

**PUBLIC HEARING ON
THE FY 2020 BUDGET REQUEST FOR THE OFFICE OF
BUDGET AND PLANNING**

**Before the
Committee of the Whole
Council of the District of Columbia**

The Honorable Phil Mendelson, Chairman

**March 25, 2019, 10:30 a.m.
Room 412, John A. Wilson Building**



**Testimony of
Gordon McDonald
Deputy Chief Financial Officer
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Office of the Chief Financial Officer**

**Jeffrey S. DeWitt
Chief Financial Officer
Government of the District of Columbia**

Good morning, Chairman Mendelson and members of the Committee of the Whole. I am Gordon McDonald, Deputy Chief Financial Officer for the Office of Budget and Planning (OBP) in the Office of the Chief Financial Officer (OCFO). I am here today to testify in support of OBP's FY 2020 budget request. With me today is James Spaulding, Associate Deputy Chief Financial Officer. I will cover the following areas in my remarks:

- OBP's Fiscal Year 2020 Budget Request;
- Fiscal Year 2019 Accomplishments to Date; and
- Fiscal Year 2020 Key Program Initiatives.

OBP's Fiscal Year 2020 Budget Request

Our operating budget request is \$6.319 million and 41 FTEs, a net increase of \$2,000, or less than one-tenth of one percent, in budget authority over the FY 2019 approved budget of \$6.317 million, with the same number of FTEs. The FY 2020 proposed budget provides the minimum staffing required to fulfill our mission.

I will now discuss some of our recent accomplishments and our plans for the remainder of FY 2019 and for FY 2020.

FY 2020 Budget Formulation and Transparency

During the FY 2020 budget formulation process, OBP collaborated with the Mayor's Office of Budget and Performance Management, agency program staff, and OCFO financial staff to produce several key budget products, which I will briefly review:

Current Services Funding Level (CSFL) – As part of the FY 2020 budget development, we created the CSFL and published it on November 15, 2018. This

document provides an analysis of the cost of operating District agencies in FY 2020, for Local funds only, before consideration of any new policy decisions beyond the FY 2019 budget.

Mayor's FY 2020 Proposed Budget Request – OBP developed and hosted “how to develop the operating and capital budget” workshops in place of the annual budget kickoff meeting on September 25th and October 1st, 2018. Following these workshops, we partnered with Mayoral, City Administrator, and agency program and financial staffs to produce a balanced FY 2020 Proposed Budget and Financial Plan. The budget was posted on the Internet simultaneously with the release of the Mayor’s proposed budget. We look forward to collaborating with Council and its staff on the consensus budget.

Automated Budget Chapter (ABC) System – OBP implemented a paperless review process, ABC, for budget chapters, which we are using as we prepare the FY 2020 budget books. As we anticipated last year, we have now expanded the ABC system to include a Financial Plan module and an automated process of uploading Performance Plans from the Office of Budget and Performance Management’s QuickBase system. By automating this process, the time it takes to produce budget chapters has been dramatically improved.

Automated Financial Plan – We continue to use the Automated Financial Plan with the support of our Office of the Chief Information Officer throughout the Mayor’s budget formulation process. This enabled us to keep the financial plan current with each new budget policy proposal, so we could see the out-year impacts of the proposals.

We were able to provide assistance to the Mayor’s staff on financial plan issues earlier in the budget process, and we look forward to providing the same assistance to your staff as Council proceeds with its consideration of the budget.

Operating Budget Execution

We continue to closely monitor agency spending through the Financial Review Process (FRP). Detailed FRP reports are due to my office on a quarterly basis, and agencies are required to provide monthly FRP reports at a summary level, or at a detail level in the event of a substantial change from the previous FRP. This ensures that agencies identify, on a regular basis, spending pressures and other important financial matters. In addition, we continue to make current-year and comparative historical data available to the public through CFOInfo, the web-based tool that allows public users to explore budget data, as well as posting more than 50 reports we issue each year on the CFO’s web site.

Capital Improvements Program

As with the operating budget, OBP collaborated with the Mayor’s budget staff, agency program staff, and OCFO financial staff to develop the Mayor’s FY 2020 - FY 2025 capital budget request. We also worked closely with the Office of Finance and Treasury to ensure that the District stays within the 12 percent debt cap throughout the six-year capital plan. The Capital Improvements Program continues to report on project spending issues that are inconsistent with spending plans to the Board of Review for Anti-Deficiency Violations, and we continue to make capital project data available to the public on the CFOInfo website by agency and by ward.

FY 2020 Key Program Initiatives

Our central goal is to continue to improve OBP's performance. OBP's major operational goals for FY 2019 are as follows:

- Work with the Mayor and Council to develop a balanced budget and financial plan for FY 2020;
- Incorporate lessons learned from the FY 2020 Mayor's budget development process into the FY 2021 budget development process;
- Continue to monitor agency spending during FY 2019 through FRP report analysis and identify potential spending pressures in order to resolve them quickly;
- Expand the intranet approval process we use for grant budget modifications to create a similar process for intra-District and reprogramming approvals;
- Continue improvements in the Capital Improvements Program with further analysis of the operating budget effects from completed capital projects and monitor the capital fund balance.
- Continue to lead support and use of the Capital Asset Replacement Scheduling System (CARSS), which is a part of the OCFO's 5-year strategic plan and enables the OCFO to meet legislative requirements regarding the creation of a long-range capital financial plan; and
- Provide quality support to the Board of Review for Anti-Deficiency Act Violations by continuing to report potential violations in both operating and capital funds.

Conclusion

We look forward to working collaboratively with the Council during the development of the District's FY 2020 Consensus Budget. Mr. Chairman, this concludes my remarks. I will be pleased to answer any questions that you may have.