ties to the District's citywide priority of *Promoting Economic Development*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Home Assistance Loan Funds Expended Per 100,000 Population



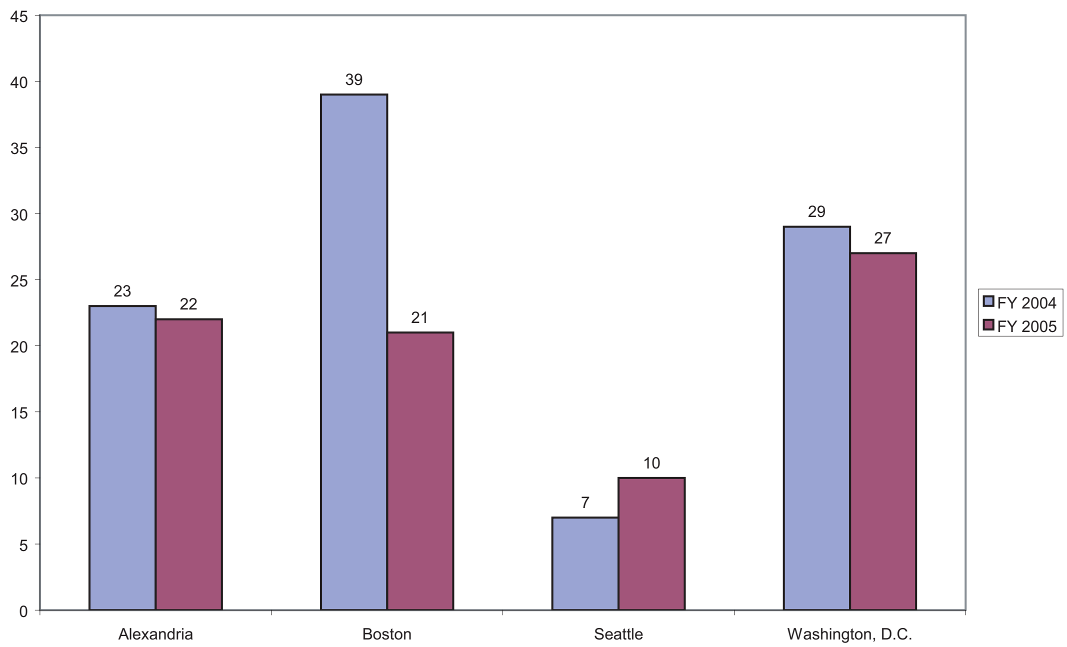
Note: The Department of Housing and Community Development provided all benchmark data.

According to DHCD, the benchmark provides a context for determining how successful the District's program is in terms of improving opportunities for low-income residents to become first-time homebuyers. FY 2005 data suggests that the District's homebuyer loan funding is second only to Alexandria, VA, of the jurisdictions compared, even though the District actually funds more loans than Alexandria. Staff research has shown that Alexandria's per-loan funding limit is effectively twice that of the District's ($50,000 in Alexandria vs. $30,000 or $20,000 in the District, depending on specified income "break points"). DHCD has already initiated plans to reform its assistance levels in FY 2006, making the District's homebuyer assistance programs more viable in today's real estate market.

Program: Home Purchase Assistance

One of the key benchmark measures for the Department of Housing and Community Development (DHCD) Home Purchase Assistance program is the number of loans closed per 100,000 population. This measure ties to the District's citywide priority of *Promoting Economic Development*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Home Assistance Loans Per 100,000 Population



Note: The Department of Housing and Community Development provided all benchmark data.

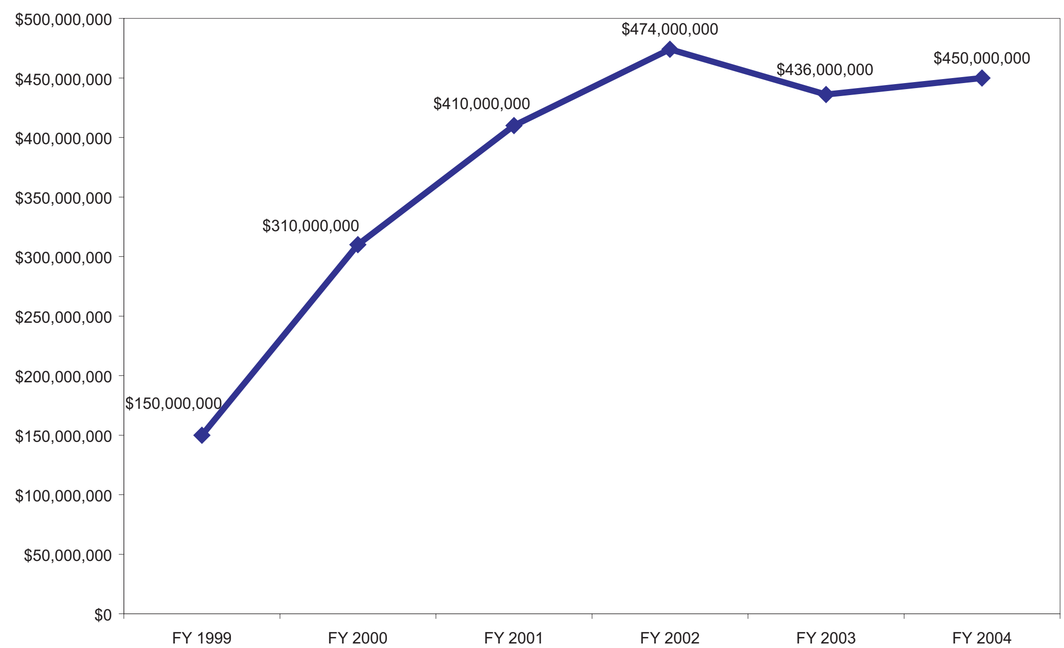
According to DHCD, the benchmark provides a context for determining how successful the District's program is in terms of marketing to low-income residents and improving their opportunities to become first-time homebuyers. FY 2005 data suggests that the District has been the most successful of the 4 jurisdictions studied in providing homebuyer assistance loans to its residents.

Office of Local Business Development (EN0)

Program: Business Development

One of the key benchmark measures for the Office of Local Business Development (OLBD) Business Development program is the Local Small Disadvantaged Business Enterprises (LSDBE) contract awards from FY 1999 – FY 2004. This measure ties to the District's citywide priority of *Promoting Economic Development*. The accompanying table illustrates the District's performance.

Amount of LSDBE Contract Awards



Note: The Office of Local Business Development provided all benchmark data.

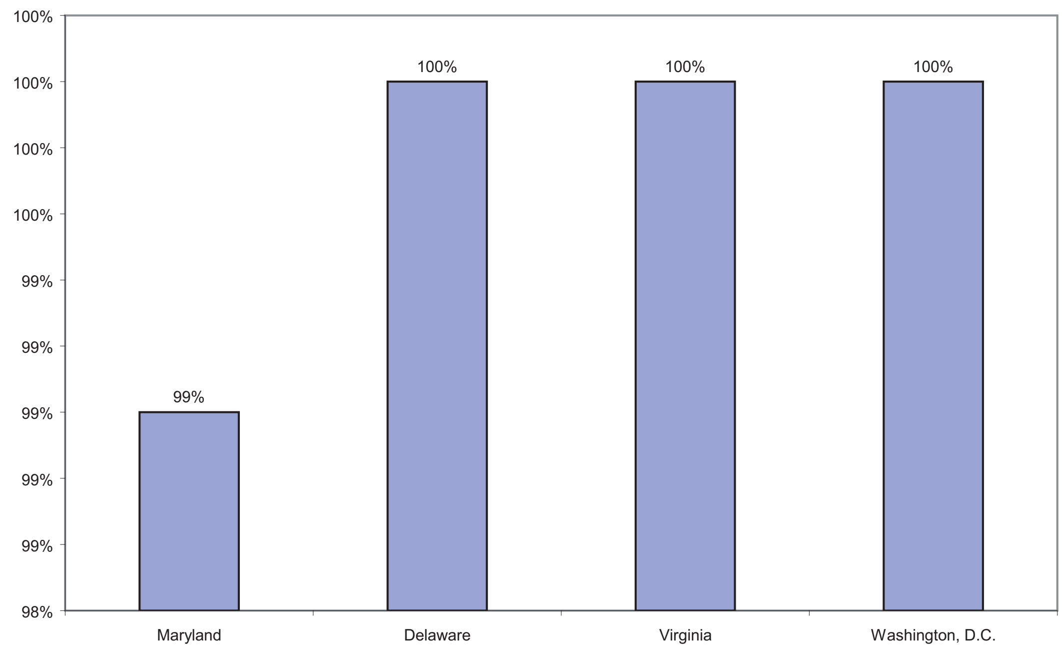
According to OLBD, the increase in government contracting with the LSDBE community increased by $24 million from FY 2003 to FY 2004. LSDBEs make a positive impact on the District by paying taxes, employing D.C. residents, and expanding business opportunities.

Department of Insurance, Securities, and Banking (SR0)

Program: Licensing/Disciplinary Review

One of the key benchmark measures for the Department of Insurance, Securities, and Banking (DISB) Licensing/Disciplinary Review program is the percent of application fees reconciled and deposited within 10 days of receipt. This measure ties to the District's citywide priority of *Promoting Economic Development*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Application Fees Reconciled and Deposited within 10 Days of Receipt FY 2005



Note: The Department of Insurance, Securities, and Banking provided all benchmark data.

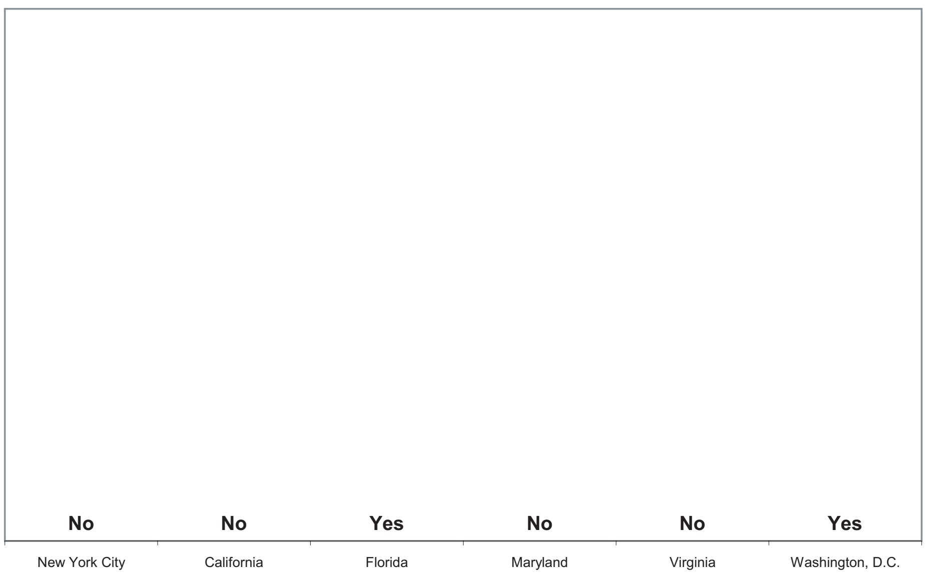
According to DISB, the District's rate of 100 percent is equivalent to the comparison jurisdictions. During FY 2005, DISB collected and deposited fees for initial applications for licensing from 148 broker-dealer firms, 141 investment adviser firms, 23,124 agents, 758 representatives and 46 agents of issuers.

Emergency Management Agency (BN0)

Program: Preparedness and Protection

One of the key benchmark measures for the D.C. Emergency Management Agency (EMA) Preparedness and Protection program is jurisdictional accreditation by the Emergency Management Accreditation Program. This measure ties to the District citywide priority of Building Safer Neighborhoods. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Accreditation by the Emergency Management Accreditation Program (EMAP) CY 2005



Note: The D.C. Emergency Management Agency provided all benchmark data.

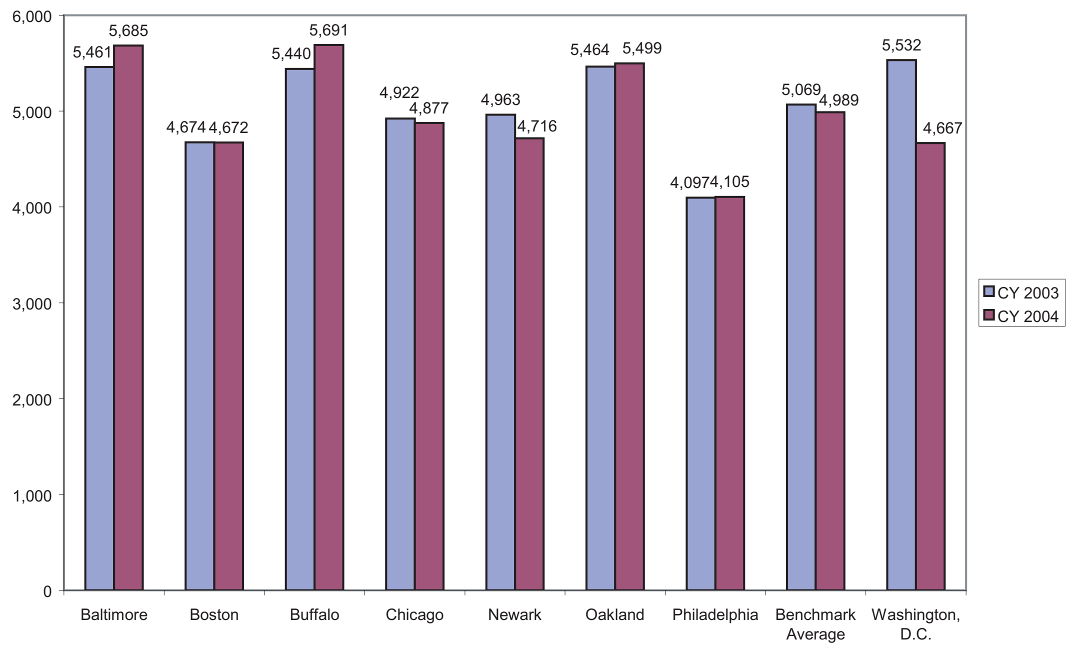
According to EMA, the agency and only one of the comparison jurisdictions are accredited by the Emergency Management Accreditation Program (EMAP). The receipt of accreditation from EMAP certifies that the District government, as a whole, has a properly coordinated emergency management program. The standards set forth by EMAP require that accredited jurisdictions demonstrate that they are prepared, in an all hazards manner, for potential threats. EMAP is a voluntary review process for state and local emergency management programs. Accreditation is a means of demonstrating, through self-assessment, documentation, and peer review, that a program meets national standards for emergency management programs. EMAP was created by a group of national organizations to foster continuous improvement in emergency management capabilities. It provides emergency management programs the opportunity to be recognized for compliance with national standards, to demonstrate accountability, and to focus attention on areas and issues where resources are needed.

Metropolitan Police Department (FA0)

Program: Regional Field Operations

A key benchmark measure for the Metropolitan Police Department's (MPD) Regional Field Operations program is the Part I property crime rate per 100,000 residents. This measure ties to the District's city-wide priority of *Building Safer Neighborhoods.* The accompanying table illustrates the District's performance with benchmark jurisdictions.

Part I Property Crime Per 100,000 Residents



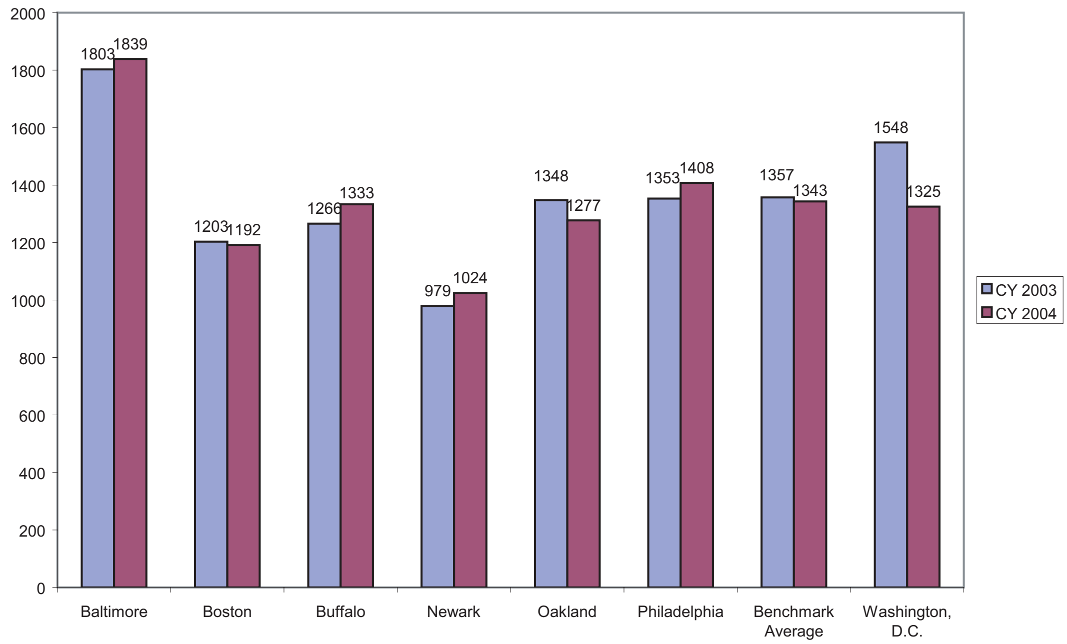
Note: The Metropolitan Police Department provided all benchmark data. These are crimes against property—burglary, larceny/theft, and stolen auto—as classified according to the Federal Bureau of Investigation's (FBI's) Uniform Crime Reporting (UCR) guidelines. Arsons were not included in the property crime rate because many cities (including our benchmark cities of Boston, Buffalo, and Philadelphia) do not consistently report arson data that are in accordance with national UCR guidelines. Additionally, most big city police departments do not have primary responsibility for investigating arsons.

According to MPD, the property crime rate in the District has decreased 24 percent since the District's benchmarking effort began in 2002. In comparison to its benchmark jurisdictions, Washington, D.C., has improved significantly in the rankings. The District has moved from having the second highest property crime rate among its benchmark cities in 2002 to the second lowest property crime rate in 2004.

Program: Regional Field Operations

Another key benchmark measures for the Metropolitan Police Department's (MPD) Regional Field Operations program is the number of Part I violent crimes per 100,000 residents. This measure ties to the District's citywide priority of *Building Safer Neighborhoods.* The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Part I Violent Crimes Per 100,000 Residents



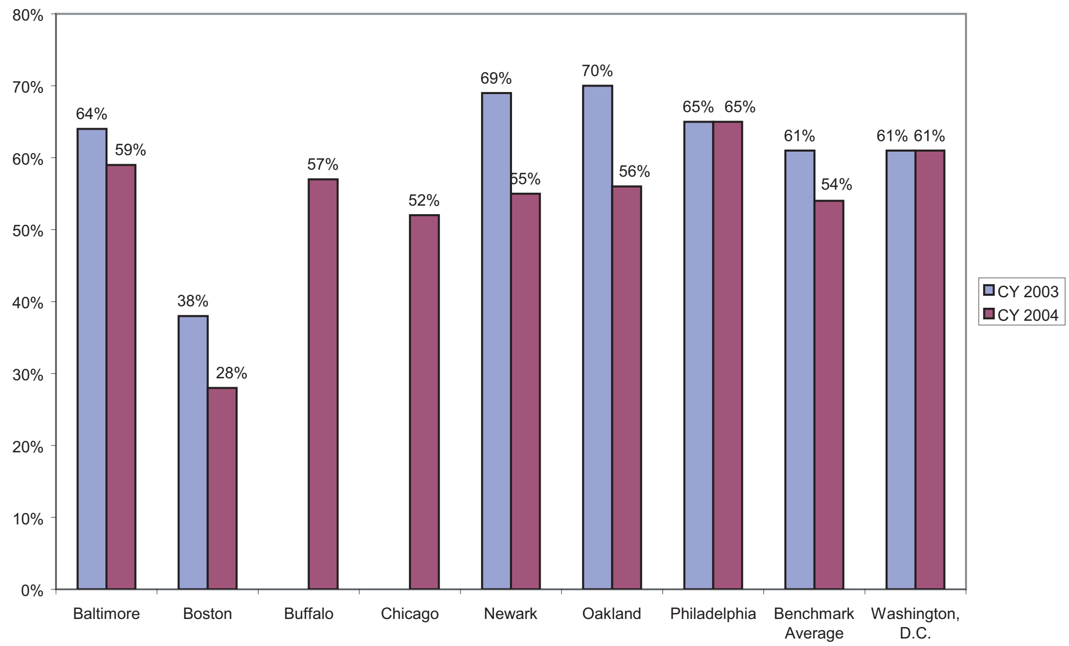
Note: The Metropolitan Police Department provided all benchmark data.

According to MPD, the violent crime rate in District has decreased 17 percent since the benchmarking effort began in 2002. In comparison to its benchmark cities, the District has also improved in the rankings. In 2002, D.C. had the second highest violent crime rate. In 2004, 3 of the benchmark cities had a higher violent crime rate, and D.C.'s rate was below the benchmark average.

Program: Investigative Field Operations

One of the key benchmark measures for the Metropolitan Police Department's (MPD) Investigative Field Operations program is the homicide clearance rate. This measure ties to the District's citywide priority of *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Homicide Clearance Rate



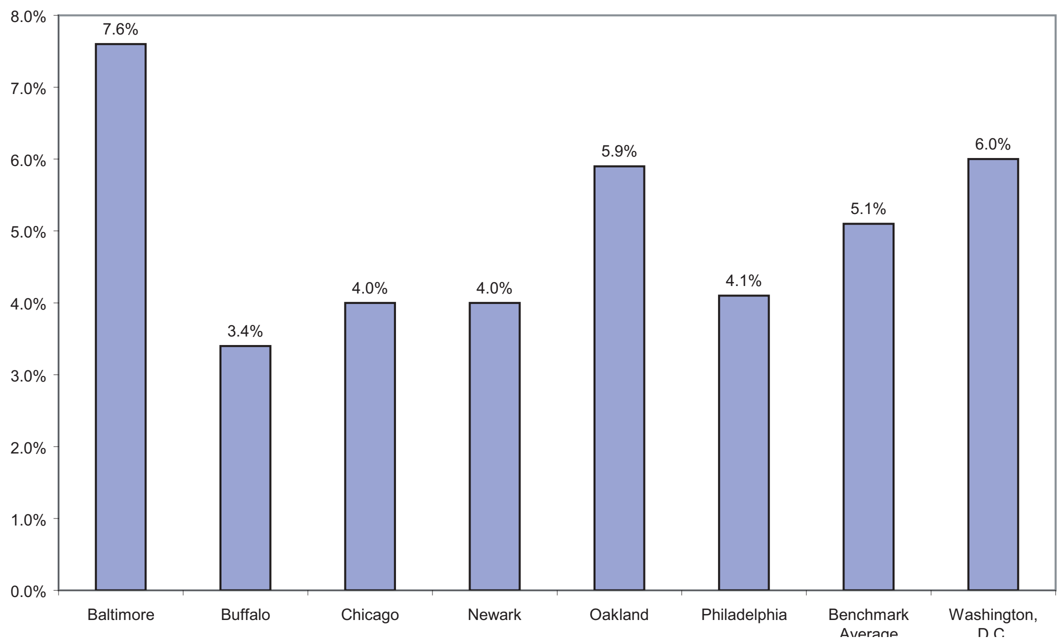
Note: The Metropolitan Police Department provided all benchmark data. The homicide clearance rate is calculated according to the Federal Bureau of Investigation's Uniform Crime Reporting (UCR) guidelines. These figures are calculated on a calendar year basis, and measure current year clearances, regardless of the year in which the offense took place, as a percentage of current year offenses. See <http://www.fbi.gov/ucr/ucrquest.htm> for more detail on UCR.

According to MPD, the District's homicide clearance rate was seven percentage points above the benchmark average, and ranked second highest among the benchmark cities. The multi-year comparison illustrates significant fluctuations from year to year in homicide clearance rates.

Program: Police Business Services

One of the key benchmark measures for the Metropolitan Police Department's (MPD) Police Business Services is the attrition rate. This measure ties to the District's citywide priority of *Building Safer Neighborhoods.* The accompanying table illustrates the District's performance with benchmark jurisdictions.

Attrition Rate: Percentage of Sworn Personnel Separated from the Department in FY 2004



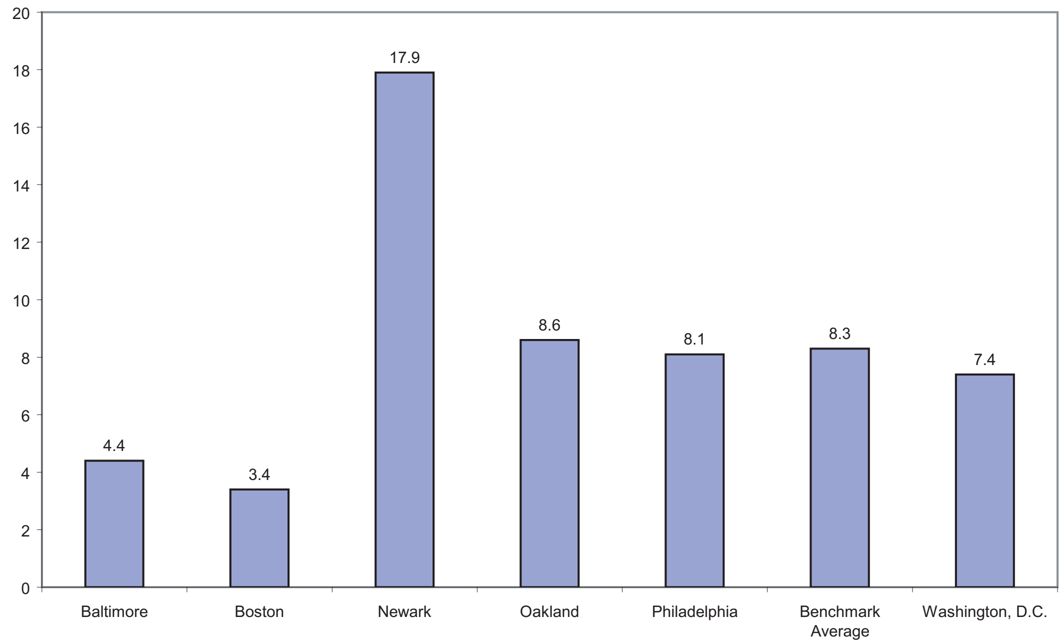
Note: The Metropolitan Police Department provided all benchmark data. The attrition rate includes both voluntary (e.g. retirement) and involuntary (e.g. dismissal) separations from a police department.

The attrition rate for MPD rose in FY 2004 primarily due to two reasons. First, Federal law enforcement agencies continued to recruit experienced officers from local jurisdictions as part of the response to the terrorist attacks of September 11, 2001. Additionally, the number of officers choosing "Optional Retirement" had decreased in FY2 003 and then rose in FY 2004 because officers were waiting for the one year anniversary of the April 2003 pay raise so that they could take the increase into retirement. It is important to note that the Department expects the attrition rate to continue to rise for a time due to the coordinated efforts of the District Council, the department, and the administration to limit the total amount of time that sworn officers can be unavailable for full duty due to injury or illness. As a result, sworn officers who have been in a limited duty capacity for several years will be retiring, allowing the department to fill those positions with full duty officers.

Program: Organizational Change and Professional Responsibility

One of the key benchmark measures for the Metropolitan Police Department's Organizational Change and Professional Responsibility program is the number of intentional firearm discharges per 1,000 sworn officers. This measure ties to the District's citywide priority of *Building Safer Neighborhoods.* The accompanying table illustrates the District's performance with benchmark jurisdictions.

Rate of Intentional Firearm Discharges per 1,000 Sworn Officers FY 2004



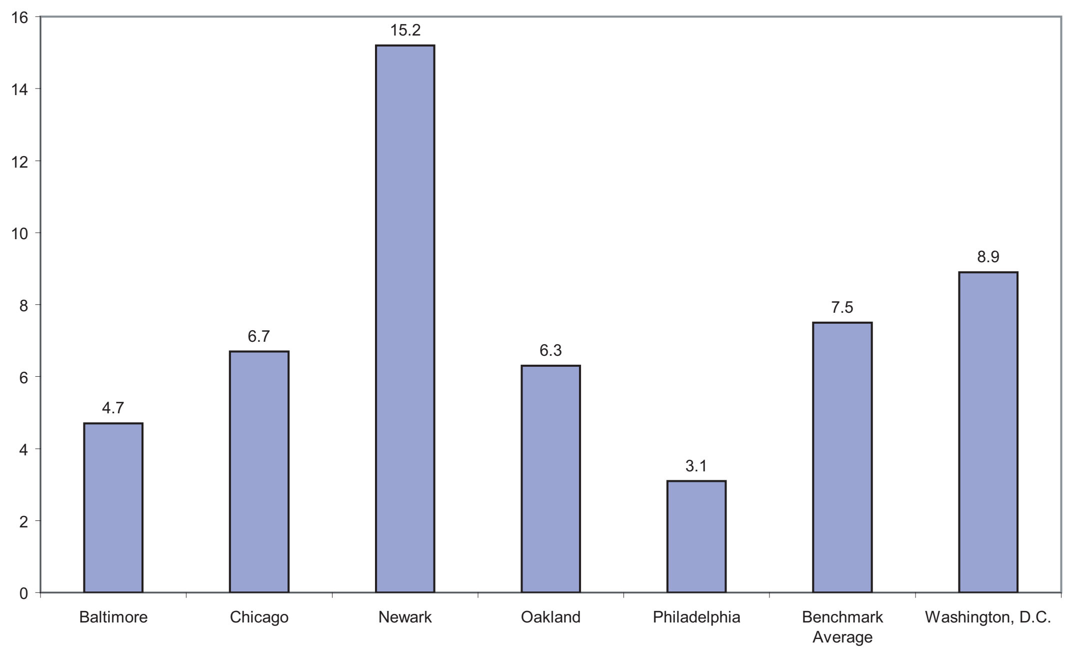
Note: The Metropolitan Police Department provided all benchmark data.

According to MPD, the rate of intentional firearm discharges decreased slightly in 2004 and remained lower than the benchmark average. The measure refers to instances where officers deliberately fire their service weapon. It excludes accidental discharges.

Program: Security Services

One of the key benchmark measures for the Metropolitan Police Department's (MPD) Security Services is the rate of Part I crimes on public school property per 1000 students. This measure ties to the District's citywide priority of *Building Safer Neighborhoods.* The accompanying table illustrates the District's performance with benchmark jurisdictions.

Part I Crimes on Public School Property per 1000 Students FY 2004



Note: The Metropolitan Police Department provided all benchmark data.

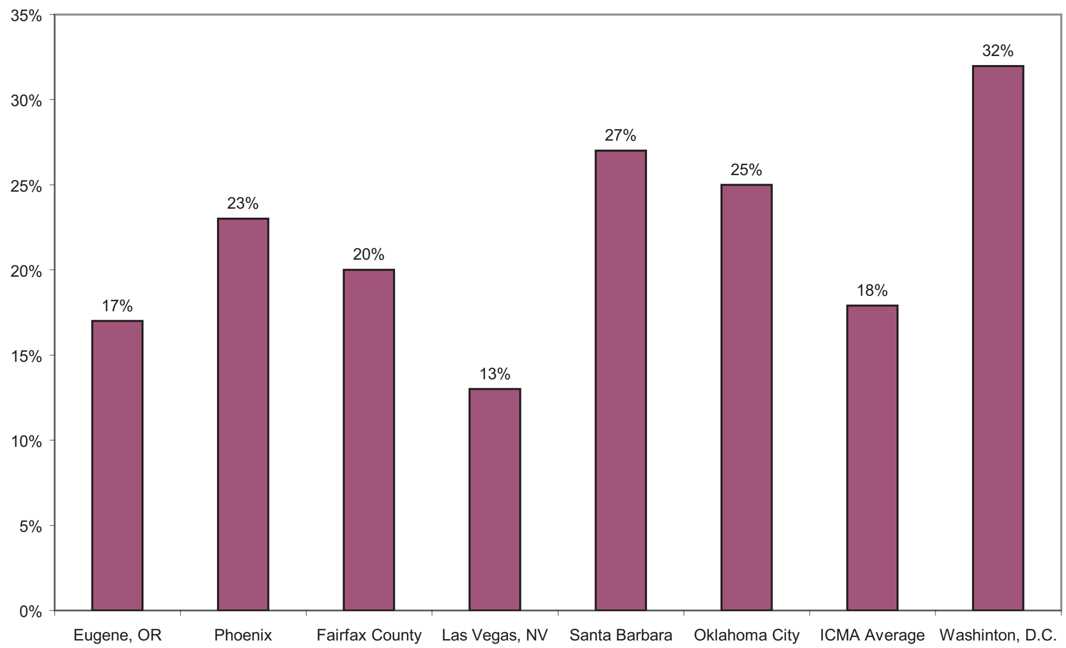
The role of the Metropolitan Police Department in school safety increased when MPD took over responsibility for managing security services at the D.C. Public Schools in July 2005. This benchmark comparison will help to serve as a baseline for evaluating school security under MPD. MPD cautions that the number of reported crimes at schools may initially rise because of more accurate reporting with MPD management of DCPS security. In 2004, before MPD assumed responsibility for school security, public schools in the District had a higher crime rate than 4 out of 5 of the benchmark cities providing data.

Fire and Emergency Medical Services Department (FB0)

Program: Prevention and Education Program

One of the key benchmark measures for the Fire and Emergency Medical Services Department's (FEMS) Prevention and Education program is the percent of arson cases closed with an arrest. This measure ties to the District's citywide priority of *Building Safer Neigbborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Arson Case Closure Rate FY 2005



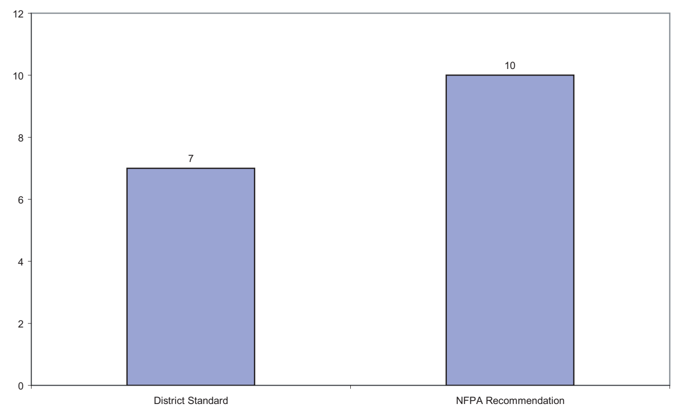
Note: The Fire and Emergency Medical Services Department provided all benchmark data.

According to FEMS, the District of Columbia continued improving in this area during FY 2005 with an arson case closure rate of 32 percent (47 out of 147 cases). In FY 2005, the District exceeded the FY 2005 ICMA average of 17.9 percent by over 14 percentage points.

Program: Operations Support

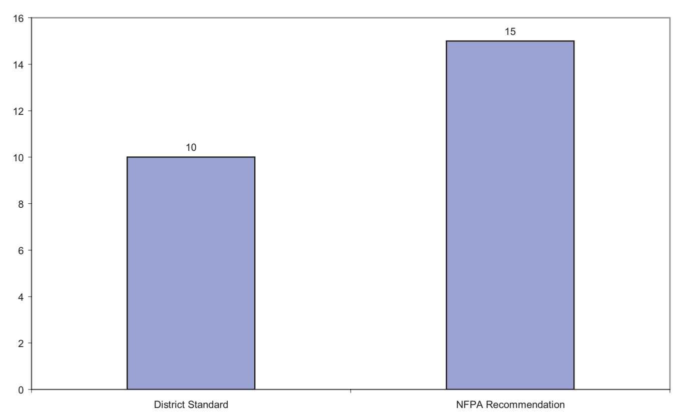
One of the key benchmark measures for the Fire and Emergency Medical Services Department's (FEMS) Operations Support program is the percent of the emergency fleet within the economic retention rate. This measure ties to the District's citywide priority of *Building Safer Neighborhoods.* The accompanying tables compare the District's standard with those of the National Fire Protection Association (NFPA), a recognized organization in developing consensus codes and standards for the fire service.

Number of Years in Front Line Service fo Fire Pumping Engines in FY 2005



Note: The Fire and Emergency Medical Services Department provided all benchmark data.

Number of Years in Front Line Service for Fire Ladder Trucks in FY 2005



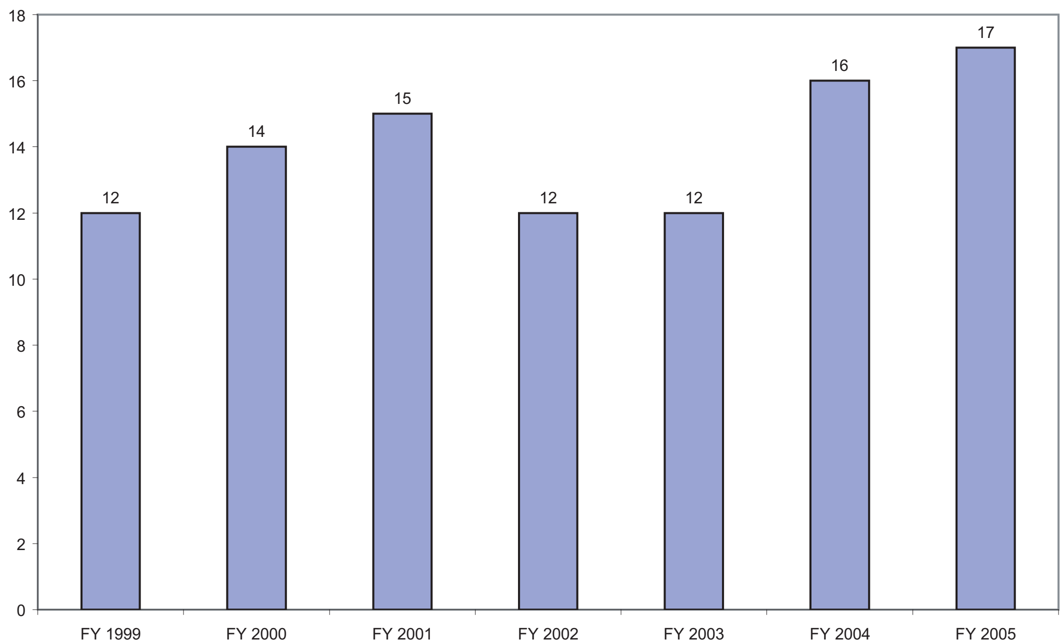
Note: The Fire and Emergency Medical Services Department provided all benchmark data.

According to FEMS, the department has set an economic retention rate standard for its emergency fleet that exceeds NFPA recommendations, maintaining 100 percent of its emergency fleet within the established economic retention rate. The D.C. FEMS economic retention rates are: 7 years front-line service for pumping engines and 10 years front-line service for ladder trucks.

Program: Field Operations Program

One of the key benchmark measures for the Fire and Emergency Medical Services Department's (FEMS) Field Operations program is the number of civilian fire deaths. This measure ties to the District's citywide priority of *Building Safer Neighborhoods.* The accompanying table illustrates the District's performance.

Civilian Fire Deaths in Washington, D.C.



Note: The Fire and Emergency Medical Services Department provided all benchmark data.

According to FEMS, analysis of the multi-year trend in deaths caused by fire in the District of Columbia shows that fire continues to be a significant risk. Most civilian fire deaths occur in residences that lack sprinkler systems and working smoke detectors. Installation of these fire protection measures in residential occupancies dramatically reduce the risk of death by fire or fire by-products (smoke and toxic gases). Civilian fire deaths are an extremely volatile statistic, particularly in the short-term. An individual year's data can be skewed by a single multi-fatality incident. This statistic can nevertheless be a useful indicator when trends are analyzed over the long-term.

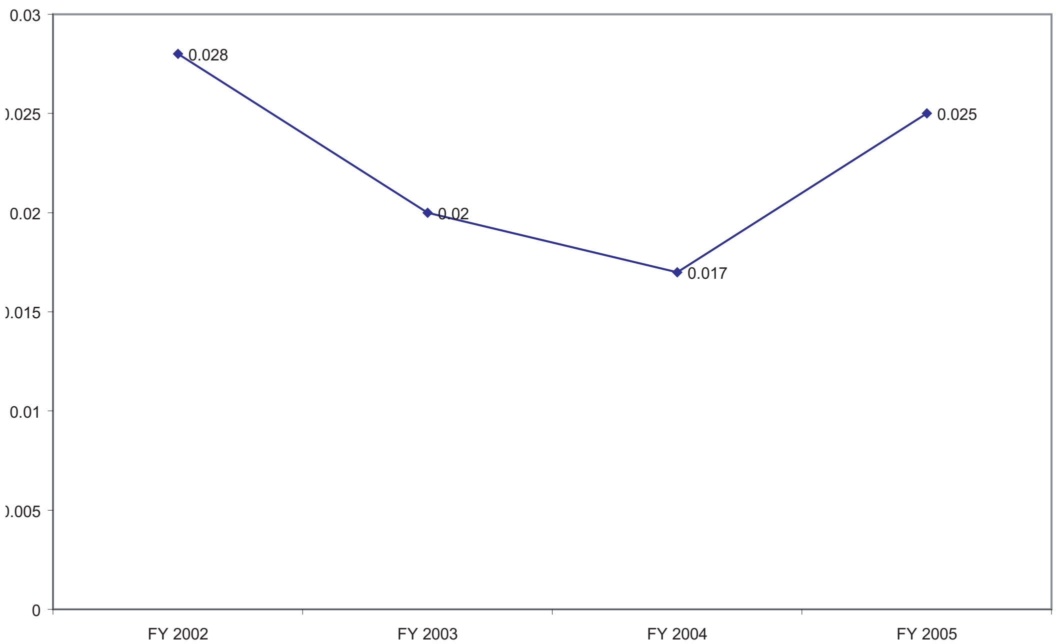
For the seven-year period FY 1992 to 1998, the District averaged 14.3 civilian fire deaths annually. For the seven-year period FY 1999 to 2005, the District averaged 13.9 civilian fire deaths annually. This would suggest that improvements in fire safety education and modernization of building codes have had some positive effect on the trends for civilian fire deaths. Paradoxically, over the same time range, interior firefighting has become more dangerous to firefighters. One District firefighter lost their life due to injuries caused by fire during the seven-year period FY 1992 to 1998, while two District firefighters were killed performing interior firefighting operations during the seven-year period FY 1999 to 2005.

Department of Corrections (FL0)

Program: Institutional Custody Operations

One of the key benchmark measures for the Department of Corrections' (DOC) Institutional Custody Operations program is inmate on inmate assault rate. This measure ties to the District citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance.

Inmate on Inmate Assaults Per 1,000 Inmate Days



Note: The Department of Corrections provided all benchmark data.

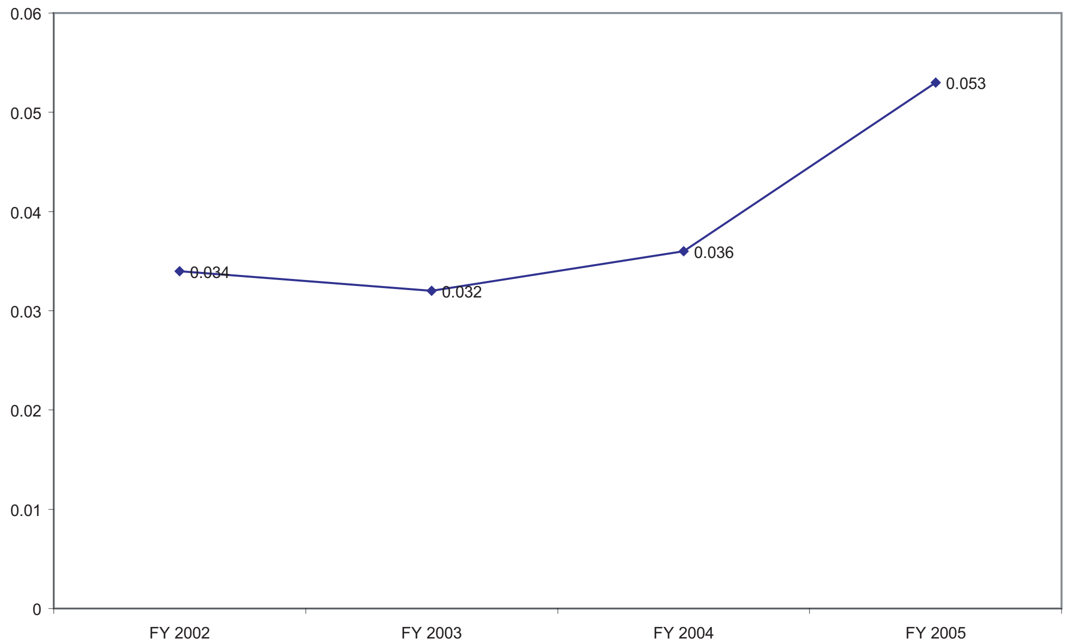
According to DOC, the inmate on inmate assault rate increased slightly between FY 2004 and FY 2005. Inmate on inmate assault is defined as an incident involving intentional bodily injury of an inmate by another inmate where: (1) There is at least 1 victim; (2) The injury is severe enough to warrant more than mere first aid, e.g. requiring sutures or setting of a broken bone; (3) The injury is such that the inmate's daily routine is disrupted; and (4) The incident is validated by the inmate disciplinary process. The assault rate is measured in incidents per 1000 inmate-days. Inmate-days are computed as the product of the days in the reporting period and the average daily population for the reporting period. Inmate-days are a measure of possibility for an inmate on inmate intentional contact to occur.

DOC is making efforts to measure, record, and manage inmate behavior more effectively by applying incident information analysis in addition to traditional inmate management strategies.

Program: Institutional Custody Operations

One of the key benchmark measures for the Department of Corrections' (DOC) Institutional Custody Operations program is the inmate on staff assault rate. This measure ties to the District citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance.

Inmate on Staff Assaults Per 1000 Inmate Days



Note: The Department of Corrections provided all benchmark data.

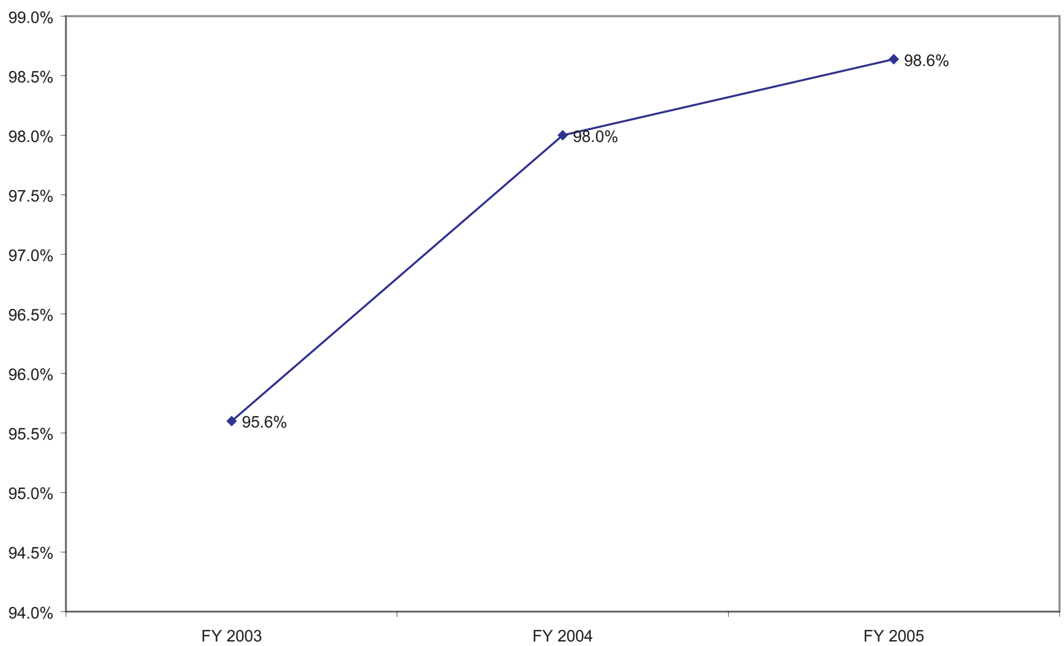
According to DOC, the inmate on staff assault rate increased slightly in FY 2005. Inmate on staff assault is defined as: a non-accidental incident where the inmate purposely and offensively contacts an officer or other staff member using a weapon (including fluids, body parts, sharp or blunt objects, and traditional weapons) in a manner that results in the officer requiring medical attention as documented by a doctor's referral slip. Validation by the Inmate Disciplinary process is not required. The assault rate is measured in incidents per 1000 inmate-days. Inmate-days are computed as the product of the days in the reporting period and the average daily population for the reporting period. Inmate-days are a measure of possibility for an inmate to engage in intentional physical contact with staff.

The agency changed standards for counting inmate on staff assaults in mid-FY 2004 to more stringent and inclusive standards, and DOC has improved reporting consistency and documentation quality associated with incident reporting since that time. DOC has concurrently experienced a small, but steady, increase in the inmate on staff assault rates over the same period. The increase is partially due to a rapidly aging workforce coupled with an increase in inmates with behavioral and mental health issues and more stringent counting rules.

Program: Agency Management

One of the key benchmark measures for the Department of Corrections' (DOC) Agency Management program is the federal billing reimbursement rate. This measure ties to the District citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance.

Federal Billing Reimbursement Rate



Note: The Department of Corrections provided all benchmark data.

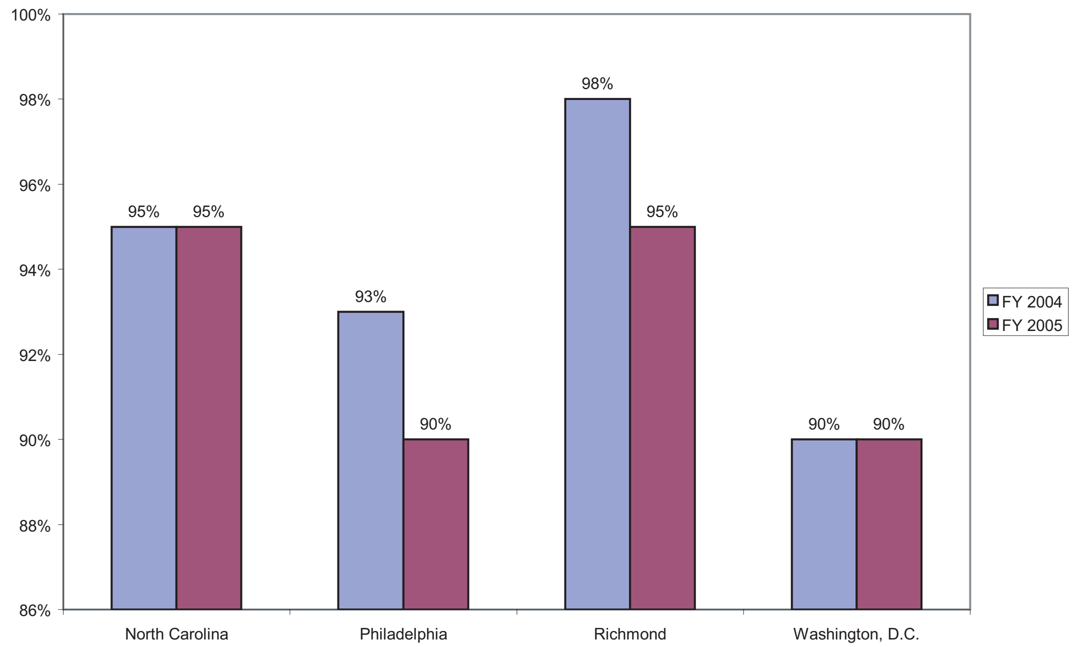
According to DOC, the agency's federal billing reimbursement rate has rose steadily over the past 3 fiscal years. The federal billing reimbursement Rate is the percent of dollars reimbursed per dollar invoiced for housing inmates whose housing is billable to federal agencies under current memoranda of understanding with each of the agencies. High reimbursement rates ensure that District taxpayers are fairly compensated for use of their local detention space. DOC invoices several federal justice agencies for inmates in custody during the month that are eligible to be billed for housing expenses incurred by the District of Columbia. These inmates include designated felons awaiting transfer to federal facilities, parole violators, certain supervised release violators, and individuals incarcerated on writs and holds. All billing must meet strict federal guidelines.

Office of The Chief Medical Examiner (FX0)

Program: Death Investigation and Certification

One of the key benchmark measures for the Office of the Chief Medical Examiner's (OCME) Death Investigation and Certification program is the percent of positive toxicology cases completed within 60 days. This measure ties to the District citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Positive Toxicology Tests Completed within 60 Days



Note: The Office of the Chief Medical Examiner provided all benchmark data.

According to OCME, the agency's performance on this benchmark was slightly below that of comparison jurisdictions during FY 2004 and FY 2005. Compared to other jurisdictions covering similar service populations and similar workloads per scientist, the data shows that the District's forensic toxicology laboratory is performing well. It is important to note that the District's toxicology laboratory has only been in operation for 3 fiscal years, compared to the other long established toxicology laboratories in other jurisdictions. Further, the District performs a more comprehensive toxicology service than most other jurisdictions, yet in a similar timeframe. Completing complicated toxicology reports in a timely manner results in the medical examiners and law enforcement agencies processing their own respective cases more quickly, which in turn better serves the community as a whole. Since all autopsy reports require a completed toxicology report, the improved turnaround time for reports from the toxicology laboratory means that OCME can complete homicide and non-homicide cases in their stated turnaround time of 60 days and 90 days, respectively.

Office on Aging (BYO)

Program: Community-Based Services

One of the key benchmark measures for the Office on Aging's (OA) Community-Based Services program is the amount spent on meals per senior served. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Cost Per Senior for Congregate an Home-Delivered Meals

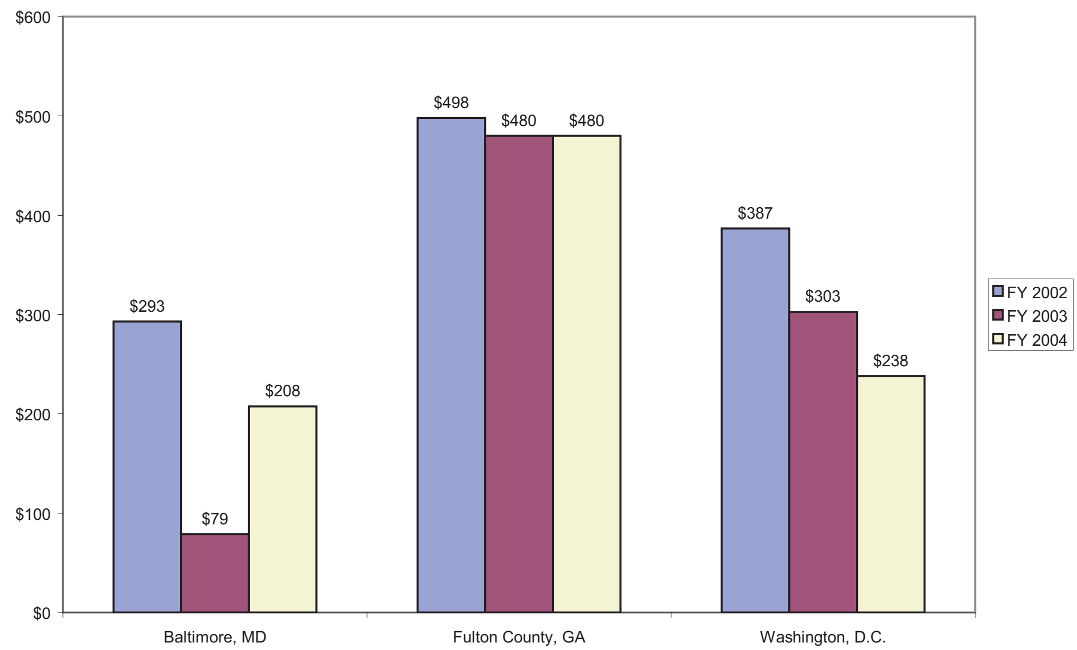
Note: The Office on Aging provided all benchmark data.

According to OA, the Community-Based Services program provides hot mid-day nutritious meals to the District's seniors in both congregate and home-delivered settings on both weekends and weekdays. The amount of funding available for the District of Columbia exceeds the amount of funding available for Fulton County, Georgia, and Baltimore, Maryland, because the District puts a large proportion of local dollars into the meals program. The main difference in the cost is that the meals delivered by the OA are full course hot meals prepared and delivered daily by paid staff rather than volunteers. Both Fulton County and Baltimore use a combination of paid staff and volunteers for delivery of home-delivered meals, and the meals are not delivered daily to all meals participants, but are delivered frozen to some participants and must be warmed by the participants. The District found that using volunteers to deliver home-delivered meals was not reliable or safe, and a sufficient number of volunteers could not be recruited to deliver meals on a timely basis.

Program: Transportation

One of the key benchmark measures for the Office on Aging's (OA) Transportation program is the amount spent on transportation per senior served. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Cost Per Senior for Transportation Services



Note: The Office on Aging provided all benchmark data. The D.C. Office on Aging provides 3 different types of transportation to seniors who received Office on Aging functions- transportation and escort (to medical appointments and day care), transportation to sites and activities, and transportation of home-delivered meals. The calculation is the number of dollars available for transportation divided by the total number of seniors served. This may be a duplicated count since many seniors receive all 3 types of transportation.

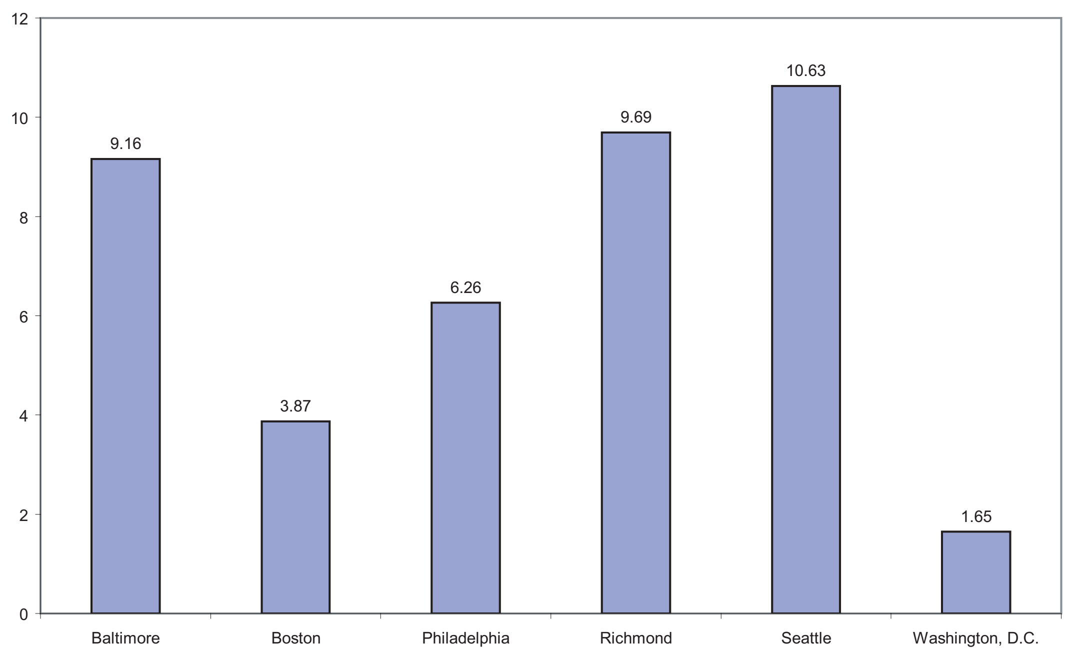
According to OA, this benchmark shows that the District's average spending of $238 per senior is above the average of the comparison jurisdictions. Transportation is second only to meals as the largest single investment of both local and federal dollars for the District's Office on Aging.

Department of Parks and Recreation (HA0)

Program: Park and Facility Management (Operations)

One of the key benchmark measures for the Department of Parks and Recreation's (DPR) Park and Facility Management (Operations) program is the number of park acres per 1,000 District residents. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Park Acres Per 1,000 Residents FY 2005



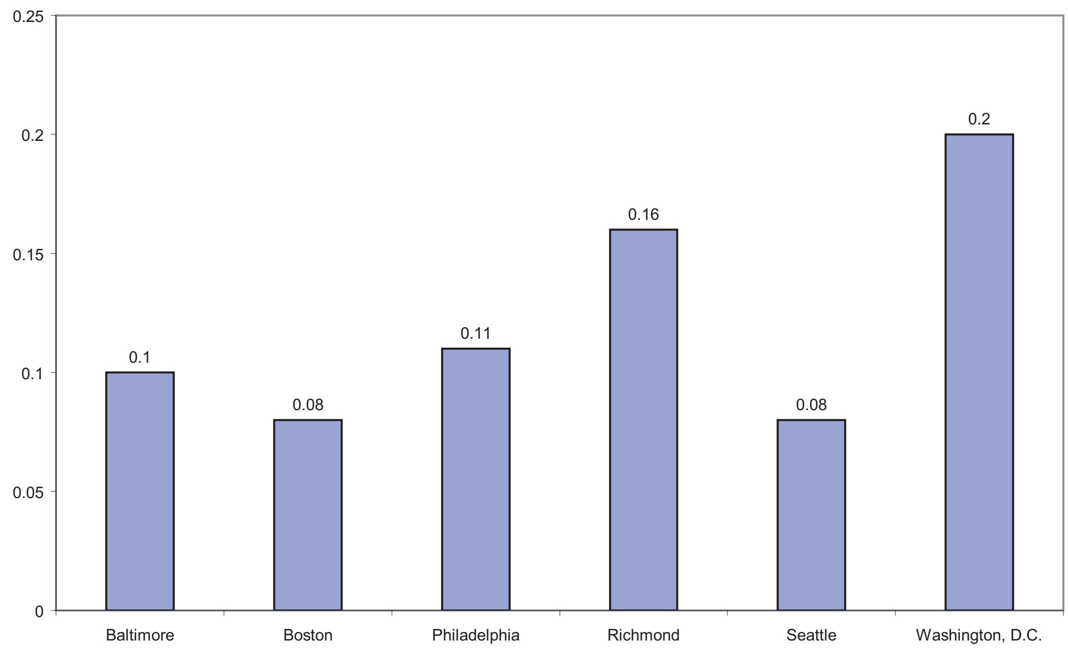
Note: The Department of Parks and Recreation provided all benchmark data.

According to DPR, its 915 acres provide enough land for park, recreation, and open spaces within the urban growth area to satisfy most local and significant regional interests. Knowing the total amount of DPR land helps the agency ensure that land use is being allocated fairly and that a diverse program of uses is being implemented. The total amount of green space in the District is heavily influenced by the availability of other public parklands, namely the holdings of the U.S. National Park Services. The National Park Service has roughly 7,000 acres of accessible parkland within the District of Columbia.

Program: Park and Facility Management (Operations)

One of the key benchmark measures for the Department of Parks and Recreation's (DPR) Park and Facility Management (Operations) program is the number of indoor park facilities per 1,000 District residents. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Indoor Park Facilities Per 1,000 Residents FY 2005



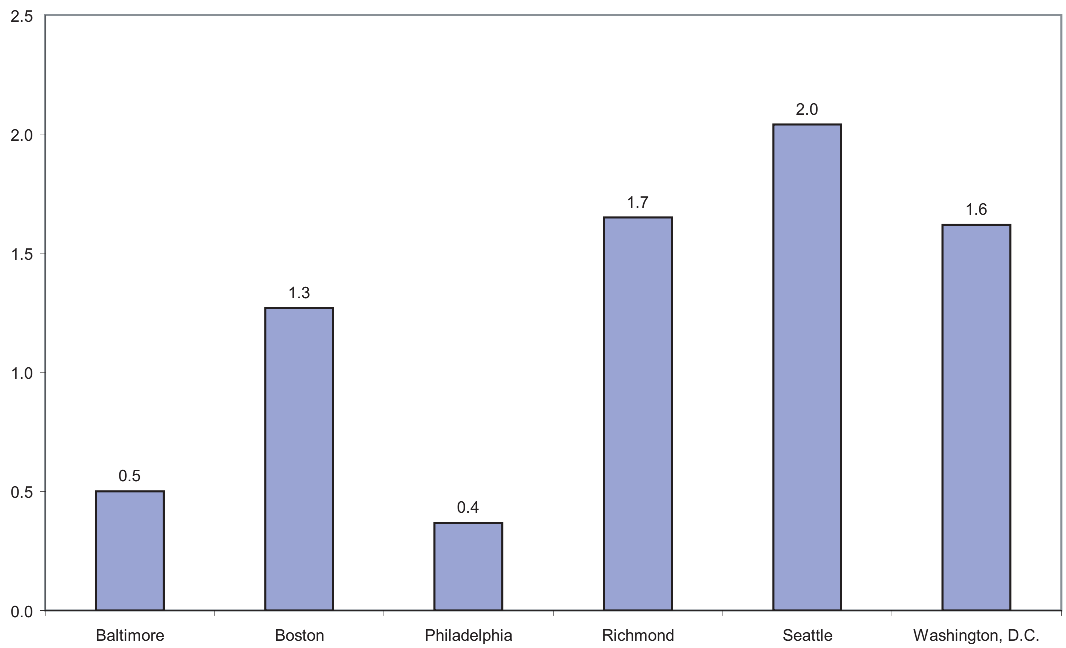
Note: The Department of Parks and Recreation provided all benchmark data.

According to DPR, the agency has more recreation centers per 1,000 constituents than other comparable jurisdictions with similar populations. The agency's performance is positive, in that DPR is striving to serve the District's population with numerous recreation centers. It may be negative as well in that DPR may stretch its resources across too many recreation centers. DPR may be more effective in service delivery with fewer centers that have more concentrated staff.

Program: Recreation Programs

One of the key benchmark measures for the Department of Parks and Recreation's (DPR) Recreational Programs program is the number of Full Time Equivalents (FTEs) per 1,000 District residents. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

FTEs Per 1,000 Residents FY 2005



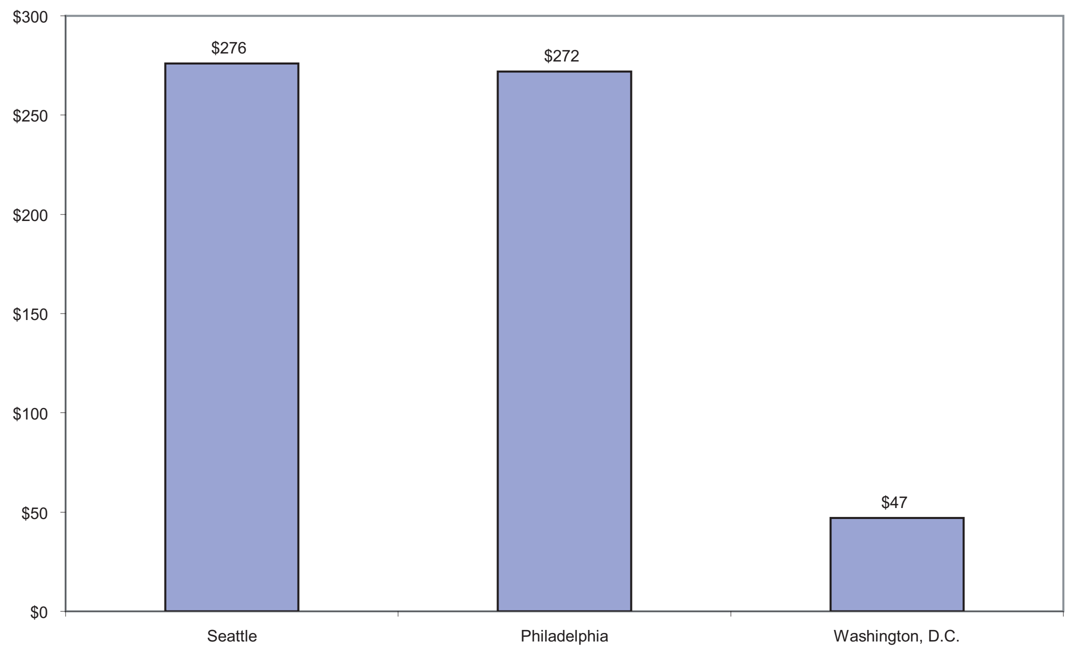
Note: The Department of Parks and Recreation provided all benchmark data.

According to DPR, the District is in the middle of the FTE-to-resident range compared to other jurisdictions. However, relative to other cities, D.C. has many more facilities to operate. The department also offers a very broad range of services, particularly in the area of early education and care. D.C. tourists and a continual flow of out-of-town users place significant demands on DPR services. This benchmark will help DPR review and revise its costs for part-time and seasonal employees as well as maintain its current service levels in various departments using existing FTEs.

Program: Park and Facility Management (Operations) program

One of the key benchmark measures for the Department of Parks and Recreation's (DPR) Park and Facility Management (Operations) program is tree-related expenses per acre of grounds maintained. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Tree-Related Spending Per Acre Maintained FY 2005



Note: The Department of Parks and Recreation provided all benchmark data.

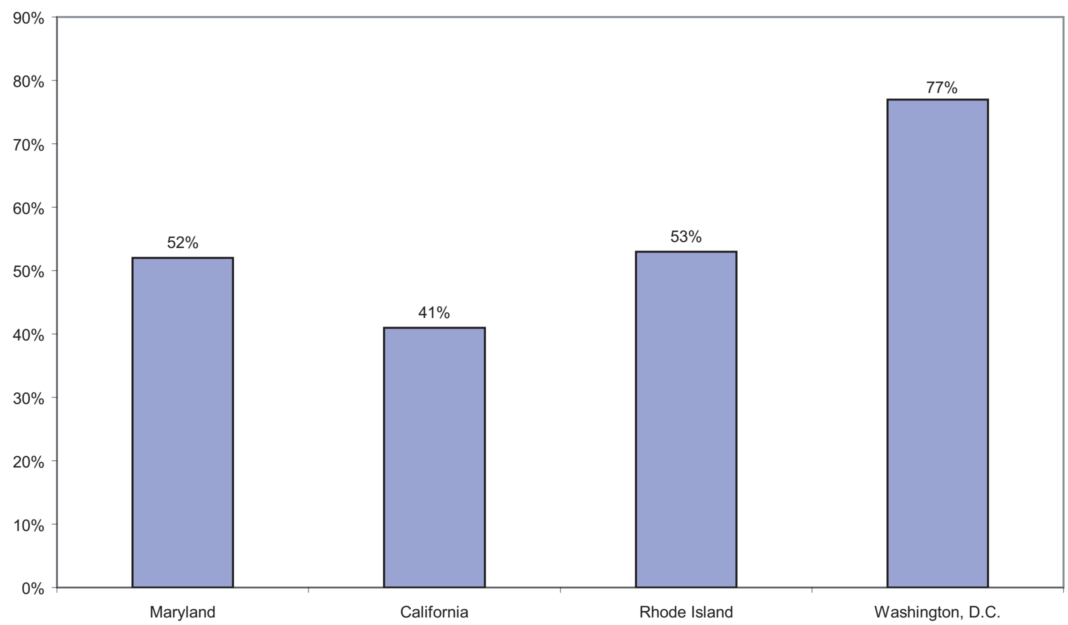
According to DPR, the District spends significantly less on tree care than the comparison jurisdictions. The District's green canopy protects resident health by cleaning the air and cooling the climate. Preventive tree maintenance preserves tree assets, reducing long-term planting and removal costs. DPR will review the benchmark data and pursue strategies for identifying and allocating an appropriate level of tree-related resources

Department of Health (HC0)

Program: Medical Assistance Administration

One of the key benchmark measures for the Department of Health's (DOH) Medical Assistance Administration program is the participation rate in Early, Periodic Screening, Diagnostic and Treatment (EPSDT) services by Medicaid recipients. This measure ties to the District's citywide priority of Strengthening Children, Youth, Families, and Elders. The accompanying table illustrates the District's performance with benchmark jurisdictions

Medicaid Recipient Participation Rate in Early, Periodic Screening, Diagnostic, and Treatment (EPSDT) Services FY 2004



Note: The Department of Health provided all benchmark data.

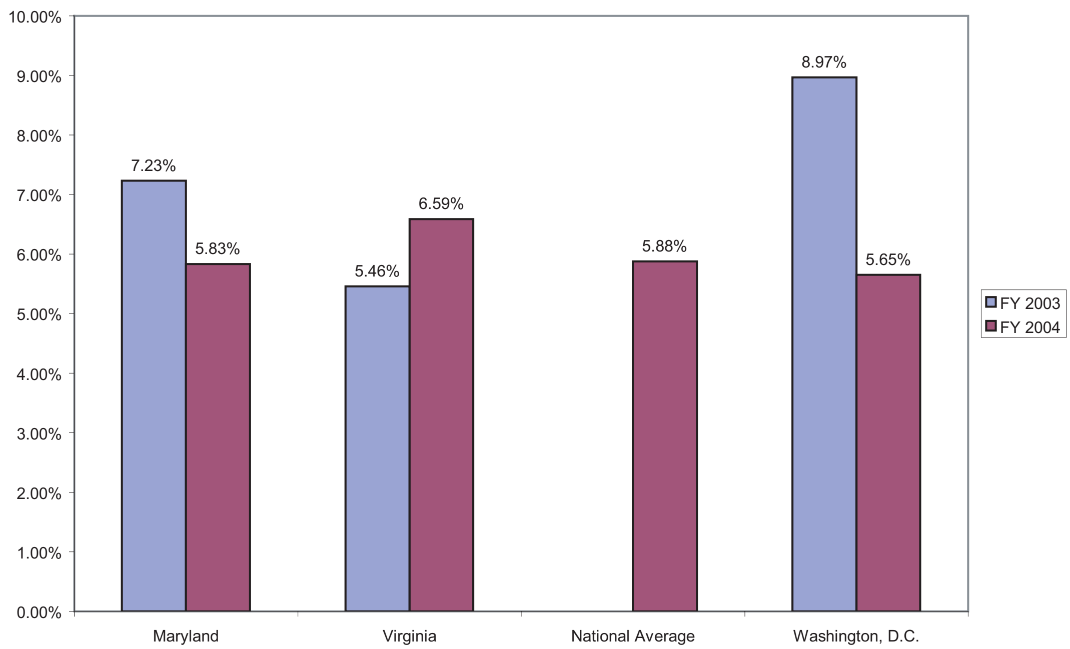
According to DOH, the District's participation rate in EPSDT services exceeds the participation rates of comparison jurisdictions. In the District, the preventive care component of the EPSDT Program is known as the Health Check program. The preventive health care services allow for early identification and treatment of health problems before they become medically complex and costly to treat. Standards for the Healthy Kids program are developed through collaboration with key stakeholders. EPSDT is Medicaid's mandatory benefit package for children under age 21. It includes well-child screening and a broad treatment package.

Department of Human Services (JA0)

Program: Income Maintenance Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Income Maintenance Administration (IMA) program is the combined error rate for food stamps. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Combined Payment Error Rate for Food Stamps



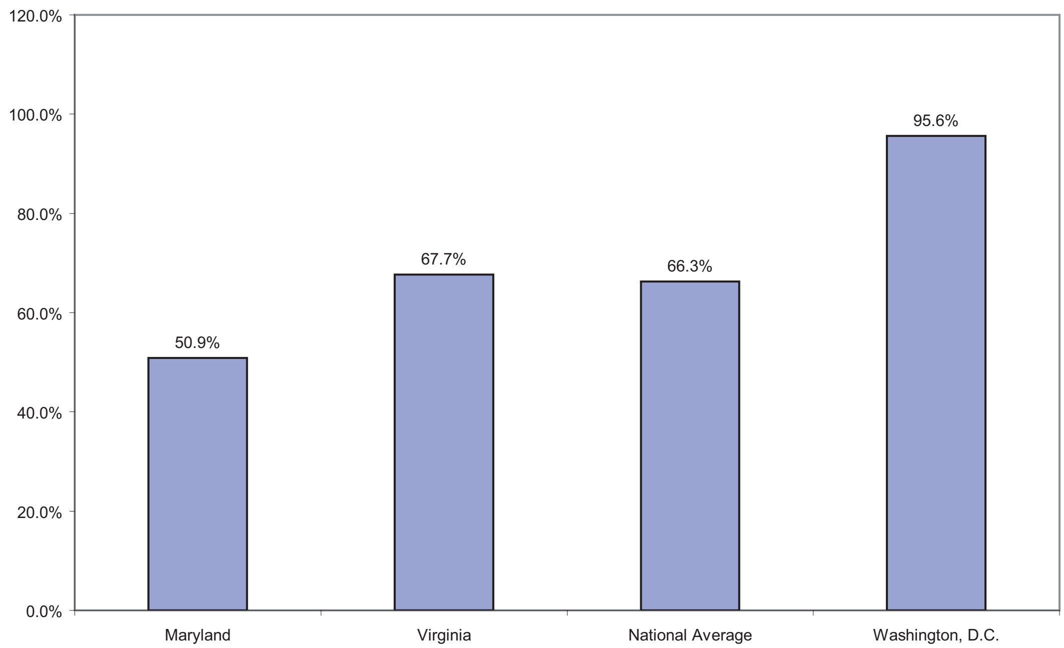
Note: The Department of Human Services provided all benchmark data.

According to DHS, the agency's rate is lower than other jurisdictions in the region and the national rate because IMA continually assesses policy and procedural options and analyzes errors to ensure that there is ongoing quality improvement. Federal financial sanctions and rewards are associated with this measure. The goal is to have the lowest rate possible; a lower rate denotes better performance.

Program: Income Maintenance Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Income Maintenance Administration (IMA) program is the number of food stamp participants compared to the number of persons living below the official poverty line. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Food Stamp Program Access Index FY 2004



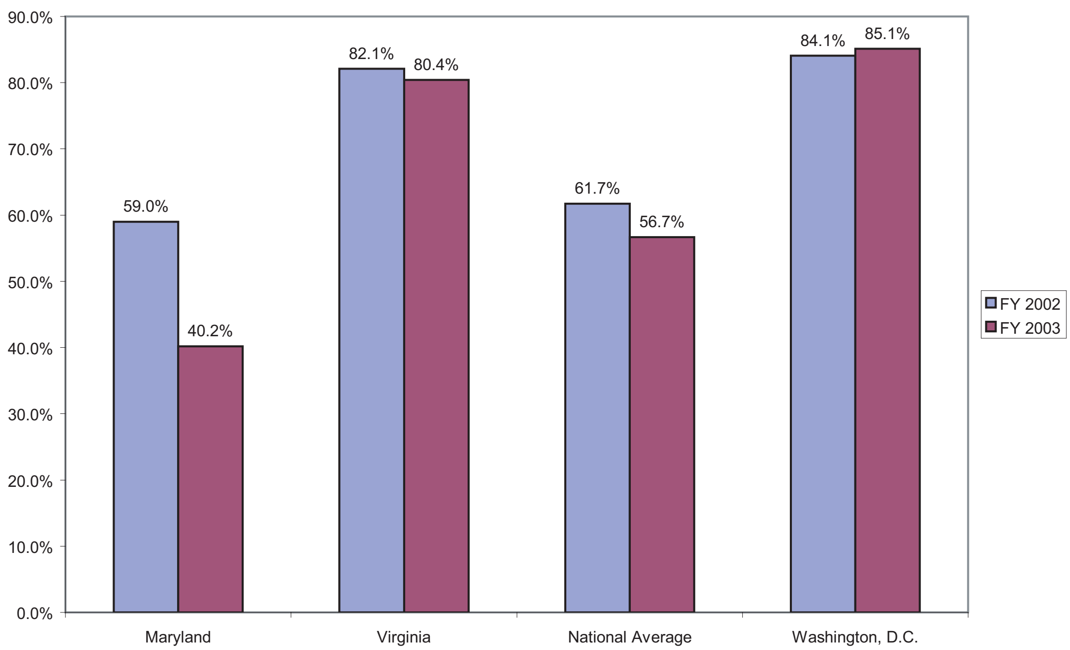
Note: The Department of Human Services provided all benchmark data.

According to DHS, the District's food stamp program access rate is the highest of the comparison jurisdictions. DHS contributes its performance in part to IMA's "customer-friendly" strategies such as extended hours of operation, the ability to report changes in status by telephone, and drop boxes for submission of required documents. This customer service focus makes it easier for individuals and families to apply for and receive necessary benefits, including food stamps.

Program: Income Maintenance Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Income Maintenance Administration (IMA) program is the average monthly percent of adults engaged in unsubsidized employment under TANF. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Average Monthly Percent of Adults Engaged in Unsubsidized Employment TANF



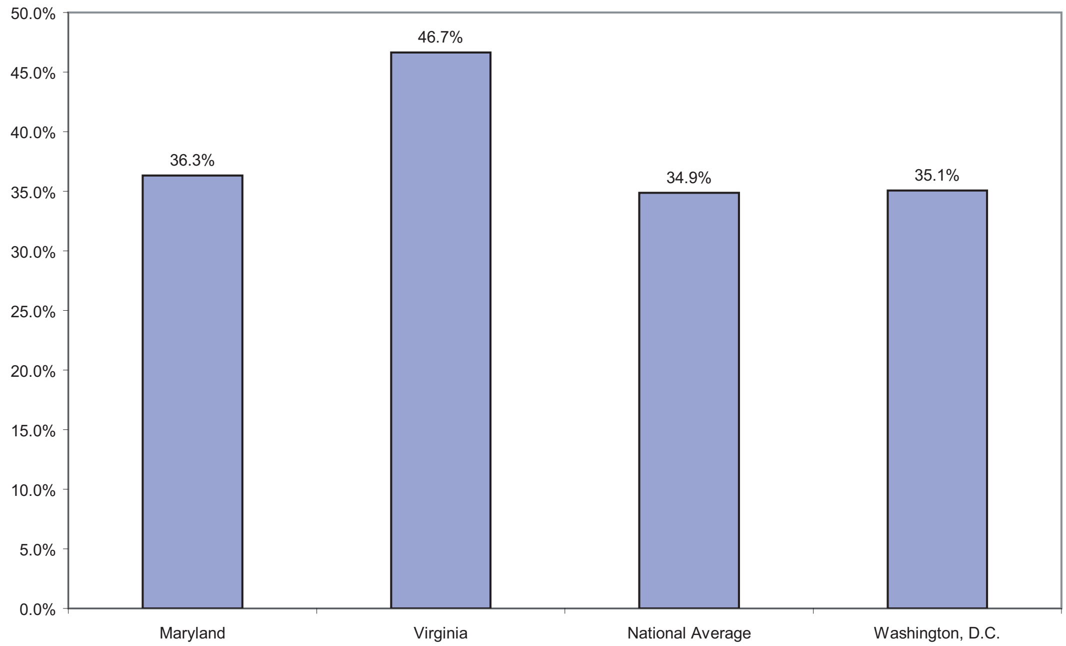
Note: The Department of Human Services provided all benchmark data.

According to DHS, the agency's performance exceeds that of the comparison jurisdictions. IMA employs an aggressive strategy to assist TANF recipients to secure employment through contracted services that are fully performance based. Contractors are paid only when they help IMA customers achieve desired outcomes, such as obtaining employment.

Program: Income Maintenance Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Income Maintenance Administration (IMA) program is the percent of unemployed TANF adult recipients who entered employment for the first time during the performance year. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

TANF Job Entry Rate FY 2004



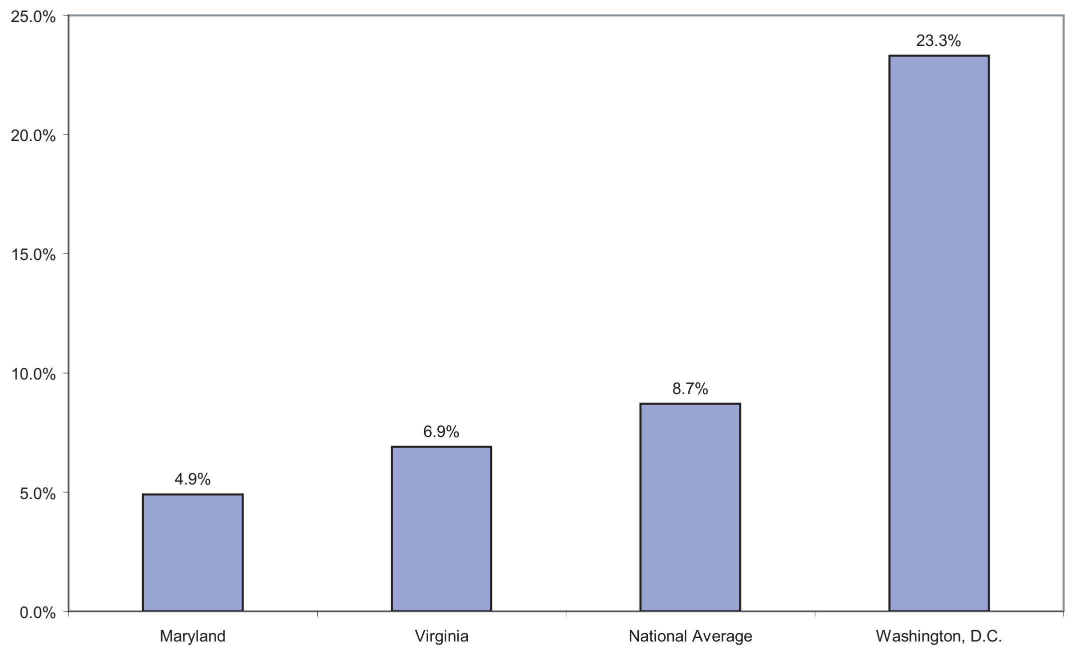
Note: The Department of Human Services provided all benchmark data.

According to DHS, the District's TANF job entry rate was slightly above the national average and increased by 24 percent over the prior fiscal year. An adult is considered to have entered employment for the first time in a calendar quarter if the adult had no earnings in any of the prior quarters of the performance year.

Program: Early Childhood Development

One of the key benchmark measures for the Department of Human Services' (DHS) Early Childhood Development program is the percent of child development facilities that are nationally accredited. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Nationally Accredited Child Development Facilities CY 2004



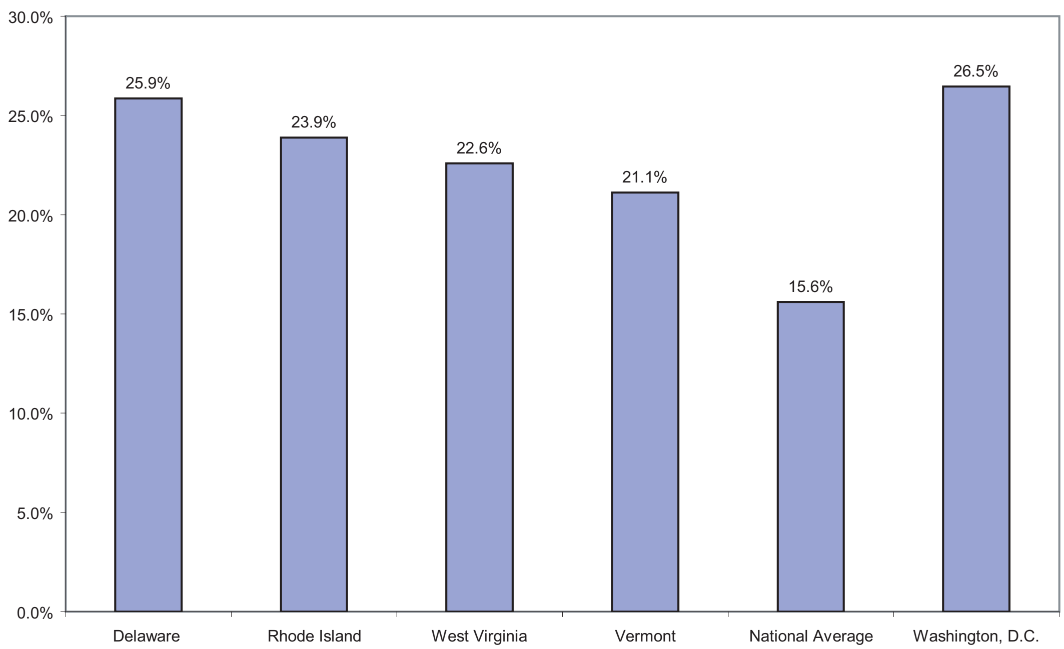
Note: The Department of Human Services provided all benchmark data.

According to DHS, the agency provides a high level of support to accreditation activities in the District. The Office of Early Childhood Development (OECD) funds training, professional development, and technical assistance so that child development centers may work toward attaining accreditation. Personnel employed by the centers may use funds to pursue degrees in the child development field. Centers are supported through funding of age and developmentally appropriate equipment and supplies. Consultants work with individual child development centers to guide them through the accreditation process. Funding may also be used to pay accreditation fees.

Program: Early Childhood Development

One of the key benchmark measures for the Department of Human Services' (DHS) Early Childhood Development program is the subsidized child-care access rate. This is a measure of the percent of children served under the Child Care and Development Fund (CCDF) program, which provides grants to jurisdictions for child care subsidy programs. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Subsidized Child Care Access Rate FY 2004

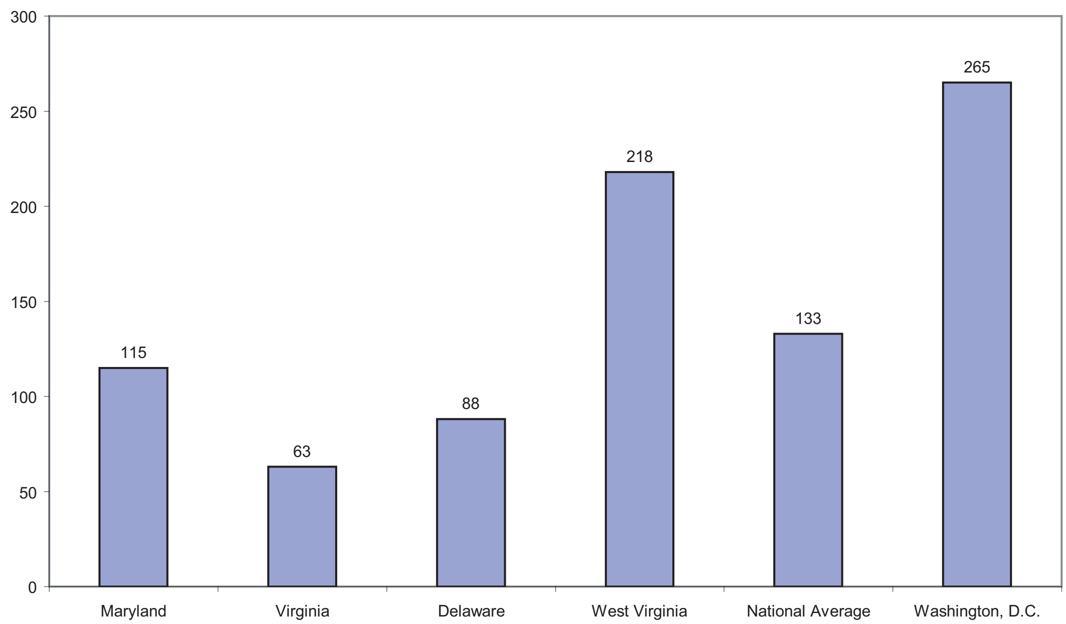


Note: The Department of Human Services provided all benchmark data.

According to DHS, the District had the highest subsidized child-care access rate in the nation. Comparison data is provided for the top 5 jurisdictions and the national average. The latest data cover 27 of 54 jurisdictions. Those not covered were either not eligible, did not participate, or did not report to the federal government in a timely manner.

Program: Mental Retardation and Developmental Disabilities (MRDD)
One of the key benchmark measures for the Department of Human Services' (DHS) Mental Retardation and Developmental Disabilities (MRDD) program is the utilization rate by individuals with mental retardation/developmental disabilities of 1 to 15 person community residential settings. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Utilization Rate by Individuals with MR/DD of 1-15 Person Community Residential Settings per 100,000 Population FY 2004



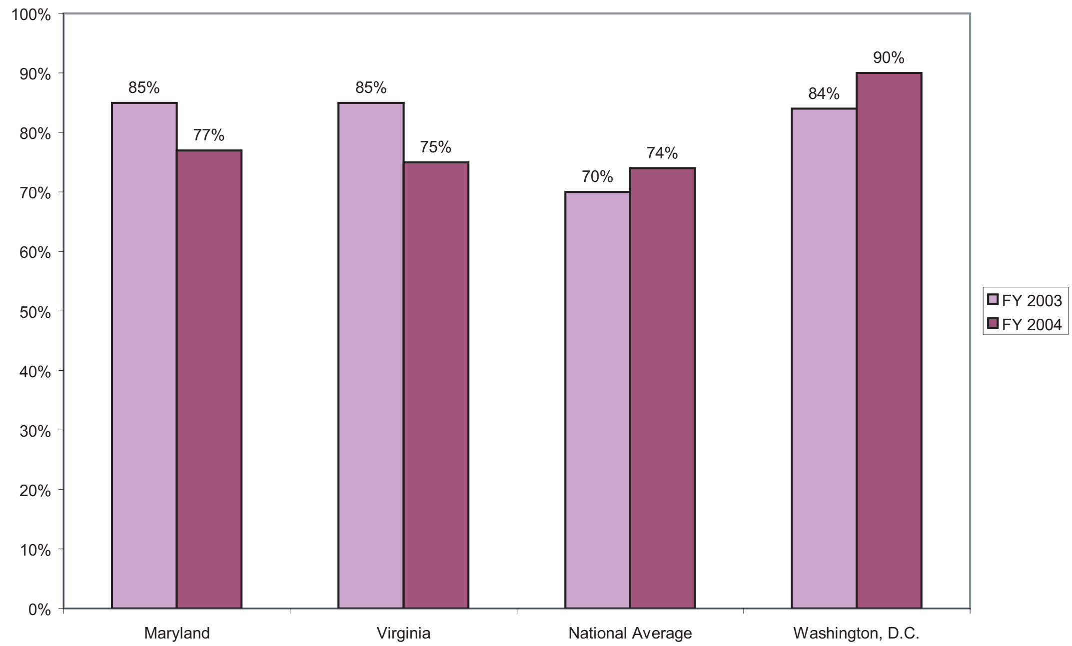
Note: The Department of Human Services provided all benchmark data.

According to DHS, the utilization rate for the District of Columbia (D.C.) is 265. Of the 51 jurisdictions in the US (50 states plus D.C.), D.C. is ranked fifth nationally in terms of the utilization rate behind the following states: #1 Wisconsin (rate: 292); #2 Maine (rate: 287); #3 South Dakota (rate: 280); and #4 Minnesota (rate: 270). The District has strong performance on this measure because MRDD consumers are placed in the least restrictive setting. Typically, these settings are community-based.

Program: Family Services Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Family Services Administration (FSA) program is the percentage of refugees served that retained employment for 90 days. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Refugees in Employment for 90 Days



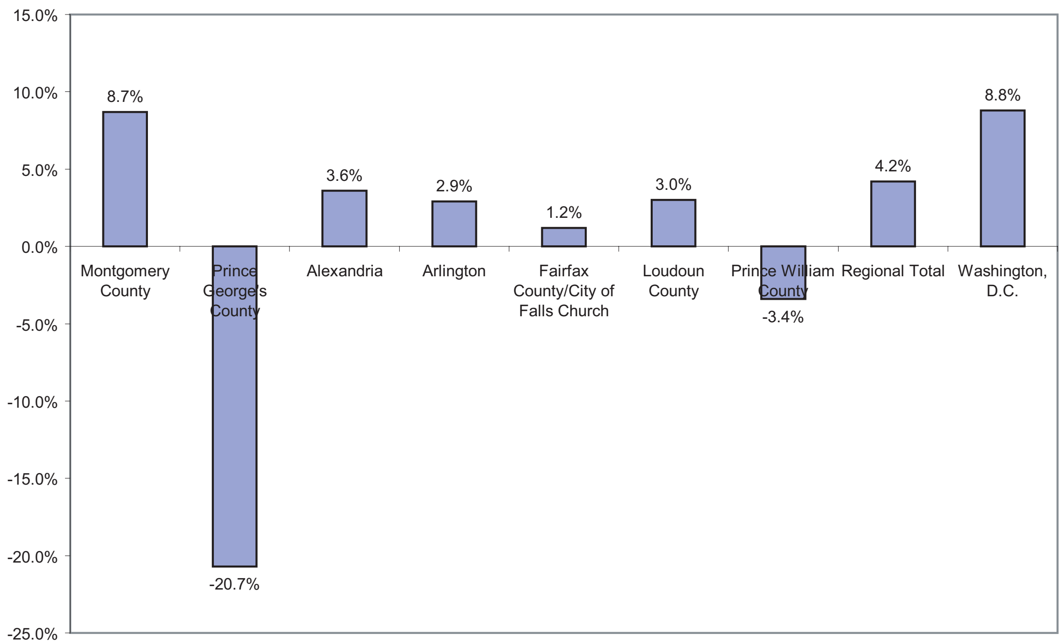
Note: The Department of Human Services provided all benchmark data.

According to DHS, the District's rate of 90 percent exceeds the rates of comparison jurisdictions. The Refugee Resettlement activity works to move clients toward self-sufficiency so that clients will earn enough that additional cash assistance is not required.

Program: Family Services Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Family Services Administration (FSA) program is the rate of change in the count of homeless persons in the District of Columbia. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Rate of Change in Number of Homeless Persons CY 2004 - 2005



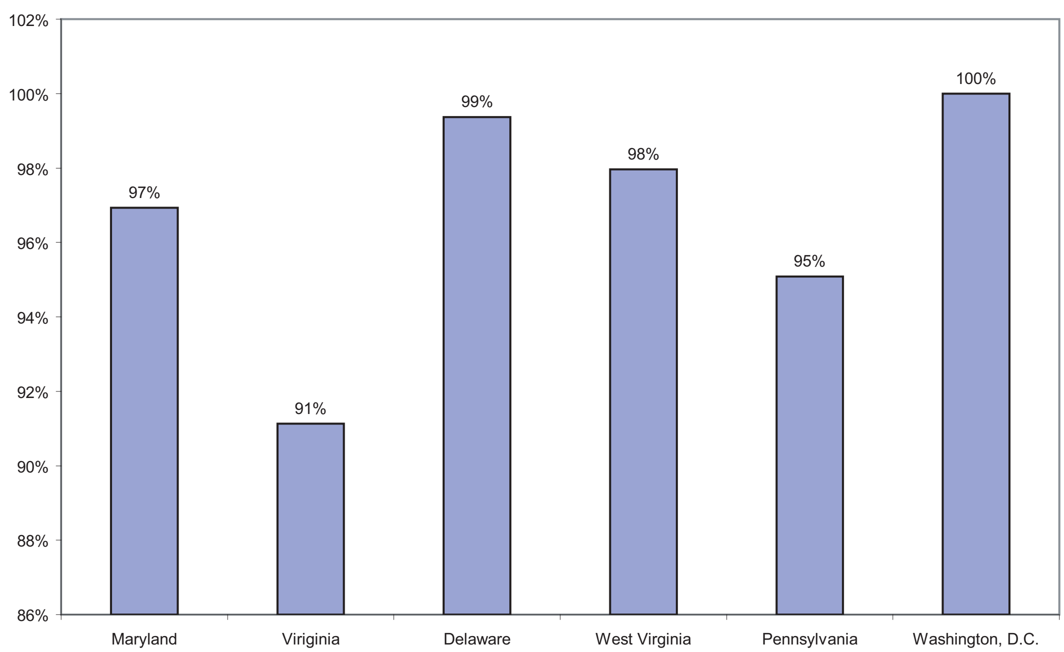
Note: The Department of Human Services provided all benchmark data.

According to DHS, the percent of homeless persons in the District increased by 8.8 percent or 724 individuals. The District had the highest increase in the percent of homeless persons in the region. The Homeless Enumeration report, produced by the Metropolitan Washington Council of Governments, tracks both the "literally homeless" (i.e., those without shelter or residing in temporary shelter) and the "permanently supported homeless" (i.e., those in permanent housing, but at risk of homelessness without supportive services). The data is produced by counting the homeless at a point in time, which for the FY 2005 report was January 26, 2005.

Program: Rehabilitation Services Administration

One of the key benchmark measures for the Department of Human Services' (DHS) Rehabilitation Services Administration (RSA) program is the percent of RSA clients who maintain competitive employment for a minimum of 90 days. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of RSA Clients Maintaining Competitive Employment for 90 Days in FY 2004



Note: The Department of Human Services provided all benchmark data.

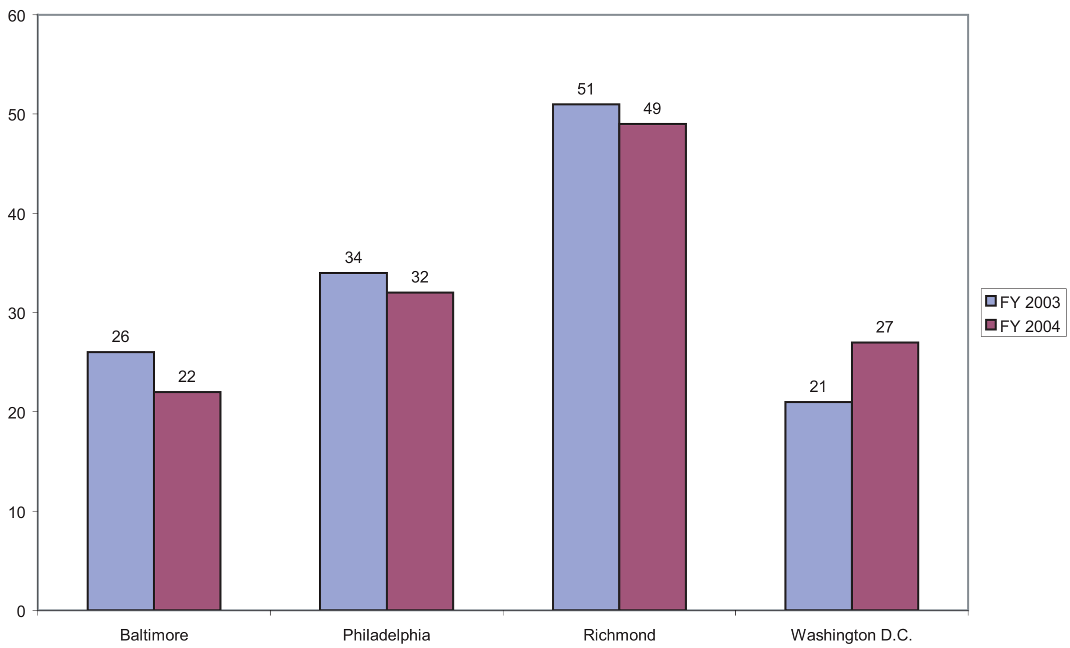
According to DHS, the District's competitive employment outcomes rate of 100 percent exceeds the rates of the comparison jurisdictions. Competitive employment refers to work in the competitive labor market that is performed on a full-time or part-time basis in an integrated setting and for which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled. The strong performance on this measure is a result of the individualized approach in service provision that RSA uses. Each consumer has an employment program tailored to meet his or her specific situation.

Department of Youth Rehabilitation Services (JZ0)

Program: Secure Programs

One of the key benchmark measures for the Department of Youth Rehabilitation Services' (DYRS) Secure Programs program is the number of admissions to a secure detention per 1,000 youth ages 12-17. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Admissions to Secure Facilities Per 1,000 Youth



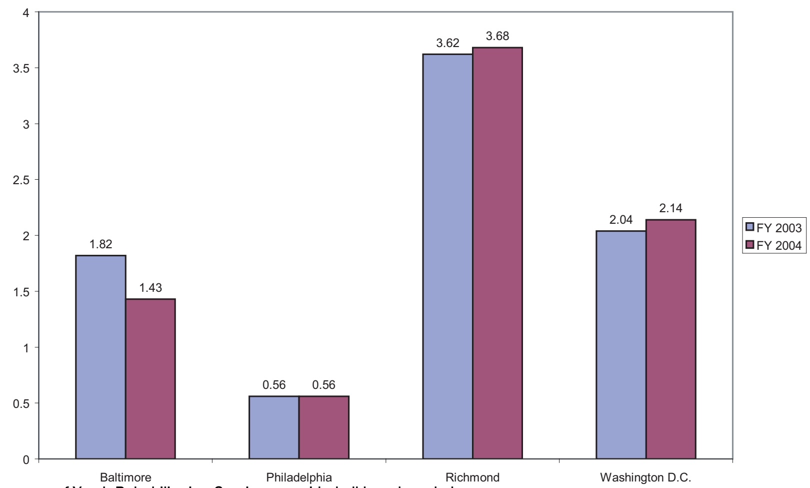
Note: The Department of Youth Rehabilitation Services provided all benchmark data.

According to DYRS, the rate of 21 admissions per 1,000 youth is likely a function of a wide range of factors, including amount of juvenile crime and detention practices. Philadelphia's admissions rate of 34 per 1,000 youth was significantly higher than the District's, but the average population at the detention center was the same. This reflects a much shorter length of stay for the average detainee at Philadelphia's Youth Studies Center than at the District's facility, Oak Hill. Another reason Philadelphia's admissions rate is higher than D.C.'s is how an "admission" is defined. In direct contrast with Philadelphia, when youth spend the night at the Oak Hill Youth Center after arrest and then go directly to court the next morning for their initial hearings, they are not counted as admissions. Only youth who are court-ordered into DYRS' care are officially "admitted" to Oak Hill. Richmond's admissions rate of 51 per 1,000 youth was much higher than the other jurisdictions, but this actually represents a sharp decrease from the previous year (1,219 admissions).

Program: Secure Programs

One of the key benchmark measures for the Department of Youth Rehabilitation Services' (DYRS) Secure Programs program is the number of youth days in a secure detention per 1,000 youth ages 12-17. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Days in Secure Detention Per 1,000 Youth



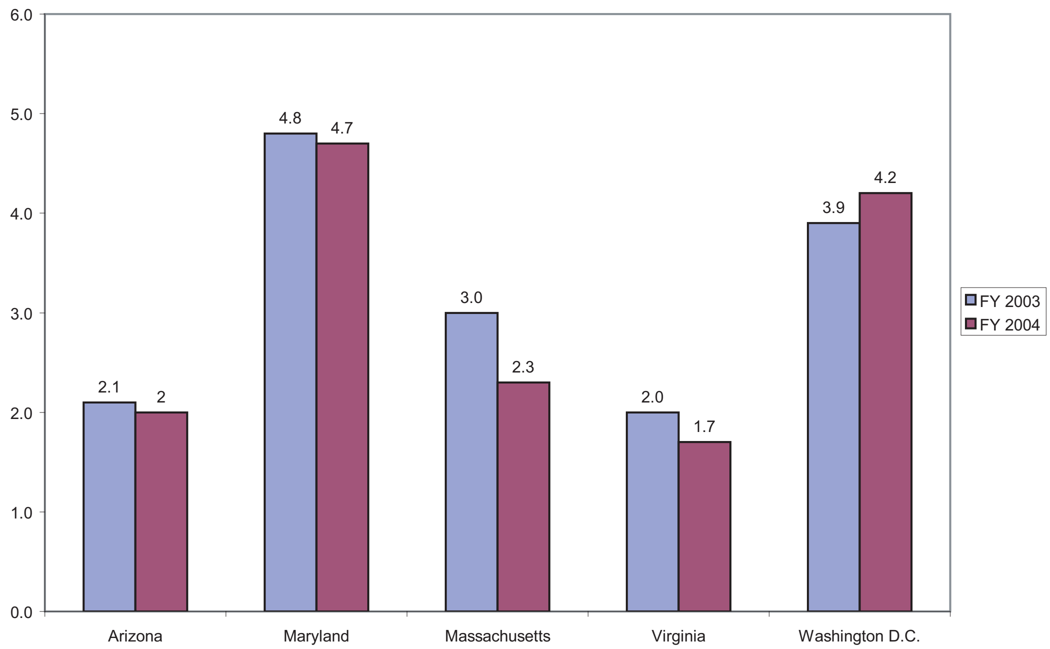
Note: The Department of Youth Rehabilitation Services provided all benchmark data.

According to DYRS, although Washington, D.C.'s secure detention admissions rate per 1,000 youth was lower than Philadelphia (and Richmond), the average population in secure detention per 1,000 youth is much higher than Philadelphia and is also higher than Baltimore. Philadelphia had 5,896 detention admissions compared with 995 for D.C., but the average daily population was the same because Philadelphia had a much shorter length of stay (8 days) than the District. By comparison, among securely detained youth released from Oak Hill in 2004, the average length of stay was 26 days. Therefore, at any given time, D.C. has a higher proportion of youth in secure detention (compared with the overall youth population) than Baltimore and Philadelphia. Richmond has an even higher average proportion of youth in secure detention - more than 6 times the rate for Philadelphia and more than double the rate for Baltimore. The reason Philadelphia has the lowest average is likely because the court-ordered capacity for the Youth Study Center is much lower, per 1,000 residents, than the capacity in other jurisdictions. Philadelphia has a wide range of less secure options, including shelter homes in which all educational and other programming is conducted on site. They also have up to 500 slots for programs that serve as an alternative to out of home detention, including electronic monitoring, intensive supervision, voice tracking, and home detention. Also, all Philadelphia youth 15-17 years of age who are charged with a felony involving a weapon are processed through adult court and therefore are not placed in the juvenile detention center. Richmond's detention center had an average population that exceeded the capacity, and the capacity is somewhat large in relation to the number of youth in the city. At any given time, a significant number of beds in Richmond's detention center are occupied by probation or parole violators. In the District and Richmond the average number of youth in secure detention increased from FY 2003 to FY 2004, while the average daily population remained the same in Philadelphia and decreased significantly in Baltimore.

Program: Division of Court and Community Programs

One of the key benchmark measures for the Department of Youth Rehabilitation Services' (DYRS) Division of Court and Community Programs program is the number of new commitments per year per 1,000 youth ages 12-17. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of New Commitments Per 1,000 Youth



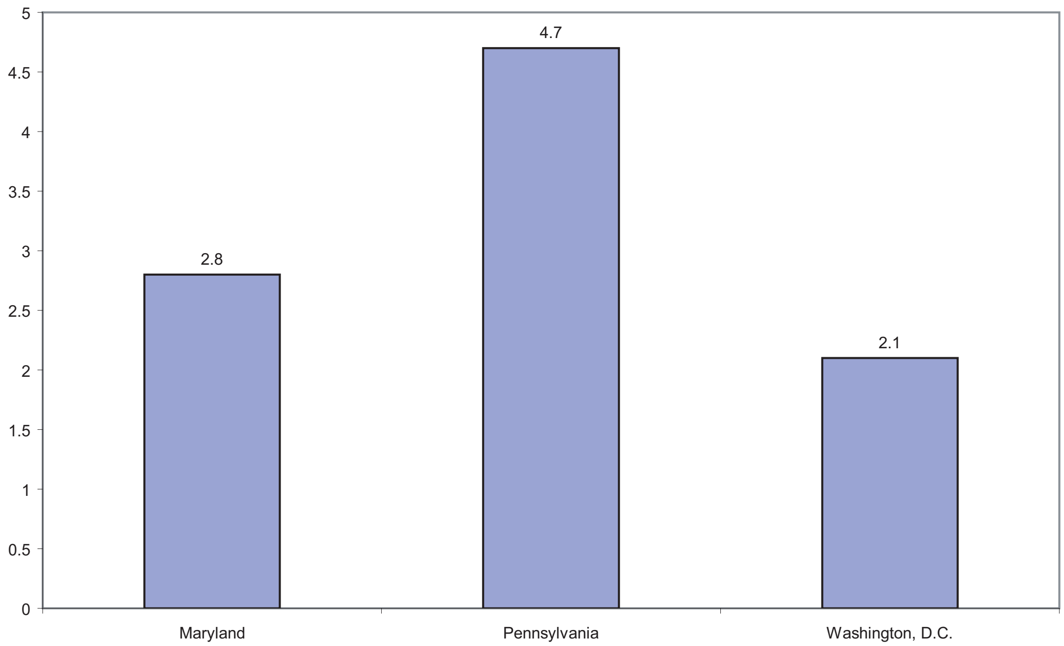
Note: The Department of Youth Rehabilitation Services provided all benchmark data.

According to DYRS, of the 4 comparison states, only Maryland has a higher rate of commitment per 1,000 youth than Washington, D.C.. The only surprise here is that Maryland actually has such a high rate of commitment. DYRS would have hypothesized that the District had the highest rate of commitment of the 5 states, mainly due to the District's unique characteristics. In contrast with the other states listed here, D.C. is 100 percent urban, almost ensuring a higher rate of crime than these states. While the major metropolitan areas of the other states may have crime rates similar to that of the D.C. area, one would not expect the entire state to have as much per capita crime. This is due mostly to the concentration of poverty in cities and the fact that the density of cities itself can cause additional crime, as residents live much closer to one another.

Program: Child Welfare

One of the key benchmark measures for the Child and Family Services Agency's Child Welfare program is the number of finalized adoptions per 1,000 children. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families, and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Finalized Adoptions Per 1000 Children FY 2003



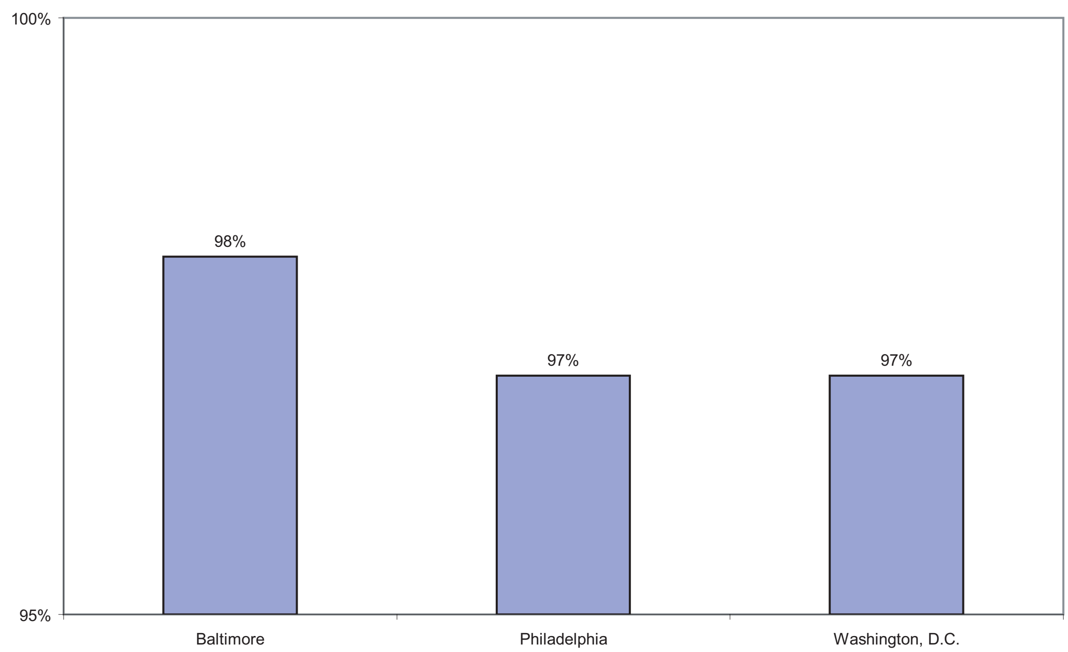
Note: The Child and Family Services Agency provided all benchmark data.

According to CFSA, the District's performance on this benchmark falls below the comparison jurisdictions. The agency noted, however, that it is difficult to compare the District to states on this measure. CFSA has focused its attention on children in foster care who do not have adoptive resources identified (parents who have indicated they are willing to adopt the child) and aggressively pursued recruiting adoptive homes for these children. These steps express the District's philosophy that children do better when they are in permanent family environments.

Program: In-Home and Reunification

One of the key benchmark measures for the Child and Family Services Agency's (CFSA) In-Home and Reunification program is placement stability: percent of children placed into foster care having 2 or fewer placements within 12 months of entering foster care. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families, and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Children in Foster Care with 2 or Fewer Placements within 12 Months FY 2003



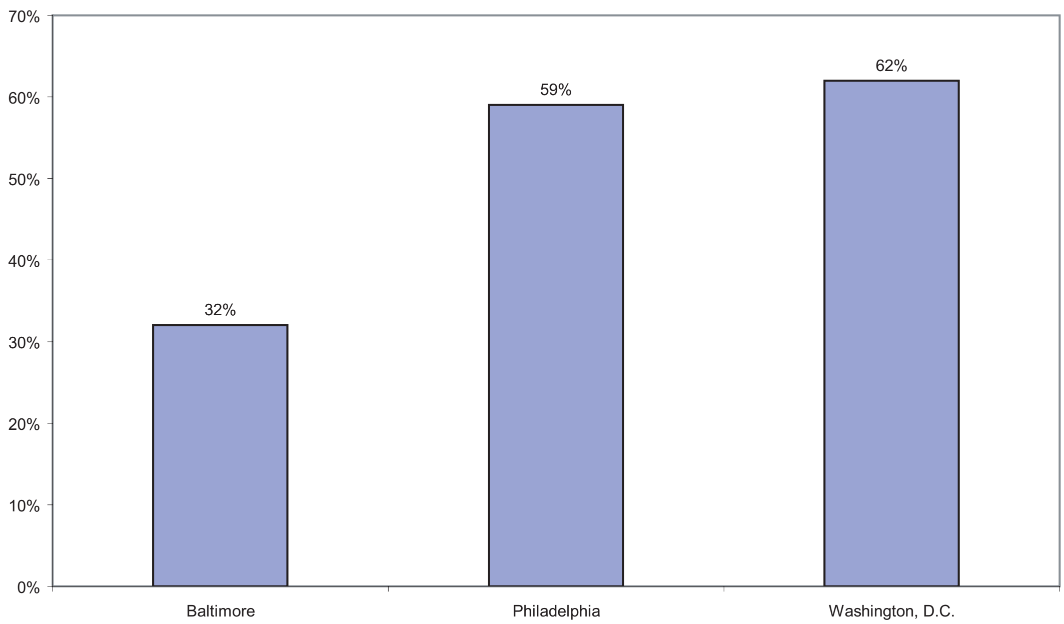
Note: The Child and Family Services Agency provided all benchmark data.

According to CFSA, the District compares well with other jurisdictions in this measure due to the emphasis placed on permanency and permanency stability for children. CFSA has given considerable attention to the number of moves that children in foster care have and are working diligently to reduce the number of placements our children experience in care. CFSA has established placement protocols that make it difficult to move children without compelling reasons. These steps express the District's philosophy that children do better when they are in permanent family environments.

Program: In-Home and Reunification

One of the key benchmark measures for the Child and Family Services Agency's (CFSA) In-Home and Reunification program is the percent of children in foster care reunified with their family of origin within 12 months of removal from home. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families, and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Children in Foster Care Reunified with Family of Origin in 12 Months of Removal from Family FY 2003



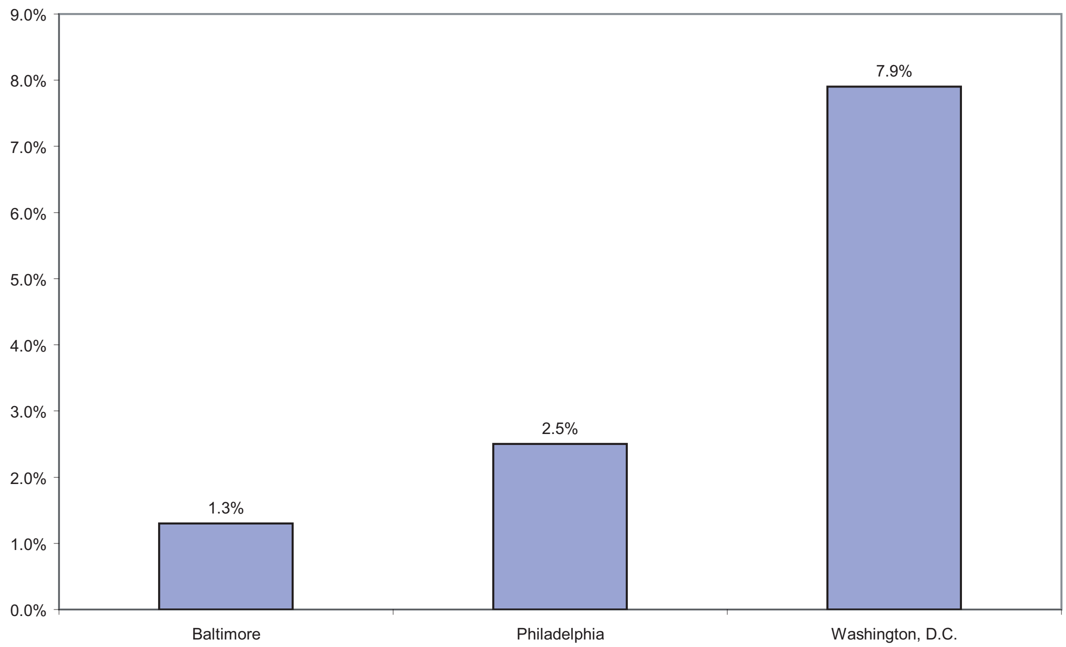
Note: The Child and Family Services Agency provided all benchmark data.

According to CFSA, the District compares well with other jurisdictions in this measure due to the emphasis placed on permanency and permanency stability for children. The agency has developed reports that allow a more comprehensive examination of the time that children remain in care and are working diligently to expedite permanency for children.

Program: In-Home and Reunification

One of the key benchmark measures for the Child and Family Services Agency's (CFSA) In-Home and Reunification program is the percent of children exiting foster care to guardianship care. This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families, and Elders*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Children Exiting Foster Care to Guardianship Care FY 2003



Note: The Child and Family Services Agency provided all benchmark data.

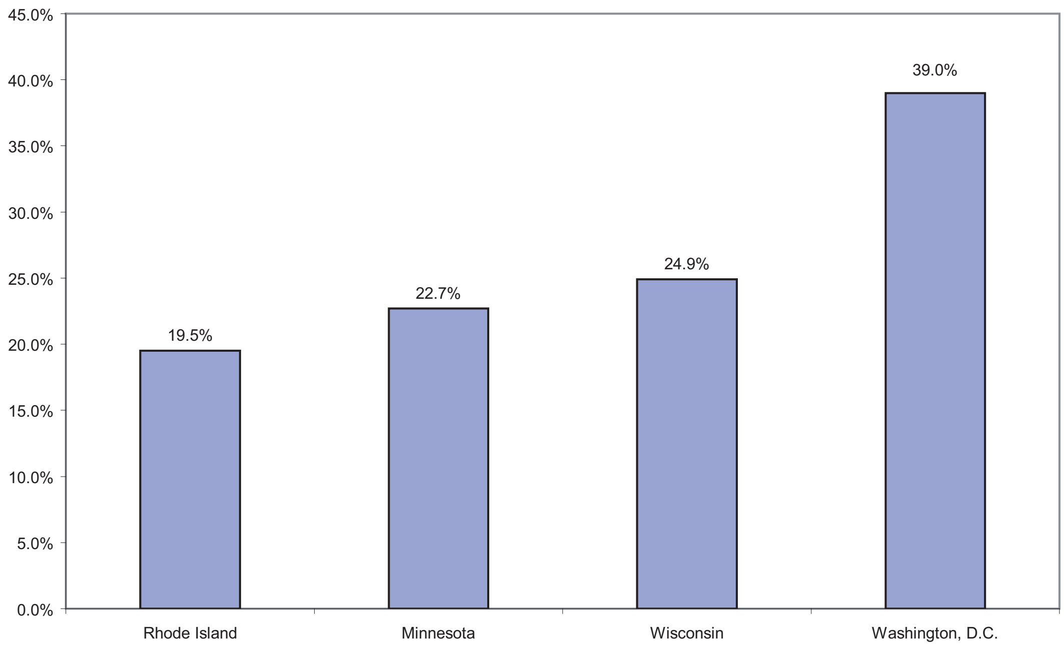
According to CFSA, the District exceeds the performance of comparison jurisdictions on this benchmark. The District's percentage was 3 times higher than Philadelphia and 6 times higher than Baltimore.

D.C. Energy Office (EN0)

Program: Energy Assistance Services Program

One of the key benchmark measures for the D.C. Energy Office (DCEO) Energy Assistance Services program is the percentage of eligible households receiving assistance through the Low Income Households Energy Assistance Program (LIHEAP). This measure ties to the District's citywide priority of *Strengthening Children, Youth, Families, and Elders*. The accompanying table illustrates the District's performance.

Percent of Eligible Households Receiving Assistance Through LIHEAP FY 2005



Note: The D.C. Energy Office provided all benchmark data.

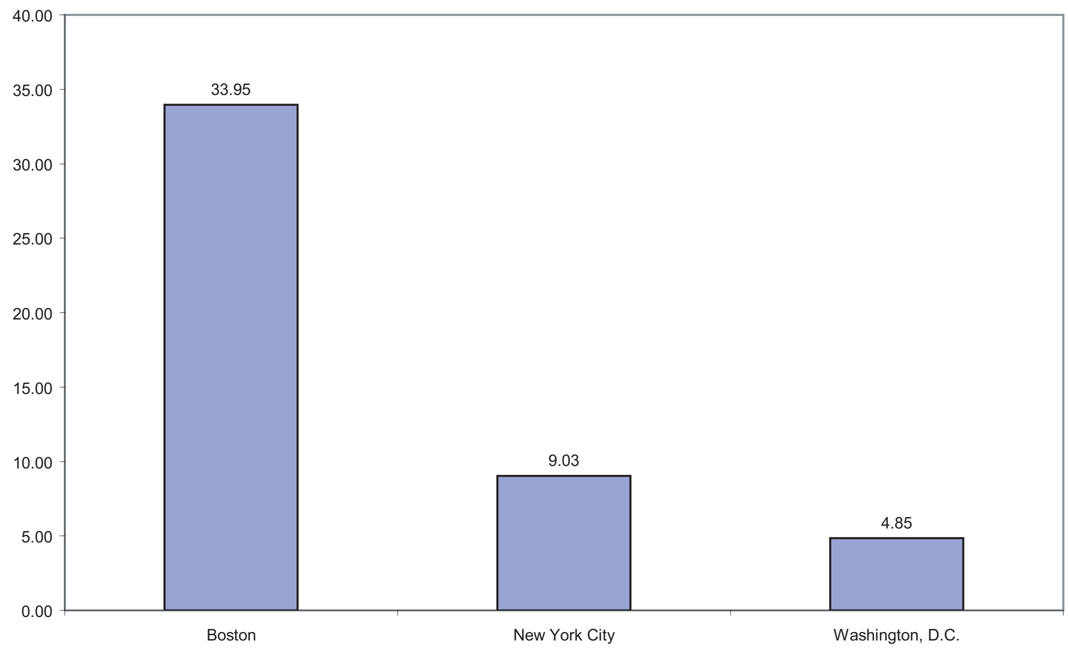
According to DCEO, the agency ranks number 1 in the country with a total of 22,405 LIHEAP recipients and 58,000 Eligible Households, making the percentage served 39 percent. DCEO has a higher performance rating as compared to the other jurisdictions for the following reasons: (1) DCEO has installed an electronic payment system that is fast and efficient; (2) In addition to providing energy assistance, DCEO's LIHEAP program provides energy efficiency education as well as workshops on how to better manage energy bills to eligible customers; and (3) DCEO has the highest percent of benefit awards in the nation.

District Department of Transportation (KA0)

Program: Infrastructure Development and Maintenance

One of the key benchmark measures for the District Department of Transportation's (DDOT) Infrastructure Development and Maintenance program is the number of pothole complaints per mile of roadway maintained. This measure ties to the District's citywide priority of *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Pothole Complaints Per Mile of Roadway Maintained FY 2005



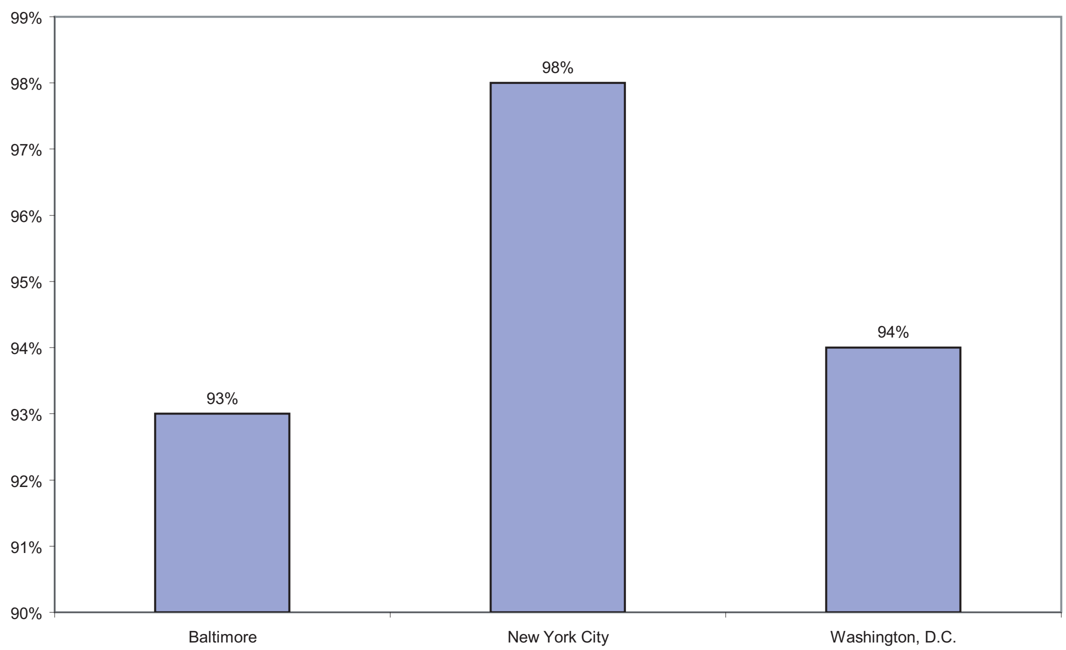
Note: The District Department of Transportation provided all benchmark data

According to DDOT, the agency's complaint levels are relatively low in relation to the comparison jurisdictions. One of DDOT's most critical service requests, the number of pothole complaints per mile of roadway maintained is a method to evaluate the quality of the District's roadway surfaces.

Program: Infrastructure Development and Maintenance

One of the key benchmark measures for the District Department of Transportation's (DDOT) Infrastructure Development and Maintenance program is the percent of traffic signals repaired within established timeframes. This measure ties to the District's citywide priority of *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Traffic Signals Repaired within Established Timeframes FY 2005



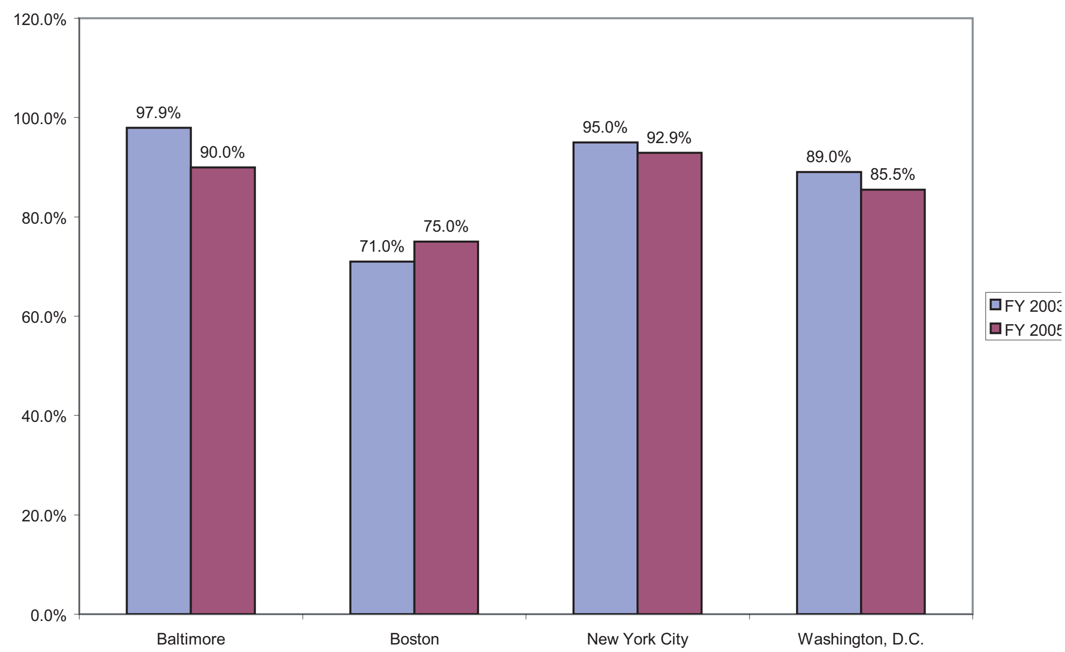
Note: The District Department of Transportation provided all benchmark data.

According to DDOT, the District's performance is on par with the comparison jurisdictions. DDOT's timeframes are more aggressive than comparison jurisdictions. The timeframe for New York City is 48 hours from the time of notification; DDOT's timeframe is 24 hours from the time of notification. The agency's performance remains high, despite the shorter timeframe. DDOT has improved its performance in this area by focusing additional resources onto service requests and by replacing aging traffic signals.

Program: Infrastructure Development and Maintenance

One of the key benchmark measures for the District Department of Transportation's (DDOT) Infrastructure Development and Maintenance program is the percent of streetlights repaired within established timeframes. This measure ties to the District's citywide priority of *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of Streetlights Repaired within Established Timeframes

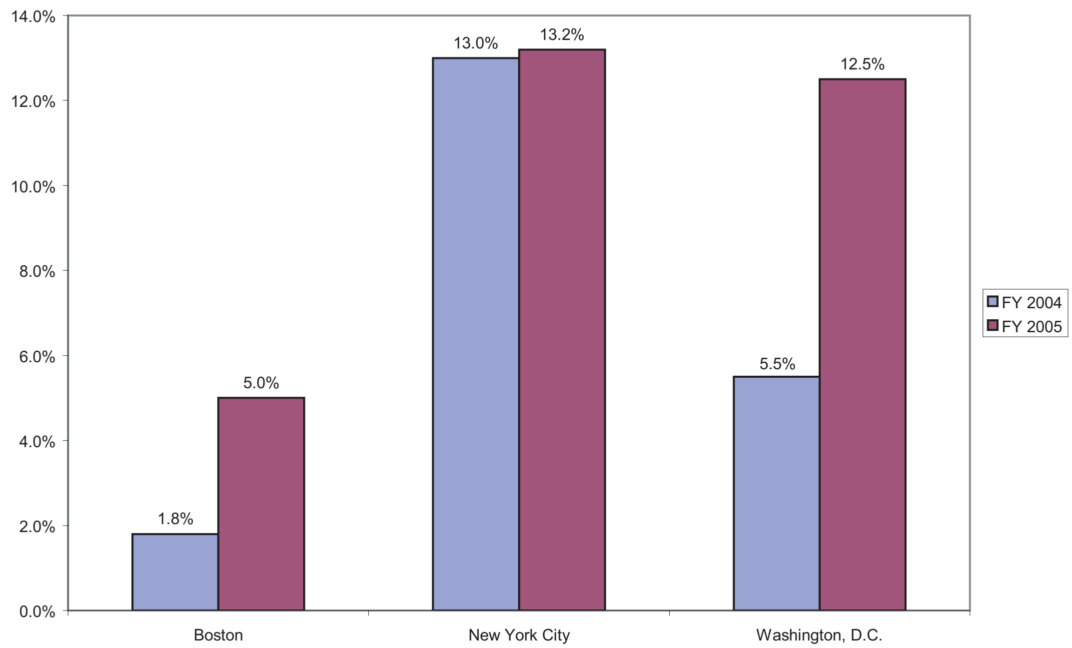


Note: The District Department of Transportation provided all benchmark data.

According to DDOT, the agency's performance is slightly below the comparison jurisdictions. District's timeframes for repairs, however, are more aggressive than comparison jurisdictions. Established timeframes for New York and Boston are ten days from the time of notification. The District's timeframe is 5 days from the time of notification. The agency's performance remains high despite the shorter timeframes.

Program: Infrastructure Development and Maintenance

One of the key benchmark measures for the District Department of Transportation's (DDOT) Infrastructure Development and Maintenance program is the percent of District maintained roads repaved per year. This measure ties to the District's citywide priority of *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.



Note: The District Department of Transportation provided all benchmark data.

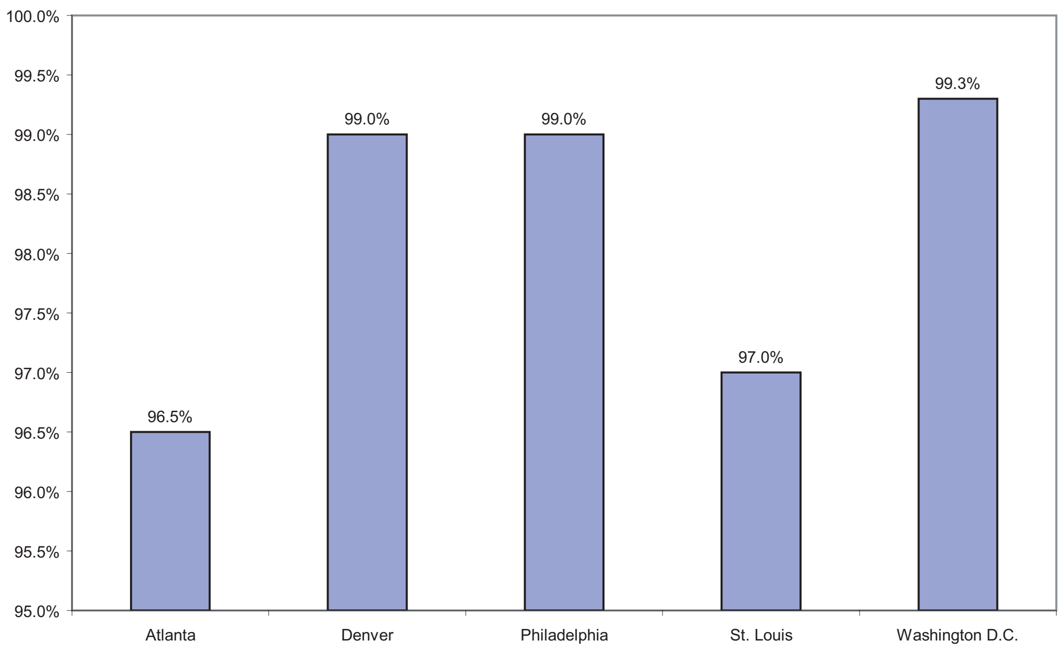
According to DDOT, the District repaves at a rate that is consistent with New York City's rate. The District is well ahead of Boston in the amount of roadway it repaves annually. The need for repaving is likely greater in Washington than in Boston, due to the higher temperature variance from winter to summer.

Department of Public Works (KT0)

Program: Sanitation Services

One of the key benchmark measures for the Department of Public Works' (DPW) Sanitation Services program is the percent of residential trash collected on the scheduled day. This measure ties to the District's citywide priority of *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of On-time Trash Removal FY 2005



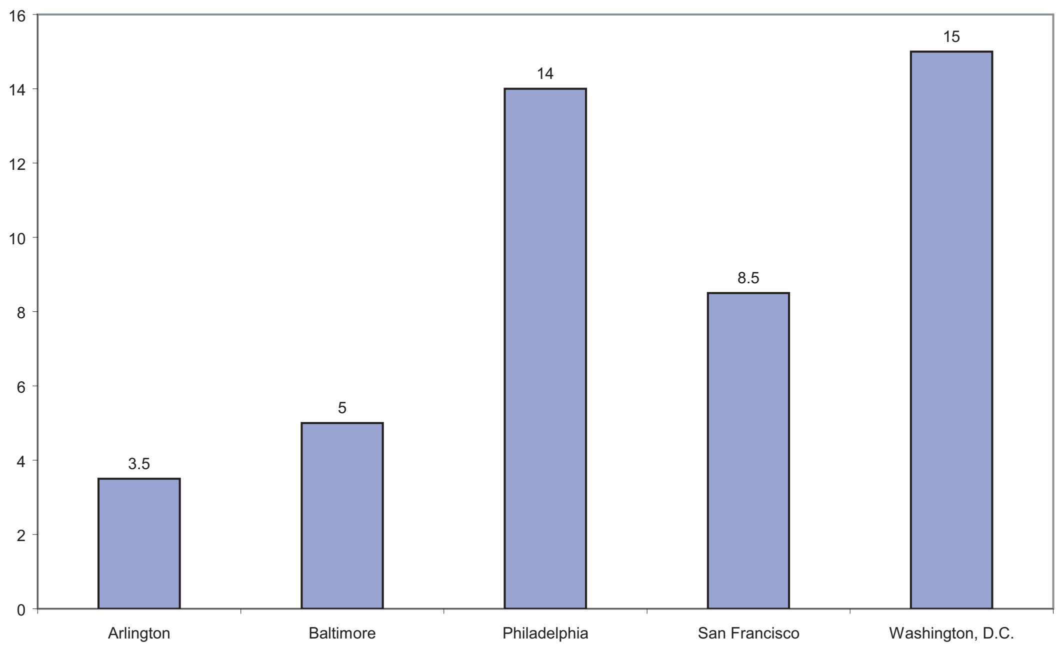
Note: The Department of Public Works provided all benchmark data.

According to DPW, on-time residential trash collection continues to be one of the Department's best performing services. This benchmark is important, because regular trash collection affects over 140,000 households each week. Trash collection may be one of the only services many households receive from the District government.

Program: Parking Services, Vehicle Immobilization

One of the key benchmark measures for the Department of Public Works' (DPW) Parking Services, Vehicle Immobilization program is the average number of boots per crew day. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Parking Boots Per Crew Day FY 2005



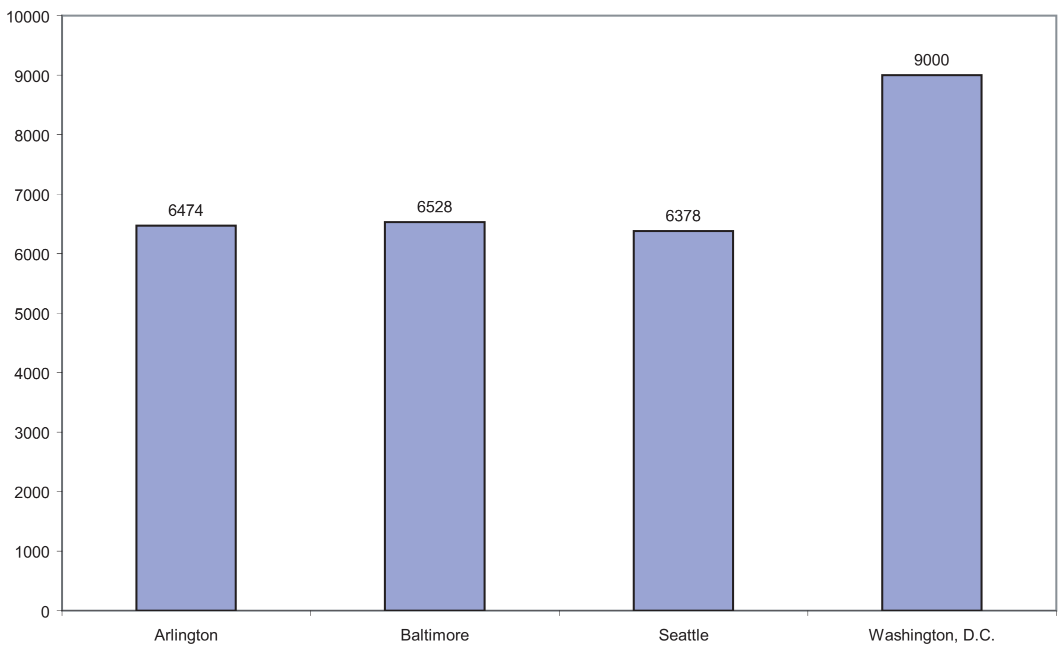
Note: The Department of Public Works (DPW) provided all benchmark data. A parking boot is a vehicle immobilization device that is placed on an on-street parked vehicle that has accumulated more than 3 unpaid parking tickets that are older than 30 days. A boot crew is the employee(s) charged with finding scofflaw vehicles eligible for immobilization and attaching a boot to those vehicles. .

According to DPW, the District had the highest average boots per crew day of the comparison jurisdictions. D.C.'s booting crews boot more vehicles per day because they have more eligible vehicles to boot. D.C. does not have a parking ticket reciprocity agreement with it neighboring states. Parking tickets received in D.C. by drivers from Maryland and Virginia never need to be paid because those states do not require D.C. parking tickets to be satisfied before renewing the driver's license or the vehicle's registration. Booting out-of-state scofflaw vehicles ensures that the tickets are paid.

Program: Parking Services, Parking Enforcement

One of the key benchmark measures for the Department of Public Works' (DPW) Parking Services, Parking Enforcement program is the average number of citations/violations per parking enforcement officer each year. This measure links to the District's citywide priority of *Making Government Work* and *Building Safer Neighborhoods*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Average Number of Citations Per Parking Officer FY 2005



Note: The Department of Public Works provided all benchmark data.

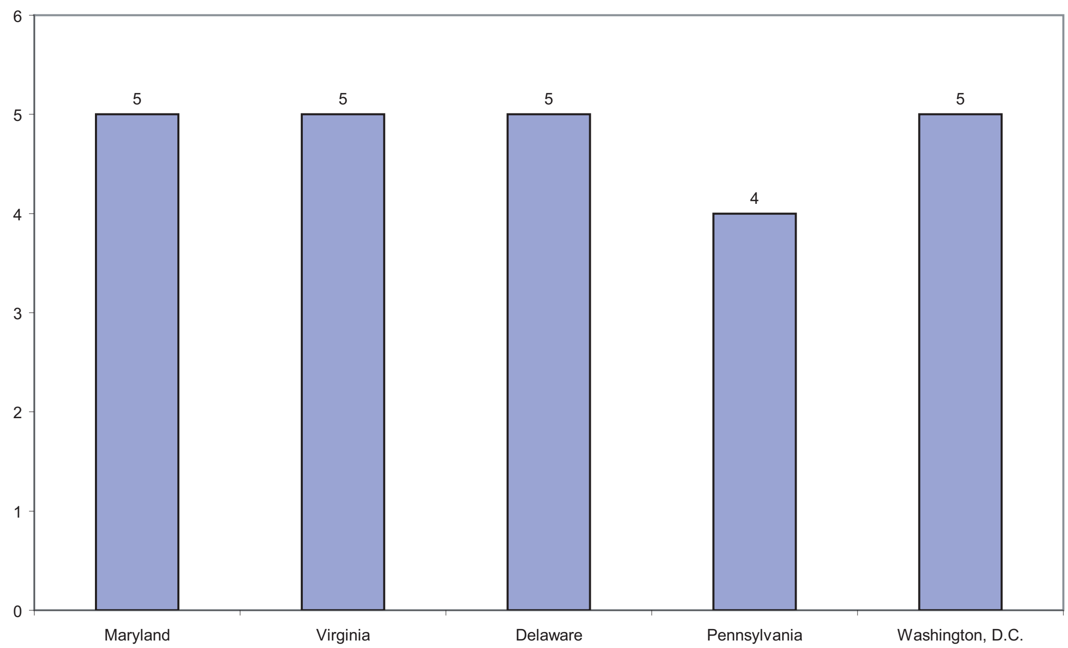
According to DPW, each parking enforcement officer wrote an average of approximately 2500 citations more than parking officers in the comparison jurisdictions. Criteria used for selecting the comparison jurisdictions included: size, geographical location, and program components similar to the District.

Department of Motor Vehicles (KV0)

Program: Driver Services

One of the key benchmark measures for the Department of Motor Vehicles' (DMV) Driver Services program is the length of non-commercial driver's license validity. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Length of Non-Commercial Driver's License Validity (in years) FY 2005



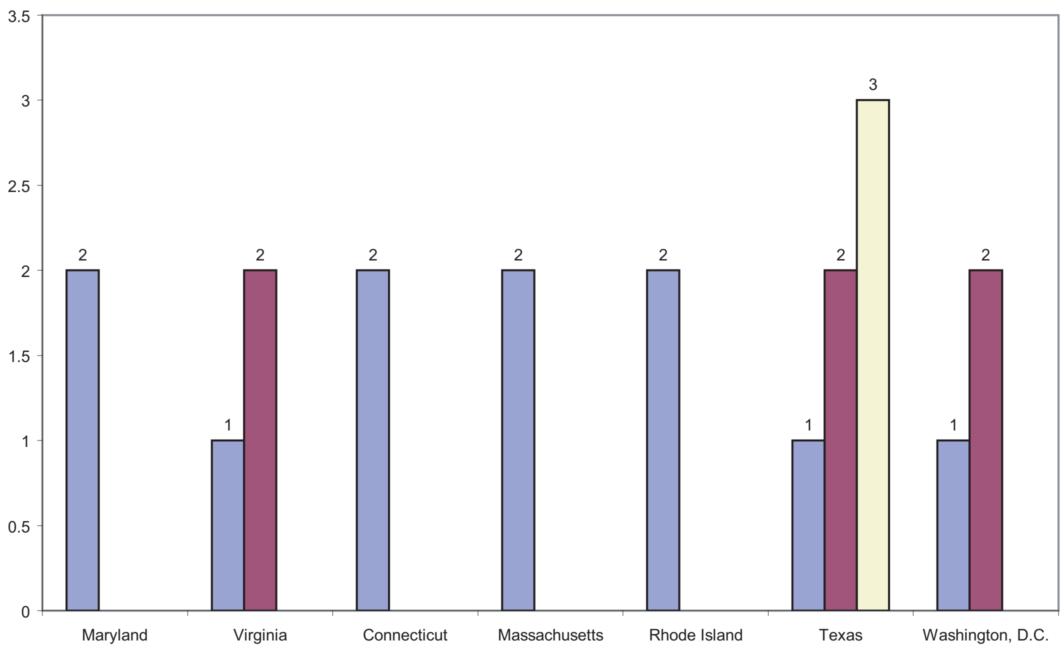
Note: The Department of Motor Vehicles provided all benchmark data

According to DMV, the District of Columbia issues licenses for a 5 year period. Other jurisdictional information shows that the length of validity varies between usually 4 to 8 years, and 13 states issue licenses for 6 or more years. While the American Association of Motor Vehicle Administrators has published licensing standards, there is no industry standard for the length of a license's validity. Jurisdictions set their own terms. A longer licensing period allows residents to reduce their required visits to a service center, and the technology used to issue licenses (digital photos and signatures) will ensure that security is not compromised by this policy decision. Legislation passed by Congress (The Real ID Act) may standardize some aspects of drivers' licenses, potentially including the length of validity.

Program: Vehicle Services

One of the key benchmark measures for the Department of Motor Vehicles' (DMV) Vehicle Services program is the length of vehicle registration validity. This measure ties to the District's priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Length of Vehicle Registration Validity (in years) FY 2005



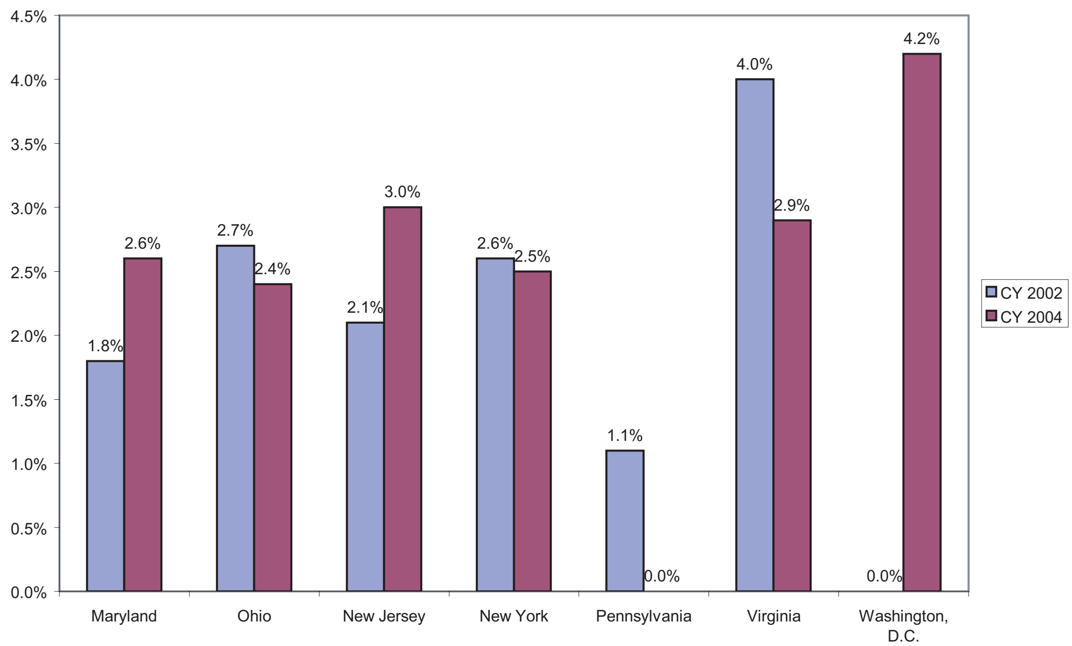
Note: The Department of Motor Vehicles provided all benchmark data

According to DMV, residents currently have the option of renewing their vehicle registration for one or 2 years. The American Association of Motor Vehicle Administrators reports at least 16 jurisdictions surveyed have registration options for 2 years or longer. A 2-year mandatory registration would reduce the number of required trips to service centers, as well as enable residents to renew their registration at the same time that they renew their biannual safety inspection.

Program: Business Services

One of the key benchmark measures for the Department of Motor Vehicles' (DMV) Business Services program is the percent of International Registration Program (IRP) registrants audited. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Percent of IRP Registrants Audited



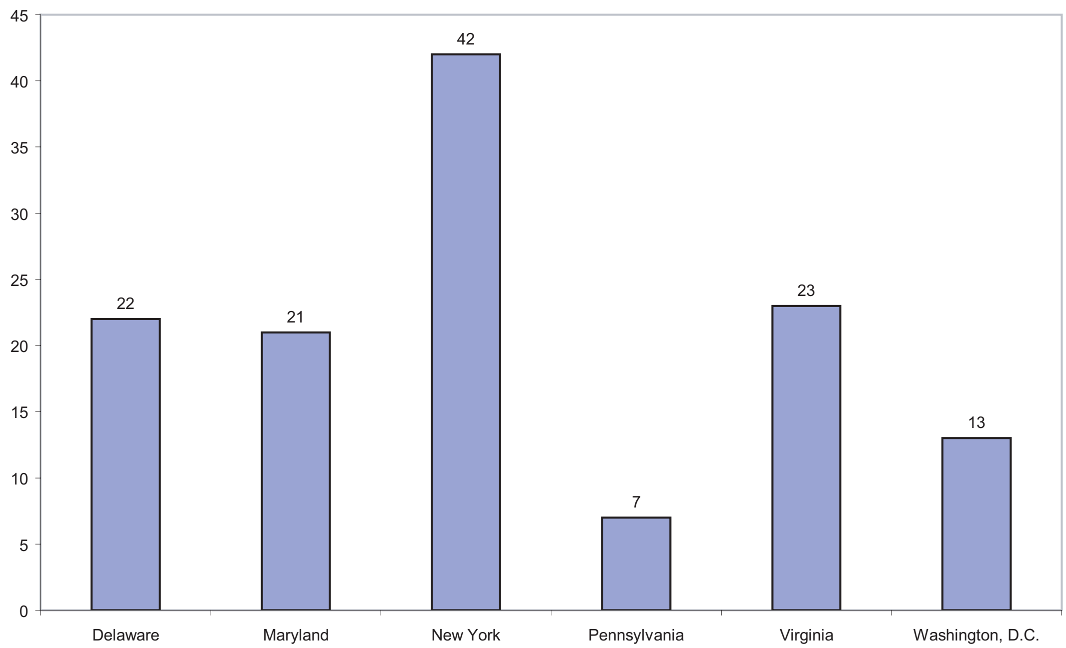
Note: The Department of Motor Vehicles provided all benchmark data

According to DMV, during calendar year 2004, the District of Columbia had 72 total IRP fleets registered with the program, and 3 audits were conducted. This represents 4.2 percent of the fleets registered, a higher percentage than the other jurisdictions benchmarked. IRP audits conducted by D.C. and other jurisdictions ensure that motor carriers are operating in compliance with applicable laws and are paying the appropriate vehicle registration fees to the jurisdictions in which they operate.

Program: Service Integrity

One of the key benchmark measures for the Department of Motor Vehicles' (DMV) Service Integrity program is the number of acceptable documents for proof of identity. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Acceptable Documents for Proof of Identity FY 2005



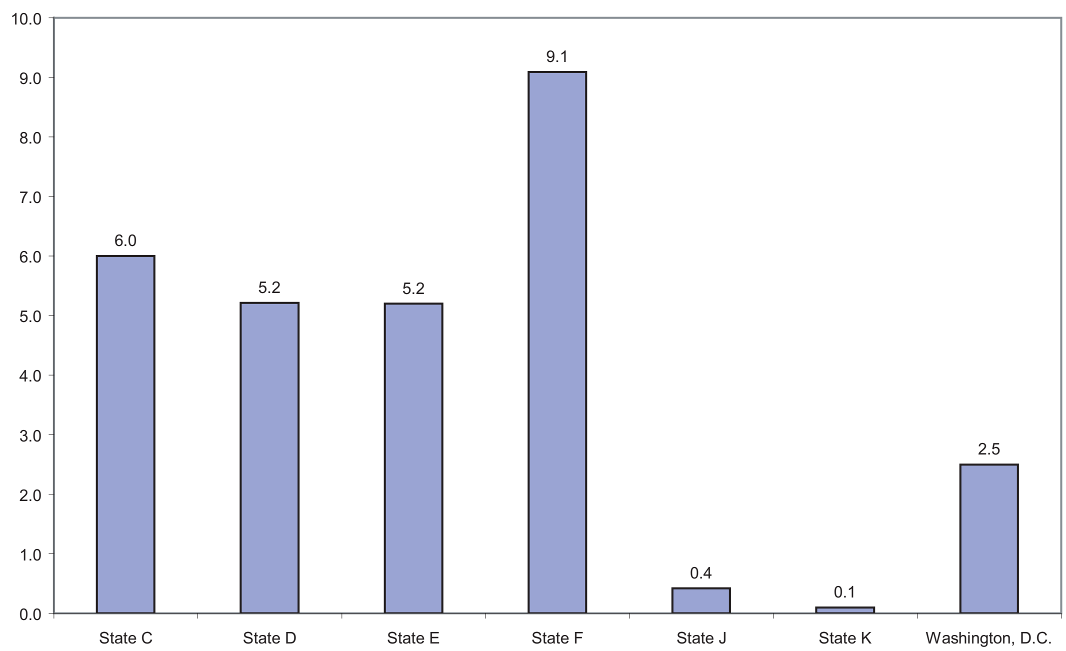
Note: The Department of Motor Vehicles provided all benchmark data

According to DMV, the District of Columbia DMV accepts 13 documents as primary proof of identity and will accept 5 different documents as secondary sources. Except for Pennsylvania, this is the least number of acceptable documents. Most jurisdictions, including D.C., will allow residents to present a greater number of secondary source documents in an effort to maintain the legitimacy of issued licenses while not making it impossible for residents to obtain a driver's license. When benchmarked against other jurisdictions, D.C. requires a comparable level of security with respect to identity documentation.

Program: Customer Contact Services

One of the key benchmark measures for the Department of Motor Vehicles' (DMV) Customer Contact Services program is the average time it takes an individual calling a DMV's call center to be connected to an agent. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Call Center Average Speed of Answer (in minutes) CY 2002



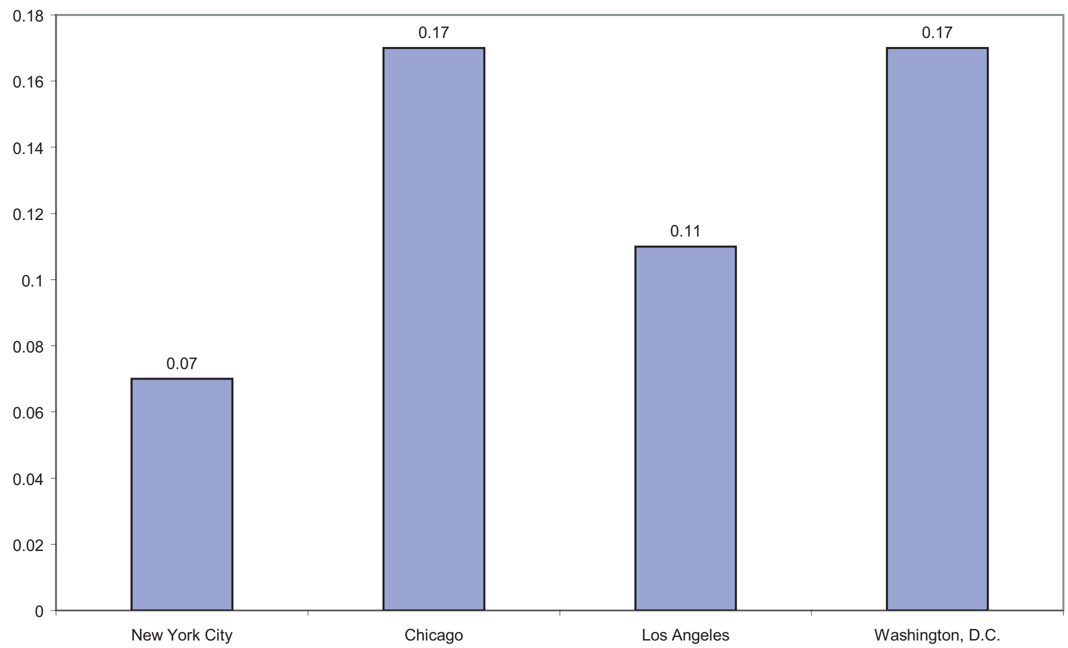
Note: The Department of Motor Vehicles provided all benchmark data. The data for this benchmark comes from "Dynamic Customer Service: Call Center Performance Measures," presented by Wally Otto, Vice President of 1-to-1 Contact Centers Inc. at the 2003 American Association of Motor Vehicle Administrators conference. The available information for this benchmark is anonymous. The States used for this benchmark are all part of AAMVA Region I, which includes CT, DE, D.C., ME, MD, MA, NH, NJ, NY, PA, RI, and VT.

According to DMV, the Call Center has an average speed of answer of 2.5 minutes, which was in compliance with the Mayor's Customer Service Standards. In FY03, 86 percent of answered calls made to the call center were addressed within 2.5 minutes, and only 14 percent of answered calls exceeded the target. Data from other jurisdictions was available by AAMVA Region, but the states are not named. In Region I, which includes the District, the average speed of answer for all 12 states was 3:08 minutes. Nationally, the average speed of answer was 2:52 minutes.

Program: Adjudication Services program

One of the key benchmark measures for the Department of Motor Vehicles' (DMV) Adjudication Services program is the number of DMV locations offering adjudication services per 100,000 population. This measure ties to the District's citywide priority of *Making Government Work*. The accompanying table illustrates the District's performance with benchmark jurisdictions.

Number of Locations Offering Adjudication Services per 100,000 Residents FY 2005



Note: The Department of Motor Vehicles provided all benchmark data. The number of locations offering adjudication services is defined as the number of sites a resident may go to in order to conduct a hearing which will render a decision on a parking or moving violation ticket.

According to DMV, the District has approximately the same number of adjudication locations as the comparison jurisdictions. Residents who need a hearing are often frustrated at the lack of service options available. Residents must visit the C Street, NW location in order to complete adjudication transactions. A common complaint among residents is the "back-and-forth" effect created by offering these services only at one location. Offering hearing services at all locations would greatly increase customer service delivery. The 3 comparison jurisdictions adjudicate tickets in the same manner as the District of Columbia.

District agencies collected and developed their benchmark data. Additionally, agencies were asked to document all sources and methodologies for data collection. The sources include federal reports, national and industry publications, and primary research with other jurisdictions. The District will continue to expand its benchmarking efforts supporting performance improvement.

History and Resolution of the Capital Fund Deficit

History and Resolution of the Capital Fund Deficit

Introduction

The District's General Capital Improvements Fund (the capital fund) reported an accumulated deficit of approximately $246 million at the end of Fiscal Year 2005. This deficit means that the District has spent more on its authorized capital projects, on a cumulative basis, than the financing it has raised for these projects. While slightly reduced from the FY 2004 figure, the deficit has persisted for several years. It has also negatively impacted the cash position of the General Fund because the General Fund has advanced funds to the capital fund to cover a portion of the expenditures. As a result, the District has implemented a new approach toward budgeting for capital that is expected to reduce the deficit in future years.

This chapter will discuss multiple aspects of the capital fund deficit and the plan to resolve it:

- *Capital fund deficit* – How the District accounts for capital, what the capital fund deficit means, and how it developed.
- *Cash flow issues* – How cash flow works for capital and how the deficit has affected cash flow.
- *Budget issues* – How capital is budgeted, how budget issues contributed to the deficit, and how the FY 2006 and 2007 capital budgets begin to resolve the issues.
- *Resolving the deficit* – Summarizing how all parts of the solution will come together.

Capital Fund Deficit

The capital fund has had a deficit balance as of the end of each fiscal year since FY 2001. At certain times during this period, the deficit was in part attributable to a timing difference between when General Obligation (G.O.) bonds were issued and when capital expenditures were made. However, some portion of the past capital fund deficits and the current capital fund deficit are attributable to a longer-term mismatch between borrowing and spending, for which corrective action is necessary.

Accounting for Capital

The capital fund is a governmental fund. Revenues or other resources (primarily G.O. bond proceeds) flow into the fund, and expenditures or other uses flow out. Each year's operations show a surplus or deficit depending on whether resources exceed or fall short of uses. The fund balance is the aggregation of past surpluses and deficits—it is the difference between the financial assets and near-term liabilities of the fund. A positive fund balance represents excess financial resources that are available for spending. A negative fund balance, as in the case of the capital fund, represents liabilities incurred by the fund in excess of what it could liquidate with available financial resources. In preparing the Comprehensive Annual Financial Report (CAFR), the District computes the fund balance as of each September 30.

What makes capital different from other governmental funds, such as the General Fund, is that capital projects are multi-year, and thus a particular year's result for the capital fund might not be an accurate representation of the fund's underlying operations. The District usually borrows G.O. bonds once per year, but expenditures continue year-round. Capital projects are usually budgeted as multi-year projects, and expenditures may continue for several years after bond proceeds are received.

To illustrate how timing differences can lead to an annual deficit even though the fund might be in long-term balance, consider the following example. Say the District borrows $1,000,000 of G.O. bonds for a capital project, and spends $500,000 per year on that project over two years (see table 3-1). In the CAFR at the end of the first year, the fund would show $1,000,000 of revenues and $500,000 of expenditures, for a surplus of $500,000. In the second year, the fund would show an annual deficit of $500,000, but at the end of the second year, the fund balance would be zero. The annual deficit in the second year would not indicate a problem in that year—it would be due simply to the fact that capital projects are not always completed in the same year that funds are borrowed for them. The deficit in the District's capital fund has persisted for several years, indicating that it is due to more than simply timing differences, but this example indicates the difficulty inherent in analyzing the result of a single year's operations – especially when the District has hundreds of capital projects underway at any given time.

Table 3-1
Example: Effect of a Multi-Year Project on the Capital Fund

	Year 1	Year 2
Revenues (bond proceeds)	$1,000,000	$0
Expenditures	500,000	500,000
Annual surplus/(deficit)	500,000	(500,000)
Fund balance–cumulative surplus/(deficit)	500,000	0

Capital Fund Structure: Sources of Funds
The District reports three different funds that relate to its capital projects: the General Capital Improvements Fund, the Highway Trust Fund, and the Baseball Project Fund.

Nearly all of the District's capital projects are accounted for in the General Capital Improvements Fund (the capital fund), which combines many sources of financing for capital projects. G.O. bonds are the primary source, and shortfalls in bond proceeds compared to expenditures are the principal reason for the fund's deficit. However, proceeds and expenditures related to the following sources also are aggregated into the fund's figures:

- Pay-as-you-go (Paygo) capital—revenue transfers from the operating budget or the fund balance of the General Fund.
- Master Equipment Lease—special medium-term financing for equipment purchases for which the District does not want to issue long-term debt.
- Sale of assets—proceeds from the sale of land or buildings.
- Certificates of Participation—special financing for buildings which District agencies will occupy, similar to a lease-purchase arrangement.
- Qualified Zone Academy Bonds—financing through a federally sponsored program for school construction.
- Federal highway grants—the main source of federal capital funds, grants from the Department of Transportation to the District for Highway Trust Fund projects.
- Other federal grants and federal payments—grants from other federal agencies and direct appropriations from Congress for specific capital projects.
- Rights-of-way fees—fees paid by utility companies to the District for street repaving after cables or pipes are laid or otherwise use District streets for their operations. These fees go into the District's Local Streets Maintenance Fund.
- Parking tax—beginning in FY 2006, 50 percent of parking tax revenues are deposited into the Local

Streets Maintenance Fund.

Because all these sources are in the capital fund, it can be difficult to isolate the effects of G.O. bond activity from other activity. In particular, while revenue sources are generally clear, expenditures related to each source cannot always be readily identified in the District's financial management system. The District has recently added detail to the accounts in the system to identify capital expenditures by financing source.

As stated above, the General Capital Improvements Fund accounts for all sources and uses of capital funds except two that are reported in separate funds:

- Highway Trust Fund (Local)—revenues from the Motor Fuel Tax are used to provide the local match for federal highway grants. The local match varies by project but is typically 20 to 25 percent of the full project cost.
- Baseball Project Fund—proceeds from bonds that will finance construction of the new baseball stadium will be deposited into this fund, and all stadium-related expenditures will be accounted for in this fund as well. (See the Special Study Chapter "Baseball in the District of Columbia" for more details.)

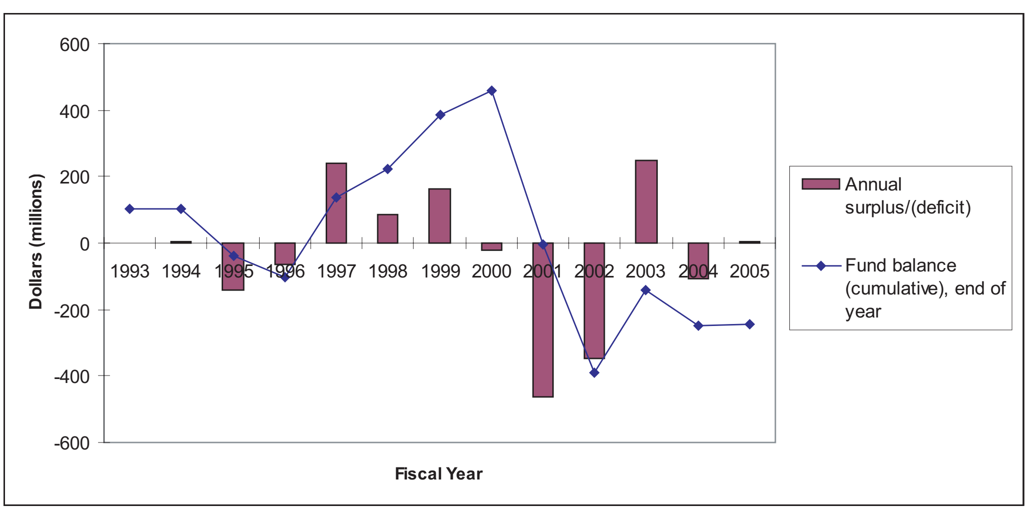
This study focuses on the General Capital Improvements Fund and does not treat these other two funds.

Development of the Current Capital Fund Deficit

The District's cumulative capital fund balance was in deficit in FYs 1995 and 1996 but recovered and built a surplus in the late 1990s as fiscal recovery began and spending was deliberately slowed down. Spending then resumed and, after annual deficits during FYs 2000 and 2001, the capital fund's cumulative balance was in deficit again at the end of FY 2001. The fund balance has remained in deficit since then. FYs 2001 and 2002 showed large annual deficits, in part because two regular G.O. bond offering were delayed until the following fiscal year. In FY 2003, the fund showed an annual surplus, because the District borrowed twice, to catch up from the previous lag in borrowing, and the fund showed a surplus in that year because of these additional bond proceeds. However, these proceeds were not enough to bring the accumulated fund balance into balance at the end of FY 2003, and in FY 2004 the deficit worsened. With increased management focus on the deficit and the beginning of a deficit reduction plan in FY 2005, the deficit fell slightly. Figure 3-1 displays the fund balance record of the capital fund.

Figure 3-1:

Fund Balance, General Capital Improvements Fund, FY 1993 - FY 2005



Beginning in FY 1995, District operations were under management of the Financial Responsibility and Management Assistance Authority, known as the Control Board, which was established by Congress and which operated from FY 1995 to FY 2001. During FYs 1995 and 1996, the District was precluded from borrowing by issuing new G.O. bonds, but it executed a short-term capital borrowing from the U.S. Treasury (pursuant to Control Board legislation), which had to be repaid the following fiscal year. Annual capital expenditures continued, albeit at a low level, and the capital fund balance went into deficit during those two years.

Borrowing began again in FY 1997, including refinancing of the U.S. Treasury capital borrowing, but expenditures increased more slowly than new bond issuances during the late 1990s. As a result, the capital fund balance grew to a positive $458 million by FY 2000. District leaders became concerned that the District was borrowing funds for construction but not using those funds in a timely manner, thus paying interest on unused bond proceeds that were on deposit and earning lower interest rates.

In response, around the time of the development of the FY 2000 budget, District leaders decided not to borrow G.O. bonds for all newly budgeted capital projects. Instead, the District would borrow a partial amount, then borrow in succeeding years based on actual expenditures in prior years. In other words, the District would in part borrow in arrears rather than borrowing in advance of expenditures, in an attempt to match the borrowing to the expenditures on a cumulative basis. At the same time, agencies began responding to pressure to spend their capital budgets. Capital expenditures increased rapidly, especially in FYs 2001 through 2003, when expenditures exceeded $800 million per year. While capital expenditures continued at a lower rate in FYs 2004 and 2005, the deficit has persisted.

Consequences of the Capital Fund Deficit

The ongoing capital fund deficit has made visible the mismatch between the District's borrowing and spending in recent years. It has also negatively affected the cash position of the District's General Fund, because the General Fund advances dollars to the capital fund to finance authorized capital project expenditures pending reimbursement from the capital fund. Because of these concerns, the capital fund deficit has led to a rethinking of the capital budget process as the District works to resolve the deficit.

Capital cash flow and budget issues are described in the following two sections, and this study concludes with a description of the District's deficit reduction plan.

Cash Flow Issues

How Capital Cash Flow Works: General Obligation Bonds

The capital fund, viewed in isolation, records flows in and out over the course of a fiscal year as described above. On a day-to-day basis, however, the capital fund interacts with the District's pooled cash, that is, the General Fund. Cash flow is somewhat different depending on the source of financing; here, cash flows related to G.O. bonds are described.

When the District borrows by issuing G.O. bonds, it deposits the proceeds into escrow accounts, and the funds are held in those accounts until used. G.O. bond issuances list each project being borrowed for and the amount borrowed for each. A G.O. bond issuance might list 100 capital projects, for example, and the dollars related to each project are tracked separately over each project's lifetime.

When one of these capital projects makes an expenditure, the payment to the vendor is initially made from the District's pooled cash. This represents an advance by the pooled cash account. Pooled cash is then reimbursed by funds taken out of the escrow balance for that project. The Office of Budget and Planning (OBP) tracks expenditures by project relative to remaining balances on deposit in the escrow accounts. Periodically, OBP requisitions for reimbursement for capital expenditures by sending a report to the Office of Finance and Treasury (OFT). OFT then moves corresponding funds out of each project's escrow account into pooled cash.

Because the disbursements come from pooled cash, capital expenditures appear to be similar to expenditures made through the operating budget. A primary difference is that the revenues that back operating budget expenditures—for example, property taxes, sales taxes, or income taxes—are deposited directly into pooled cash as the District receives them. So pooled cash is automatically replenished periodically, or even filled in advance, relative to operating budget expenditures. In contrast, the revenues that back capital budget expenditures—the proceeds from G.O. bonds—are initially deposited into separate accounts. These funds can replenish pooled cash only after expenditures are made and a requisition is submitted.

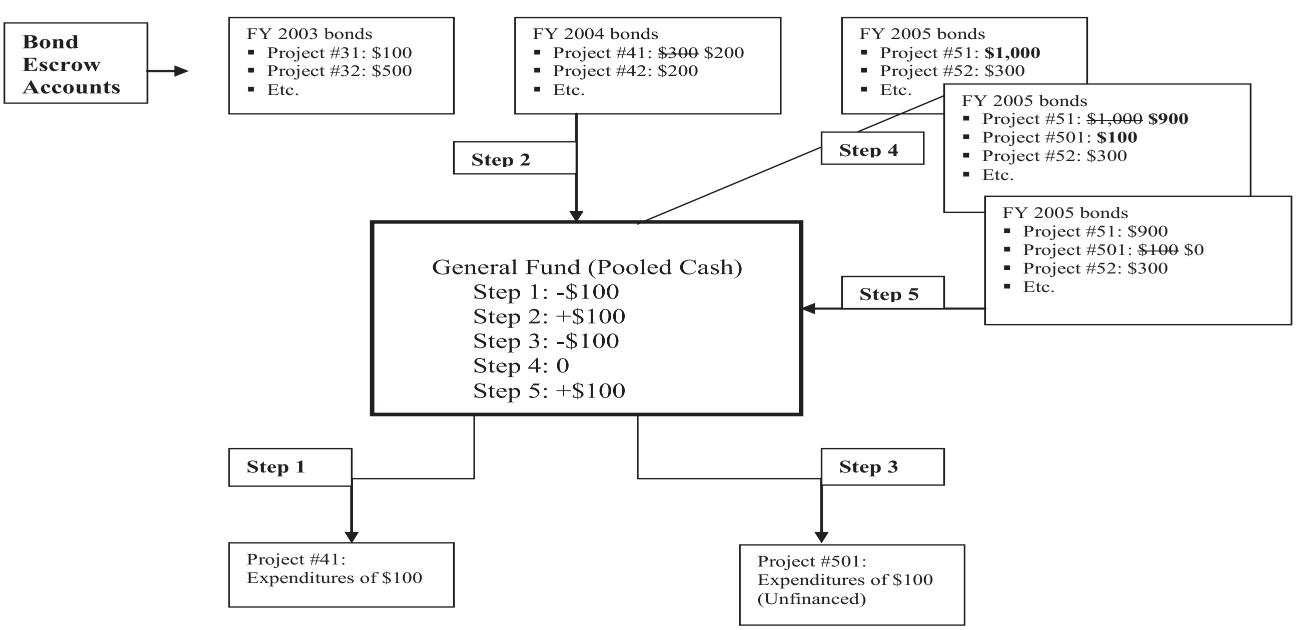
If a capital project makes an expenditure, but there are no escrowed funds in an account for that project, then pooled cash cannot be reimbursed for the expenditure. This could occur because the District did not borrow funds for a particular authorized capital project, or because there were borrowed funds but the project spent an amount in excess of such funds. The result would be that the capital fund owes the General Fund for the advance made from pooled cash.

One solution that might be available is a reallocation of bond proceeds. In certain cases, capital projects are completed but still have unspent bond proceeds held on their behalf. When this occurs, the District can reallocate these proceeds by reassigning them to different capital projects that do not have sufficient financing

Figure 3-2 displays cash flow examples for G.O. bond-financed projects, including a bond reallocation. In this figure, bond escrow accounts are displayed across the top. The District has borrowed for specific projects in FYs 2003, 2004, and 2005. Examples correspond to the numbered steps.

1. Capital project 41 makes expenditures of $100. Funds initially come from the General Fund (pooled cash).
2. Expenditures are matched to projects with dollars assigned to them in bond escrow accounts. The FY 2004 bonds had $300 assigned to project 41. OBP submits a requisition, and OFT moves $100 of the $300 from the bond escrow account to reimburse the General Fund for the expenditure. The FY 2004 escrow account now has $200 remaining for project 41.
3. A different project, capital project 501, makes expenditures of $100. Funds initially come from

Figure 3-2:
Capital Cash Flows: General Obligation Bonds



pooled cash. However, this project has no financing in any of the bond escrow accounts. The General Fund is not reimbursed for the expenditure, so pooled cash remains $100 short.

4. A bond reallocation is submitted, to reallocate $100 within the FY 2005 bond account from project 51 to project 501. The balance for project 51 is reduced to $900 and the balance for project 501 is increased to $100.
5. This $100 can then reimburse the General Fund for the $100 expenditure made by project 501, after OBP submits the requisition to OFT.

Cash Flow Issues Caused by the Deficit

As described earlier, capital expenditures have exceeded the amounts borrowed for the related projects since FY 2000. The capital fund owes the General Fund (pooled cash) more than $300 million on advances (payments for expenditures that have not been reimbursed) for G.O. bond-backed projects. This figure is offset by remaining unspent bond proceeds in escrow, plus surpluses in some of the funding sources other than G.O. bonds, to arrive at the overall fund deficit of approximately $246 million.

This $300 million-plus amount is significant relative to the District's overall cash flow. On average, the District spends between $500 million and $600 million per month, from all sources for all purposes. Because of timing differences between these expenditures and revenue sources such as property taxes, which arrive in two lump sums per year, and federal grant funds, which usually arrive on a reimbursable basis and can lag several months behind expenditures, the District must keep significant amounts of cash on hand to pay its bills. A $300 million-plus shortfall in G.O. bond reimbursements is large enough, for example, to increase the amount of short-term borrowing the District must undertake at the beginning of each year. Thus, the District pays more in interest on short-term borrowings than it would if the capital fund were in balance.

In the discussion above, expenditures that were described as "unfinanced" were said to contribute to the capital deficit and the associated cash flow problems. To understand how such expenditures occurred, it is necessary to understand how the District budgets for its capital projects and how that process has changed over time.

Budget Issues

Each year, the District budgets for capital projects as part of a six-year Capital Improvements Plan (CIP). In the budget process, capital projects receive budget authority, which is defined below. The District plans to match financing to budget authority, but actual financing has not always matched the budget authority that was awarded. Capital projects spend on the basis of budget authority, and if that budget authority is not backed by financing, the expenditure is considered unfinanced.

Two Concepts of Budget Authority

The District's budget process awards two types of budget to capital projects: lifetime budget authority and allotment authority.

- Lifetime budget authority (six-year budget)—the estimated total cost of a project at its inception. This is the figure that goes into the District's appropriation request to Congress and therefore the figure that Congress authorizes in the District's appropriations act each year. Lifetime budget authority is established the first year a project is created, and it may be added to or subtracted from in succeeding years.
- Allotment authority (one-year budget)—the expected spending by a project in the upcoming year. This is also the amount that the District plans to finance each year, using G.O. bond issuances or other sources.

Annual allotments are planned at the inception of a project for its full lifetime, whether the project will exist for one year, six years, or a period in between. If no plans change, then the project receives its second allotment in its second year, and so on until all originally planned allotments are received. The plan for a project may change each year, however, and even if its lifetime budget does not change, its allotment pattern over its lifetime might change.

At any time, a project has a lifetime budget amount (which may be its original budget or a revised figure) and an allotments-to-date figure (which is the sum of all allotments that have been budgeted to this point in its lifetime). A project's allotments-to-date may be less than its lifetime budget but cannot exceed its lifetime budget.

By creating capital budgets that use these two different budget concepts, the District gains flexibility in two ways.

- First, obligations in a year are allowed to exceed actual expenditures. Agencies can obligate funds for a capital project up to the amount of its lifetime budget, even if some allotments have not yet been received. This is important for multi-year projects, when an agency might want to sign contracts for the full amount of the projects so that vendors know they will be on the project for its duration. Requiring a series of one-year contracts, to be re-bid as each allotment arrives, might be more costly or lead to vendors not wanting to bid on a project at all.
- Second, financing costs are minimized. The District generally finances each year's allotment total, not lifetime budget amounts. The District does not choose to borrow the full amount of funds that will be spent over a six-year period, because some of those funds will be idle for five years. The District would pay interest to bondholders and would, in most interest rate environments, earn a lower interest rate on its deposits, as the funds await expenditure, thus losing money each year.

Capital projects in an approved CIP have authority to spend funds. If the actual financing matches the planned amount, then the project's expenditures will not create a deficit. However, actual financing has not always matched planned amounts. Thus some capital expenditures, while authorized, have been unfinanced, or financed at less than their authorized amounts.

Mismatch Between Budgets, Planned Borrowing, and Actual Borrowing

In the FY 1998 and 1999 capital budgets, the District borrowed G.O. bonds in the amounts that were called for in those years' capital budgets. But beginning in FY 2000, G.O. bond borrowing was less than planned borrowing amounts for three years (see table 3-3). Part of this shortfall was a decision to adjust the timing of borrowings, and the two G.O. bond issuances in FY 2003 partly offset the shortfall. But between FY 2000 and FY 2004, the cumulative shortfall exceeded $1 billion.

Table 3-3:

Planned and Actual G.O. Bond Borrowing, FY 1998 – FY 2004

(Dollars in millions)

Fiscal Year	Planned Borrowing (G.O. bond only)	Actual Bond Proceeds	Annual Surplus/ (Deficiency) of Financing	Cumulative Surplus/(Deficiency) of Financing
1998 (1)	200.3	206.1	5.8	5.8
1999	236.9	236.9	(0.0)	5.8
2000	302.1	186.7	(115.4)	(109.6)
2001	493.2	65.0	(428.2)	(537.8)
2002	696.1	216.0	(480.1)	(1,017.9)
2003 (2)	587.8	706.9	119.1	(898.8)
2004	512.9	315.7	(197.2)	(1,096.0)

Notes: (1)The slight surplus in FY 1998 is a result of how bond issuance costs were treated in the CAFR at the time. Actual bond proceeds available for expenditure were $200 million, not $206 million.
(2)FY 2003 bond proceeds included two borrowings, to make up for the "skipped" borrowing in FY 2001, when only a small intermediate-term borrowing was done. To be more precise, borrowing in (the first quarter of) 2002 was for 2001, and then the borrowings in 2003 were for 2002 and 2003.

Although new budget allotments did not always equal planned borrowing for each of these years, each year the capital budget was developed assuming the borrowing amounts displayed above. In many cases, allotments were budgeted based on planned borrowing. When actual borrowing was less than planned, the result was a great deal of capital budget allotments for projects for which the District never borrowed. When those projects spent against their budget authority, there was no financing to back the expenditures, pooled cash was not reimbursed, and the capital fund deficit increased.

This accumulated excess amount of budget allotments still represents a liability today. As described above, agencies spend against the allotments their capital projects have received, but these existing allotments far exceed what the District can actually afford to spend. If all projects spent up to their remaining allotment levels in one year, the capital deficit would likely worsen by something more than $500 million.

Resolving the Budget Issues

Several steps will address the accumulated excess of budget allotments above financed amounts:

- Project close-out—Some capital projects have been completed but were never closed out in the financial system. Reviewing and closing out these projects will reduce excess allotments, to the extent some of them have remaining allotment authority. While a necessary step, this process is not expected to reduce the amount of excess allotment authority by more than $50 million.
- New budgeting practices—Beginning with the FY 2006 capital budget, the District has begun reversing the practice of awarding more new budget allotments than the actual financing that is available. In FY 2006, the District financed $106 million of previously awarded budget allotments with new sources. The FY 2007 capital budget is being developed similarly, starting with an analysis of likely spending from both old and new allotments, leading to a proposed budget in which $149 million of financing is provided in excess of new allotments that are awarded.

Resolving the Deficit

The District is resolving the deficit in the capital fund as it tries to respond to vast capital improvements needs while it faces constraints on its borrowing capacity. The simplest ways to resolve the deficit would be to cut back greatly on spending or to borrow substantial amounts through G.O. bonds to cover past budget allotments. However, the District has critical infrastructure needs that must be addressed as it seeks to modernize its schools infrastructure, maintain and improve its streets and roads, contribute its share to Metros' capital program, further develop its information technology platforms, and maintain and upgrade recreation centers, police stations and fire department buildings, and all its other facilities. While spending will be limited, it cannot be curtailed. Similarly, the District cannot borrow all its needs to resolve the deficit immediately. It already has the highest per-capita debt (outstanding G.O. bonds and other debt in repayment) of any U.S. city, and several projects requiring large-scale borrowing are already planned in FYs 2006 through 2008.

For these reason, the District's plan to resolve the deficit will do so over several years. The deficit built up over several years, and it will not be resolved in a single year. The plan calls for spending controls and small amounts of additional borrowing over 5 years. The plan is being developed now and will ultimately be adopted by the Mayor, the Council, and the Chief Financial Officer.

The plan's elements are as follows:

1. Capital contributions from the General Fund - The District could transfer resources from the General Fund to the capital fund to pay for some portion of past unfinanced expenditures. Because the capital fund owes the General Fund for these amounts, this action would be the equivalent of a forgiveness of that debt. In FY 2006, the adopted budget includes a transfer of $53.8 million from the fund balance of the General Fund for this purpose. The proposed FY 2007 budget does not include such an amount, but depending on the fiscal outlook, this could be an option in future years.

2. Borrowing for past unfinanced capital expenditures - The District could borrow funds in excess of what it will devote each year to new capital projects. The difference - that is, the amount of the excess borrowing - will be assigned to capital projects that have spent in the past without having sufficient financing. These amounts can then immediately reimburse the General Fund for the advances made on behalf of the associated projects. The proposed FY 2007 budget includes $50 million of such excess borrowing: $450 million of G.O. borrowing is planning, but only $400 million will be made available for new capital spending. The proposed budget also anticipates an additional $50 million of excess borrowing in each of the next 2 years. If required, similar amounts of additional borrowing will be planned for FY 2010 and FY 2011.

3. Financing of budget allotments that are currently unfinanced - as discussed in the budget section above, the District has begun to finance more each year than it awards in new budget allotments. The difference will be assigned to currently budgeted projects that do not have financing. For example, the proposed FY 2007 budget includes bond proceeds for new capital spending of $400 million and $181 million of Paygo transfers, for a total of $581 million of Financing from these two sources. However, new budget allotments against these sources total only $432 million. The different, $149 million, will be used to finance prior-year allotments that are still available to spend but do not currently have financing associated with them. While not directly reducing the deficit, this step will reduce the risk of overspending the available resources in any given year.

4. Spending limits - Beginning in FY 2005, but much more rigorously in FY 2006, the Office of the City Administrator, agency representatives, and the Office of the Chief Financial Officer have worked to develop spending plans at the project level. The goal is to ensure that each that each year's capital expenditures do not exceed the new capital financing added that year, regardless of any higher level of allotment authority that is available. For example, in FY 2006, spending on projects backed by G.O. bonds and Paygo transfers will be limited to $543.5 million, because only $543.5 million of resources are being added to the capital fund from these sources in FY 2006. The total of budget allotments available for capital projects is much higher than this amount. However, any spending above that amount, even though the spending would be authorized, would mean a deficit for that year's operations and thus an increase in the cumulative fund deficit.

Through a combination of these steps, the District will eliminate the capital fund deficit in 5 years. The transfer of $53.8 million to the capital fund in FY 2006 will reduce the G.O. bond-related portion of the deficit to under $300 million. If spending limits mean that each year's expenditures exactly equal the revenues added that year, then excess borrowing of $50 million per year, starting in FY 2007, would bring an end to the deficit by FY 2012. To the extent that spending is less than revenues each year - that is, the capital fund has annual surpluses - the deficit would decrease at a faster rate. Similarly, if additional resources can be transferred from the General Fund to the capital fund in some years, the deficit would decrease more rapidly. The final combination of these steps will be agreed to by the Mayor, the Council, and the Chief Financial Officer.

Fixed Costs

Fixed Costs

Though long accepted in the world of accounting, the term "fixed costs" is a misnomer. No cost in government is literally fixed, unchanged from year to year. A more precise name would be : fixed services costs.

They are called fixed because every organization needs them for day-to-day functioning. Also called commodities, they consist of a basket of services consumed by District agencies. Among them are electric, heating fuel, natural gas, water and sewer, fuel for vehicles, steam for heating, telephone, rent, janitorial services, security, and postage. (Figure 1-1). Yet the labels belie the complexity of these costs. Over the short-term, fixed costs are relatively stable and are not influenced by the day-to-day activities of government. But over the long-term, fixed services costs typically grow with inflation and are governed by uncontrollable and unforeseen forces (weather and the events of September 11, 2001, for example) that underscore the challenges to District agencies in developing fixed cost estimates.

Management of Fixed Costs

Centralized management of the District's fixed costs began with the breakup of the Department of Administrative Services under the Revitalization Act of 1997. Today, 4 agencies develop and manage fixed costs.

1. The Office of Property Management (OPM) works with the District's real estate operations, facility-management, and protective services to develop estimates for rent/occupancy, security, utilities, and janitorial costs.

2. The Office of the Chief Technology Officer (OCTO) estimates costs for telecommunication services and provides guidelines to agencies for managing their telecommunication services.

3. The Department of Public Works (DPW) manages fleet services and administers those costs.

4. The Office of Finance and Resource Management (OFRM) is responsible for the central payment of most fixed costs. OFRM pays utility bills and serves as liaison between OPM, OCTO, and the agencies that incur the fixed costs. OFRM pays 96 percent of the District's centrally managed fixed costs; the remaining 4 percent is managed and paid by DPW.

Two other agencies -- the Office of Financial Operations and Systems (OFOS) and the Office of Budget and Planning (OBP) -- play key roles in the accounting and monitoring of fixed costs. OFOS ensures that proper controls are implemented by the agencies, while OBP assists agencies in including their fixed cost estimates in their annual budgets

Figure 1-1
Keeping the lights on and the fleet moving

Fixed cost	Description	Who is responsible
Telecommunications	Voice and data lines, circuits, cellphones, pagers, PDAs, and other communication equipment	OCTO
Electricity	Lighting	OPM
Natural gas	Heating	OPM
Security	Armed and unarmed security officers provided by vendors	OPM
Custodial	Daily trash removal, cleaning, landscaping	OPM
Water	Use by agencies	OPM
Fuel	Gasoline and diesel fuel for government vehicles	OPM
Occupancy	Use of District government owned facilities by District agencies	OPM
Rent	Use of privately owned facilities	OPM
Postage	For processing and delivering mail and overhead	OPM
Steam	Heating	OPM
Fleet Services – lease	New leased vehicles and equipment and disposal services for designated agencies	DPW
Fleet Services – fuel	Fuel and lubricants to all designated District government users and other regional fleet partners	DPW
Fleet Services – maintenance	Preventive and preparatory equipment maintenance services to DPW and other designated agencies	DPW
Fleet Service – parts	Automotive parts to designated users and other regional fleet partners	DPW

Source: Office of Finance and Resource Management

Historical Perspective

If fixed costs were budgeted as a separate agency, that agency would be the 8th largest in the District government. In FY 2005, fixed costs were $232 million. Over the last 6 years, since FY 2001, fixed costs have increased by 84.5 percent District-wide (Figure 1-2). This increase is due primarily to growth in rent and occupancy costs. In FY 2001, the District spent $65 million on these costs. Four years later, expenditures grew to $100 million, an increase of 54 percent. In FY 2005, rent and occupancy costs accounted for 45 percent of total fixed costs (Figure 1-3). Security costs also have escalated. They increased by 67 percent, from $15 million to $25 million, during the same period.

Figure 1-2
Growth of Fixed Costs FY 2001 to FY 2007

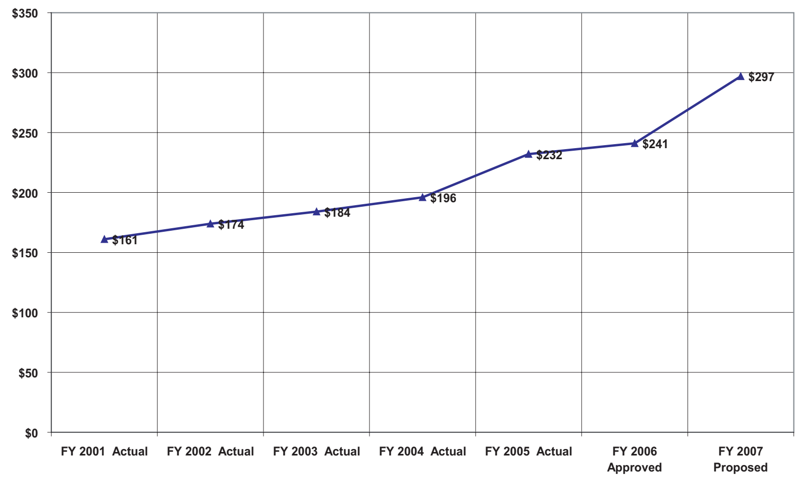
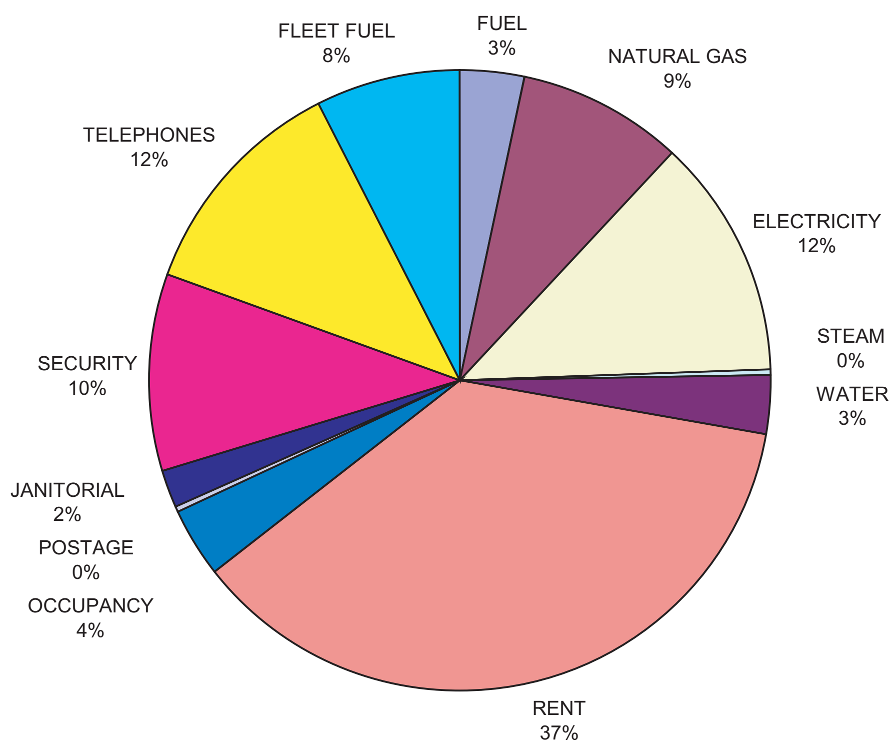


Figure 1-3
FY 2005 Fixed Costs by Component



Outlook

Fixed cost estimates for FY 2006 and FY 2007 are $241 million and $297 million, respectively. Rent is expected to be the fastest growing component. Market forces have played a dominant role and affected the District's ability to develop accurate estimates for some of its fixed costs. The rapid growth of the real estate market in the D.C. metropolitan area for example, has driven up the cost of rental property, especially in the already high rent business district. But other forces are at work, too. The deregulation of power costs pushed up the cost of electricity. These factors and others have affected the District's ability to develop accurate estimates for some of its fixed costs, often leading to spending pressures in agency budgets.

Given that the District must develop its forecast at least a year before agencies execute their budgets, (Figure 1-4) assumptions must be made about the factors that will affect the estimates. Toward this end, this chapter describes the methodology for estimating fixed costs, the challenges in developing estimates, and how changes in fixed costs are made a part of the District's budget. The chapter addendum provides variance explanations for changes from the FY 2006 approved fixed services costs budget to the FY 2007 proposed fixed costs budget for each effected agency. These variance explanations are only for fixed costs managed by OPM, OCTO, and DPW, this chapter does not include variance explanations for agency managed fixed costs.

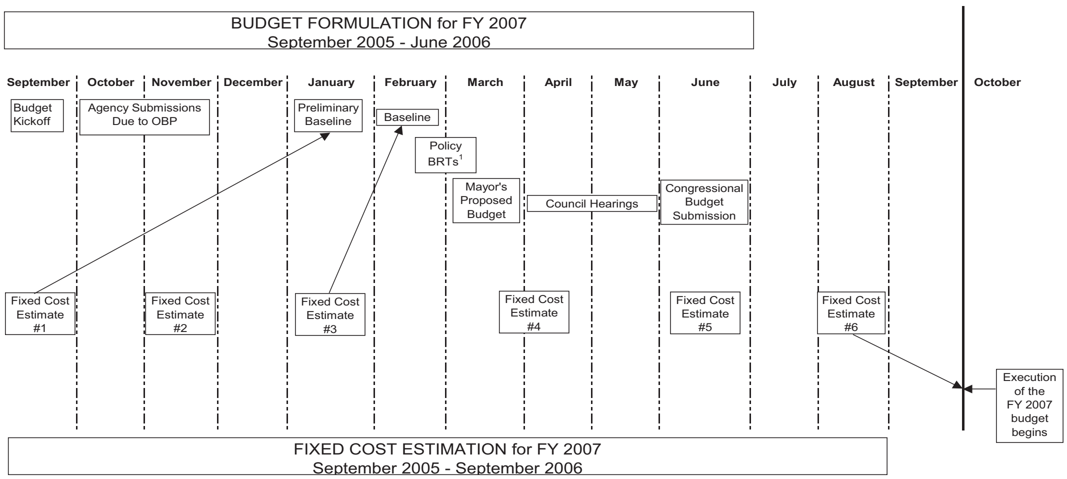
Timeline

The timeline for the FY 2007 budget submission has been established to achieve a number of objectives. An integral part of this process is the preparation and submission of fixed costs forecasts. The forecasts are prepared by the Office of Property Management (OPM), the Office of the Chief Technology Officer (OCTO), and the Department of Public Works (DPW) Fleet Management Administration (FMA). The forecasts prepared by OPM and OCTO are submitted to the Office of Budget and Planning (OBP) by the Office of Finance and Resource Management (OFRM), which services the accounts from OPM and OCTO. The forecast prepared by DPW is submitted directly to OBP. The Department of Public Works is both the service provider and account manager for fleet services.

The fixed costs forecasts typically are submitted on a quarterly basis and they serve to provide OBP with information relating to the unavoidable portion of the District's financial obligations. In essence, fixed costs forecast are submitted in September, December, March, and June, respectively. This however is a fluid schedule based upon the timing of additional data and requests for updated estimates.

The first forecast usually coincides with the Budget Kickoff by OBP. This forecast provides OBP with insights regarding an agency's current services level of funding. The second forecast is received by OBP during the submission stage of the agency budget formulation process. This forecast forms the basis for the baseline fixed cost budget. Additional forecasts after the baseline budget serve to provide agencies with updated estimates as the beginning of the fiscal year draws near.

Figure 1-4
Fixed Costs Estimates Timeline



- Due to the deadline for the District's budget submission to Congress, budget formulation is a very stable process; and
- Timing differences between the two processes account for a large part of the difference between what goes into the budget and what is required once the fiscal year actually begins.

Fixed Costs Expenditure Growth

Total District government Local fund expenditures for FY 2005 were $4.5 billion and the FY 2006 approved budget is $5.4 billion. Expenditures for fixed costs for FY 2005 were $229 million and the FY 2006 approved budget is $241 million. While total District government expenditures (local fund only) are expected to decrease by $7.0 million, or 0.1 percent from FY 2006, fixed cost expenditures are estimated to increase by $53.7 million, or 22 percent, the highest year-over-year increase in the previous four years. While growth is anticipated in several fixed cost commodities, the largest area of growth is in rent, which accounts for $18.8 million of the $53.7 million increase over the FY 2006 approved fixed cost budget.

Figure 1-5

Growth of Fixed Costs by Commodity FY 2003 to FY 2007

Commodity	FY2003	FY2004	FY2005	FY2006	FY2007
Rent	$75,240,458.14	$83,659,783.62	$90,540,363.83	$88,055,231.28	$106,886,154.00
Electricity	$23,314,474.54	$24,986,312.28	$30,501,969.81	$25,067,784.12	$31,911,918.97
Telephony	$25,368,880.74	$24,344,486.74	$29,536,683.04	$26,514,564.80	$32,299,747.68
Natural Gas	$16,295,851.85	$16,518,055.16	$21,629,591.72	$23,408,967.59	$37,837,375.66
Security	$21,257,974.96	$24,430,463.77	$25,259,178.36	$23,570,795.78	$32,894,418.00
Water	$8,098,581.03	$7,223,152.30	$7,273,812.28	$9,412,993.54	$8,938,228.39
Fuel	$6,608,287.48	$6,236,020.77	$8,281,979.53	$6,302,362.59	$2,453,768.80
Janitorial	$4,342,711.28	$4,033,811.47	$4,770,877.91	$5,304,792.64	$5,021,249.00
Occupancy	$2,317,949.19	$3,727,566.37	$9,436,464.81	$10,586,801.49	$12,686,007.33
Steam	$909,916.04	$1,067,497.55	$1,095,700.96	$873,763.12	$1,561,682.69
Postage	$542,587.93	$548,317.76	$646,078.24	$793,086.35	$901,525.75
Fleet	$7,504,385.00	$8,016,824.00	$18,669,269.00	$21,469,658.83	$23,616,624.71
Grand Total	$191,802,058.18	$204,792,291.79	$247,641,969.49	$241,360,802.14	$297,008,700.99

(Water amount does not include Fire Hydrant Fee)

Data Source: Office of Finance and Resource Management and Department of Public Works

Figure 1-6

Commodity Comparison

Year over Year Growth

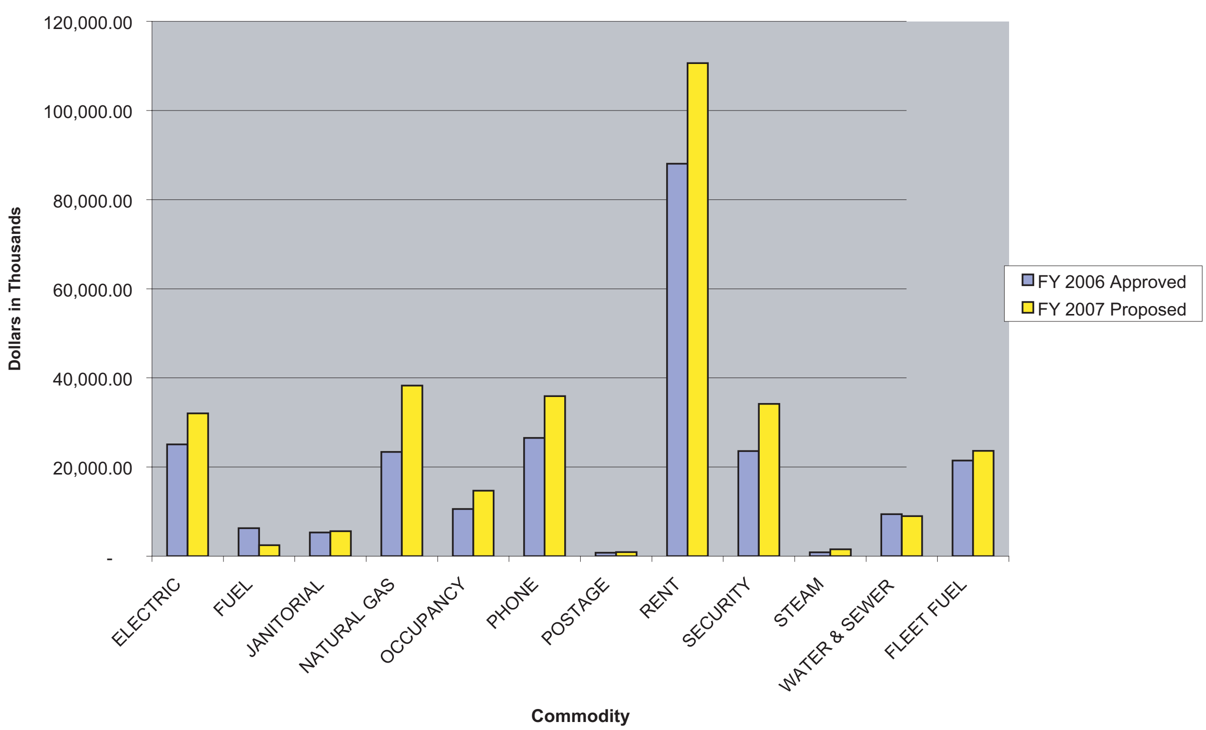


Figure 1-7

Top 10s (FY 2005 – FY 2007)

Commodity by Agency

ELECTRICITY

FY 2005 ACTUALS AGENCY		FY 2006 APPROVED BUDGET AGENCY		FY 2007 PROPOSED BUDGET AGENCY	
PUBLIC SCHOOLS	12,553,821.93	PUBLIC SCHOOLS	9,194,524.70	PUBLIC SCHOOLS	13,218,047.87
HUMAN SERVICES	1,950,084.03	HUMAN SERVICES	2,075,334.53	COMMISSION ON MENTAL HEALTH	1,765,315.37
DC GENERAL CAMPUS	1,808,032.86	PROPERTY MANAGEMENT	1,563,115.21	POLICE DEPARTMENT	1,655,118.95
POLICE DEPARTMENT	1,710,694.79	POLICE DEPARTMENT	1,471,455.81	PARKS & RECREATION	1,533,342.09
TRANSPORTATION	1,680,930.04	COMMISSION ON MENTAL HEALTH	1,324,795.56	PROPERTY MANAGEMENT	1,476,374.51
MENTAL HEALTH	1,400,460.05	OFFICE OF UNIFIED COMMUNICATION:	1,261,650.93	TRANSPORTATION	1,464,737.76
PUBLIC LIBRARIES	1,358,282.48	PUBLIC LIBRARY	1,222,803.67	PUBLIC LIBRARY	1,273,257.42
RECREATION	1,243,111.61	PARKS & RECREATION	1,120,930.55	HUMAN SERVICES	1,271,091.58
CORRECTIONS	1,113,665.63	TRANSPORTATION	1,025,394.83	OFFICE OF UNIFIED COMMUNICATIONS	1,096,338.23
PUBLIC WORKS	800,190.65	CORRECTIONS	843,836.39	CORRECTIONS	1,026,959.75

HEATING FUEL

FY 2005 AGENCY		FY 2006 AGENCY		FY 2007 AGENCY	
PUBLIC SCHOOLS	408,114.36	PROPERTY MANAGEMENT	622,351.60	PUBLIC SCHOOLS	717,134.04
PROPERTY MANAGEMENT	387,657.83	PUBLIC SCHOOLS	554,306.51	COMMISSION ON MENTAL HEALTH	540,139.65
HUMAN SERVICES	108,919.38	COMMISSION ON MENTAL HEALTH	407,230.73	PROPERTY MANAGEMENT	349,449.08
MENTAL HEALTH	21,986.83	HUMAN SERVICES	129,187.56	YOUTH & REHABILITATION SERVICES	298,671.56
RECREATION	4,165.30	DEPARTMENT OF HEALTH	106,811.28	UNIVERSITY OF THE DISTRICT OF COLUM	100,818.45
UNIFIED COMMUNICATIONS	1,204.93	UNIVERSITY OF THE DISTRICT OF COL	77,927.30	HUMAN SERVICES	97,618.51
CHIEF TECHNOLOGY OFFICER	463.00	CHIEF MEDICAL OFFICER	51,865.75	DEPARTMENT OF HEALTH	93,564.11
		NATIONAL GUARD	51,635.22	OFFICE OF UNIFIED COMMUNICATIONS	85,466.48
		OFFICE OF UNIFIED COMMUNICATION:	15,000.00	CHIEF MEDICAL OFFICER	67,101.31

JANITORIAL *

FY 2005 AGENCY		FY 2006 AGENCY		FY 2007 AGENCY	
POLICE DEPARTMENT	8,004,646.35	POLICE DEPARTMENT	2,441,157.30	POLICE DEPARTMENT	2,110,709.00
TRANSPORTATION	1,030,814.85	NATIONAL GUARD	317,771.86	OFFICE OF UNIFIED COMMUNICATIONS	474,797.85
NATIONAL GUARD	998,543.77	PROPERTY MANAGEMENT	297,176.85	PROPERTY MANAGEMENT	383,374.00
ATTORNEY GENERAL	758,296.64	TRANSPORTATION	233,175.55	NATIONAL GUARD	302,694.00
PUBLIC WORKS	712,728.72	OFFICE OF THE ATTORNEY GENERAL	224,053.41	OFFICE OF THE ATTORNEY GENERAL	275,148.00
CHIEF FINANCIAL OFFICER	639,554.33	PUBLIC WORKS	194,590.84	TRANSPORTATION	274,492.00
PROPERTY MANAGEMENT	495,537.12	DEPARTMENT OF HEALTH	173,398.00	PUBLIC WORKS	237,563.00
CHIEF TECHNOLOGY OFFICER	399,823.27	OFFICE OF UNIFIED COMMUNICATION:	164,631.31	YOUTH & REHABILITATION SERVICES	233,823.20
CORRECTIONS	337,918.26	CHIEF TECHNOLOGY OFFICER	161,492.39	MOTOR VEHICLES	178,579.00
OFFICE OF PERSONNEL	319,614.74	CORRECTIONS	156,352.34	CHIEF TECHNOLOGY OFFICER	150,707.00

NATURAL GAS

FY 2005 AGENCY		FY 2006 AGENCY		FY 2007 AGENCY	
PUBLIC SCHOOLS	11,657,102.37	PUBLIC SCHOOLS	11,793,723.98	PUBLIC SCHOOLS	21,715,228.44
MENTAL HEALTH	3,271,908.23	COMMISSION ON MENTAL HEALTH	3,222,019.65	COMMISSION ON MENTAL HEALTH	6,488,290.77
DC GENERAL CAMPUS	1,932,367.95	HUMAN SERVICES	1,813,974.51	PROPERTY MANAGEMENT	2,624,643.40
HUMAN SERVICES	1,340,868.14	PROPERTY MANAGEMENT	1,717,573.20	HUMAN SERVICES	1,620,732.27
RECREATION	928,348.98	PARKS & RECREATION	1,094,995.30	PARKS & RECREATION	972,242.50
POLICE DEPARTMENT	581,923.52	POLICE DEPARTMENT	697,881.32	FIRE DEPARTMENT	907,733.58
FIRE & EMT	526,119.39	FIRE DEPARTMENT	660,370.10	POLICE DEPARTMENT	873,929.64
PUBLIC WORKS	370,351.88	PUBLIC WORKS	550,730.47	PUBLIC WORKS	683,369.24
PROPERTY MANAGEMENT	240,113.36	DEPARTMENT OF HEALTH	395,194.05	YOUTH & REHABILITATION SERVICES	567,507.89
PUBLIC LIBRARY	213,828.10	MOTOR VEHICLES	314,335.35	PUBLIC LIBRARY	475,493.20

OCCUPANCY

FY 2005 AGENCY		FY 2006 AGENCY		FY 2007 AGENCY	
MOTOR VEHICLES	2,757,652.18	POLICE DEPARTMENT	3,306,144.78	POLICE DEPARTMENT	3,646,737.00
POLICE DEPARTMENT	2,011,892.29	PROPERTY MANAGEMENT	962,028.46	PROPERTY MANAGEMENT	3,130,546.50
DC GENERAL CAMPUS	774,537.42	TRANSPORTATION	680,944.00	OFFICE OF THE ATTORNEY GENERAL	734,409.00
OFFICE OF THE ATTORNEY GENERAL	411,834.55	OFFICE OF THE ATTORNEY GENERAL	652,808.00	OFFICE OF UNIFIED COMMUNICATIONS	731,191.50
CHIEF FINANCIAL OFFICER	380,046.78	OFFICE OF UNIFIED COMMUNICATION:	613,248.00	HUMAN SERVICES	644,044.50
HUMAN SERVICES	352,244.93	HUMAN SERVICES	572,484.00	TRANSPORTATION	583,812.00
DEPARTMENT OF HEALTH	337,142.27	PUBLIC SCHOOLS	472,976.00	PUBLIC SCHOOLS	546,727.50
COURTS	310,349.03	CHIEF TECHNOLOGY OFFICER	373,530.77	YOUTH & REHABILITATION SERVICES	510,921.00
TRANSPORTATION	244,064.52	CHIEF FINANCIAL OFFICER	364,872.00	MOTOR VEHICLES	462,496.50
CHIEF TECHNOLOGY OFFICER	218,111.71	DEPARTMENT OF HEALTH	277,028.72	CHIEF FINANCIAL OFFICER	420,583.50

Figure 1-7

Top 10s (FY 2005 – FY 2007)

Commodity by Agency

POSTAGE **

FY 2005 ACTUALS AGENCY		FY 2006 APPROVED BUDGET AGENCY		FY 2007 PROPOSED BUDGET AGENCY	
OFFICE OF PERSONNEL	290,920.71	CHILD & FAMILY SERVICES	97,982.64	CHILD & FAMILY SERVICES	111,112.72
DEPARTMENT OF HEALTH	268,010.52	HUMAN SERVICES	89,307.49	HUMAN SERVICES	101,274.14
CHILD & FAMILY SERVICES	264,749.59	DEPARTMENT OF HEALTH	87,725.51	DEPARTMENT OF HEALTH	99,481.28
HUMAN SERVICES	242,905.33	OFFICE OF PERSONNEL	82,757.76	OFFICE OF PERSONNEL	93,847.57
ATTORNEY GENERAL	163,493.31	1356 PENNSYLVANIA AVENUE	69,494.91	1356 PENNSYLVANIA AVENUE	75,054.60
STATE EDUCATION OFFICE	137,224.33	PUBLIC WORKS	62,499.49	PUBLIC WORKS	70,873.87
OFFICE OF THE MAYOR	107,190.16	STATE EDUCATION	52,847.58	STATE EDUCATION	59,929.63
OFFICE OF THE SECRETARY	74,577.88	OFFICE OF THE ATTORNEY GENERAL	40,859.19	OFFICE OF THE ATTORNEY GENERAL	46,334.11
OFFICE OF HUMAN RIGHTS	68,571.17	HUMAN RIGHTS	34,628.16	HUMAN RIGHTS	39,268.15
OFFICE OF PLANNING	66,408.00	OFFICE OF PLANNING	33,203.93	OFFICE OF PLANNING	37,653.34

RENT

FY 2005 ACTUALS AGENCY		FY 2006 APPROVED BUDGET AGENCY		FY 2007 PROPOSED BUDGET AGENCY	
HUMAN SERVICES	14,403,820.80	DEPARTMENT OF HEALTH	12,535,306.00	HUMAN SERVICES	17,735,278.00
DEPARTMENT OF HEALTH	13,419,534.28	HUMAN SERVICES	12,411,463.00	DEPARTMENT OF HEALTH	16,130,938.00
CHIEF FINANCIAL OFFICER	8,690,510.32	CHIEF FINANCIAL OFFICER	9,450,582.00	CHIEF FINANCIAL OFFICER	11,566,011.00
EMPLOYMENT SERVICES	7,646,750.03	EMPLOYMENT SERVICES	7,738,291.00	EMPLOYMENT SERVICES	8,005,384.00
CHILD & FAMILY SERVICES	6,632,847.80	CHILD & FAMILY SERVICES	6,658,837.00	CHILD & FAMILY SERVICES	7,452,265.00
MENTAL HEALTH	6,308,832.58	PUBLIC SCHOOLS	6,266,439.00	PUBLIC SCHOOLS	7,440,034.00
PUBLIC SCHOOLS	6,257,040.91	COMMISSION ON MENTAL HEALTH	5,087,218.04	COMMISSION ON MENTAL HEALTH	5,135,627.00
CONSUMER & REGULATORY AFFAIRS	4,391,000.95	CONSUMER & REGULATORY AFFAIRS	4,543,672.00	CONSUMER & REGULATORY AFFAIRS	4,739,286.00
MOTOR VEHICLES	2,934,740.50	TRANSPORTATION	2,672,014.00	POLICE DEPARTMENT	3,951,765.00
PROPERTY MANAGEMENT	2,318,737.69	POLICE DEPARTMENT	2,359,008.00	OFFICE OF THE SECRETARY	2,769,465.00

SECURITY***

FY 2005 ACTUALS AGENCY		FY 2006 APPROVED BUDGET AGENCY		FY 2007 PROPOSED BUDGET AGENCY	
HUMAN SERVICES	15,902,992.59	HUMAN SERVICES	3,952,395.00	HUMAN SERVICES	6,135,464.83
DEPARTMENT OF HEALTH	9,696,105.54	COMMISSION ON MENTAL HEALTH	2,843,712.00	COMMISSION ON MENTAL HEALTH	3,677,601.29
PUBLIC WORKS	7,598,366.03	DEPARTMENT OF HEALTH	2,225,530.00	DEPARTMENT OF HEALTH	3,328,027.24
1358 PENNSYLVANIA AVENUE	7,451,468.38	1358 PENNSYLVANIA AVENUE	2,175,792.32	PUBLIC WORKS	3,017,535.27
MENTAL HEALTH	7,417,899.73	PUBLIC WORKS	1,820,389.27	1358 PENNSYLVANIA AVENUE	2,115,814.73
MOTOR VEHICLES	5,330,680.02	MOTOR VEHICLES	1,586,669.87	MOTOR VEHICLES	2,020,511.83
TRANSPORTATION	5,243,953.84	TRANSPORTATION	1,240,696.95	PROPERTY MANAGEMENT	1,541,395.45
EMPLOYMENT SERVICES	4,375,764.73	EMPLOYMENT SERVICES	1,108,596.32	EMPLOYMENT SERVICES	1,477,223.08
POLICE DEPARTMENT	4,290,372.23	CHIEF FINANCIAL OFFICER	828,112.00	CHIEF FINANCIAL OFFICER	1,313,696.79
CHIEF FINANCIAL OFFICER	3,216,415.49	OFFICE OF UNIFIED COMMUNICATION:	783,516.05	OFFICE OF UNIFIED COMMUNICATIONS	1,286,607.33

STEAM

FY 2005 ACTUALS AGENCY		FY 2006 APPROVED BUDGET AGENCY		FY 2007 PROPOSED BUDGET AGENCY	
PUBLIC LIBRARY	319,230.24	POLICE DEPARTMENT	336,667.54	PUBLIC LIBRARY	505,335.64
POLICE DEPARTMENT	283,824.99	PUBLIC LIBRARY	186,906.32	POLICE DEPARTMENT	423,595.10
HUMAN SERVICES	249,781.74	HUMAN SERVICES	160,916.77	HUMAN SERVICES	363,318.52
CHIEF FINANCIAL OFFICER	96,806.47	CHIEF FINANCIAL OFFICER	96,968.78	PROPERTY MANAGEMENT	120,238.46
COURTS	64,187.40	MOTOR VEHICLES	51,412.28	MOTOR VEHICLES	64,816.00
MOTOR VEHICLES	44,561.35	PROPERTY MANAGEMENT	20,057.01	CHIEF FINANCIAL OFFICER	56,599.00
Admin Hearings	14,390.88	DEPARTMENT OF HEALTH	13,889.61	DEPARTMENT OF HEALTH	17,475.91
DEPARTMENT OF HEALTH	11,747.79	CORRECTIONS	4,508.94	CORRECTIONS	5,811.06
OFFICE OF PROPERTY MANAGEMENT	4,085.74	COMMISSION ON MENTAL HEALTH	2,435.86	COMMISSION ON MENTAL HEALTH	4,493.00
CORRECTIONS	3,995.11				

FLEET FUEL

FY 2005 ACTUALS AGENCY		FY 2006 APPROVED BUDGET AGENCY		FY 2007 PROPOSED BUDGET AGENCY	
PUBLIC WORKS	6,892,101.94	PUBLIC WORKS	7,925,917.23	PUBLIC WORKS	8,718,508.95
POLICE DEPARTMENT	3,007,174.68	POLICE DEPARTMENT	3,458,250.88	POLICE DEPARTMENT	3,804,075.97
TRANSPORTATION	2,794,213.67	TRANSPORTATION	3,213,345.41	TRANSPORTATION	3,534,679.66
PUBLIC SCHOOLS	2,013,716.60	PUBLIC SCHOOLS	2,315,774.09	PUBLIC SCHOOLS	2,547,351.50
FIRE DEPARTMENT	861,873.78	FIRE DEPARTMENT	991,154.85	FIRE DEPARTMENT	1,090,270.33
WATER AND SEWER AUTHORITY	532,235.22	WATER AND SEWER AUTHORITY	612,070.50	WATER AND SEWER AUTHORITY	673,277.55
HUMAN SERVICES	432,826.17	HUMAN SERVICES	497,750.09	HUMAN SERVICES	547,525.10
DEPARTMENT OF HEALTH	405,213.12	DEPARTMENT OF HEALTH	465,995.09	DEPARTMENT OF HEALTH	512,594.60
PARKS & RECREATION	272,121.79	PARKS & RECREATION	312,940.06	PARKS & RECREATION	344,234.06
PROPERTY MANAGEMENT	200,409.16	PROPERTY MANAGEMENT	230,470.53	PROPERTY MANAGEMENT	253,517.58

Note all agencies participate in centrally managed costs for all commodities:

*This table excludes DOH, DOES, DCRA, DCPL, most of DCPS, most of DMH, most of DHS, and CFSA for janitorial.

**This table excludes DOES, DCRA, DCPL, DCPS, MPD, DMH, DDOT, DMVand OUC for postage.

***This table excludes DCPL, DCPS, and FEMS for security.

Why Fixed Cost Estimates are Important

Fixed cost estimates require communication among OCTO, OPM, DPW, and all user agencies. This process is highly collaborative. Input to OFRM from each agency factors directly into the development of fixed cost estimates. Without this collaboration, estimates of fixed costs that are anywhere near accurate are impossible. This process begins with a macro review of the economy, looking at national inflation and global price trends of such items as electricity, gasoline, and other types of fuel. The process continues at the micro level, with a detailed probe of individual agencies' historical fixed services costs use and then a reasonable projection of those costs based on macro data and micro use patterns. Arriving at proper and accurate estimates is central to how taxpayer dollars are used most effectively to cover fixed costs and extends far beyond the traditional practice of projecting agency needs on the basis of square feet occupied.

The administration of fixed costs by OFRM prevents the agencies that develop fixed cost estimates (OPM, OCTO, DPW) from benefiting from either over- or under-estimating these costs. The primary goal is a well-based estimate that comes within 90 percent to 95 percent of what an agency actually spends in fixed costs. Underestimating could result in spending pressures. Over-estimating could mean that funds are budgeted unnecessarily for fixed costs when it could be used for other purposes. The initial fixed cost estimates for a given fiscal year are developed about 12 months before the start of the fiscal year. These estimates then are passed along to agencies to submit with their budget request. Fixed cost estimates then are further refined, both prior to the budget submission and throughout the fiscal year (to track spending), but the initial estimates are the basis for the budget allocations.

Prior to FY 2005, the policy regarding fixed costs was that any surplus at year-end would be returned to agencies to cover deficits in program dollars. If fixed costs were underestimated, agencies would be responsible for covering deficits with program dollars. The environment created by this policy was one in which agencies constantly sought to reduce fixed cost charges (post budget allocation) to redirect those dollars for programs. The reductions being sought may or may not have been appropriate, depending on the needs of the agencies -- for example seeking to reduce security charges below the level deemed appropriate by the Protective Services Division. The discipline being imposed on the administration of fixed costs clarifies the program side of agencies' budgets. Funds allocated for fixed costs may be spent only on fixed costs. This clarity will ensure that budgeted dollars are spent as the Mayor, Council, and Congress intended.

The Role of the Office of Finance and Resource Management in Fixed Costs

The process begins with a request from OFRM to OCTO and OPM to prepare estimates of fixed costs. OCTO and OPM deliver supporting reports, by agency, to OFRM, which then performs a due diligence review. If the review calls for adjustments, OFRM will discuss them with OCTO and/or OPM. Adjustments to estimates may or may not be made, depending on the persuasiveness of OCTO's or OPM's documentation supporting the estimates.

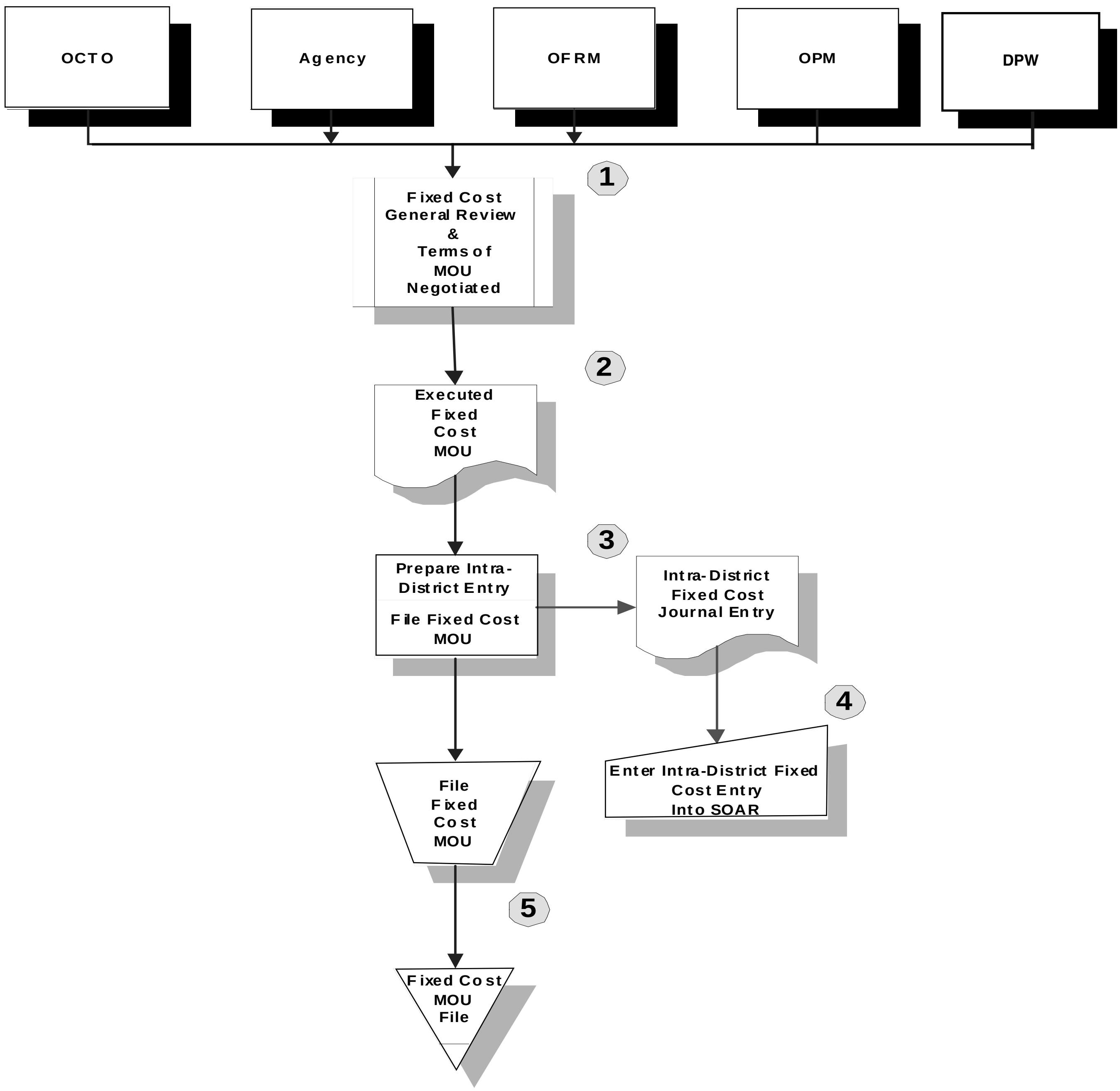
After all anomalies have been resolved, OFRM reviews the fixed cost estimates and forwards them to the agencies and the Office of Budget and Planning. OBP then includes the estimates in agency budget targets and in the Mayor's proposed Budget and Financial Plan.

From August to September, OFRM hosts the annual Memorandum of Understanding Summit to discuss MOU terms for each agency. Revisions are included in the MOUs, which are executed between agencies and OFRM (Figure 1-4). The City Administrator signs the MOU on behalf of all agencies. This enables OFRM to execute purchase orders and authorizes OFRM to pay fixed cost expenditures and perform financial oversight during the fiscal year.

Figure 1-8

Memorandum of Understanding flow between agencies and OFRM

Commodity by Agency



The Role of the Office of the Chief Technology Officer in Fixed Costs

The explosion of information technology (IT) during the past two decades has flooded the market with powerful new devices and technologies. "Next Generation" arrives in months, not years. Sorting through technology offerings becomes more challenging as businesses and governments turn to more sophisticated levels of technology to gain operational effectiveness and efficiencies.

The District government, recognizing that IT is the most powerful agent of change in the 21st century, created the Office of the Chief Technology Officer (OCTO) in 1998 to centralize the development and coordination of IT and telecommunications systems for the entire government. OCTO's goals are: Reform District government IT services;

- Position the District to be a "city of access", a model for cities in the information age;
- Improve government services and support economic development; and
- Accelerate residents' access to District services and provide technological equality for residents.

As a result of centralization of telecommunications expenditures, OCTO has minimized the reliance on costly maintenance contracts. It also has established policies for approving vendors and for reimbursing D.C. Government when employees use their DC Government cellphones and telecommunications products for personal use. The agency also applies guidelines regarding restricted use of telephones. The Telecommunications Division manages all aspects of voice communications, including landlines, wireless, handheld devices and services, telephone equipment, telephone systems, and voice messaging. Serving as a central point of contact, the division also is responsible for establishing, monitoring and maintaining District-wide standards and procedures for services and installations.

Assumptions - OCTO's principal assumption is that the universe of IT and communications will change constantly, and that the Telecommunications Division must keep pace. Staffed by a team of Subject Matter Experts (SMEs), the division oversees telecommunications expenditures for the District and provides consultative support to more than 70 agencies.

To ensure that the division fully meets the needs of growing and demanding agency clients, the division introduced Cluster Managers (CMs) who work with their assigned groups of agencies to fully understand their operations. As the division's primary interface to agencies, the CMs marshal resources to provide agencies with creative telecommunications solutions. CMs have moved the division into a consultative partnership role with agencies, delivering customized solutions and agency-level support at a fraction of market-level prices

The fixed cost centralized model has enabled OCTO to realize a range of benefits and improvements for the District's telecommunications spending, including:

- Creating dedicated OCTO technicians to handle repair problems and small installations, moves, and other changes at no charge to agencies;
- Negotiating to establish OCTO-approved vendors to secure reduced competitive pricing for all telecommunications products and services;
- Requiring all approved vendors to comply with D.C. government's billing format and provide invoices electronically;
- Providing expert telecommunications consultative support via OCTO's SMEs;
- Establishing and monitoring District standards for wiring and installations;
- Arranging presentations and initiating seminars where vendors present the latest products and services in the industry; and
- Creating a web-based application called Tel-WATCH that lets agencies view and validate telecommunications invoices within 10 days.

The Role of the Office of Property Management in Fixed Costs

OPM was established in 1998 in response to recommendations from the Real Estate Executive Committee convened in 1996. Consequently, a management reform plan was produced under direction of the Financial Responsibility and Management Authority. With approval of the District Council, it was determined to combine all property management functions into a single area of responsibility to preserve and maximize the District's assets.

OPM's mission is to be the trusted real estate adviser and asset manager for the District, and to maximize the value of assets through coordination, strategic planning, financial management, business process improvement, and outreach efforts.

OPM's role in fixed costs begins by confirming each agency's occupancy in District-owned and leased space. Fixed cost estimates are then prepared by OPM and submitted to the Office of Finance and Resource Management and the Office of Budget and Planning in October of each fiscal year. From October until the budget goes to Council in March, several revised estimates are routinely submitted.

The fixed cost forecast covers one fiscal period and contains estimates of anticipated charges for rent, electricity, natural gas, water, fuel (heating and fleet), steam for heating, security services, occupancy costs, custodial services and postage. In developing fixed cost estimates, OPM confirms which facilities each agency is using, reviews prior year expenditures and consumption trends, makes adjustments based on spending patterns and programmatic changes, and verifies facility functions.

In multi-tenant government buildings, each agency's facility cost estimates are consistent with the rentable area that the agency occupies. As such, each agency is charged a proportionate share for the annual estimated cost of the facility. The rentable area is the agency's assigned occupiable space, plus a proportionate share of common areas. When an agency is the sole occupant of a facility, it is responsible for all the operational costs of that location.

A number of factors influence fixed cost forecasts. These may lead to over or underestimated costs. For example, for accurate forecasts, the following information must be shared with OPM

- Addition of new facilities or renovation of existing facilities;
- Vacating of property;
- Agency relocation;
- Changes in equipment and equipment specifications within agency facilities;
- Storage capacity increases, such as larger fuel tanks; and
- Changing Service requirements

The following are fixed cost components and the assumptions OPM makes about them.

Rent

The District of Columbia occupies more than 3 million square feet of leased space. Rent estimates generally include three broad categories of charges: base rent, annual escalations, and operating expense pass throughs. For the most part, base rent and annual escalations are explicit in the leases and are highly predictable. These amounts generally are not tied to variable benchmarks like increases in the Consumer Price Index. Estimates for operating expense pass throughs (including real estate taxes), however, are not as straightforward.

Assumptions - Operating expense pass-throughs happen when actual expenses for the leased facility exceed a base year rate, based typically on stabilized occupancy in the first year of the lease. Because District leases have anniversary dates throughout the year, operating expenses are not always reconciled on a schedule that coincides easily with annual budgeting. Further, not all operating expenses escalate at a predictable rate. To the extent that extraordinary costs are incurred in a given lease year, such costs may not recur the following year. In making future estimates of the pass-through component of rent, inflation rates are applied to operating expenses that have been adjusted to eliminate nonrecurring costs. The difference between the future estimate and the base rate then becomes the basis for forecasting operating expense pass-throughs.

Rent estimates often are required for leases that expire in the fiscal year for which the budget is being prepared. At the time the fixed cost estimate is being prepared, it is sometimes unknown where the agency will be located -- same leased facility, another leased space, or to owned space. Estimates of rent in these instances are based on market rents in the submarket where the agency is expected to be. These fixed cost estimates represent rent to be paid to the landlord; they do not include moving or other relocating costs.

Build-out costs - These vary with the needs of the occupying agency, as well as the physical condition of the leased space. Typically, a landlord offers a tenant improvement allowance -- money per square foot that the landlord will contribute toward improving the space in exchange for the rent being offered. If the allowance is negotiated upward, the rental rate will increase proportionately. If the allowance is less, the rent will be reduced

Impact of national rent trends. Office rents in Washington are the second highest in the country, behind only midtown Manhattan's. The driver is that the District's downtown office vacancy rate is one of the lowest in the U.S. As of the fourth quarter of 2005, that rate was 7.2 percent, about the same as last year at the same time. The District office market had the lowest vacancy rate nationally. Controlled new supply and steady absorption suggest that rental rates will continue to rise gradually for the immediate future. The fixed cost estimates reflect steadily increasing market rental rates.

Utilities

Utility costs over the last two years have been increasing for many reasons. The increase in the costs of providing utility services to the District of Columbia has come about as a result of the following:

- Changes in commodity costs as a result of established contractual obligations;
- Changes in the consumptive use of the commodities over the previous corresponding period;
- Changes in commodity costs due to renovated facilities coming on-line during the course of the fiscal year;
- Changes in commodity costs due to rate increase during the course of the fiscal year; and
- Domestic, national, and international trends in commodity demand

Assumptions are about the same for all utility components:

- Expenditure and consumption data over a period of 12 to 24 months are utilized
  - Cost of the commodity is determined, in part, upon the level of consumption in the corresponding period.
  - The level of consumptionis assumed to hold for the period under consideration.
  - The price of the commodity is based upon price structures currently in place or any pending contractual obligation due to take effect.
  - In the absence of a give existing or pending price regime, expected prices are based, among others, upon prevailing demand conditions at the local, regional, national, and internationsl levels.
  - Other influences on price include anticipated climatic conditions as well as political and instiutional changes that are expected to influence market prices during the period under consideration

Electricity

Until recently, Potomac Electric Power Company (PEPCO) was the sole provider of electricity to District agencies. Under the existing tariff, PEPCO supplied the District with generation, transmission, and distribution of electric services. Beginning in February 2005, PEPCO has been responsible only for distribution. The District has contracted with a third-party supplier, Select Energy to provide generation and transmission over a two-year period. The District is currently in the option year of the electric contract. The District also purchases electricity from Baltimore Gas and Electric for facilities in Laurel and from Southern Maryland Electric for other facilities in Maryland.

Impact of national electricity trends. The cost of electricity is likely to rise for the District. Notwithstanding the current contract, the extent of the increase will depend on the number of facilities that will fall under Standard Offer Pricing as a result of District facilities coming online after the date for transferring accounts to a new supplier. Increases in the cost of electric services also are expected due to increases in consumption from a subset of existing facilities.

Natural Gas

Washington Gas and Light provides natural gas distribution to government facilities in the District. Generation and transmission of natural gas is provided by Washington Gas Energy Services. In Laurel, Baltimore Gas and Electric provides distribution services, and generation and transmission services are obtained throughWashington Gas Energy Services.

Impact of national natural gas trends. Natural gas prices have risen an average of 30 percent in the past year on the District's firm and interruptible accounts. The District is currently in the option year of its current contract and intends to pursue strategies in FY 2007 to control, if not reduce, the current levels of spending on natural gas. The price of natural gas will depend on demand and supply conditions at both the domestic and international levels as well as the nature of the political climate in areas of the world where supply shocks can cause disruptions to domestic supplies and consequent price increases. Changes in price will also likely depend on the number of natural gas fueled electric generation plants coming on line next year.

Water and Sewer

The D.C. Water and Sewer Authority provides water and sewer services to the District. Changes in the cost of water and sewer services are directly linked to rate increases sought by the utility company.

Fuel

The District procures its fuel through a contract administered by the Defense Energy Support Center (DESC). Since August 2005, the District has entered into a new five year contractual obligation with DESC for the supply of unleaded gasoline, super gasoline, E-85 ethanol, diesel fuel, and heating oil. There are two suppliers of unleaded gasoline under the contract. Similarly, two companies supply diesel fuel and two supply heating oil, and one of each supplies super gas and E-85 ethanol.

Impact of national fuel trends. The cost of unleaded gasoline, diesel fuel, and heating oil rose sharply over the past year, in part, due to catastrophic natural events as well as increases in demand at the domestic, regional, and national levels. It is expected that the cost of heating fuel will show a sharp increase in the winter period whereas the cost of unleaded gasoline will increase in the summer period due to seasonal demand changes.

Steam

Steam is supplied to District agencies through the General Services Administration. The District currently has five facilities that utilize steam for heating purposes. Over the past three years, the District's cost of steam has increased 46.3 percent and future increases ae anticipated as long as the cost of natural gas, a strategic input to the production of steam, continues to rise.

Impact of national steam trends. Prices will continue to increase as long as the price of natural gas and oil continue to escalate.

Security

D.C. Code 10-1005 mandates The Protective Services Division, to coordinate and manage security for District government owned or leased property.

Contract Guards - These costs are based on security hours at a facility. The rate is set contractually. Hours are confirmed with each agency and reconciled with the contract guard vendor. This process occurs during the last quarter of the fiscal year to provide timely information for the upcoming fiscal year. All agencies using contract guard services pay 15 percent on every contract hour to cover Protective Services Division overhead expenses. Costs vary according to the percentage of occupancy of a particular location.

Electronic Security System Maintenance Costs - These costs are driven by the electronic equipment in the facility. Each piece of equipment, in each facility, is assigned a unit maintenance cost. This cost is borne or shared by the agency or agencies in the facility.

Salaries - Protective Services Division personnel permanently assigned to the John A. Wilson Building and the D.C. General Campus have their total salary costs borne by their respective facilities. The 15 percent contract administration/management fee covers remaining staff salaries.

Assumptions - If funds for security were paid in full by agencies by October 30, Protective Services could enter contracts at the beginning of the fiscal year that would last until the end of the fiscal year. Based on current collection practices, the purchase requests for these two largest contracts must be re-inputted twice a year. One full collection would eliminate that necessity.

Impact of national security wage trends. At a minimum, contracts are paid according to the Department of Labor's Wage Determination. The unpredictable Wage Determination increases and their effective dates are set by the Department of Labor. The increases are implemented at the beginning of the exercised option year. Frequently, this increase occurs after the District government agencies' budgets are set. The last three years have seen three increases ranging from 3 percent to 6 percent

Occupancy Costs

Occupancy is charged to all agencies that occupy space in District-owned buildings. The annual occupancy charge is $4.00 per square foot. Preventive maintenance for the day-to-day operations of buildings, as well as major repairs, is funded with occupancy funds for air conditioning, boiler, generators, and elevators.

Impact of national occupancy trends. The General Services Administration and commercial realty companies charge their tenants market rate for these services. The District currently charges an amount that is significantly less.

Custodial Services

These funds cover costs of providing janitorial, trash removal, and recycling services. The services are provided by competitive citywide contracts that are awarded through the Office of Contracting and

Procurement. The cost for the citywide contract is the actual cost that the agencies pay for services based on square feet they occupy and services they receive.

Postage

Estimates are based on a three-year use average. In addition to actual meter costs, agencies are charged overhead equal to their percentage of meter use. Overhead covers salaries, equipment, and postal supplies.

The Role of the Department of Public Works in Fixed Costs

DPW provides maintenance, parts, and vehicular acquisition services for about 3,000 DPW vehicles and fifty other District agencies, departments and commissions so that they can deliver timely and efficient services. In addition, the fleet management program provides fuel and fluids to more than 6,000 vehicles, including those maintained by the program and others belonging to D.C. Public Schools, the Metropolitan Police Department, Fire/FEMS and the Water and Sewer Authority.

Fixed costs include fuel, maintenance, and parts. Estimates are developed based on prior year actual spending, and include a three-year average, market rates, and inflation rates set by OBP. In addition, consideration is given to each agency's actual rate of unscheduled maintenance. Agencies must work with DPW to ensure that all fleet cost estimates are accurate in reflecting potential consumption and charges.

Assumptions are based on number of vehicles assigned to an agency and actual levels of service and fuel consumption by that agency. In making estimates, DPW uses these values:

- Parts – actual costs plus 25 percent administrative/processing fee. The current industry market fee is cost plus 30 percent.
- Fuel – actual cost plus 10 - 20 cents per gallon administrative fee
- Contract maintenance – actual cost plus a 15 percent administrative fee
- Leasing – varies with size, type, and year of vehicle and actual costs, plus administrative fee
- Motor pool rental – flat rate
- Vehicle repairs/preventive maintenance (heavy equipment such as Packers/Sweepers) - $69.00 hourly shop rate
- Vehicle repairs/preventive maintenance (heavy/medium equipment) - $65.00 hourly shop rate
- Vehicle repairs/preventive maintenance (light equipment) - $59.50 hourly shop rate.

The total for FY 2007 Fleet Services Citywide is estimated at $23.6 million, or 9.5 percent over the FY 2006 approved budget of $21.5 million. The following four commodities compose the fleet service budget:

Auto Parts: The FY 2007 estimate is $3.4m or 14.4 percent of the total proposed fleet budget.
Auto Fuel: The FY 2007 estimate is $10.3m or 43.6 percent of the total proposed fleet budget.
Auto Maintenance: The FY 2007 estimate is $8.5m or 36.0 percent of the total proposed fleet budget.
Auto Parts: The FY 2007 estimate is $1.4m or 5.9 percent of the total proposed fleet budget.

Recommendations

Improve Forecast Accuracy

- **OFRM** currently conducts quarterly reviews of agency telecommunication expenditures. Currently, nearly 50 percent of all agencies and nearly 90 percent of large agencies must adjust their budgets during the fiscal year. Generally, needs surface during critical moments. Trying to gather key players to negotiate improvements is difficult and time-consuming. By establishing quarterly sessions, agencies can adjust budgets to eliminate costs for missed deadlines and delays of key installations due to lack of funds.
- **OPM** is creating a formal means by which agencies communicate information to the Facility Management Division. Until now, notification has been informal. Requiring formal notification will hold both OPM and the client agencies accountable for over and underestimating.
- **DPW** is using a better way to forecast one of its major fixed costs: vehicle replacement. In prior years, vehicles typically were replaced based on age. Now, because of new automotive technologies and efficiencies, DPW can weigh the real-cost benefit of replacement. For example, DPW can capture accurately and analyze the total cost of maintaining a vehicle versus measuring only current value and age, to better determine the District's replacement requirements. DPW also is planning a new IT system that will show maintenance costs by vehicle category -- pickup truck, full-size sedan - to refine forecasts.

Conservation

Management of fixed services costs has the important objective of minimizing waste. Fixed services costs are particularly vulnerable to waste. For its part, OFRM routinely monitors bills from vendors to identify unusual activity or questionable charges. OFRM's due diligence mechanisms have resulted in significant cost savings.

- **OCTO's** Telecommunications Division is responsible for leveraging its centralized authority to bring leading providers of telecommunications products and services to agencies at extremely competitive rates. As part of this oversight, the division reviews all requests for telecommunications products to make sure they adhere to guidelines and policies. Recommendations then are made to the agencies. To cite one example:
- **OCTO** requires yearly re-certification of a user's need for a cell phone. When a cellphone no longer is needed for business, it is disconnected. For its part, DPW requires agencies to accurately track the distribution and retrieval of vehicle key cards.

- **OCTO** suggests establishing a Joint Applications Development Team (JAD) to quickly test products, applications, updates and enhancements with a knowledgeable team of end users. The JAD team will consist of ATCs from five to eight agencies and a review of the team's makeup will be made annually. The JAD team will eliminate problems OCTO and end users now face with application changes not being tested with end users before implementation, which has resulted in costly, wasteful downtime. The agency also suggests that vendors notify OCTO when cellphone usage has significantly exceeded plan thresholds. OCTO then will review and forward all significant overages to agencies for immediate handling. Agencies will be given a month to implement recommended usage savings plans. After the deadline, cellphones will be suspended.
- **OPM** suggests that, if fixed-cost categories remain segregated as they are now, the District should consider increasing occupancy charges to agencies; it is widely accepted that occupancy charges are too low relative to the private sector. Another approach would be to charge one rate for full facility management services that includes all the real estate services mentioned in this chapter. Under this option, OPM would commit to providing full services, including routine upgrades to both common areas and occupied space. The only additional cost to agencies would be major renovations or specialized improvements to their space. In either case, sufficient funds should be allocated to make the necessary investment in repair and preventive maintenance, because it will have a favorable impact on both the operating and capital budgets.

There are two principal ways to conserve on fixed costs: lower the demand for a commodity or lower the unit cost of the commodity. OPM is approaching conservation on both fronts. In order to manage the demand for leased and occupied space, OPM has developed space standards for relocations. However, an audit of existing agency space allocations must be undertaken to reclaim space that is not utilized efficiently. Further, an analysis of the amount of space (both leased and owned) will be undertaken to ensure that contracts either appropriately reflect the cost of the District providing space to the contractors or require contractors to provide their own space. Among the uses of additional occupancy charges are funds to continue to install energy-saving devices in occupied space such as motion detectors for lighting.

The leasing philosophy employed by OPM is that the District should occupy space that is economically-priced. We accomplish that by locating District offices in peripheral neighborhoods, where rents are less expensive (and the agencies' clients are also located), or in better-located buildings that are more affordable than Class A space. On the security side, OPM has determined that an in-house security force is more economical than contract guard services in many cases. Beginning in FY07, the Protective Services Division of OPM will be expanded in order to provide security at the District's top five buildings with in-house security staff exclusively. In the future, we will consider bringing even more security services in house. On the energy side, OPM continues to work with the DC Energy Office to buy energy commodities in bulk (through municipal aggregation) in order to reduce the unit costs.

- DPW believes SUVs should be limited to District officials whose work requires them. This will help reduce emissions and fuel consumption and encourage the use of alternative fuels, consistent with the Mayor's and Council's policy. Other officials would be assigned mid-size or compact cars or trucks. In other moves to curb waste, DPW monitors all bills from vendors to agencies, to identify unusual activity or questionable items. DPW's cost-effective management of fleet services has saved millions of dollars in potential waste and abuse. One initiative involves revised forms to improve the quality of pre and post trip inspections for commercial vehicles. Fleet professionals use inspection items on the form to provide quality checks. The goal is to promote accountability and involvement. Fleet services will evaluate the effectiveness of this concept and promote this process District-wide.

According to DPW fleet services, there are several programmatic inititatives that should be undertaken if the District is to save fleet service fixed cost:

- The proper care of vehicles is the responsibility of the assigned agency for the life of the acquired/leased vehicle. As a result of external contractual obligations related to leasing/renting vehicles, all vehicles must be returned to DPW at the end of the lease/rental period with only normal wear and tear.

- Agencies need to accurately track the distribution and retrieval of vehicle keys and fuel cards, in order to maintain accurate billings associated with each vehicle.
- Avoid cost by collecting and reviewing all work orders provided by FMA to the driver upon pickup of vehicle as well as reviewing monthly invoices for buyer side quality assurance of all fleet services received.
- Avoid cost by quarterly reviewing and certifying agency inventory for vehicles and key cards.
- Avoid cost by using the vehicles for the purposes intended and by obtaining the proper type of vehicle to support operations. For example, are your vehicles over used/or under utilized? Do you have the type of vehicle that will support your operational requirements within the scope, specifications, and recommendations of the FMA and the manufacturer?

Conclusion

Controlling fixed costs is an important way to save money so that other, more necessary services can be delivered to District residents without increasing taxes. Efforts toward this end are under way throughout the District. Market-driven deviations from cost estimates always will occur, but the District's mission is to minimize their impact by first providing well-based estimates, then delivering the service with maximum efficiency and minimum waste.

Fixed Costs Addendum

Fixed Costs Addendum

Spending, the agency by agency record

The following provides detailed variance explanations by agency for changes from the FY 2006 approved to the FY 2007 proposed fixed costs budget. These variance explanations do not include agency managed fixed costs. All information listed was supplied by the OPM, OCTO, and DPW.

The agencies are listed in the following order:

Office of the Mayor
Council of the District of Columbia
Office of the District of Columbia Auditor
Office of the Inspector General
Office of the City Administrator
Office of Property Management
Asian and Pacific Islanders Affairs
Office of Finance and Resource Management
Office of the Chief Financial Officer
Office of the Secretary
Office of Planning
Office of Personnel
Office of Zoning
DC Emergency Management
Commission on the Arts and Humanities
D.C. Office on Aging
Office on Latino Affairs
Office of the Attorney General
D.C. Public Library
Department of Employment Services
Public Employee Relations Board
Office of Employee Appeals
Office of Campaign Finance
Department of Consumer and Regulatory Affairs
Office of Cable Television and Telecommunications
Mayor's Call Center
Board of Real Property Assessments and Appeals
Department of Housing and Community Development
D.C. Lottery and Charitable Games Control Board
Office of the People's Counsel
Board of Elections and Ethics
Commission of Judicial Disabilities
Office of Local Business Development
Metropolitan Police Department
Fire and Emergency Medical Service Department
Office of Police Complaints
Corrections Information Council
Criminal Justice Coordinating Council
D.C. National Guard
Department of Corrections
Office of Administrative Hearings
Office of the Chief Medical Examiner
D.C. Sentencing Commission
D.C. Public Schools
State Education Office
University of the District of Columbia
Department of Parks and Recreation
Department of Health
Human Resources Development Fund
Office of Human Rights
Department of Human Services
D.C. Energy Office
Department of Youth Rehabilitation Services
District Department of Transportation
Department of Public Works
Department of Motor Vehicles
Office of Contracting and Procurement
D.C. Office of Risk Management
Child and Family Services Agency
Department of Mental Health
Department of Insurance, Securities and Banking
D.C. Taxicab Commission
Office of Motion Picture Television and Development
Office of the Chief Technology Officer
Office of Unified Communications
Office of Veterans Affairs
John A. Wilson Building Fund

Office of the Mayor

Electric – The budget variance, an increase of $36,433 or 109 percent is due to a substantial increase in the space occupied by the Office of the Mayor at One Judiciary Square (OJS) as well as an anticipated 3 percent increase in cost.

Water & Sewer - The budget variance, an increase of $393 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $3,035 or 9 percent is due to a cost increase in addition to a substantial increase in the space occupied by the Office of the Mayor at OJS.

Security - The budget variance, an increase of $12,625 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Occupancy - The budget variance, an increase of $1542 or 2 percent is due to a rate increase of 6.25 percent and additional costs related to a substantial increase in the space occupied by the Office of the Mayor at OJS.

Postage - The budget variance, an increase of $947 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $41,273 or 11 percent is due to the new city wide contract for telecom offset by savings in cell phone costs.

Fleet – The budget variance, an increase of $2,725 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Council of the District of Columbia

Electric – The budget variance, an increase of $3,249 or 121.9 percent is due to significant increases in consumption at the Reeves Center as well as a projected 3 percent cost increase in both FY 2006 and FY 2007.

Water & Sewer - The budget variance, an increase of $18 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, a decrease of $305 or 14 percent is due to a decrease in costs at the Reeves Center under the new city wide janitorial contract.

Security - The budget variance, an increase of $813 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Occupancy - The budget variance, an increase of $4,311 or 95.4 percent is due to a revision of the agency's expected costs in order to reflect the appropriate occupancy charge.

Fleet – The budget variance, an increase of $581 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of the District of Columbia Auditor

Rent - The budget variance, an increase of $32,384 or 19 percent is due to a 41 percent increase in rented space at 717 14th Street, N.W., as well as application of lease-specified annual escalation and pass-throughs of operating expense increases.

Security - The budget variance, an increase of $1,087 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $413 or 4 percent is due to the new city wide contract for telecom, and increased cell phone and pager charges.

Office of the Inspector General

Rent - The budget variance, an increase of $30,124 or 3 percent is due to a combination lease-specified annual escalation and pass-through of operating expense increases at 717 14th Street, N.W..

Security - The budget variance, an increase of $5,722 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $463 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $18,165 or 23 percent is due to decreased cell phone and pager charges.

Fleet - The budget variance, an increase of $668 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of the City Administrator

Electric – The budget variance, an increase of $11,222 or 68 percent is due to significant increases in consumption at the Reeves Center as well as a projected 3 percent cost increase in both FY 2006 and FY 2007.

Water & Sewer - The budget variance, an increase of $171 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $793 or 5 percent is due to a slight decrease in costs at the Reeves Center under the new city wide janitorial contract offset by increases in cost at One Judiciary Square.

Security - The budget variance, an increase of $5,717 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, a decrease of $68,801 or 23 percent is due to decreased cell phone and pager charges, and new orders offset by an increase due to the new city wide contract for telecom.

Fleet – The budget variance, an increase of $5,875 or 10 percent is due to estimated costs based upon the agency's consumption of services.

AF0 – Contract Appeals Board

Rent - The budget variance, an increase of $7,049 or 4 percent is due to a combination of lease-specified annual escalation and pass-through of operating expense increases at 717 14th Street, N.W..

Security - The budget variance, an increase of $1,024 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $1,980 or 47 percent is due to the new city wide contract for telecom, and increased cell phone and pager charges.

Office of Property Management

Electric – The budget variance, a decrease of $86,741 or 6 percent is due to an anticipated decrease in consumption at the former DC General Hospital (DCGH) campus that will more than offset the expected increases in costs at the Reeves Center (due to increased space utilization) and One Judiciary Square.

Natural Gas - The budget variance, an increase of $907,070 or 53 percent is due to an increase in use of natural gas at DCGH. The conversion of DCGH from electric to natural gas comes at a time when natural gas costs are also rising.

Water & Sewer - The budget variance, an increase of $96,421 or 20 percent is due to a city wide rate increase for this commodity of 9 percent in addition to cost increases at the Reeves Center (due to an increase in space utilization) and DCGH (due to increased consumption).

Fuel - The budget variance, a decrease of $272,903 or 44 percent is due to decreased reliance on heating fuel in favor of natural gas.

Steam – The budget variance, an increase of $100,181 or 499 percent is due to large rate increases, which were brought to light after the FY 2006 budget was approved. Additionally, in FY 2007, OPM will be responsible for expenses related to two non-District agencies at the Municipal Center.

Rent - The budget variance, an increase of $327,338 or 57 percent is due to costs related to the lease for space occupied by the Anacostia Waterfront Corporation (AWC) at 1100 New Jersey Avenue. AWC will reimburse for this cost through the Out-Leasing Fund.

Janitorial - The budget variance, an increase of $45,291 or 15 percent is due to a slight costs savings under the new city wide janitorial contract and savings at DCGH offset by increases in cost at the Reeves and Municipal Centers.

Security - The budget variance, an increase of $1,114,964 or 298 percent is due to a variety of factors. The increase in the new city-wide security contract represents a 20 percent increase, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, represents 7 percent, and an anticipated FY 2007 equitable adjustment by DOL represents 8 percent. Additionally there will be a significant cost increase at the Reeves Center associated with increased space utilization as well as the addition of citywide credentialing to OPM's security responsibilities.

Occupancy - The budget variance, an increase of $2,068,010 or 215 percent is due to a 13 percent rate increase in addition to charges due to outleases associated with space occupied at the Municipal Center by Pre-Trial Services and CSOSA. Reimbursement for these charges is accounted for in the Out-Lease Fund.

Postage - The budget variance, an increase of $373 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $4,170 or 1 percent is due to the new city wide contract for telecom.

Fleet – The budget variance, an increase of $23,047 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Asian and Pacific Islanders Affairs

Electric – The budget variance, an increase of $1,763 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $49 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $358 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $1,474 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $2,137 or 57 percent is due to the new city wide contract for telecom.

Office of Finance and Resource Management

Electric – The budget variance, an increase of $7,923 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $218 or 9 percent is due to a city wide rate increase for this commodity. (This variance explanation does not include fire hydrant fees.)

Janitorial - The budget variance, an increase of $1,608 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $6,625 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $884 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $8,926 or 28 percent is due to the new city wide contract for telecom and increased cell phone usage.

Fleet – The budget variance, an increase of $90 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of the Chief Financial Officer

Electric – The budget variance, a decrease of $54,577 or 26 percent is due to a cost increase of 6 percent offset by a decrease in costs due to the agency vacating the facility owned by the DC Courts.

Water & Sewer - The budget variance, a decrease of $46,612 or 35 percent is due to a city wide rate increase for this commodity of 9 percent of set by a decrease in costs due to the agency vacating the facility owned by the DC Courts.

Steam – The budget variance, a decrease of $40,370 or 42 percent is due to a decrease in costs due to the agency vacating the facility owned by the DC Courts offset by an expected increase in costs related to the Recorder of Deeds.

Rent - The budget variance, an increase of $1,571,051 or 16 percent is due to costs related to the the net effect of a reduction in rent as well as increases in rental expense at the agency's facilities.

Janitorial - The budget variance, a decrease of $3, 528 or 3 percent is due to increases in contractual costs under the new city wide janitorial contract and increases in costs at One Judicial Square offset by decreases due to the agency vacating the facility owned by the DC Courts.

Security - The budget variance, an increase of $440,919 or 53 percent is due to a variety of factors. The increase in the new city-wide security contract represents a 20 percent increase, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, represents 7 percent, and an anticipated FY 2007 equitable adjustment by DOL represents 8 percent. Additionally one location was not previously included in the security cost estimate, and increased services for the agency space at 941 North Capitol Street, N.E. is also included.

Occupancy - The budget variance, an increase of $8,980 or 2 percent is due to a revision of the agency's expected costs in order to reflect the appropriate occupancy charge.

Postage - The budget variance, an increase of $22 or 14 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007 in addition to a slight increase in usage.

Phone – The budget variance, an increase of $215,050 or 28 percent is due to the new city wide contract for telecom and increased in other vendors due to Language Line service.

Fleet – The budget variance, an increase of $2,087 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of the Secretary

Electric – The budget variance, an increase of $76,620 or 834 percent is due to the agency's anticipated move to a new leaseed facility for which the agency will be directly responsible for the payment of Electricity.

Water & Sewer - The budget variance, an increase of $83 or 9 percent is due to a city wide rate increase for this commodity in addition to the agency's anticipated move to a new leaseed facility for which the agency will be directly responsible for the payment of this utility.

Rent - The budget variance, an increase of $19,465 or 3 percent is due to annual lease escalation.

Janitorial - The budget variance, an increase of $32,248 or 450 percent is due to increases in contractual costs under the new city wide janitorial contract and increases as a result of the anticipated move to a new facility.

Security - The budget variance, an increase of $2,514 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Occupancy - The budget variance, a decrease of $8,122 or 39 percent is due to the agency vacating one of its facilities.

Postage - The budget variance, an increase of $2,771 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $10,818 or 37 percent is due to the new city wide contract for telecom and increased cell phone usage.

Fleet – The budget variance, an increase of $280 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Planning

Rent - The budget variance, an increase of $18,946 or 3 percent is due to annual lease escalation and operating expense increases.

Postage - The budget variance, an increase of $4,449 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $853 or 1 percent is due to the new city wide contract for telecom offset by decreases in consumption and usage.

Fleet – The budget variance, an increase of $518 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Personnel

Electric – The budget variance, an increase of $41,373 or 35 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $929 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, a decrease of $1,414 or 2 percent is due to increases in cost at One Judiciary Square offset by decreases in costs at the Reeves Center under the new city wide janitorial contract.

Security - The budget variance, an increase of $37,975 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $11,090 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $35,072 or 28 percent is due to the new city wide contract for telecom and increased cell phone usage.

Fleet – The budget variance, an increase of $391 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Zoning

Electric – The budget variance, an increase of $8,151 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $224 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $1,654 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $6,816 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $1,744 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $8,538 or 65 percent is due to the new city wide contract for telecom and increased cell phone usage and new orders.

DC Emergency Management

Electric – The budget variance, an increase of $213,897 or 388 percent is due to the agency's anticipated move to the Unified Communications Center (UCC).

Natural Gas - The budget variance, an increase of $96,786 or 100 percent is due to the agency's anticipated move to the UCC. Natural gas was not a cost of operations at EMA's previous location.

Water & Sewer - The budget variance, an increase of $9,992 or 236 percent is due to a city wide rate increase for this commodity in addition to the agency's anticipated move to the UCC.

Fuel - The budget variance, an increase of $20,565 or 100 percent is due to the agency's anticipated move to the UCC. Fuel was not a cost of operations at EMA's previous location.

Rent - The budget variance, an increase of $266,355 or 100 percent is due to the agency's anticipated move to the UCC. EMA is expected to share in the cost of an anticipated management contract for the UCC facility in FY07. EMA's share of the contract, in relation to the space the agency intends to occupy, is estimated to be 24 percent of the overall cost of the contract.

Janitorial - The budget variance, an increase of $27,404 or 65 percent is due to the agency's anticipated move to the UCC.

Security - The budget variance, an increase of $40,673 or 46 percent is due to the agency's anticipated move to the UCC, as well as the city-wide cost increase of 35 percent due to the new contract.

Occupancy - The budget variance, an increase of $40,956 or 45 percent is due to the agency's anticipated move to the UCC in addition to a rate increase.

Postage - The budget variance, an increase of $145 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $389,874 or 93 percent is due to the new city wide contract for telecom, increased cell phone and pager usage, emergency vendor services, new data circuits, and new orders.

Fleet – The budget variance, an increase of $1,619 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Commission on the Arts and Humanities

Electric – The budget variance, a decrease of $225 or 2 percent is due to a reduction in consumption.

Water & Sewer - The budget variance, an increase of $208 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, an increase of $12,447 or 9 percent is due to annual lease escalation and operating expense increases.

Janitorial - The budget variance, a decrease of $17,144 or 84 percent is due to an allowance for an over-allocation of janitorial expense to the Arts Commission in FY 2006.

Security - The budget variance, an increase of $20,504 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $3 or 12 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007 offset by a slight decrease in usage.

Phone – The budget variance, a decrease of $7,111 or 18 percent is due to the new city wide contract for telecom offset by decreases in cell phone and pager usage.

D.C. Office on Aging

Electric – The budget variance, an increase of $11,424 or 45 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facilities at which the agency is located.

Water & Sewer - The budget variance, an increase of $196 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $1,444 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $5,952 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $1,456 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $5,920 or 17 percent is due to the new city wide contract for telecom offset by a decrease in cell phone and pager usage.

Fleet – The budget variance, an increase of $404 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office on Latino Affairs

Electric – The budget variance, an increase of $5,880 or 44 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the Reeves Center, where the agency is located.

Water & Sewer - The budget variance, an increase of $92 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, a decrease of $1,533 or 14 percent is due to increases in contractual costs under the new city wide janitorial contract offset by a slight decrease in costs at the Reeves Center.

Security - The budget variance, an increase of $4,087 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, a decrease of $3,114 or 21 percent is due to the new city wide contract for telecom offset by a decrease in cell phone and pager usage.

Office of the Attorney General

Electric – The budget variance, an increase of $93,902 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $2,581 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, an increase of $500,000 or 100 percent is due to an allocation for swing space funding to accommodate a partial relocation of the agency to facilitate a renovation.

Janitorial - The budget variance, an increase of $21,737 or 10 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $78,957 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $5,475 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $138,158 or 46 percent is due to the new city wide contract for telecom, increased cell phone and pager usage, and new orders.

Fleet – The budget variance, an increase of $10,714 or 10 percent is due to estimated costs based upon the agency's consumption of services.

D.C. Public Library

Electric – The budget variance, an increase of $50,454 or 4 percent is due to an increase in consumption.

Natural Gas - The budget variance, an increase of $164,442 or 53 percent is due to an anticipated 35 percent cost increase combined with consumption increases at some of the agency's facilities.

Water & Sewer - The budget variance, a decrease of $314 or less than 0.1 percent is due to a city wide rate increase for this commodity offset by decreases in consumption.

Steam – The budget variance, an increase of $318,429 or 170 percent is due to a rate increase exceeding 70 percent and increased consumption at the agency's facilities that use steam.

Rent - The budget variance, an increase of $406,653 or 100 percent is due to an allocation for four temporary facilities while library branches are being rebuilt and renovated.

Phone – The budget variance, an increase of $4,671 or 1 percent is due to the new city wide contract for telecom and new orders offset by a reduction in cell phone usage.

Fleet – The budget variance, an increase of $8,380 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Employment Services

Electric – The budget variance, an increase of $580 or 1 percent is due to a small increase in consumption.

Natural Gas - The budget variance, an increase of $171 or 23 percent is due to an anticipated cost increase.

Water & Sewer - The budget variance, an increase of $14 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, an increase of $267,093 or 3 percent is due to annual lease escalation.

Security - The budget variance, an increase of $318,401 or 29 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent, offset by a slight decrease in usage.

Phone – The budget variance, a decrease of $16,875 or 2 percent is due to the new city wide contract for telecom offset by decreases in usage and consumption.

Fleet – The budget variance, an increase of $17,453 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Public Employee Relations Board

Rent - The budget variance, an increase of $4,787 or 4 percent is due to annual lease escalation.

Security - The budget variance, an increase of $632 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, a decrease of $518 or 11 percent is due to the new city wide contract for telecom offset by decreases in usage and consumption.

Office of Employee Appeals

Rent - The budget variance, an increase of $13,649 or 4 percent is due to annual lease escalation.

Security - The budget variance, an increase of $1,977 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $136 or 2 percent is due to the new city wide contract for telecom.

Office of Campaign Finance

Electric – The budget variance, an increase of $8,725 or 39 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $150 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, a decrease of $2,485 or 14 percent is due to increases in contractual costs under the new city wide janitorial contract offset by a slight decrease in costs at the Reeves Center.

Security - The budget variance, an increase of $8,762 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $956 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $6,094 or 33 percent is due to the new city wide contract for telecom offset by a reduction in new orders.

Fleet – The budget variance, an increase of $66 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Consumer and Regulatory Affairs

Electric – The budget variance, a decrease of $375 or 10 percent is due to a reduction in consumption at one of the agency's leased facilities.

Natural Gas - The budget variance, an increase of $2,468 or 40 percent is due to an anticipated cost increase.

Rent - The budget variance, an increase of $195,614 or 4 percent is due to annual lease escalation and operating expense increases.

Security - The budget variance, an increase of $18,422 or 20 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent, offset by a downward adjustment in the agency's allocated space.

Phone – The budget variance, a decrease of $68,817 or 16 percent is due to the new city wide contract for telecom and data circuits offset by decreases in usage and consumption.

Fleet – The budget variance, an increase of $21,219 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Cable Television and Telecommunications

Rent - The budget variance, an increase of $176,299 or 16 percent is due to annual lease escalation and operating expense increases.

Postage - The budget variance, an increase of $134 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $9,687 or 8.9 percent is due to the new city wide contract for telecom and data circuits.

Fleet – The budget variance, an increase of $3,227 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Mayor's Call Center

Phone – The budget variance, a decrease of $11,103 or 32 percent is due to the new city wide contract for telecom offset by a reduction in telecom inventory.

Board of Real Property Assesssments and Appeals

Electric – The budget variance, an increase of $2,281 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $63 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $462 or 8 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $1,907 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $264 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $5,432 or 45 percent is due to the new city wide contract for telecom offset by a reduction in new orders.

Department of Housing and Community Development

Rent - The budget variance, an increase of $100,554 or 6 percent is due to annual lease escalation and operating expense increases.

Security - The budget variance, a decrease of $18,991 or 20 percent is due to the 30 percent increase in costs offset by the reallocation of costs for 801 North Capitol Street, NE that were formerly allocated exclusively to the agency.

Phone – The budget variance, a decrease of $36,340 or 28 percent is due to the new city wide contract for telecom offset by decreased consumption on landline services.

Fleet – The budget variance, an increase of $3,022 or 10 percent is due to estimated costs based upon the agency's consumption of services.

D.C. Lottery and Charitable Games Control Board

Electric – The budget variance, an increase of $2,451 or 39 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $42 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, an increase of $724,209 or 58 percent is due to an anticipated cost increase.

The agency's current lease expires in January 2007, and the increase reflects the anticipated difference between the contract rental rate and market rent.

Janitorial - The budget variance, a decrease of $696 or 14 percent is due to increases in contractual costs under the new city wide janitorial contract offset by a slight decrease in costs at the Reeves Center.

Security - The budget variance, an increase of $2,436 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $98,287 or 34 percent is due to the new city wide contract for telecom and data circuits.

Fleet – The budget variance, an increase of $2,887 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Public Service Commission

Rent - The budget variance, a decrease of $135,081 or 11 percent is due to a decrease in operating expense pass-throughs for the period.

Phone – The budget variance, an increase of $11,744 or 22 percent is due to the new city wide contract for telecom.

Fleet – The budget variance, an increase of $94 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of the People's Counsel

Rent - The budget variance, an increase of $25,522 or 4 percent is due to annual lease escalation

Phone – The budget variance, a decrease of $14,572 or 42 percent is due to the new city wide contract for telecom offset by a reduction in landline services, and a decrease in new orders.

Fleet – The budget variance, an increase of $52 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Board of Elections and Ethics

Electric – The budget variance, an increase of $24,831 or 71 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the agency's two facilities.

Natural Gas - The budget variance, an increase of $9,399 or 31 percent is due to a 35 percent cost increase offset by a slight decline in consumption.

Water & Sewer - The budget variance, an increase of $286 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, an increase of $108,778 or 68 percent is due to an anticipated cost increase. The agency's current warehouse lease expires in FY 2007, and the increase reflects the anticipated difference between the contract rental rate and market rent.

Janitorial - The budget variance, an increase of $10,952 or 44 percent is due to increases in contractual costs under the new city wide janitorial contract and increased consumption at the agency's One Judiciary Square location.

Security - The budget variance, an increase of $8,696 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $75,653 or 62 percent is due to the new city wide contract for telecom and increased new orders.

Fleet – The budget variance, an increase of $1,442 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Commission of Judicial Disabilities

Phone – The budget variance, an increase of $1,337 or 76 percent is due to the new city wide contract for telecom and new orders.

Office of the Deputy Mayor for Economic Development

Rent - The budget variance, an increase of $21,300 or 7 percent is due to annual lease escalation and operating expense increases.

Security - The budget variance, an increase of $13,280 or 100 percent is due to an increase to reflect the reallocation of security costs for 801 North Capitol Street, NE that were formerly allocated exclusively to DHCD.

Postage - The budget variance, an increase of $131 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $8,827 or 14 percent is due to the new city wide contract for telecom and increased cell phone and pager usage.

Office of Local Business Development

Electric – The budget variance, an increase of $2,797 or 18 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $101 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, an increase of $2,663 or 27 percent is due to an anticipated cost increase due to a renegotiated lease and a reallocation of space to the agency.

Janitorial - The budget variance, an increase of $741 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $3,051 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $3,350 or 36 percent is due to the new city wide contract for telecom and increased cell phone and pager usage.

Fleet – The budget variance, an increase of $214 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Metropolitan Police Department

Electric – The budget variance, an increase of $183,663 or 12 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the agency's facilities.

Natural Gas - The budget variance, an increase of $176,048 or 25 percent is due to a cost increase in addition to increased consumption at some of the agency's facilities.

Water & Sewer - The budget variance, an increase of $8,240 or 4 percent is due to a city wide rate increase for this commodity offset by the removal of a facility from the agency's forecast.

Fuel - The budget variance, an increase of $8,054 or 1,505 percent is due to the a cost increase in addition to increased usage for the agency's generators at its various locations.

Steam – The budget variance, an increase of $86,928 or 26 percent is due to a rate increase.

Rent - The budget variance, an increase of $1,592,757 or 68 percent is due to the addition of three leased facilities to the agency's list of occupied facilities, as well as an allocation of rent for a new property and evidence warehouse.

Janitorial - The budget variance, a decrease of $555,874 or 23 percent is due to a revision of the agency's anticipated costs associated with the new city wide janitorial contract.

Security - The budget variance, an increase of $337,926 or 45 percent due to a 30 percent increase related to the new city wide contract in addition to increased usage of security services for the Fleet Maintenance facility on West Virginia Avenue, N.E..

Occupancy - The budget variance, a decrease of $64,600 or 2 percent is due to the removal of one facility with occupancy charges from the agency's estimate.

Phone – The budget variance, an increase of $612,314 or 14 percent is due to the new city wide contract for telecom and data circuits.

Fleet – The budget variance, an increase of $345,825 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Fire and Emergency Medical Service Department

Electric – The budget variance, an increase of $258,944 or 45 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the agency's facilities and a new facility being added to the agency's inventory.

Natural Gas - The budget variance, an increase of $247,363 or 37 percent is due to a cost increase of 35 percent in addition to increased consumption at some of the agency's facilities.

Water & Sewer - The budget variance, an increase of $18,606 or12 percent is due to a city wide rate increase of 9 percent in addition to increased consumption and a new facility being added to the agency's inventory.

Rent - The budget variance, an increase of $219,437 or 186 percent is due to an increase in cost related to a new warehouse lease that will be one-third greater space for which the rent will be two-thirds greater than the current contract rate.

Janitorial - The budget variance, a decrease of $2,288 or 8 percent is due to modest cost savings in the new city wide contract.

Security - The budget variance, an increase of $5,091 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Occupancy - The budget variance, an increase of $9,000 or 16 percent is due to an increase in the agency's space for the facilities that are assessed occupancy charges.

Postage - The budget variance, an increase of $1,721 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $691,684 or 74 percent is due to the new city wide contract for telecom in addition to data circuits and new orders.

Fleet – The budget variance, an increase of $99,115 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Police Complaints

Rent - The budget variance, an increase of $147,969 or 69 percent is due to an increase in cost related to a new lease which included 47 percent more rentable space and a marginally higher rental rate.

Postage - The budget variance, an increase of $164 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $7,696 or 37 percent is due to the new city wide contract for telecom.

Fleet – The budget variance, an increase of $569 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Corrections Information Council

Phone – The budget variance, an increase of $11 or 3 percent is due to the new city wide contract for telecom offset by decreases in other vendor cost and a decrease in new orders.

Criminal Justice Coordinating Council

Electric – The budget variance, an increase of $2,836 or 51 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $57 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $420 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $1,729 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, a decrease of $1,744 or 8 percent is due to the new city wide contract for telecom in addition to inventory increases offset by a decrease in consumption and usage.

D.C. National Guard

Electric – The budget variance, an increase of $21,359 or 7 percent is due to a cost increase of 6 percent in addition to a modest increase in consumption.

Natural Gas - The budget variance, an increase of $25,800 or 10 percent is due to a cost increase.

Fuel - The budget variance, an increase of $15,168 or 29 percent is due to a cost increase.

Janitorial - The budget variance, a decrease of $31,385 or 10 percent is due to lower costs to the agency under the new city wide janitorial contract.

Occupancy - The budget variance, an increase of $41,743 or 42 percent is due to other costs which the agency pays outside of the normal per-square-foot rate.

Department of Corrections

Electric – The budget variance, an increase of $183,123 or 22 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the DC Jail.

Natural Gas - The budget variance, a decrease of $66,812 or 56 percent is due to a significant downward revision in the forecast at one of the agency's facilities.

Water & Sewer - The budget variance, an increase of $57,943 or 9 percent is due to a city wide rate increase for this commodity.

Fuel - The budget variance, an increase of $2,505 or 103 percent is due to a cost increase associated with the space the agency occupies at DC General Hospital.

Steam - The budget variance, an increase of $1,302 or 29 percent is due to a rate increase for this commodity.

Janitorial - The budget variance, a decrease of $109,012 or 70 percent is due to an adjustment for over-allocation of janitorial costs to the agency in FY 2006.

Security - The budget variance, an increase of $51,922 or 17 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent; offset by an an adjustment to the FY 2006 budget for this commodity.

Occupancy - The budget variance, an increase of $119,944 or 14 percent is due to a the addition of a facility that was not previously subject to occupancy charges.

Postage - The budget variance, an increase of $5 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $54,513 or 9 percent is due to the new city wide contract for telecom in addition to data circuits and increased cell phone and pager usage.

Fleet – The budget variance, an increase of $5,375 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Administrative Hearings

Electric – The budget variance, a decrease of $5,070 or 100 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Water & Sewer - The budget variance, a decrease of $943 or 100 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Rent - The budget variance, an increase of $594,875 or 40 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Janitorial - The budget variance, a decrease of $7,074 or 100 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Security - The budget variance, a decrease of $4,587 or 100 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Occupancy - The budget variance, a decrease of $20,612 or 100 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Postage - The budget variance, a decrease of $3,447 or 100 percent is due to the agency consolidating into a single leased facility from a variety of leased and District-owned locations.

Phone – The budget variance, an increase of $14,920 or 78 percent is due to the new city wide contract for telecom.

Office of the Chief Medical Examiner

Electric – The budget variance, a decrease of $1,954 or 6 percent is due to a cost increase of 6 percent offset by a reduction in the agency's consumption.

Natural Gas - The budget variance, a decrease of $73,378 or 113 percent is due to a cost increase in addition to anticipated increases in the agency's consumption.

Water & Sewer - The budget variance, an increase of $5,427 or 9 percent is due to a city wide rate increase for this commodity.

Fuel - The budget variance, an increase of $15,236 or 29 percent is due to cost increases for this commodity.

Rent - The budget variance, an increase of $363,969 or 100 percent is due to new cost increases related to leased expansion space required by the agency in advance of completion of the Consolidated Forensic Laboratory project.

Janitorial - The budget variance, an increase of $10,079 or 35 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $81,779 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, a decrease of $7,403 or 6 percent is due to the new city wide contract for telecom and increased cell phone usage offset by decreases in usage and consumption.

Fleet – The budget variance, an increase of $3,417 or 10 percent is due to estimated costs based upon the agency's consumption of services.

D.C. Sentencing Commission

Electric – The budget variance, an increase of $1,232 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at One Judiciary Square, where the agency is located.

Water & Sewer - The budget variance, an increase of $34 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $251 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $1,030 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $50 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $566 or 18 percent is due to the new city wide contract for telecom and increased cell phone usage.

D.C. Public Schools

Electric – The budget variance, an increase of $4,023,523 or 44 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption due to a number of facilities coming online during the projection period.

Natural Gas - The budget variance, an increase of $9,921,504 or 84 percent is due to cost increases in this commodity combined with a number of facilities coming on-line during the projection period.

Water & Sewer - The budget variance, an increase of $392,188 or 13 percent is due to a rate increase of 9 percent in addition to increases in consumption related to the facilities that will be brought on-line during the projection period.

Fuel - The budget variance, an increase of $162,828 or 29 percent is due to cost increases in this commodity.

Rent - The budget variance, an increase of $1,173,595 or 19 percent is due to annual lease escalation and operating expense increases.

Janitorial - The budget variance, an increase of $1,741 or 5 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $97,728 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Occupancy - The budget variance, an increase of $7,004 or 1 percent is due to a revision of the gross area occupied in a facility that the agency shares.

Phone – The budget variance, an increase of $260,862 or 7 percent is due to the new city wide contract for telecom.

Fleet – The budget variance, an increase of $231,577 or 10 percent is due to estimated costs based upon the agency's consumption of services.

State Education Office

Electric – The budget variance, an increase of $9,059 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $249 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $1,838 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $7,576 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $7,082 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $3,431 or 3 percent is due to the new city wide contract for telecom and new orders offset by decreases in usage and consumption.

Fleet – The budget variance, an increase of $267 or 10 percent is due to estimated costs based upon the agency's consumption of services.

University of the District of Columbia

Fuel – The budget variance, an increase of $22,891 or 29 percent is due to cost increases.

Fleet – The budget variance, an increase of $6,734 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Parks and Recreation

Electric – The budget variance, an increase of $412,412 or 37 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption due to a number of new and renovated facilities coming in service during the projection period.

Natural Gas - The budget variance, a decrease of $122,753 or 11 percent is due to a reduction in overall consumption related to the agency converting all facilities from fuel to natural gas.

Water & Sewer - The budget variance, an increase of $100,677 or 13 percent is due to a city wide rate increase of 9 percent for this commodity in addition to an anticipated increase in consumption due to a number of new and renovated facilities coming in service during the projection period.

Fuel - The budget variance, a decrease of $7,087 or 100 percent is due to the agency converting all existing facilities to fuel from natural gas.

Rent - The budget variance, an increase of $36,166 or 8 percent is due to annual lease escalation and operating expense increases.

Security - The budget variance, an increase of $532,808 or 108 percent is due to the city-wide cost increase of 30 percent in addition to the agency incorporated security services at sixteen of its pools into centrally managed fixed costs.

Postage - The budget variance, an increase of $2,000 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $146,906 or 12 percent is due to the new city wide contract for telecom offset by a reduction in new orders.

Fleet – The budget variance, an increase of $31,294 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Health

Electric – The budget variance, a decrease of $203,230 or 48 percent is due to a cost increase of 6 percent offset by reductions due to the removal of a number of facilities from the agency's forecast.

Natural Gas - The budget variance, a decrease of $260,239 or 66 percent is due to a cost increase offset by reductions due to the removal of a number of facilities from the agency's forecast.

Water & Sewer - The budget variance, a decrease of $25,095 or 12 percent is due to a city wide rate increase of 9 percent offset by reductions due to the removal of a number of facilities from the agency's forecast.

Fuel - The budget variance, a decrease of $13,247 or 12 percent is due to the removal of a number of facilities from the agency's forecast.

Steam - The budget variance, an increase of $3,586 or 26 percent is due to cost increases for this commodity.

Rent - The budget variance, a decrease of $479,907 or 4 percent is due to annual lease escalation and price increases related to lease renewals offset by the transfer of a large portion of the 51 N Street, N.E. locatin to the new District Department of the Environment and the consolidation of leased property vacated by the agency.

Janitorial - The budget variance, a decrease of $146,270 or 84 percent is due to the transfer of a large portion of the 51 N Street, N.E. locatin to the new District Department of the Environment and the consolidation of leased property vacated by the agency.

Security - The budget variance, an increase of $704,182 or 32 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent in addition to a slight increase in service.

Occupancy - The budget variance, a decrease of $207,781 or 75 percent is due to reductions due to the removal of a number of facilities from the agency's forecast.

Postage - The budget variance, an increase of $11,756 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $117,627 or 6 percent is due to the new city wide contract for telecom in addition to increased new orders and other vendors for Language Line offset by a reduction in cell phone usage.

Fleet – The budget variance, a decrease of $117,627 or 6 percent is due to an increase of 10 percent for estimated costs based upon the agency's consumption of services offset by the transfer of 47 vehicles to the new District Department of the Environment.

Human Resources Development Fund

Electric – The budget variance, an increase of $11,940 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $315 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $1,804 or 6 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $10,131 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $3,534 or 13 percent is due to the new city wide contract for telecom and new orders.

Office of Human Rights

Electric – The budget variance, an increase of $5,077 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $139 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, a decrease of $21,410 or 81 percent is due to a new lease at agency's facility.

Janitorial - The budget variance, an increase of $1,031 or 9 percent is due to a modest increase in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $5,155 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $4,640 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $742 or 2 percent is due to the new city wide contract for telecom offset by a decrease in cell phone usage.

Department of Human Services

Electric – The budget variance, a decrease of $880,026 or 42 percent is due to a cost increase of 6 percent offset by reductions due to the removal of a number of facilities from the agency's forecast.

Natural Gas - The budget variance, a decrease of $597,865 or 33 percent is due to a cost increase offset by reductions due to the removal of a number of facilities from the agency's forecast.

Water & Sewer - The budget variance, a decrease of $318,399 or 40 percent is due to a cost increase of 9 percent offset by reductions due to the removal of a number of facilities from the agency's forecast.

Fuel - The budget variance, a decrease of $31,569 or 24 percent is due to a cost increase offset by reductions due to the removal of a number of facilities from the agency's forecast.

Steam - The budget variance, an increase of $202,402 or 126 percent is due to a cost increase in addition to significant consumption increases at the agency's facility that utilizes steam.

Rent - The budget variance, an increase of $5,323,815 or 43 percent is due to annual lease escalation and operating expense increases.

Janitorial - The budget variance, a decrease of $2,161 or 9 percent is due to a cost increase offset by reductions due to the removal of a number of facilities from the agency's forecast.

Security - The budget variance, an increase of $1,974,464 or 50 percent is due to a 30 percent city wide cost increase for the new security services contract in addition to increased security services at many of the agency's facilities.

Postage - The budget variance, an increase of $11,967 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $138,269 or 5 percent is due to the new city wide contract for telecom and circuitry offset by decreases in consumption and usage.

Fleet – The budget variance, an increase of $49,775 or 10 percent is due to estimated costs based upon the agency's consumption of services.

D.C. Energy Office

Electric – The budget variance, an increase of $14,058 or 41 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $232 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, a decrease of $12,125 or 45 percent is due to decreases in contractual costs under the new city wide janitorial contract for this agency.

Security - The budget variance, an increase of $12,391 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $2,424 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $44,206 or 78 percent is due to the new city wide contract for telecom in addition to increased new orders and increased cell phone usage.

Fleet – The budget variance, an increase of $603 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Youth Rehabilitation Services

This agency did not exist in the FY 2006 approved budget; there is no basis for a variance.

Electric – A proposed budget of $762,851.

Natural Gas - A proposed budget of $567,508.

Water & Sewer - A proposed budget of $103,860.

Fuel - A proposed budget of $298,672.

Rent - A proposed budget of $1,028,205.

Janitorial - A proposed budget of $208,874.

Security - A proposed budget of $144,142.

Occupancy - A proposed budget of $454,153.

Postage - A proposed budget of $9,828.

Phone – A proposed budget of $644,400.

Fleet - A proposed budget of $51,807.

District Department of Transportation

Electric – The budget variance, an increase of $439,343 or 43 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at a number of the agency's facilities.

Natural Gas - The budget variance, an increase of $22,020 or 55 percent is due to a cost increase of 35 percent in addition to an anticipated increase in consumption at a number of the agency's facilities.

Water & Sewer - The budget variance, an increase of $2,488 or 9 percent is due to a city wide rate increase for this commodity.

Rent - The budget variance, a decrease of $80,394 or 3 percent is due to annual lease escalation and operating expense increases offset by cost savings realized due to a new lease at one of the agency's facilities.

Janitorial - The budget variance, an increase of $12,028 or 5 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, a decrease of $68,523 or 6 percent is due to costs increases from the new city wide contract offset by the reallocation of one facility from the agency to the Department of Public Works.

Occupancy - The budget variance, a decrease of $162,000 or 24 percent is due to a revision of the agency's expected costs in order to reflect the appropriate occupancy charge.

Phone – The budget variance, a decrease of $322,839 or 27 percent is due to cost increases in the new city wide contract for telecom offsest by a decrease in cell phone usage and a reduction in new orders.

Fleet – The budget variance, an increase of $321,335 or 10 percent is due to estimated costs based upon the agency's consumption of services.

District Department of the Environment

This agency did not exist in the FY 2006 approved budget; there is no basis for a variance.

Rent - A proposed budget of $1,695,539.

Security - A proposed budget of $285,162.

Phone – A proposed budget of $401,000.

Fleet - A proposed budget of $117,897.

Department of Public Works

Electric – The budget variance, an increase of $505,851 or 105 percent is due to a cost increase of 6 percent in addition to an anticipated significant increase in consumption at a number of the agency's facilities.

Natural Gas - The budget variance, an increase of $132,639 or 24 percent is due to a cost increase in addition to an anticipated increase in consumption at a number of the agency's facilities.

Water & Sewer - The budget variance, an increase of $5,117 or 10 percent is due to a cost increase of 9 percent in addition to an anticipated modest increase in consumption at a number of the agency's facilities.

Rent - The budget variance, a decrease of $52,434 or 15 percent is due to annual lease escalation and operating expense increases in addition to a new lease agreement at one of the agency's facilities offset by cost savings realized due to a new lease at another of the agency's facilities.

Janitorial - The budget variance, an increase of $17,624 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $1,094,550 or 60 percent is due to costs increases from the new city wide contract in addition to the reallocation of one facility to the agency from the Department of Transportation.

Occupancy - The budget variance, an increase of $106,676 or 42 percent is due to the addition of a facility that was not previously subject to occupancy charges.

Postage - The budget variance, an increase of $8,374 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $322,175 or 21 percent is due to cost increases in the new city wide contract and increased circuitry offset by a reduction in new oders and in cell phone usage.

Fleet – The budget variance, an increase of $792,592 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Motor Vehicles

Electric – The budget variance, an increase of $159,151 or 145 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the agency's existing facilities as well as new facilities that will be added in FY 2007.

Natural Gas - The budget variance, a decrease of $152,766 or 49 percent is due to a revision of the agency's anticipated expenditures for this commodity.

Water & Sewer - The budget variance, an increase of $6,268 or 20 percent is due to a cost increase of 9 percent in addition to an anticipated increase in consumption at the agency's existing facilities as well as new facilities that will be added in FY 2007.

Fuel - The budget variance, an increase of $23 or 29 percent is due to a cost increase in addition to an anticipated increase in consumption at the agency's facilities.
Steam - The budget variance, an increase of $13,404 or 26 percent is due to a significant cost increase in this commodity.

Rent - The budget variance, a decrease of $805,539 or 59 percent is due to the conversion of rental space into District owned space.

Janitorial - The budget variance, an increase of $9,374 or 6 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $365,144 or 23 percent is due to increases in contractual costs of 30 percent under the new city wide security contract offset by adjustments of security coverage among the agency's facilities.

Occupancy - The budget variance, an increase of $174,857 or 70 percent is due to a rate increase of 13 percent in increased costs related to a facility that was not previously subject to occupancy charges.

Phone – The budget variance, an increase of $196,177 or 51 percent is due to the new city wide contract for telecom and increased cell phone usage.

Fleet – The budget variance, an increase of $1,304 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Alcohol & Beverage Regulation Administration

Phone - The budget variance, an increase of $9,741 or 155 percent is due to the new city wide contract for telecom and the addition of cell phone to centrally managed costs.

Fleet – The budget variance, an increase of $2,899 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Contracting and Procurement

Electric – The budget variance, an increase of $23,992 or 26 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facilities where the agency is located.

Natural Gas - The budget variance, an increase of $3,653 or 39 percent is due to a cost increase in addition to increased consumption at some of the agency's facilities.

Water & Sewer - The budget variance, an increase of $709 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, a decrease of $21,332 or 23 percent is due to a revision of the agency's costs associated with the new city wide janitorial contract.

Security - The budget variance, an increase of $37,118 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Postage - The budget variance, an increase of $995 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, a decrease of $7,515 or 4 percent is due to the new city wide contract for telecom offset by decreases in consumption and usage.

Fleet – The budget variance, an increase of $1,664 or 10 percent is due to estimated costs based upon the agency's consumption of services.

D.C. Office of Risk Management

Electric – The budget variance, an increase of $6,355 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $174 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $1,290 or 9 percent is due to increases in contractual osts under the new city wide janitorial contract.

Security - The budget variance, an increase of $5,314 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $23,804 or 94 percent is due to cost increases in the new city wide contract for telecom offset by reduction in cell phone usage.

Child and Family Services Agency

Rent - The budget variance, an increase of $793,428 or 12 percent is due to annual lease escalation and operating expense increases.

Security - The budget variance, an increase of $265,047 or 47 percent is due to city wide costs increases of 30 percent combined with the addition of a facility that was not previously included in the agency's allocation.

Postage - The budget variance, an increase of $13,130 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Fleet – The budget variance, an increase of $21,525 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Mental Health

Electric – The budget variance, an increase of $440,520 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at some of the agency's facilities.

Natural Gas - The budget variance, an increase of $3,266,271 or 101 percent is due to a cost increase of 46 percent in addition to an anticipated increase in consumption at some of the agency's facilities.

Water & Sewer - The budget variance, a decrease of $907,111 or 40 percent is due to corrective actions taken by the agency with respect to water lines and leakages at St. Elizabeth's, which resulted in higher costs in prior fiscal years.

Fuel - The budget variance, an increase of $132,909 or 33 percent is due to a cost increase in addition to an anticipated increase in consumption at some of the agency's facilities.

Steam - The budget variance, an increase of $2,057 or 84 percent is due to a cost increase of 35 percent in addition to increases to correct underestimated costs in the FY 2006 approved budget.

Rent - The budget variance, an increase of $48,409 or 1 percent is due to annual lease escalation.

Janitorial - The budget variance, a decrease of $107 or 4 percent is due to a revision of the agency's costs associated with the new city wide janitorial contract.

Security - The budget variance, an increase of $708,851 or 25 percent is due to increased costs of 30 percent due to the new city wide contract offset by a reduction in security coverage among many of the agency's facilities.

Occupancy - The budget variance, a decrease of $36,866 or 67 percent is due to a reallocation of the agency's occupancy costs.

Fleet – The budget variance, an increase of $545 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Department of Insurance, Securities and Banking

Rent - The budget variance, an increase of $166,569 or 13 percent is due to annual lease escalation and operating expense increases.

Phone – The budget variance, a decrease of $40,520 or 30 percent is due to increased cost in the new city wide contract for telecom offset by a reduction in new orders and in cell phone usage.

D.C. Taxicab Commission

Rent - The budget variance, an increase of $67,540 or 63 percent is due to the increased costs related to the expiration of the existing lease and a renewal lease being signed at market rates.

Phone – The budget variance, a decrease of $32,255 or 43 percent is due to a reduction in landlines and cell phone usage.
Fleet – The budget variance, an increase of $3,513 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Motion Picture Television and Development

Electric – The budget variance, an increase of $1,083 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $30 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $220 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $906 or 30 percent is the combined result of three factors:

the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, a decrease of $1,119 or 14 percent is due to cost increases in the new city wide contract for telecom offset by reductions in landlines and cell phone usage.

Fleet – The budget variance, an increase of $279 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of the Chief Technology Officer

Electric – The budget variance, an increase of $138,406 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at a number of the agency's facilities.

Water & Sewer - The budget variance, an increase of $1,470 or 9 percent is due to a city wide rate increase for this commodity.

Fuel - The budget variance, an increase of $2,275 or 433 percent is due to cost increases in this commodity in addition to significant increase in demand at the agency level.

Rent - The budget variance, an increase of $249,792 or 21 percent is due to annual lease escalation and operating expense increases, as well as the inclusion of swing space rent.

Janitorial - The budget variance, a decrease of $26,865 or 17 percent is due to a revision of the agency's costs associated with the new city wide janitorial contract.

Security - The budget variance, an increase of $191,152 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.
Occupancy - The budget variance, a decrease of $379 or less than 1 percent is due to a revision of the agency's cost based upon space used.

Postage - The budget variance, an increase of $841 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

Phone – The budget variance, an increase of $612,559 or 46 percent is due to the new city wide contract for telecom in addition to circuits, new orders and increased cell phone usage.

Fleet – The budget variance, an increase of $4,624 or 10 percent is due to estimated costs based upon the agency's consumption of services.

Office of Unified Communications

Electric – The budget variance, a decrease of $165,313 or 13 percent is due to a cost increase of 6 percent offset by a reduction in the agency's occupied space resulting in joint tenancy with another agency at the Unified Communication Center (UCC).

Natural Gas - The budget variance, an increase of $12,321 or 4 percent is due to a cost increase offset by a reduction in the agency's occupied space resulting in joint tenancy with another agency at the UCC.

Water & Sewer - The budget variance, a decrease of $6,341 or 10 percent is due to a cost increase of 9 percent offset by a reduction in the agency's occupied space resulting in joint tenancy with another agency at the Unified Communication Center (UCC).

Fuel - The budget variance, an increase of $70,466 or 470 percent is due to cost increases in this commodity in addition to the new UCC facility.

Janitorial - The budget variance, an increase of $259,506 or 158 percent is due to increases in contractual costs under the new city wide janitorial contract and revised services.

Security - The budget variance, an increase of $459,347 or 59 percent is due to a cost increase of 30 percent city wide under the security contract, as well as the full expectation of security costs for the new UCC, in addition to the redundant center at McMillan Drive.

Occupancy - The budget variance, a decrease of $433,300 or 71 percent is due to a revision in the costs for one of the agency's facilities.

Phone – A proposed budget of $2,572,050. The agency did not have a phone budget in the FY 2006 approved budget.

Office of Veterans Affairs

Electric – The budget variance, an increase of $1,175 or 33 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility where the agency is located.

Water & Sewer - The budget variance, an increase of $32 or 9 percent is due to a city wide rate increase for this commodity.

Janitorial - The budget variance, an increase of $240 or 9 percent is due to increases in contractual costs under the new city wide janitorial contract.

Security - The budget variance, an increase of $982 or 30 percent is the combined result of three factors: the increase in the new city-wide security contract representing a 20 percent, an equitable adjustment from the Department of Labor (DOL) in FY 2006 after the budget was approved, representing 5 percent, and an anticipated FY 2007 equitable adjustment by DOL representing 5 percent.

Phone – The budget variance, an increase of $670 or 7 percent is due to the new city wide contract for telecom offset by a decrease in cell phone usage.

Postage - The budget variance, an increase of $43 or 13 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved and an anticipated increase of 5 percent in FY 2007.

John A. Wilson Building Fund

Electric – The budget variance, an increase of $91,761 or 28 percent is due to a cost increase of 6 percent in addition to an anticipated increase in consumption at the facility. pated increase in consumption.

Water & Sewer - The budget variance, an increase of $13,563 or 9 percent is due to a city wide rate increase for this commodity.

Security - The budget variance, a decrease of $131,915 or 6 percent is due to a reduction in security coverage at the facility, initiated by Council budget reductions.

Postage - The budget variance, an increase of $5,560 or 8 percent is due to a postal rate increase of 8 percent in FY 2006 after the budget was approved.