

**PUBLIC HEARING ON
THE FISCAL YEAR 2008 BUDGET OF THE OFFICE OF
THE CHIEF FINANCIAL OFFICER (OCFO)**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**April 4, 2007, 11:00 a.m.
Council Chamber, John A. Wilson Building**



**Testimony of
Lasana K. Mack
Treasurer and Deputy Chief Financial Officer
Office of Finance and Treasury**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairman Evans and members of the Committee. I am Lasana Mack, Deputy Chief Financial Officer and Treasurer, and I am responsible for management of the Office of Finance and Treasury (OFT) in the Office of the Chief Financial Officer. The information that I will present today addresses the Office of Finance and Treasury's proposed FY 2008 budget.

OFT's mission is to efficiently and effectively manage the financial assets and liabilities of the District government. This includes investing, receiving, safe-keeping, disbursing, recording, and acquiring District financial resources. This description includes critical on-going functions such as check production, payroll funding, and debt issuance and repayment, as well as management of the District's cash and reserves, college savings plan, 401(a) pension plan, 457 deferred compensation plan, electronic benefits program, and unclaimed property operation. OFT has diligently carried out its mission during FY 2006 and FY 2007 year-to-date with positive results, and our FY 2008 budget request supports the continuation of such results.

Some of the aforementioned positive results during FY 2006 and FY 2007 to-date include:

- Effectively managing new District bond issuances with positive outcomes, including the baseball stadium bond issuance and the District's second tobacco settlement securitization transaction;
- Refunding outstanding debt at lower interest rates to produce millions of dollars in debt service savings;

- Additional bond rating upgrades that produce additional on-going debt service savings;
- Generating unprecedented interest earnings on the District's cash balances;
- Effectively managing significant growth in participants and assets in the District's college savings (529), defined contribution (401(a)) and deferred compensation (457) plans; and
- Returning a record amount of unclaimed property to its rightful owners, while effectively managing these assets and processing claims.

FY 2008 Budget Request

The FY 2008 budget request for OFT totals \$19.28 million and includes funding for a total of 86 FTEs. This budget request represents a net increase of approximately \$716,720 from the FY 2007 approved budget. The increase is due to program initiatives and technological advances that will enhance the level of operational and financial management efficiency. The \$19.28 million consists of \$6.01 million in personal services and \$13.27 million in non-personal services spending. The \$13.27 million includes funding for critical services that OFT provides for the District, such as various banking services, payment processing, cash security services, and professional advisory services.

The FY 2008 budget request for OFT was formulated in accordance with the agency's objective of continually providing high-quality, effective and efficient services to District citizens, agencies and stakeholders.

Chairman Evans and members of the committee, this concludes my testimony. I am prepared to answer any questions that you may have.