
Office of the Chief Financial Officer

www.cfo.dc.gov

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Table AT0-1

Description	FY 2016	FY 2017	FY 2018	% Change
	Actual	Approved	Proposed	from FY 2017
OPERATING BUDGET	\$145,137,792	\$177,644,492	\$179,608,342	1.1
FTEs	900.2	981.0	1,003.0	2.2

The mission of the Office of the Chief Financial Officer (OCFO) is to provide financial management services to the government and the people of the District of Columbia to sustain the District's long-term fiscal and economic viability.

Summary of Services

The Office of the Chief Financial Officer provides enhanced fiscal and financial stability, accountability, and integrity for the Government of the District of Columbia. The OCFO ensures that District spending levels remain within approved budgets and available revenues for each fiscal year, so that spending deficits do not occur; maintains adequate cash balances; minimizes receivables balances; manages the District's debt and finances in a manner that provides optimal opportunities to maximize bond ratings and minimize the cost of borrowed capital; ensures that the ratio of total debt service to General Fund expenditures remains within a maximum of 12 percent; improves tax payment compliance by increasing collections from the accounts receivable balance and the non-filer population, as measured by percentage change in delinquent collections; develops and supports financial management systems that provide accurate and timely information; and produces the District's Comprehensive Annual Financial Report (CAFR) on time with an unqualified (clean) opinion.

The agency's FY 2018 proposed budget is presented in the following tables:

FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table AT0-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

Table AT0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change
GENERAL FUND										
LOCAL FUNDS	118,045	124,986	126,627	1,641	1.3	807.6	880.4	890.9	10.6	1.2
SPECIAL PURPOSE										
REVENUE FUNDS	18,475	43,493	44,042	549	1.3	39.7	55.0	64.0	9.0	16.4
TOTAL FOR GENERAL FUND	136,520	168,479	170,669	2,190	1.3	847.3	935.4	954.9	19.6	2.1
FEDERAL RESOURCES										
FEDERAL GRANT FUNDS	396	525	450	-75	-14.3	0.0	0.0	0.0	0.0	N/A
TOTAL FOR FEDERAL RESOURCES	396	525	450	-75	-14.3	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS										
INTRA-DISTRICT FUNDS	8,222	8,640	8,489	-151	-1.8	53.0	45.6	48.1	2.4	5.4
TOTAL FOR INTRA-DISTRICT FUNDS	8,222	8,640	8,489	-151	-1.8	53.0	45.6	48.1	2.4	5.4
GROSS FUNDS	145,138	177,644	179,608	1,964	1.1	900.2	981.0	1,003.0	22.0	2.2

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table AT0-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

Table AT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2015	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	76,843	80,879	87,457	89,589	2,132	2.4
12 - REGULAR PAY - OTHER	1,385	1,379	897	968	71	7.9
13 - ADDITIONAL GROSS PAY	335	738	51	51	0	0.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	16,376	17,654	20,461	20,225	-236	-1.2
15 - OVERTIME PAY	806	615	25	25	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	95,745	101,265	108,891	110,859	1,967	1.8
20 - SUPPLIES AND MATERIALS	266	299	474	473	-1	-0.3
40 - OTHER SERVICES AND CHARGES	10,613	11,685	11,770	11,804	34	0.3
41 - CONTRACTUAL SERVICES - OTHER	28,658	30,370	55,739	55,116	-623	-1.1
70 - EQUIPMENT AND EQUIPMENT RENTAL	1,054	1,518	769	1,356	587	76.3
SUBTOTAL NONPERSONAL SERVICES (NPS)	40,591	43,873	68,753	68,749	-4	0.0
GROSS FUNDS	136,336	145,138	177,644	179,608	1,964	1.1

*Percent change is based on whole dollars.

FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table AT0-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	1,917	1,955	2,005	50	13.6	14.0	15.0	1.0
(1015) TRAINING AND EMPLOYEE DEVELOPMENT	507	617	478	-140	3.7	4.0	3.0	-1.0
(1020) CONTRACTING AND PROCUREMENT	1,307	1,565	1,692	127	10.9	12.0	13.0	1.0
(1030) PROPERTY MANAGEMENT	865	1,320	1,394	74	8.3	9.0	9.0	0.0
(1060) LEGAL SERVICES	2,370	2,626	2,688	62	13.2	15.0	15.0	0.0
(1080) COMMUNICATIONS	193	167	166	-1	0.9	1.0	1.0	0.0
(1090) PERFORMANCE MANAGEMENT	1,762	2,001	1,894	-107	9.1	10.0	9.0	-1.0
SUBTOTAL (1000) AGENCY MANAGEMENT	8,920	10,252	10,318	66	59.7	65.0	65.0	0.0
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	891	635	923	288	3.7	4.0	7.0	3.0
(120F) ACCOUNTING OPERATIONS	447	643	645	2	4.6	6.0	6.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,338	1,278	1,569	291	8.3	10.0	13.0	3.0
(2000) FINANCIAL OPERATIONS AND SYSTEMS								
(2100) OPERATIONS AND ADMINISTRATION	969	1,089	1,089	-1	6.5	7.0	7.0	0.0
(2200) ACCOUNTING OPERATIONS	1,888	2,183	2,183	0	15.7	17.0	17.0	0.0
(2300) FINANCIAL POLICIES AND PROCEDURES	572	649	656	7	3.7	4.0	4.0	0.0
(2500) FINANCIAL CONTROL AND REPORTING	3,386	3,652	3,446	-206	24.0	26.0	26.0	0.0
(2600) BENEFITS ADMINISTRATION	989	1,195	1,144	-51	8.6	9.0	9.0	0.0
(2700) PAYROLL DISBURSEMENTS AND WAGE REPORTING	5,226	5,050	5,111	61	37.1	34.0	34.0	0.0
SUBTOTAL (2000) FINANCIAL OPERATIONS AND SYSTEMS	13,029	13,819	13,630	-190	95.6	97.0	97.0	0.0
(3000) BUDGET DEVELOPMENT AND EXECUTION								
(3100) EXECUTIVE DIRECTION AND SUPPORT	1,087	1,410	1,217	-193	6.5	8.0	6.0	-2.0
(3400) FINANCIAL PLANNING AND ANALYSIS	1,101	1,266	1,314	48	7.4	8.0	9.0	1.0
(3700) OPERATING BUDGET FORMULATION AND DEVEL.	2,764	2,912	2,883	-29	19.4	21.0	21.0	0.0
(3800) CAPITAL BUDGET FORMULATION AND DEVEL.	763	776	801	25	5.5	5.0	6.0	1.0
SUBTOTAL (3000) BUDGET DEVELOPMENT AND EXECUTION	5,715	6,365	6,215	-150	38.8	42.0	42.0	0.0

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(4000) RESEARCH AND ANALYSIS								
(4100) EXECUTIVE DIRECTION AND SUPPORT	747	653	762	109	2.8	3.0	3.0	0.0
(4300) REVENUE ESTIMATION	1,278	1,389	1,290	-100	8.3	9.0	9.0	0.0
(4500) ECONOMIC DEVELOPMENT	952	966	934	-32	4.6	5.0	5.0	0.0
(4700) LEGISLATIVE AND FISCAL ANALYSIS	737	743	766	23	4.6	5.0	5.0	0.0
(4800) ECONOMIC AFFAIRS	1,041	1,178	1,178	0	6.5	7.0	7.0	0.0
SUBTOTAL (4000) RESEARCH AND ANALYSIS	4,754	4,929	4,929	0	26.8	29.0	29.0	0.0
(5000) TAX ADMINISTRATION								
(5100) EXECUTIVE DIRECTION AND SUPPORT	4,015	4,388	4,426	38	19.4	20.0	20.0	0.0
(5200) EXTERNAL CUSTOMER SERVICE INFORMATION	7,923	8,509	8,687	178	80.8	89.0	89.0	0.0
(5300) RECORDER OF DEEDS	2,400	4,148	3,313	-835	22.2	25.0	25.0	0.0
(5400) REAL PROPERTY TAX ADMINISTRATION	9,869	10,793	11,016	223	87.7	99.0	102.0	3.0
(5500) TAX AUDITS AND INVESTIGATIONS	10,363	10,480	10,614	134	83.0	91.0	90.0	-1.0
(5600) REVENUE ACCOUNTING	2,427	2,138	2,217	79	17.5	18.0	18.0	0.0
(5700) RECEIPTS AND DELINQUENT COLLECTIONS	19,819	30,718	31,390	673	187.7	200.0	205.0	5.0
SUBTOTAL (5000) TAX ADMINISTRATION	56,815	71,174	71,663	489	498.3	542.0	549.0	7.0
(6000) INFORMATION TECHNOLOGY								
(6100) INFORMATION TECHNOLOGY SUPPORT	28,091	26,301	26,576	275	71.9	80.0	78.0	-2.0
SUBTOTAL (6000) INFORMATION TECHNOLOGY	28,091	26,301	26,576	275	71.9	80.0	78.0	-2.0
(7000) FINANCE AND TREASURY								
(7100) EXECUTIVE DIRECTION AND SUPPORT	1,231	1,267	1,144	-123	4.6	6.0	6.0	0.0
(7200) DEBT MANAGEMENT	1,131	1,501	1,007	-494	4.9	9.0	6.0	-3.0
(7300) CASH MANAGEMENT AND INVESTMENTS	7,916	10,678	11,610	932	13.9	7.0	10.0	3.0
(7400) DISBURSEMENTS	1,423	2,175	2,194	19	6.5	7.0	7.0	0.0
(7500) CASH RECEIPTS AND ACCOUNTING	3,446	3,892	3,864	-27	38.6	36.0	39.0	3.0
(7600) ASSET MANAGEMENT FOR SPECIAL PROGRAMS	2,593	4,894	5,276	382	13.1	20.0	22.0	2.0
(7700) CENTRAL COLLECTION UNIT (CCU)	4,881	14,090	14,985	895	0.0	10.0	19.0	9.0
SUBTOTAL (7000) FINANCE AND TREASURY	22,621	38,497	40,080	1,584	81.5	95.0	109.0	14.0
(8000) INTEGRITY AND OVERSIGHT								
(8100) AUDIT SERVICES	2,632	3,470	3,053	-417	11.0	12.0	12.0	0.0
(8200) SECURITY INTEGRITY OVERSIGHT	438	1,559	1,577	17	2.8	9.0	9.0	0.0
(8300) INVESTIGATIONS	856	0	0	0	5.5	0.0	0.0	0.0
SUBTOTAL (8000) INTEGRITY AND OVERSIGHT	3,926	5,030	4,630	-400	19.3	21.0	21.0	0.0

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(REVN) REVENUE								
(SPRV) SPECIAL PURPOSE REVENUE	-71	0	0	0	0.0	0.0	0.0	0.0
SUBTOTAL (REVN) REVENUE	-71	0	0	0	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	145,138	177,644	179,608	1,964	900.2	981.0	1,003.0	22.0

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

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Program Description

The Office of the Chief Financial Officer operates through the following 9 programs:

Financial Operations and Systems – carries out the District's accounting operations, including critical functions such as District-wide General Ledger accounting, financial reporting, and pay and retirement services. The program produces the CAFR, which shows the District's financial position at the end of each fiscal year. The program also develops accounting policies and procedures; policies that support the System of Accounting and Reporting (SOAR), the District's formal book of record; and policies and procedures for other areas of financial management throughout the OCFO.

This program contains the following 6 activities:

- **Operations and Administration** – provides leadership, general program management, personnel, procurement, automated accounting system access security, fixed asset accountability, and other logistical support services to Office of Financial Operations and Systems staff for general accounting services, specialized accounting systems management, payroll, financial reporting, accounting policies and procedures, and benefits administration for employees, agencies, and District leaders for their use in decision-making. Additionally, this activity provides citizens with financial information so that they can keep abreast of the District's financial position;
- **Accounting Operations** – provides District-wide General Ledger accounting in order to maintain the official automated book of record on which the financial position of the District is ascertained for the District's elected and appointed leaders, Congress, District agencies (directors, financial managers, and employees), public and private financial communities, and the general public. This activity ensures timely and accurate information on the District's financial position and facilities to decision-makers;
- **Financial Policies and Procedures** – provides recorded references for standard government accounting practices (policies and theories) and guidelines for operation (procedures and process flows) of the District's daily accounting functions and the supporting automated system of record to ensure that accounting and financial managers and their staff follow the District's financial policy and procedures;
- **Financial Control and Reporting** – provides statements of financial position for the Mayor, Council of the District of Columbia, Congress, District managers, national bond-rating agencies, and the general public to enable informed decisions based on timely and accurate financial information;

- **Federal Annuitant Benefits Administration** – provides accurate and timely annuity payments and related benefits to former and retired federal law enforcement officers; and
- **Payroll Disbursements and Wage Reporting** – provides a record of compensation and related payments to District employees with accurate and timely paychecks.

Budget and Planning (Budget Development and Execution) – prepares, monitors, analyzes, and executes the District government’s budget, including operating, capital, and enterprise funds, in a manner that facilitates fiscal integrity and maximizes services to taxpayers. This program also provides advice to policy-makers on the District government’s budget and has the primary responsibility for ensuring that the budget is balanced at the time of budget formulation, and maintaining that balance throughout the year as the budget is executed.

This program contains the following 4 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to Office of Budget and Planning staff and other District government personnel facilitating financial planning, budgetary performance, and cost analysis to enable them to make effective decisions and achieve strategic goals. This activity also provides citizens with information on District finances;
- **Financial Planning and Analysis** – monitors and analyzes the District’s budget and expenditures; provides technical support for the District’s Anti-Deficiency Board; provides technical support of system applications to District staff; and coordinates and monitors the District’s Financial Review Process (FRP) by ensuring the timely submission of agencies’ FRP reports, which include expenditure forecasts. This activity also develops and reports on budget revisions, intra-District modifications, and monthly operating budget expenditures; analyzes and forecasts compensation costs; provides historical information for bond issuance statements; provides supporting budget documentation to auditors; and prepares the District’s five-year Financial Plan for the budget books;
- **Operating Budget Formulation and Development** – provides the framework for formulation of the District’s annual operating budget; publishes the operating budget on behalf of the Mayor and the District; executes the operating budget during the fiscal year; monitors agency spending, including analysis of spending pressures; reviews and approves federal and private grant budget authority requests from District agency heads; and provides other financial and budgetary services to the Mayor, Council, and other stakeholders on a timely and accurate basis enabling District officials to make informed decisions on allocations of District operating resources among policy priorities; and
- **Capital Budget Formulation and Development** – provides the framework for formulation of the District’s 6-year capital budget; publishes the capital budget on behalf of the Mayor and the District; executes the capital budget during the fiscal year; provides detailed reviews of available capital financing and aligns such financing with the District’s annual capital funds budget authority within the debt cap; and provides other financial and budgetary services to the Mayor and Council on a timely and accurate basis to enable them to make informed decisions on District capital resources.

Revenue Analysis (Research and Analysis) – provides revenue estimates, revenue policy analysis, and analysis supporting economic development. The program area is divided into two offices, both of which report directly to the CFO: the Office of Revenue Analysis (ORA) and Economic Development Finance (EDF). ORA services include the preparation of (i) analyses of revenue sources and development of quarterly revenue estimates that set the hard budget constraint for the District of Columbia budget; (ii) fiscal impact statements, which provide estimates of direct costs to the four-year Financial Plan; (iii) periodic reports on economic and revenue trends and the monthly Economic Indicators for the District of Columbia; (iv) the chapter on revenue in each annual Budget and Financial Plan that is prepared by the District of Columbia; and (v) special studies, including on metropolitan and nationwide household tax burden comparisons, a bi-annual Tax Expenditure Study detail on statutory provisions of District taxes, a running historical update of major changes in District revenue laws, an Annual Revenue Data Book, and the monthly Cash Report of District tax collections.

EDF provides sophisticated analyses of fiscal, economic, financial, and administrative impacts of proposed projects; analyzes the financial feasibility of economic development projects in the District; and advises the CFO and Mayor on proposed economic development debt issuances. EDF oversees all Tax Increment Financing (TIF) and Payment-in-Lieu-of-Taxes (PILOT) projects into which the District enters; provides guidance on changes in development policy options and long-term financial expectations; reviews legislative proposals that include tax abatements or exemptions and provides an advisory tax abatement financial analysis (TAFA) for submission to Council; coordinates with ORA to provide fiscal impact analyses on proposed tax-supported financings, land transfers, and economic development projects; and represents the OCFO on the boards of Events DC (formerly the Washington Convention and Sports Authority) and Destination D.C.

This program contains the following 5 activities:

- **Executive Direction and Support** – provides general program management, leadership, technical assistance, and support services to staff including research and analytical services on revenue and economic data and analysis of fiscal and administrative impacts to decision-makers;
- **Revenue Estimation** – provides economic and revenue data and analysis and District tax structure data and analysis to the Mayor, Council, and Congress so that they can have timely and quality information for policy formulation and decision-making;
- **Economic Development** – provides analysis of the fiscal, economic, financial, and administrative impact on real estate projects to the Chief Financial Officer, the Mayor, the Deputy Mayor for Planning and Economic Development, and the Council so that they can effectively assess economic development initiatives and ensure maximum economic benefit to the city;
- **Legislative and Fiscal Analysis** – provides legislative fiscal impact analysis for the Mayor, the Council, and Congress so that they can have timely and quality information for policy formulation and decision-making; and
- **Economic Affairs** – develops and presents documents detailing the economic and revenue affairs of the District of Columbia to components of the OCFO, the Mayor, the Council, and Congress so that they can have timely and quality information for policy formulation and decision-making.

Tax and Revenue (Tax Administration) – provides fair, efficient, and effective administration of the District's business, income, excise, and real property tax laws.

This program contains the following 7 activities:

- **Executive Direction and Support** – provides general program management, leadership, and support services to the Tax Administration program so that it can coordinate comprehensive tax services for District taxpayers and ensure that the District is collecting the accurate amount of tax revenue;
- **External Customer Service, Information, and Education** – provides customer service through walk-in and telephone customer service centers, which assist approximately 300,000 taxpayers annually. This activity also consists of developing and distributing public tax forms; supporting various electronic tax filing and payment options, including electronic self-service and account management functions; initiating and responding to mail correspondence with taxpayers; and tax registration and certification services;
- **Recorder of Deeds** – provides support for the transfer and titling of real property in the District and responds to requests for title documents from individuals and real estate title industries;
- **Real Property Tax Administration** – provides for the assessment and billing of real property taxes and first-level assessment appeals;
- **Tax Audits and Investigations** – enforces tax compliance by identifying potential non-filers and performing other tax compliance checks to ensure that the District is collecting the correct amount of tax payments due from all taxpayers. This activity also identifies and investigates cases of tax fraud;

Revenue Accounting – provides for the proper accounting of and reporting on revenue collections and supports issuance of tax refunds; and

- **Receipts and Delinquent Collections** – provides for the processing of more than one million tax returns annually and the recording and prompt deposit of billions of dollars in tax payments. This activity includes collections of delinquent tax payments.

Information Technology – provides for the development and maintenance of state-of-the-art financial information systems to support the District of Columbia's payroll, pension, accounting, tax, budget, treasury, and web-based financial reporting systems. The principal objectives of the program are to maintain accurate systems, modify systems in response to the changing needs of the District, and maintain compliance with federal, state, and local regulations.

Finance and Treasury – provides management of the financial assets and liabilities of the Government of the District of Columbia. This includes investing, collecting, safekeeping, disbursing, recording, and acquiring District financial resources.

This program contains the following 7 activities:

- **Executive Direction and Support** – provides leadership, strategic direction, and administrative support services to department managers and employees so that they can achieve organizational and individual performance results;
- **Debt and Grants Management** – provides for the issuance of bonds, notes, and other financing vehicles for the District so that it can finance capital infrastructure projects and help ensure seasonal cash needs, and manages the cash and accounting of District agencies' federal grant drawdowns;
- **Cash Management and Investments** – provides for the management of the cash resources of the District so that the District can meet its cash obligations and maximize its return on investments;
- **Disbursement Management** – provides check-printing and disbursement services for District agencies so that they can fulfill their payment obligations;
- **Cash Receipts and Accounting** – provides revenue collection services, including cashiering at various District sites, and provides for the management of banking services for all District agencies;
- **Asset Management for Special Programs** – provides for the management of the District-run pension plans, college savings plan, and unclaimed property; and
- **Central Collection Unit** – consolidates several District agency collection programs into the OCFO to pursue the collection of outstanding debts owed to the District.

Integrity and Oversight – maintains the accountability, integrity, and efficiency of the District of Columbia's financial management and tax administration systems. Through its audit and investigative activities, this program provides the Chief Financial Officer with independent reviews and appraisals of OCFO operations and maintains the highest standards of integrity and security of OCFO employees.

This program contains the following 2 activities:

- **Audit Services** – provides audit and review services to assist the District's financial managers to ensure the integrity, efficiency, and effectiveness of District programs; manages the review and response to external audit reports; and coordinates District single audits and management letter comments for District agencies so that they can improve operations; and
- **Security Integrity Oversight** – provides security and integrity oversight for the OCFO by administering the OCFO's emergency response program and conducting integrity probes and integrity awareness presentations aimed at detecting and preventing fraud and other misconduct in OCFO programs; and maintains public confidence in the integrity of the OCFO by investigating alleged misconduct by OCFO employees, as well as by conducting background investigations to determine suitability for employment. This investigative service provides reports to OCFO management so that they can take administrative action as appropriate.

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

Agency Financial Operations – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all agencies using performance-based budgeting.

Program Structure Change

The Office of the Chief Financial Officer has no program structure changes in the FY 2018 proposed budget.

FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table AT0-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

Table AT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2017 Approved Budget and FTE		124,986	880.4
Other CSFL Adjustments	Multiple Programs	1,055	0.0
LOCAL FUNDS: FY 2018 Current Services Funding Level (CSFL) Budget		126,041	880.4
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	308	0.0
Decrease: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-308	0.0
LOCAL FUNDS: FY 2018 Agency Budget Submission		126,041	880.4
Shift: Funding from SPR to Local	Tax Administration	77	1.0
Enhance: To support additional FTEs	Multiple Programs	917	10.5
Reduce: To offset projected adjustments in personal services costs	Finance And Treasury	-132	0.0
LOCAL FUNDS: FY 2018 Mayor's Proposed Budget		126,902	891.9
Reduce: To align personal services and Fringe Benefits with projected costs	Multiple Programs	-275	-1.0
LOCAL FUNDS: FY 2018 District's Proposed Budget		126,627	890.9
FEDERAL GRANT FUNDS: FY 2017 Approved Budget and FTE		525	0.0
Decrease: To align budget with projected grant awards	Finance and Treasury	-75	0.0
FEDERAL GRANT FUNDS: FY 2018 Agency Budget Submission		450	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2018 Mayor's Proposed Budget		450	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2018 District's Proposed Budget		450	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Approved Budget and FTE		43,493	55.0
Increase: To support additional FTEs	Multiple Programs	1,011	10.0
Increase: To adjust the Contractual Services budget	Finance and Treasury	538	0.0
Decrease: To align budget with projected revenues	Multiple Programs	-923	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2018 Agency Budget Submission		44,119	65.0
Shift: To reallocate funding within agency (across fund types)	Tax Administration	-77	-1.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2018 Mayor's Proposed Budget		44,042	64.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2018 District's Proposed Budget		44,042	64.0

Table AT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
INTRA-DISTRICT FUNDS: FY 2017 Approved Budget and FTE		8,640	45.6
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	174	2.4
Decrease: To adjust the Contractual Services budget	Multiple Programs	-325	0.0
INTRA-DISTRICT FUNDS: FY 2018 Agency Budget Submission		8,489	48.1
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2018 Mayor's Proposed Budget		8,489	48.1
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2018 District's Proposed Budget		8,489	48.1
GROSS FOR AT0 - OFFICE OF THE CHIEF FINANCIAL OFFICER		179,608	1,003.0

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

FY 2018 Proposed Budget Changes

The Office of the Chief Financial Officer's (OCFO) proposed FY 2018 gross budget is \$179,608,342, which represents a 1.1 percent increase over its FY 2017 approved gross budget of \$177,644,492. The budget is comprised of \$126,627,016 in Local funds, \$450,000 in Federal Grant funds, \$44,042,407 in Special Purpose Revenue funds, and \$8,488,919 in Intra-District funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2017 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2018 CSFL adjustments to the FY 2017 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OCFO's FY 2018 CSFL budget is \$126,040,861, which represents a \$1,054,595, or 0.8 percent, increase over the FY 2017 approved Local funds budget of \$124,986,266.

CSFL Assumptions

The FY 2018 CSFL calculated for OCFO included adjustment entries that are not described in detail on table 5. These adjustments were made for decreases of \$166,949 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, and an increase of \$627,535 in nonpersonal services based on the Consumer Price Index factor of 2.5 percent. CSFL funding for the OCFO also includes a decrease of \$5,991 for the Fixed Costs Inflation factor to account for adjustments in certain contract-related items and an increase of \$600,000 for Operating Impact of Capital to account for costs related to the CFOSolve Financial Application.

Agency Budget Submission

Increase: In Local funds, the OCFO's proposed budget increased by a net amount of \$307,811 to support agency-wide salary, Fringe Benefits adjustments, and the movement of certain positions from full-time to part-time status.

In Special Purpose Revenue (SPR) funds, the proposed budget increased by \$1,011,040 and 10.0 Full-Time Equivalents (FTEs) for adjustments to salaries, Fringe Benefits costs, and other personal services adjustments within the agency. Specifically, funding supports additional staff primarily to the

Finance and Treasury program's Unclaimed Property and Central Collections units. Also in the Finance and Treasury program, the proposed budget increased by \$538,463 to cover certain banking fees and other contractual costs.

In Intra-District funds, the proposed budget increased by \$173,643 and 2.4 FTEs to cover additional staff and projected salary and Fringe Benefits costs throughout the agency.

Decrease: The proposed Local funds budget decreased by \$307,811 as a result of contractual services savings throughout the agency. In Federal Grant funds, the proposed budget decreased by \$75,000 in the Finance and Treasury program to align the budget with projects associated with Electronic Benefit Transaction funding.

The proposed SPR funds budget decreased by \$923,360 across multiple programs to align the budget with projected resources and program objectives. In Intra-District funds, the proposed net decrease of \$325,000 is primarily in the Integrity and Oversight program, and reflects projected savings from the District's Single Audit contract.

Mayor's Proposed Budget

Enhance: A proposed increase of \$917,123 and 10.5 FTEs in Local funds supports two revenue-generating initiatives in the Office of Tax and Revenue (OTR) along with other programs within the Office of the Chief Financial Officer. The first OTR initiative aims to recover District property taxes through expanding the accountability of the District's Homestead program through the use of a national database of homestead deductions claimed. This will result in revoking the Homestead exemption on District properties for which the exemption cannot be substantiated. The other OTR initiative involves partnering with local banks to increase the effectiveness of the levy process to secure payments from delinquent taxpayers. In addition, other programs supported include OTR's Revenue Accounting Administration, the Office of Finance and Treasury's (OFT) Debt Management Unit, and OFT's Banking Services Division. In these units, local fund resources are either reallocated or added to maintain staff support from positions formerly funded with nonlocal resources. In the Cash Management Unit, one manager's position is being split into two lower graded positions to better suit the unit's operational needs.

Reduce: The OCFO's budget proposal reflects a reduction of \$132,453 in the Local funds budget for Contractual Services to allow the agency to convert a contractor to a full-time position.

Shift: The proposed budget reflects a reduction of \$76,687 and 1.0 FTE from SPR funds, which will shift to Local funds. The FTE will continue to support the activities required in the OTR Revenue Accounting Administration.

District's Proposed Budget

Reduce: The Local funds budget proposal for the Office of the Chief Financial Officer reflects a decrease of \$275,201 due to the elimination of a vacant position and alignment of the personal services budget with projected costs.