

March 26, 2002

Council of the District of Columbia

PUBLIC HEARING ON THE BUDGET REQUEST OF THE OFFICE OF BUDGET AND PLANNING FOR FISCAL YEAR 2003

Testimony of Bert Molina, Deputy Chief Financial Officer, Office of Budget and Planning, before the Committee of the Whole

Good afternoon, Madame Chair and members of the Committee. My name is Bert Molina, and I am the Deputy Chief Financial Officer for the Office of Budget and Planning (OBP). With me is Gordon McDonald, Associate Deputy CFO for Budget and Planning. Thank you for the opportunity to talk about the Office of Budget and Planning's FY 2003 budget request. I also would like to talk about my vision for the future of OBP, and what it will take to turn that vision into a reality.

OBP's FY 2003 Budget

Let me start off by saying that the staff of the Office of Budget and Planning accomplishes a great deal with limited resources. With a staff of 56, some of our major accomplishments this past year include:

- Production of the FY 2003 budget book, which you have seen — I'm told by experts in publishing that it could take twice the people and time to do this in the private sector
- Distribution of FY 2003 budget information in several formats: budget books, CD-ROMs, and Web access
- Formulation of the FY 2003 budget request
- Execution of the FY 2002 budget, including apportionment of the budget for DC Public Schools
- Closing of the FY 2001 budget
- FRP analysis on agency spending
- Capital budget management
- Cost analysis of major programs
- Development of performance-based budgeting throughout the District
- Working on a new online District-wide budgeting system as part of the Administrative Services Modernization Project (ASMP)
- Executing, monitoring, and reporting on Emergency Preparedness Funds, and
- Supporting troubled budget and financial operations, such as the DC Public Schools.

I could go on, but needless to say, I am very proud of our staff and what they have accomplished and will continue to accomplish.

What makes OBP's successes all the more astonishing is that the average tenure of an OBP employee is 20 months. If you take out the five individuals who have been here for more than 10 years, the average length of employment is a little over eight months. I believe this fact makes our successes even more meaningful and speaks to the abilities of my staff. Nevertheless, the turnover presents significant challenges to the long-term stability of OBP and our ability to accomplish our mission.

With that in mind, let me turn to OBP's FY 2003 budget request. Keeping in mind that OBP is a part of a larger entity, namely the Office of the Chief Financial Officer (OCFO), OBP's proposed budget for FY 2003 is \$4.46 million. This is an increase of \$6,333 from FY 2002. With this funding level, OBP will be able to continue providing the current level of services. My staff already performs multiple duties and responsibilities, and to add more responsibilities without additional resources would strain us beyond our current levels.

OBP's Vision for the Future

We will continue to develop the best budget office possible, focusing on providing quality and timely information to all stakeholders on the relevant issues in a manner that supports decision-making. In addition, we will continue to improve how budgeting is performed in the District of Columbia, to ensure that we are adhering to the best possible financial management practices in the country.

In addition to all the services that we currently provide to agencies and stakeholders, I believe that for the District to be on the forefront of budgeting in the country, we must do more. Let me share with you some of my initiatives for the future:

1. **The Financial Management Assistance Team.** One of the great needs is to provide support for agencies whose budget and financial management functions — for whatever reason — fail. In these instances, to ensure an agency's financial management integrity, we must be willing to step in and provide support to these agencies. Currently, OBP is providing support to DC Public Schools (DCPS) until they are able to rebuild their budget operation. Some of our best staff have been at DCPS for 2-3 months performing the work, giving DCPS time to develop the internal capacity to do the work. The Department of Corrections is another potential area where the budget office might step in to ensure that the budget work gets done. However, we do not have the resources to devote to helping agencies on a regular basis, so this type of action will be taken on an emergency basis only.
2. **A Full Service Analyst.** This is an initiative that we are taking forward right now. To maximize our efficiency and effectiveness, we are merging the various budget functions within OBP into the job of a single analyst. Each analyst will be responsible for: budget formulation, execution, performance based budgeting, capital budgeting, program evaluation, and cost analysis, as well as other responsibilities, such as Emergency Preparedness, that might unexpectedly pop up along the way. This is a process that will take at least 12-18 months to carry out properly. Given our current resources, this process is even more critical.
3. **Automated Modeling of Agency Expenditures.** Again, this project is something we are doing to leverage and maximize the resources we have on staff. We recognize that technology will allow us to accomplish more with less. So as our budget remains flat, we are leveraging the tools we have available to maximize the value of the dollars we spend.
4. **Online Budget System.** This is a part of the Administrative Services Modernization Project (ASMP) noted earlier. I believe that tying in a District-wide budgeting system with the other District-wide systems, such as human resources and procurement, will enable OBP to provide more accurate analysis and projections for the future.

My vision is to develop a stable workforce in the budget office, with capabilities and competencies to provide expert financial and budgetary advice to stakeholders and program staff.

Chairman Cropp and Members of the Committee, this concludes my testimony. I am available for questions.