

PUBLIC HEARING
ON
THE FY 2009 BUDGET REQUEST FOR THE
OFFICE OF BUDGET AND PLANNING (OBP)

Before the
Committee of the Whole
Council of the District of Columbia
The Honorable Vincent C. Gray, Chairman

April 4, 2008, 2:00 p.m.
Room 412, John A. Wilson Building



Testimony of
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Natwar M. Gandhi
Chief Financial Officer
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Good afternoon, Chairman Gray and members of the Committee of the Whole. I am Gordon McDonald, Deputy Chief Financial Officer for the Office of Budget and Planning (OBP). I am here today to testify in support of OBP's FY 2009 Budget Request. With me today is Mr. James Spaulding, Acting Associate Deputy Chief Financial Officer. My colleague, Lasana Mack, Deputy Chief Financial Officer for Finance and Treasury, will address questions related to cash, debt service, and debt management.

I will cover the following areas in my remarks:

- OBP's Fiscal Year 2009 Budget Request;
- Fiscal Year 2008 Accomplishments; and
- Fiscal Year 2009 Key Program Initiatives.

OBP's Fiscal Year 2009 Budget Request

Our operating budget request is \$7.2 million and 62 FTEs, a net increase of \$138,260 and 1 FTE over the FY 2008 approved budget of \$7.1 million and 61 FTEs. The net increase of 1 FTE is due to an increase of 2 FTEs in the Grants Management Unit, partially offset by a transfer of 1 FTE to the Office of the Chief Information Officer (OCIO).

The increase is due to an enhancement request in the grants monitoring function for 2 budget analyst positions dedicated to grants budgeting, monitoring and reporting functions. The FY 2009 PS budget reflects cost-of-living adjustments, step increases, and adjustments to fringe benefits.

Fiscal Year 2008 Accomplishments

As you know, OBP begins planning for the next year's formulation shortly after the District's budget is submitted to Congress in June.

- We worked with OCIO staff to make necessary improvements to the new budget formulation Webforms application, in anticipation of the FY 2009 budget development process. Also, we trained all key personnel in the field on the Webform system, prior to the FY 2009 formulation process.
- As in the prior year, we worked with the Mayor's Contracting and Procurement Office (OCP) to link the FY 2008 Spending Plans to the Service Level Agreement database. This assists OCP in planning their work flow through the year.

- We issued the FY 2009 Baseline Budget and the FY 2009 Mayor's Proposed Budget and Financial Plan on time despite the many challenges we faced.
- We closely monitored agency budgets and worked actively with the OCFO's field staff to assess emerging agency spending pressures. We then worked closely with the Mayor's Office and the Council in developing solutions to these pressures.
- Working with consultants, we have continued to develop, refine and document a process for identifying crucial cost drivers in District agencies (that is, volume measures and unit costs).
- The District's accumulated surplus in the Capital Improvements Program (CIP) through FY 2006—which reversed a deficit that had accumulated over the previous 5 years—further grew in FY 2007.
- We included a new appendix in the FY 2009 – FY 2014 proposed capital budget that displays lifetime budget increases and decreases for capital projects compared to the prior year's budget.

- Finally, we received the GFOA's Distinguished Budget Presentation Award for the FY 2008 Budget and Financial Plan, the seventh consecutive year we have received this award.

FY 2009 Key Program Initiatives

Our central goal for FY 2009 is to enhance OBP's performance, bolstered by the successes of the past fiscal year. OBP's major operational goals are as follows:

- With the enhancement to our grants budget staff, we will continue to improve the grant budget monitoring and reporting function within our office.
- We will coordinate with agencies to maximize use of their grant funds to reduce lapsed funds.
- We will continue to strive to meet our goal of a 5-business day turnaround timeline for all reprogrammings (upon receipt of the Mayor's Request Letter).
- By working with Office of the Chief Technology Officer (OCTO), D.C. Department of Human Resources (DCHR), Office of the City Administrator (OCA), and OCFO agency staff, we will assist in identifying problems and providing solutions to improve District-wide position control budgeting.
- In the Capital Improvements Program, we will improve analysis of the operating budget effects from completed capital projects; improve budgeting

and accounting for capital-funded full-time equivalent (FTE) positions; and continue to enhance our technological capabilities, particularly in reporting.

- We are working with our OCIO to add modules to CFO\$ource for all budget revisions, including reprogrammings and grant budget modifications, and to create a module within CFO\$ource that will provide all users instant access to cost driver data for all agencies.

Conclusion

We look forward to working collaboratively with the Council and the Mayor's Office during the Council's deliberations to develop a sound and balanced consensus budget that provides quality services to the residents of the District of Columbia.

Mr. Chairman, this concludes my remarks. I will be pleased to answer any questions that you may have.