

**PUBLIC OVERSIGHT HEARING
ON THE
OCFO BUDGET FOR FY 2012**

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

The Honorable Jack Evans, Chairman

**April 21, 2011 @ 9:30 a.m.
John A. Wilson Building
Council Chambers**



**Testimony of
Lasana K. Mack
Deputy Chief Financial Officer and Treasurer
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 2012 budget.

OFT's mission is to efficiently and effectively manage the financial assets and liabilities of the District government. This includes receiving, investing, disbursing, recording and acquiring District financial resources. This description includes critical on-going functions such as payroll funding, check production, electronic payment processing and execution, management of the District's debt issuance and repayment operation, management of the District's cash, investments and reserves, and management of District's college savings plan, 401(a) pension plan, 457 deferred compensation plan, electronic benefits program, and unclaimed property operation.

In a particularly challenging financial environment over the past few years, OFT has effectively managed the District's funds and its borrowing. As you are aware, we successfully created and implemented in 2009 a new bond structure for funding the District's Capital Improvements Program, with Income Tax Secured Revenue Bonds. We have utilized this financing structure, and also made use of the Build America Bonds program of the American Recovery and Reinvestment Act, to fund our capital program and achieve significant debt service savings for the District.

Our income tax bonds are rated AAA, the highest possible rating, by Standard and Poor's, Aa1 by Moody's Investors Service, and AA+ by Fitch Ratings. The ratings on the District's General Obligation Bonds, which also represent a measurement of the overall financial health of the District, are also highly rated, at Aa2 by Moody's, AA- by Fitch and A+ by Standard and Poor's. These bond ratings reflect quality financial management of the part of the District's elected leadership and finance officials.

FY 2012 Budget Request

The FY 2012 budget request for OFT totals \$16.74 million and includes funding for a total of 71 FTEs (full-time equivalents). This budget request represents a net decrease of approximately \$212,000 from the FY 2011 approved budget, and a reduction of four FTEs.

In addition to personnel costs, OFT's budget contains funding for contractual services associated with the various functions that OFT performs for the District, including various banking services, transaction processing and interfacing, cash security services, and professional advisory services. Consistent with the mandate that we all find ways to perform our important functions most efficiently, utilizing less resources in these lean budgetary times, OFT is able to sustain the reductions indicated above without reducing our effectiveness in carrying out our core functions.

The FY 2012 budget request for OFT was formulated in accordance with the agency's objective of continually providing high-quality, effective and

efficient financial management services and processes for District citizens, agencies and stakeholders, and we intend to meet that objective in FY 2012.

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