

**PUBLIC HEARING**  
**ON**  
**THE FISCAL YEAR 2015 BUDGET**  
**OF THE OFFICE OF**  
**THE CHIEF FINANCIAL OFFICER**

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

**The Honorable Jack Evans, Chairman**

**May 7, 2014**  
**John A. Wilson Building**  
**Council Chambers**



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

Good morning, Chairman Evans and members of the committee on Finance and Revenue. I am Jeff DeWitt, Chief Financial Officer of the District of Columbia. I am pleased to appear before you today to discuss the FY 2015 budget request for the Office of the Chief Financial Officer (OCFO).

I am joined by my colleagues who will assist in answering specific questions that the Committee may have. With me are Jeff Barnette, Deputy CFO for the Office of Finance and Treasury (OFT); Steve Cordi, Deputy CFO for the Office of Tax and Revenue (OTR); Fitzroy Lee, Deputy CFO for the Office of Revenue Analysis (ORA); and Bert Molina, Deputy CFO for the Office of Financial Operations and Systems (OFOS). Gordon McDonald, Deputy CFO for the Office of Budget and Planning (OBP), appeared before the Committee of the Whole on April 28<sup>th</sup>, but is here today to answer questions. In addition, Buddy Roogow, Executive Director of the DC Lottery, who testified earlier today, is here.

The OCFO's FY 2015 budget presentation is outlined on the following pages.



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# **Fiscal Year 2015 Budget of the Office of the Chief Financial Officer**

**Jeffrey S. DeWitt  
Chief Financial Officer  
May 7, 2014**



District of Columbia

## Mission Statement and Core Functions

To preserve and enhance the overall financial stability of the District

by:

1. Protecting and enhancing the District's revenue stream
2. Reliably estimating revenues
3. Exercising budget oversight
4. Preparing auditable financial statements
5. Managing debt and bond ratings



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## OCFO Principles and Goals

### Three Guiding Principles/Goals:

1. Customer Service
2. Continuous Improvement
3. Transparency

### OCFO Five-Year Strategic Plan Includes:

- Input from all stakeholders (residents, elected leaders, District agencies, business and civic groups, OCFO employees and supervisors, and labor unions)
- Comprehensive review of current and planned technology
- Detailed Five-Year Strategic Work Plan of OCFO Priorities



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## Highlights of FY2015 Budget Request

The OCFO request represents the minimum resources needed to successfully accomplish our mission and attain our stated goals.

- The OCFO FY 2015 budget is comprised of the following major categories:
  - Local Fund of \$114.5M
  - Special Purpose Revenue (O-Type) Funds of \$43.8M



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## Highlights of FY2015 Budget Request (Cont.)

- Local Fund increase of \$7.8M over FY 2014 includes:
  - Adjustments to the Current Services Funding Level (CSFL), including the District-wide Cost of Living Adjustment (COLA) (\$2.1M)
  - On-going operational support for modernization of business critical systems such as the modernization of ITS and SOAR (\$3.3M)
  - Initiatives in OTR to increase or sustain revenue and enhance customer service (\$2.4M)



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## Highlights of FY2015 Budget Request (Cont.)

- OTR Initiatives include:
  - Restoring Compliance Unit Staffing Losses
  - Improving Real Property Tax Sale
  - Enhancing Compliance Enforcement
  - Establishing Quality Assurance Teams for Business and Income Tax
  - Expediting Review of Suspended Tax Returns
  - Restoring Recorder of Deeds Staffing Losses
  - Providing Specialized Training for Auditors, Revenue Officers, and Investigators

The total cost of these initiatives is \$2.4M, or a 2 percent increase of our local fund budget. The recurring return on this investment is \$6.1M per year.





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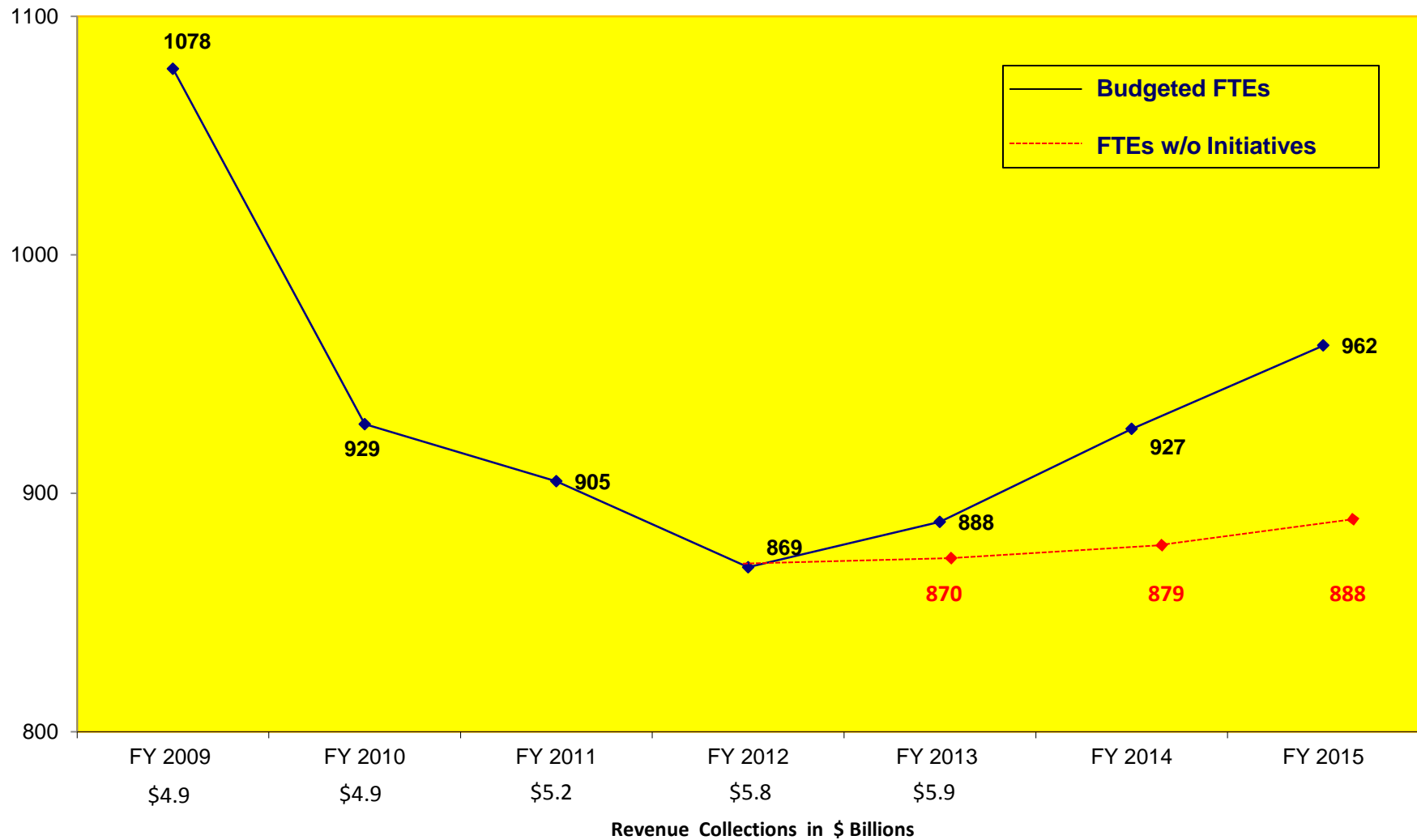
## Highlights of FY2015 Budget Request (Cont.)

- Special Purpose (O-Type) capacity increase of \$19.4M to provide necessary budget authority for contingency based collection contracts in OTR and CCU.
- Total or Gross Funds Budget = \$ 166.5M



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## OCFO Full-Time Equivalent Employees (FTEs) - Office of Tax & Revenue Collections FY2009-FY2015





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## Current and Future Capital Projects/System Replacements

- CFO\$olve (Business Intelligence/Reporting Tool) Upgrade
- Modernized Integrated Tax System (MITS)
  - Contract for Approval - Spring 2014
- Computer Assisted Mass Appraisal (CAMA) Upgrade (Internal Control and Assessment Process Improvements) - May 2014
- Telephony Upgrade (OTR Customer Service Enhancement)
- Central Collection Unit (CCU) Accounts Receivable System
- SOAR and Budget System Modernization
  - Implementation Plan and Timetable under Review



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## Conclusion

The FY 2015 Budget supports:

- Improved Customer Service
- Increased Revenue Collection
- Increased Efficiency through Technology Improvements