
Department of Insurance, Securities, and Banking

www.disb.dc.gov
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Table SR0-1

Description	FY 2020	FY 2021	FY 2022	FY 2023	% Change
	Actual	Actual	Approved	Approved	from FY 2022
OPERATING BUDGET	\$22,435,419	\$24,909,155	\$34,158,159	\$37,397,902	9.5
FTEs	132.0	127.8	139.0	157.0	12.9
CAPITAL BUDGET	\$0	\$0	\$0	\$0	N/A
FTEs	0.0	0.0	0.0	0.0	N/A

The mission of the Department of Insurance, Securities, and Banking (DISB) is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents on financial matters; and (3) provide financing for District small businesses.

Summary of Services

DISB regulates the following financial services entities: (1) insurance companies, insurance producers, health maintenance organizations, captive insurance companies, and risk retention groups; (2) investment advisors, investment advisor representatives, broker-dealers, broker-dealer agents, securities offerings, issuers, and agents of issuers; and (3) District and state-chartered banks, mortgage lenders and brokers, mortgage loan originators, check cashers, money transmitters, consumer sales finance companies, money lenders, appraisal management companies, student loan servicers, and consumer credit service organizations.

The agency's FY 2023 approved budget is presented in the following tables:

FY 2023 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table SR0-2 contains the approved FY 2023 budget by revenue type compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual data.

Table SR0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	% Change*	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	% Change
GENERAL FUND												
Local Funds	0	0	1,695	2,005	310	18.3	0.0	0.0	0.0	5.0	5.0	N/A
Special Purpose Revenue Funds	22,238	24,607	32,330	35,225	2,895	9.0	132.0	127.8	139.0	152.0	13.0	9.4
TOTAL FOR GENERAL FUND	22,238	24,607	34,025	37,230	3,205	9.4	132.0	127.8	139.0	157.0	18.0	12.9
FEDERAL RESOURCES												
Federal Grant Funds	55	37	0	168	168	N/A	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR FEDERAL RESOURCES	55	37	0	168	168	N/A	0.0	0.0	0.0	0.0	0.0	N/A
PRIVATE FUNDS												
Private Grant Funds	9	80	0	0	0	N/A	0.0	0.0	0.0	0.0	0.0	N/A
Private Donations	2	0	0	0	0	N/A	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR PRIVATE FUNDS	11	80	0	0	0	N/A	0.0	0.0	0.0	0.0	0.0	N/A
INTRA-DISTRICT FUNDS												
Intra-District Funds	131	186	133	0	-133	-100.0	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR INTRA-DISTRICT FUNDS	131	186	133	0	-133	-100.0	0.0	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	22,435	24,909	34,158	37,398	3,240	9.5	132.0	127.8	139.0	157.0	18.0	12.9

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private) and Special Purpose Revenue type, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2023 Operating Appendices** located on the Office of the Chief Financial Officer's website.

In FY 2023, the Intra-District process will be eliminated, and the duplicated budget in the agencies providing services (seller agencies), known as Intra-District budget, will no longer be required. This process will be replaced by a new interagency process, which will enable seller agencies to directly charge interagency projects funded by the agencies receiving the services (buyer agencies). For more detailed information regarding the approved funding for interagency projects funded within this agency, please see Appendix J, FY 2023 Interagency Budgets, in the Executive Summary budget volume.

FY 2023 Approved Operating Budget, by Comptroller Source Group

Table SR0-3 contains the approved FY 2023 budget at the Comptroller Source Group (object class) level compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual expenditures.

Table SR0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Percentage Change*
11 - Regular Pay - Continuing Full Time	13,531	13,973	15,125	16,760	1,635	10.8
12 - Regular Pay - Other	225	323	576	684	108	18.8
13 - Additional Gross Pay	76	155	113	113	0	0.0
14 - Fringe Benefits - Current Personnel	3,012	2,925	3,454	3,838	384	11.1
15 - Overtime Pay	10	4	21	21	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	16,854	17,380	19,289	21,416	2,127	11.0
20 - Supplies and Materials	39	43	102	68	-35	-34.1
31 - Telecommunications	127	157	184	182	-2	-1.2
32 - Rentals - Land and Structures	2,047	2,103	2,141	2,294	152	7.1
34 - Security Services	2	5	8	9	0	5.3
35 - Occupancy Fixed Costs	5	14	0	0	0	N/A
40 - Other Services and Charges	584	864	2,036	2,222	186	9.1
41 - Contractual Services - Other	2,644	3,589	7,913	8,382	469	5.9
50 - Subsidies and Transfers	0	500	2,000	2,000	0	0.0
70 - Equipment and Equipment Rental	132	255	484	826	342	70.7
SUBTOTAL NONPERSONAL SERVICES (NPS)	5,581	7,529	14,869	15,982	1,113	7.5
GROSS FUNDS	22,435	24,909	34,158	37,398	3,240	9.5

*Percent change is based on whole dollars.

FY 2023 Approved Operating Budget and FTEs, by Division/Program and Activity

Table SR0-4 contains the approved FY 2023 budget by division/program and activity compared to the FY 2022 approved budget. It also provides FY 2020 and FY 2021 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table SR0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022
(1000) AGENCY MANAGEMENT										
(1010) Personnel	191	198	196	203	7	1.8	1.8	2.0	2.0	0.0
(1017) Labor Partnership	0	0	0	0	0	0.9	0.0	0.0	0.0	0.0
(1040) Office of Information Technology and Support	3,832	4,115	4,735	5,347	612	10.1	9.2	10.0	11.0	1.0
(1060) Office of Legal Services	1,575	1,440	1,905	1,696	-208	11.9	10.1	11.0	10.0	-1.0
(1080) Public Affairs	812	854	1,602	1,804	202	4.6	4.6	5.0	6.0	1.0
(1090) Performance Management	945	1,067	1,510	1,546	36	5.5	7.4	9.0	9.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	7,355	7,674	9,948	10,597	649	34.9	33.1	37.0	38.0	1.0

Table SR0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budget Operation	311	337	335	276	-59	1.8	1.8	2.0	2.0	0.0
(120F) Accounting Operations	609	509	593	551	-41	4.6	4.6	5.0	5.0	0.0
(130F) ACFO	220	228	233	241	8	0.9	0.9	1.0	1.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,141	1,073	1,160	1,068	-92	7.3	7.4	8.0	8.0	0.0
(2000) INSURANCE										
(2010) Insurance Products	1,167	1,255	1,417	1,493	75	8.9	8.9	9.7	9.7	0.0
(2015) Financial Surveillance	932	966	924	955	31	5.5	5.5	6.0	6.0	0.0
(2050) HMO	473	464	629	629	-1	4.0	4.0	4.3	4.3	0.0
(2080) DC Market Operations Insurance	486	761	1,377	1,285	-92	0.0	0.4	0.0	0.0	0.0
(2090) Health Insurance Review	526	507	652	682	29	4.6	4.6	5.0	5.0	0.0
SUBTOTAL (2000) INSURANCE	3,583	3,953	5,000	5,043	43	22.9	23.4	25.0	25.0	0.0
(3000) SECURITIES										
(3010) Corporate Finance	689	766	778	778	0	4.6	4.6	5.0	5.0	0.0
(3030) Securities Licensing	511	486	518	625	106	3.7	3.7	4.0	5.0	1.0
(3080) DC Market Operations Securities	294	360	543	835	292	0.9	0.9	1.0	1.0	0.0
SUBTOTAL (3000) SECURITIES	1,495	1,612	1,839	2,238	398	9.2	9.2	10.0	11.0	1.0
(4000) ENFORCEMENT										
(4050) Enforcement	105	112	117	123	6	1.8	0.9	1.0	1.0	0.0
(4060) Investigations	878	847	862	872	10	6.4	6.4	6.0	6.0	0.0
(4080) DC Market Compliance Enforcement	38	32	76	86	10	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (4000) ENFORCEMENT	1,020	991	1,055	1,082	26	8.3	7.4	7.0	7.0	0.0
(5000) BANKING										
(5040) Community Outreach	0	1,987	4,817	3,925	-892	0.0	0.5	1.0	3.0	2.0
(5060) Licensing	815	862	915	1,068	153	6.4	7.4	8.0	9.0	1.0
(5070) Market Services	1,570	1,917	3,591	5,157	1,566	7.3	6.4	6.0	10.0	4.0
(5080) DC Market Operations Banking	985	68	560	478	-82	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (5000) BANKING	3,370	4,834	9,882	10,628	746	13.8	14.3	15.0	22.0	7.0
(6000) RISK FINANCE										
(6010) Compliance	155	170	176	182	6	0.9	0.9	1.0	1.0	0.0
(6020) Financial Analysis	222	227	227	355	128	0.9	0.9	1.0	2.0	1.0
(6030) Regulatory Review and Licensing	109	116	113	120	7	0.9	0.9	1.0	1.0	0.0
(6080) DC Market Operations Risk Finance	74	7	163	175	13	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (6000) RISK FINANCE	560	520	679	833	153	2.8	2.8	3.0	4.0	1.0
(7000) OFFICE OF INNOVATION										
(7010) Market Analysis	0	0	0	123	123	0.0	0.0	0.0	1.0	1.0
(7020) Outreach	0	0	0	497	497	0.0	0.0	0.0	2.0	2.0
(7030) Compliance	0	0	0	86	86	0.0	0.0	0.0	1.0	1.0
SUBTOTAL (7000) OFFICE OF INNOVATION	0	0	0	706	706	0.0	0.0	0.0	4.0	4.0
(8000) MARKET EXAMINATIONS										
(8010) Insurance Exams	269	276	278	285	7	2.8	1.8	2.0	2.0	0.0
(8020) Securities Exams	212	323	344	465	121	2.8	1.8	3.0	4.0	1.0
(8030) Banking Exams	1,378	1,354	1,497	1,663	166	11.0	11.0	12.0	13.0	1.0
(8040) Risk Finance Exams	795	770	802	803	2	4.6	4.6	5.0	5.0	0.0
SUBTOTAL (8000) MARKET EXAMINATIONS	2,654	2,724	2,920	3,217	297	21.1	19.3	22.0	24.0	2.0

Table SR0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022	Actual FY 2020	Actual FY 2021	Approved FY 2022	Approved FY 2023	Change from FY 2022
(9000) COMPLIANCE ANALYSIS										
(9010) Consumer Services	786	923	915	978	63	6.4	6.4	7.0	7.0	0.0
(9020) Market Research Analysis	377	431	546	789	243	4.6	3.7	4.0	6.0	2.0
(9080) DC Market Compliance Analysis	94	174	213	219	6	0.9	0.9	1.0	1.0	0.0
SUBTOTAL (9000) COMPLIANCE ANALYSIS	1,257	1,528	1,674	1,986	313	11.9	11.0	12.0	14.0	2.0
TOTAL APPROVED OPERATING BUDGET	22,435	24,909	34,158	37,398	3,240	132.1	127.8	139.0	157.0	18.0

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

Note: For more detailed information regarding the approved funding for the activities within this agency’s programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2023 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.

Division Description

The Department of Insurance, Securities, and Banking operates through the following 10 divisions:

Insurance – monitors the financial solvency of insurance companies and Health Maintenance Organizations (HMOs) operating in the District of Columbia; issues licenses to insurance companies, insurance producers, and related entities; resolves consumer complaints; approves rates and policy forms of insurance products marketed in the District; and monitors underwriting, policy holder services, claims, marketing, producer licensing, and the complaint handling processes of licensed insurers to ensure a viable insurance market in the District.

This division contains the following 5 activities:

- **Insurance Products** – reviews all types of insurance policy forms and actuarial memoranda to determine whether they conform to District insurance laws and regulations; analyzes rating rules, rate manuals and rating schedules; conducts actuarial and statistical analysis of rate increase requests; and maintains a database for claims and investment experience;
- **Financial Surveillance** – provides solvency and compliance monitoring, rate approval, and technical assistance for the insurance industry, other regulators, and the public so that there is a viable insurance market in the District;
- **Health Maintenance Organization (HMO)** – provides solvency and compliance monitoring, rate approval, and technical assistance for the HMO industry, other regulators, and the public so that there is a viable managed care insurance market in the District;
- **DC Market Operations Insurance** – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results; and
- **Health Insurance Review** – reviews health insurance rate filings submitted for products sold in the District to ensure compliance with District law and federal health care reform; conducts analysis on rate filing trends; and provides consumer information on health insurance rates.

Securities – oversees the regulatory activities of stock brokerage and investment firms in the District to proactively protect District residents against malpractice and fraud by securities professionals, and to ensure proper marketing and disclosure of securities products in compliance with the District Code.

This division contains the following 3 activities:

- **Corporate Finance** – reviews and analyzes securities offerings to investors to ensure full disclosure with the District’s securities laws;
- **Securities Licensing** – reviews and approves, subject to District laws, investment advisors, investment advisor representatives, broker-dealers, and broker-dealer agents doing business in the District; and
- **DC Market Operations Securities** – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results.

Enforcement – directs programs designed to detect and take actions against individuals and companies engaged in fraudulent financial operations and services, and investigates compliance complaints.

This division contains the following 3 activities:

- **Enforcement** – ensures observance of District laws by providing remedies to individuals, insurance entities, securities and banking entities, and other jurisdictions in order to prevent, detect, and prosecute insurance, securities and banking fraudulent activities;
- **Investigations** – responds to inquiries and complaints from consumers, and investigates and establishes the underlying facts to ensure adherence with the District’s financial services and relevant consumer protection laws; and
- **DC Market Compliance Enforcement** – provides technical and administrative support for the bureau to achieve operational and programmatic results.

Banking – regulates the activities of depository and non-depository financial institutions within the District to protect consumers from unfair practices by conducting timely financial examinations and providing a fair financial market that benefits District consumers and businesses.

This division contains the following 4 activities:

- **Community Outreach** – operates the financial empowerment center by providing free, one-on-one financial counseling and education services to all residents. Professionally trained counselors help low-to moderate-income residents manage their finances, pay down debt, increase savings, establish and build credit, and access safe and affordable mainstream banking products;
- **Licensing** – reviews and approves, subject to District laws, District chartered banks, mortgage lenders and brokers, loan originators, money transmitters, check cashers, money lenders, appraisal management companies, and student loan servicers, and consumer credit service organizations doing business in the District;
- **Market Services** – administers foreclosure mediation program, Student Loan Ombudsman, State Small Business Credit Initiative program, and the foreclosure prevention program; and
- **DC Market Operations Banking** – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results.

Risk Finance – reviews and approves licensing applications for the formation of captive insurance companies and maintains regulatory oversight of captive insurers and risk retention groups that operate in the District.

This division contains the following 4 activities:

- **Compliance** – conducts solvency and compliance monitoring of the captive insurance industry in the District, provides technical assistance to other insurance regulators, and maintains a viable alternative insurance market in the District;

Financial analysis – analyzes financial and actuarial reports to ensure captive insurance companies and risk retention groups maintain capital and surplus required under District law;
Licensing – reviews and approves, subject to District laws and regulations, licensing applications for captive insurance companies and risk retention groups; and
DC Market Operations Risk Finance – provides for administrative support and the required tools for the bureau to achieve operational and programmatic results.

Office of Innovation – supports the development and implementation of responsible innovation in the financial services industry. The Office of Innovation works collaboratively with government agencies, academic institutions, non-profits, and for-profit organizations to attract financial technology-based companies that will provide innovative and accessible financial solutions that meet the needs of District residents, while maintaining safety, soundness, and consumer protection.

This division contains the following 3 activities:

- **Market analysis** – provides research and analysis of financial services and technology sectors to identify trends, and develops best practice and guidelines designed to create a favorable business environment for companies offering innovative financial products and services in the District;
- **Outreach** – Promotes the Department's Office of Innovation and engages in activities to attract innovative technology and financial services companies to the District; and
- **Compliance** – conducts regulatory oversight of the companies operating in the Department's financial services regulatory sandbox to ensure safety, soundness and consumer protection for District consumers.

Market Examinations – conducts on-site examinations of all domiciled insurance companies; inspects District-based investment advisers and broker-dealers, District-chartered banks, and non-depository financial services institutions doing business in the District; monitors solvency of financial firms doing business in the District; and develops comprehensive analysis of financial services market to identify current and emerging systematic issues and coordinate regulatory actions.

This division contains the following 4 activities:

- **Insurance Exams** – provides solvency and compliance monitoring of insurance companies to ensure compliance with District laws;
- **Securities Exams** – performs examinations of financial condition and regulatory compliance of securities firms and their representatives;
- **Banking Exams** – provides chartering, examination and enforcement services pertaining to District chartered banks and District licensed non-depository institutions; and
- **Risk Finance Exams** – provides solvency and compliance monitoring and technical assistance for the captive insurance industry and other regulators.

Compliance analysis – provides monitoring and analysis of industry sectors to establish best practices, and coordinates information from the IC Market Conduct Working Groups and Bureaus to identify key market factors that impact each industry sector.

This division contains the following 3 activities:

- **Consumer Services** – reviews consumer complaints regarding financial institutions and firms operating in the District to determine compliance with District laws and regulations, and conducts analysis and investigates matters regarding consumer issues;
- **Market Analysis** – provides monitoring and analysis of industry sectors to establish best practices standards and guidelines for financial products and services; and
- **DC Compliance Analysis** – provides technical and administrative support to the bureaus to achieve operational and programmatic results.

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

Division Structure Change

The approved division structure changes are provided in the Agency Realignment appendix to the approved budget, which is located at www.cfo.dc.gov on the Annual Operating Budget and Capital Plan page.

FY 2022 Approved Budget to FY 2023 Approved Budget, by Revenue Type

Table SR0-5 itemizes the changes by revenue type between the FY 2022 approved budget and the FY 2023 approved budget. For a more comprehensive explanation of changes, please see the FY 2023 Approved Budget Changes section, which follows the table.

Table SR0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2022 Approved Budget and FTE		1,695	0.0
Removal of Non-Recurring ARPA Funding	Banking	-1,695	0.0
LOCAL FUNDS: FY 2023 Recurring Budget		0	0.0
Enhance: ARPA – Federal Funds for Local Revenue Replacement funding to support District Recovery Plan initiatives	District Recovery Plan	1,705	5.0
LOCAL FUNDS: FY 2023 Mayor’s Proposed Budget		1,705	5.0
Enhance: ARPA – Federal Funds for Local Revenue Replacement funding to support District Recovery Plan initiatives	Banking	1,705	5.0
Enhance: To support a pilot matched savings program for Park Morton residents (one-time)	Banking	300	0.0
Reduce: To reallocate ARPA funding	District Recovery Plan	-1,705	-5.0
LOCAL FUNDS: FY 2023 District’s Approved Budget		2,005	5.0
FEDERAL GRANT FUNDS: FY 2022 Approved Budget and FTE		0	0.0
Increase: To align budget with projected grant awards	Insurance	168	0.0
FEDERAL GRANT FUNDS: FY 2023 Mayor’s Proposed Budget		168	0.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2023 District’s Approved Budget		168	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2022 Approved Budget and FTE		32,330	139.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	2,135	13.0
Increase: To align budget with projected revenues	Multiple Programs	609	0.0
Increase: To align Fixed Costs with proposed estimates	Agency Management	151	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2023 Mayor’s Proposed Budget		35,225	152.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2023 District’s Approved Budget		35,225	152.0
INTRA-DISTRICT FUNDS: FY 2022 Approved Budget and FTE		133	0.0
Eliminate: To reflect the elimination of Intra-District funds budget, as part of the new interagency process	Multiple Programs	-133	0.0
INTRA-DISTRICT FUNDS: FY 2023 Mayor’s Proposed Budget		0	0.0
No Change		0	0.0

Table SR0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
INTRA-DISTRICT FUNDS: FY 2023 District's Approved Budget		0	0.0
GROSS FOR SR0 - DEPARTMENT OF INSURANCE, SECURITIES, AND BANKING		37,398	157.0

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

Note: For more detailed information regarding the approved funding for interagency projects funded within this agency, please see Appendix J, FY 2023 Interagency Budgets, in the Executive Summary budget volume.

FY 2023 Approved Operating Budget Changes

Table SR0-6 contains the approved FY 2023 budget by fund compared to the FY 2022 approved budget.

Table SR0-6

Appropriated Fund	FY 2022 Approved	FY 2023 Approved	% Change from FY 2022
Local Funds	\$1,694,774	\$2,004,931	18.3
Federal Grant Funds	\$0	\$167,864	N/A
Special Purpose Revenue Funds	\$32,330,386	\$35,225,107	9.0
Intra-District Funds	\$133,000	\$0	-100.0
GROSS FUNDS	\$34,158,159	\$37,397,902	9.5

Recurring Budget

The FY 2023 budget for the Department of Insurance, Securities, and Banking (DISB) includes a reduction of \$1,695,000 to account for the removal of ARPA – Federal Funds for Local Revenue Replacement funding appropriated in FY 2022 to support the expansion of Opportunity Accounts as well as financial coaching services for returning citizens.

Mayor's Proposed Budget

Increase: DISB's budget proposal for Federal Grant funds includes an increase of \$167,864 in the Insurance division that will align the budget with projected grant awards.

DISB's budget proposal for Special Purpose Revenue (SPR) funds includes an increase of \$2,134,829 and 13.0 Full-Time Equivalents (FTEs) in personal service adjustments across multiple divisions. This adjustment is comprised of 9.0 FTEs that will provide technical and administrative support to bureaus to improve operational and programmatic results, and 4.0 FTEs within the Office of Innovation that will support the development and implementation of responsible innovation in the financial services industry in the District through the establishment of the financial services regulatory sandbox initiatives.

Additionally in SPR funds, a net increase of \$608,684 will align the proposed budget with projected revenues, and a net increase of \$151,208 in the Agency Management division will align the budget with fixed cost estimates, primarily for Rent.

In FY 2023, the current Intra-District process, which requires District agencies to account for negotiated service agreements with other District agencies in a buyer agency-seller agency arrangement, will be eliminated. This process required duplicated budget in the seller agencies, known as Intra-District budget,

which will no longer be required. This process will be replaced by a new interagency process, which will enable the agencies providing services (seller agencies) to finance the services by directly charging interagency projects funded by the agencies receiving the services (buyer agencies).

Eliminate: The impact of the elimination of the seller agencies' budgets will be reflected as a reduction of the proposed FY 2023 budget of \$133,000 in the Intra-District budget for DISB in comparison to FY 2022.

Enhance: In Local funds, DISB's proposed budget includes an increase of \$1,704,931 and 5.0 FTEs in ARPA – Federal Funds for Local Revenue Replacement. This adjustment is comprised of \$1,042,823 and 3.0 FTEs to support the Opportunity Accounts Expansion project and \$662,108 and 2.0 FTEs to support the Financial Coaching for Returning Citizens project. These increases in spending are supported by Coronavirus Relief funds from the American Rescue Plan Act.

District's Approved Budget

Enhance: DISB's approved Local funds budget reflects a reallocation of \$1,704,931 and 5.0 FTEs in ARPA – Federal Funds for Local Revenue Replacement funding from the District Recovery Plan division to the Banking division. This increase in spending is supported by Coronavirus Relief funds from the American Rescue Plan Act. The approved Local funds budget also includes a one-time increase of \$300,000 in the Banking division to support a pilot matched savings program for Park Morton residents.

Reduce: In Local funds, DISB's approved budget includes a reduction of \$1,704,931 and 5.0 FTEs to reflect the reallocation of ARPA – Federal Funds for Local Revenue Replacement funding from the District Recovery Plan division to the Banking division.