
Office of the Chief Financial Officer

www.cfo.dc.gov
Telephone: 202-727-2476

Table AT0-1

Description	FY 2016	FY 2017	FY 2018	FY 2019	% Change
	Actual	Actual	Approved	Proposed	from FY 2018
OPERATING BUDGET	\$145,137,792	\$148,119,667	\$179,608,342	\$188,464,822	4.9
FTEs	900.2	942.8	1,003.0	1,023.0	2.0

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 2019 proposed budget is presented in the following tables:

FY 2019 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table AT0-2 contains the proposed FY 2019 budget by revenue type compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual data.

Table AT0-2

(dollars in thousands)

	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change*	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	% Change
Appropriated Fund												
GENERAL FUND												
Local Funds	118,045	124,908	126,627	133,877	7,250	5.7	807.6	841.9	890.9	911.0	20.1	2.3
Special Purpose Revenue Funds	18,475	14,688	44,042	45,431	1,388	3.2	39.7	54.5	64.0	64.0	0.0	0.0
TOTAL FOR GENERAL FUND	136,520	139,596	170,669	179,307	8,638	5.1	847.3	896.4	954.9	975.0	20.1	2.1
FEDERAL RESOURCES												
Federal Grant Funds	396	362	450	450	0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR FEDERAL RESOURCES	396	362	450	450	0	0.0	0.0	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS												
Intra-District Funds	8,222	8,162	8,489	8,708	219	2.6	53.0	46.4	48.1	48.0	-0.1	-0.2
TOTAL FOR INTRA-DISTRICT FUNDS	8,222	8,162	8,489	8,708	219	2.6	53.0	46.4	48.1	48.0	-0.1	-0.2
GROSS FUNDS	145,138	148,120	179,608	188,465	8,856	4.9	900.2	942.8	1,003.0	1,023.0	20.0	2.0

*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 2019 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2019 Proposed Operating Budget, by Comptroller Source Group

Table AT0-3 contains the proposed FY 2019 budget at the Comptroller Source Group (object class) level compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 actual expenditures.

Table AT0-3

(dollars in thousands)

	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Percentage Change*
Comptroller Source Group						
11 - Regular Pay - Continuing Full Time	80,879	84,865	89,589	94,125	4,536	5.1
12 - Regular Pay - Other	1,379	1,607	968	1,343	375	38.7
13 - Additional Gross Pay	738	524	51	51	0	0.0
14 - Fringe Benefits - Current Personnel	17,654	18,755	20,225	21,073	848	4.2
15 - Overtime Pay	615	453	25	25	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	101,265	106,203	110,859	116,618	5,759	5.2

Table AT0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Percentage Change*
20 - Supplies and Materials	299	246	473	481	8	1.8
40 - Other Services and Charges	11,685	11,269	11,804	13,181	1,377	11.7
41 - Contractual Services - Other	30,370	28,202	55,116	56,758	1,642	3.0
50 - Subsidies and Transfers	0	0	0	35	35	N/A
70 - Equipment and Equipment Rental	1,518	2,200	1,356	1,392	36	2.6
SUBTOTAL NONPERSONAL SERVICES (NPS)	43,873	41,916	68,749	71,847	3,098	4.5
GROSS FUNDS	145,138	148,120	179,608	188,465	8,856	4.9

*Percent change is based on whole dollars.

FY 2019 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table AT0-4 contains the proposed FY 2019 budget by division/program and activity compared to the FY 2018 approved budget. It also provides FY 2016 and FY 2017 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	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
(1000) AGENCY MANAGEMENT										
(1010) Personnel	1,917	1,941	2,005	2,113	108	13.6	13.5	15.0	16.0	1.0
(1015) Training and Employee Dev	507	625	478	502	24	3.7	3.8	3.0	3.0	0.0
(1020) Contracting and Procurement	1,307	1,553	1,692	1,943	251	10.9	11.5	13.0	14.0	1.0
(1030) Property Management	865	1,370	1,394	1,446	52	8.3	8.6	9.0	9.0	0.0
(1060) Legal Services	2,370	2,343	2,688	2,640	-47	13.2	14.6	15.0	15.0	0.0
(1080) Communications	193	204	166	171	5	0.9	1.0	1.0	1.0	0.0
(1090) Performance Management	1,762	2,026	1,894	2,502	608	9.1	9.6	9.0	12.0	3.0
SUBTOTAL (1000) AGENCY MANAGEMENT	8,920	10,062	10,318	11,318	1,000	59.7	62.6	65.0	70.0	5.0
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budget Operations	891	842	923	939	16	3.7	3.8	7.0	7.0	0.0
(120F) Accounting Operations	447	422	645	662	17	4.6	5.7	6.0	6.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,338	1,264	1,569	1,602	33	8.3	9.6	13.0	13.0	0.0
(2000) FINANCIAL OPERATIONS AND SYSTEMS										
(2100) Operations and Administration	969	994	1,089	1,125	36	6.5	6.7	7.0	7.0	0.0
(2200) Accounting Operations	1,888	1,949	2,183	2,082	-101	15.7	16.3	17.0	16.0	-1.0
(2300) Financial Policies and Procedures	572	644	656	676	20	3.7	3.8	4.0	4.0	0.0
(2500) Financial Control and Reporting	3,386	3,390	3,446	3,568	122	24.0	24.9	26.0	26.0	0.0
(2600) Benefits Administration	989	917	1,144	1,213	69	8.6	9.0	9.0	9.0	0.0
(2700) Payroll Disbursements and Wage Reporting	5,226	5,533	5,111	5,284	172	37.1	34.4	34.0	34.0	0.0
SUBTOTAL (2000) FINANCIAL OPERATIONS AND SYSTEMS	13,029	13,427	13,630	13,949	319	95.6	95.1	97.0	96.0	-1.0

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
(3000) BUDGET DEVELOPMENT AND EXECUTION										
(3100) Executive Direction and Support	1,087	1,188	1,217	1,252	35	6.5	7.6	6.0	6.0	0.0
(3400) Financial Planning and Analysis	1,101	1,144	1,314	1,262	-52	7.4	7.6	9.0	8.0	-1.0
(3700) Operating Budget	2,764	2,871	2,883	2,976	93	19.4	20.1	21.0	21.0	0.0
(3800) Capital Budget/ CIP	763	803	801	826	26	5.5	4.8	6.0	6.0	0.0
SUBTOTAL (3000) BUDGET DEVELOPMENT AND EXECUTION	5,715	6,006	6,215	6,317	102	38.8	40.2	42.0	41.0	-1.0
(4000) RESEARCH AND ANALYSIS										
(4100) Executive Direction and Support	747	687	762	784	22	2.8	2.9	3.0	3.0	0.0
(4300) Revenue Estimation	1,278	1,233	1,290	1,333	44	8.3	8.6	9.0	9.0	0.0
(4500) Economic Development	952	1,060	934	1,149	215	4.6	4.8	5.0	6.0	1.0
(4700) Legislative and Fiscal Analysis	737	751	766	790	24	4.6	4.8	5.0	5.0	0.0
(4800) Economic Affairs	1,041	1,131	1,178	1,215	37	6.5	6.7	7.0	7.0	0.0
SUBTOTAL (4000) RESEARCH AND ANALYSIS	4,754	4,861	4,929	5,271	342	26.8	27.7	29.0	30.0	1.0
(5000) TAX ADMINISTRATION										
(5100) Executive Direction and Support	4,015	4,257	4,426	4,546	120	19.4	19.1	20.0	21.0	1.0
(5200) External Customer Service Information	7,923	8,533	8,687	10,004	1,318	80.8	85.2	89.0	111.0	22.0
(5300) Recorder of Deeds	2,400	2,560	3,313	3,498	185	22.2	23.9	25.0	25.0	0.0
(5400) Real Property Tax Administration	9,869	9,936	11,016	11,648	632	87.7	94.7	102.0	95.0	-7.0
(5500) Tax Audits and Investigations	10,363	11,013	10,614	11,163	548	83.0	87.1	90.0	99.0	9.0
(5600) Revenue Accounting	2,427	2,362	2,217	2,279	63	17.5	17.3	18.0	18.0	0.0
(5700) Receipts and Delinquent Collections	19,819	19,337	31,390	33,359	1,969	187.7	191.3	205.0	205.0	0.0
SUBTOTAL (5000) TAX ADMINISTRATION	56,815	57,996	71,663	76,497	4,835	498.3	518.6	549.0	574.0	25.0
(6000) INFORMATION TECHNOLOGY										
(6100) Information Technology Support	28,091	26,944	26,576	27,654	1,079	71.9	76.5	78.0	70.0	-8.0
SUBTOTAL (6000) INFORMATION TECHNOLOGY	28,091	26,944	26,576	27,654	1,079	71.9	76.5	78.0	70.0	-8.0
(7000) FINANCE AND TREASURY										
(7100) Executive Direction and Support	1,231	1,040	1,144	1,166	22	4.6	5.7	6.0	6.0	0.0
(7200) Debt Management	1,131	1,220	1,007	1,131	124	4.9	8.7	6.0	6.0	0.0
(7300) Cash Management and Investments	7,916	8,327	11,610	11,454	-156	13.9	6.7	10.0	10.0	0.0
(7400) Disbursements	1,423	1,644	2,194	2,217	24	6.5	6.7	7.0	7.0	0.0
(7500) Cash Receipts and Accounting	3,446	3,407	3,864	3,875	11	38.6	35.0	39.0	37.0	-2.0
(7600) Asset Management for Special Programs	2,593	2,740	5,276	6,452	1,176	13.1	19.8	22.0	24.0	2.0
(7700) Central Collection Unit (CCU)	4,881	4,940	14,985	14,835	-150	0.0	9.9	19.0	18.0	-1.0
SUBTOTAL (7000) FINANCE AND TREASURY	22,621	23,317	40,080	41,130	1,050	81.5	92.5	109.0	108.0	-1.0

Table AT0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018	Actual FY 2016	Actual FY 2017	Approved FY 2018	Proposed FY 2019	Change from FY 2018
(8000) INTEGRITY AND OVERSIGHT										
(8100) Audit Services	2,632	2,942	3,053	3,108	54	11.0	11.5	12.0	12.0	0.0
(8200) Security Integrity Oversight	438	434	1,577	1,619	42	2.8	8.6	9.0	9.0	0.0
(8300) Investigations	856	865	0	0	0	5.5	0.0	0.0	0.0	0.0
SUBTOTAL (8000) INTEGRITY AND OVERSIGHT	3,926	4,242	4,630	4,727	97	19.3	20.1	21.0	21.0	0.0
(REVN) REVENUE										
(SPRV) Special Purpose Revenue	-71	0	0	0	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	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	145,138	148,119	179,608	188,465	8,856	900.2	942.8	1,003.0	1,023.0	20.0

(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 2019 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 2019 proposed budget.

FY 2018 Approved Budget to FY 2019 Proposed Budget, by Revenue Type

Table AT0-5 itemizes the changes by revenue type between the FY 2018 approved budget and the FY 2019 proposed budget. For a more comprehensive explanation of changes, please see the FY 2019 Proposed Budget Changes section, which follows the table.

Table AT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2018 Approved Budget and FTE		126,627	890.9
No Change		0	0.0
LOCAL FUNDS: FY 2019 Recurring Budget		126,627	890.9
COLA: FY 2019 COLA Adjustment	Multiple Programs	4,022	0.0
Agency Request-Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	1,556	20.1
Agency Request-Increase: To align resources with operational spending goals	Multiple Programs	1,298	0.0
Agency Request-Decrease: To recognize savings in personal services	Multiple Programs	-1,310	-11.0
Mayor's Policy-Enhance: To support tax credit initiatives (one-time)	Multiple Programs	587	0.0
Mayor's Policy-Enhance: To support Individual Mandate Implementation	Tax Administration	551	5.0
Mayor's Policy-Enhance: To help maximize tax revenue collections	Tax Administration	414	5.0
LOCAL FUNDS: FY 2019 Mayor's Proposed Budget		133,746	910.0
Enhance: To support small business tax credit assistance	Tax Administration	96	1.0
Enhance: To cover tax abatement costs (one-time)	Tax Administration	35	0.0
LOCAL FUNDS: FY 2019 District's Proposed Budget		133,877	911.0
FEDERAL GRANT FUNDS: FY 2018 Approved Budget and FTE		450	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2019 Mayor's Proposed Budget		450	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2019 District's Proposed Budget		450	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2018 Approved Budget and FTE		44,042	64.0
COLA: FY 2019 COLA Adjustment	Multiple Programs	217	0.0
Agency Request-Increase: To support nonpersonal service costs	Multiple Programs	309	0.0
Agency Request-Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	24	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2019 Mayor's Proposed Budget		44,593	64.0
Enhance: To support management costs associated with OPEB functions	Finance and Treasury	838	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2019 District's Proposed Budget		45,431	64.0

Table AT0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
INTRA-DISTRICT FUNDS: FY 2018 Approved Budget and FTE		8,489	48.1
COLA: FY 2019 COLA Adjustment	Multiple Programs	169	0.0
Agency Request-Increase: To align budget with projected revenues	Multiple Programs	50	-0.1
INTRA-DISTRICT FUNDS: FY 2019 Mayor's Proposed Budget		8,708	48.0
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2019 District's Proposed Budget		8,708	48.0
GROSS FOR AT0 - OFFICE OF THE CHIEF FINANCIAL OFFICER		188,465	1,023.0

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

FY 2019 Proposed Budget Changes

The Office of the Chief Financial Officer's (OCFO) proposed FY 2019 gross budget is \$188,464,822, which represents a 4.9 percent increase over its FY 2018 approved gross budget of \$179,608,342. The budget is comprised of \$133,876,762 in Local funds, \$450,000 in Federal Grant funds, \$45,430,513 in Special Purpose Revenue funds, and \$8,707,547 in Intra-District funds.

Recurring Budget

No Change: The Office of the Chief Financial Officer's budget proposal reflects no change from the FY 2018 approved budget to the FY 2019 recurring budget.

Mayor's Proposed Budget

Cost-of-Living Adjustment: OCFO's budget proposal includes cost-of-living adjustments (COLA) of \$4,022,152 in Local, \$217,394 in Special Purpose Revenue, and \$168,962 in Intra-District funds.

Agency Request – Increase: The FY 2019 proposed Local Funds OCFO budget includes an increase of \$1,555,649 and 20.1 Full-Time Equivalents (FTEs). The majority of the increase occurs within the Tax Administration program and supports customer service and audit and tax investigation functions. The increase also reflects the reallocation of positions, a net increase of 9.1 FTEs across the agency, and salary, Fringe Benefits, and other personal services adjustments. A Local funds increase of \$1,298,233 primarily supports the operating impacts of completed capital projects in the Information Systems program. The projects include the Capital Asset Replacement Scheduling System, which provides a comprehensive view of the District's capital asset health, and incremental improvements to CFOSolve, the OCFO's financial reporting and budget preparation system.

In Special Purpose Revenue funds, the FY 2019 proposed budget includes a total increase of \$308,855 in operational costs across the agency. Of this amount, \$232,629 in the Tax Administration program supports revenue collection and analysis contracts in the Receipts and Delinquent Collections activity and professional support services in the Real Property Tax Administration. The proposed budget also includes a net increase of \$24,207 due to salary and Fringe Benefits adjustments within several agency programs.

The Intra-District funds proposed budget includes a net increase of \$49,666 due to miscellaneous changes to salaries, a 0.1 FTE reduction, other position-related adjustments, and changes to certain operational costs.

Agency Request – Decrease: The proposed Local funds budget reflects a decrease of \$1,309,788 and 11.0 FTEs in salaries and Fringe Benefits across the agency, primarily in the Information Technology program. This reduction reflects the reallocation of certain positions to better serve agency needs.

Mayor's Policy – Enhance: In Local Funds, a total one-time Local funds enhancement of \$587,000 is comprised of two parts. An increase of \$549,000 to cover technology services in the Information Systems program is related to the health insurance mandate initiative. An increase of \$38,000 in the Information Systems program supports the implementation of a child credit. The tax change provides resources to promote a \$1,000 per child credit for all families with children between the ages of an infant to a three-years-old enrolled with a licensed childcare provider.

The proposed budget reflects an increase in the Tax Administration and Information Technology programs to support the implementation of an individual health insurance mandate for the District and tax credits for the parents of young children. As a result of the repeal of certain provisions of the federal Affordable Care Act, the funds will allow the OCFO make the appropriate changes to the District's tax code, publicize those changes as part of the tax filing process, and cover other administrative costs. A total of \$551,000 and 5.0 FTEs supports staffing requirements in the Receipts and Delinquent Collections activity.

A total increase of \$414,500 and 5.0 FTEs in Local funds in the Tax Administration program is meant to help maximize revenue collection efforts. Of this amount, \$279,000 and 3.0 FTEs supports the Data Warehouse Match program to improve compliance. Specifically, this initiative would enhance the Modernized Integrated Tax System and provide additional training to enable staff to detect taxpayer non-compliance. In the Recorder of Deeds, \$135,500 and 2.0 FTEs supports modernizing the lien filing process by creating an electronic portal to submit liens quickly. The budget will also cover the cost of additional tax examiners to prepare and submit tax lien documents.

District's Proposed Budget

Enhance: The Local funds budget proposal for the Office of the Chief Financial Officer contains an increase of \$96,000 and 1.0 FTE in the Tax Administration program. This funding covers salary and operational costs associated with new Schedule H changes that support a tax credit program for small businesses. The OCFO Local funds budget also includes a one-time increase of \$35,000 in the Finance and Treasury program to support certain administrative costs related to a tax abatement.

In Special Purpose Revenue Funds, the proposed budget includes an increase of \$837,649 in the Finance and Treasury program to cover contract-related functions and administrative costs for the newly-created Other Post-Employment Benefits Administration agency.