

**PUBLIC OVERSIGHT HEARING  
ON THE FY 2023 AND FY 2024  
SPENDING AND PERFORMANCE  
OF THE OFFICE OF  
THE CHIEF FINANCIAL OFFICER (OCFO)**

**Before the  
Committee on Business & Economic Development  
Council of the District of Columbia**

**The Honorable Kenyan R. McDuffie, Chairman**

**February 14, 2024, 9:30 a.m.  
Council Chambers, Room 500**



**Testimony of  
Glen Lee  
Chief Financial Officer  
Government of the District of Columbia**

Good morning and Happy Valentine's Day, Chairman McDuffie and Members of the Committee on Business and Economic Development. I am Glen Lee, Chief Financial Officer of the District of Columbia. I am very pleased to appear before you today to testify on the FY 2023 performance of the Office of the Chief Financial Officer, and outline my plans for the agency in FY 2024 and beyond. I am joined by Angell Jacobs, Deputy CFO (DCFO) and Chief of Staff, Carmen Pigler, DCFO and Treasurer, Keith Richardson, DCFO and Tax Commissioner, Kimberly Williams, DCFO and Controller, Fitzroy Lee, DCFO and Chief Economist, and Paul Lundquist, Executive Director of Management and Administration, who will assist in answering questions from the Committee.

I want to begin by saying that as Chief Financial Officer, I take my responsibility to protect the District's financial health very seriously. In carrying out its mandated responsibilities, the OCFO works diligently to accurately and objectively communicate the District's financial position to its stakeholders. We oversee the District's financial operation on a foundation of transparency and accountability. We produce reports, studies, and analyses to offer relevant and reliable information to the public, Congress, the District's elected leadership, rating agencies, investors, and independent financial auditors. Our mission remains steadfast: to protect and enhance the District's financial well-being for all residents and stakeholders.

I want to take this opportunity to thank the employees of the OCFO for their hard work, dedication, and commitment to our mission. I want to especially recognize their efforts over the past year. As you know, in FY 2023, my team implemented a new enterprise-wide financial system, known as the District Integrated Financial System or DIFS. Implementation of such systems is an extremely complex and difficult endeavor. Many jurisdictions have struggled to complete annual reports or suffered numerous “findings” with their financial audits in their first year of implementation. I am extremely proud that OCFO staff completed the District’s annual financial reports **on time**, and received an unmodified or “clean” opinion from the District’s independent financial auditor. Without our team’s hard work and dedication, these accomplishments would not have been possible. The employees of the OCFO play an integral role not only in the success of our agency, but in the success of the District.

During my presentation today, I will highlight several of our most important initiatives and provide an update on our agency accomplishments as we continue to advance our goal of being a best-in-class financial organization.



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# OCFO Performance Oversight Hearing FY 2023 and FY 2024

February 14, 2024



## Presentation Overview

- OCFO Overview
- OCFO Purpose, Values, and Core Functions
- Key Performance Metrics for OCFO in FY 2023
- Strategic Plan Highlights/Agency Accomplishments
- Ongoing and New Initiatives in FY 2024

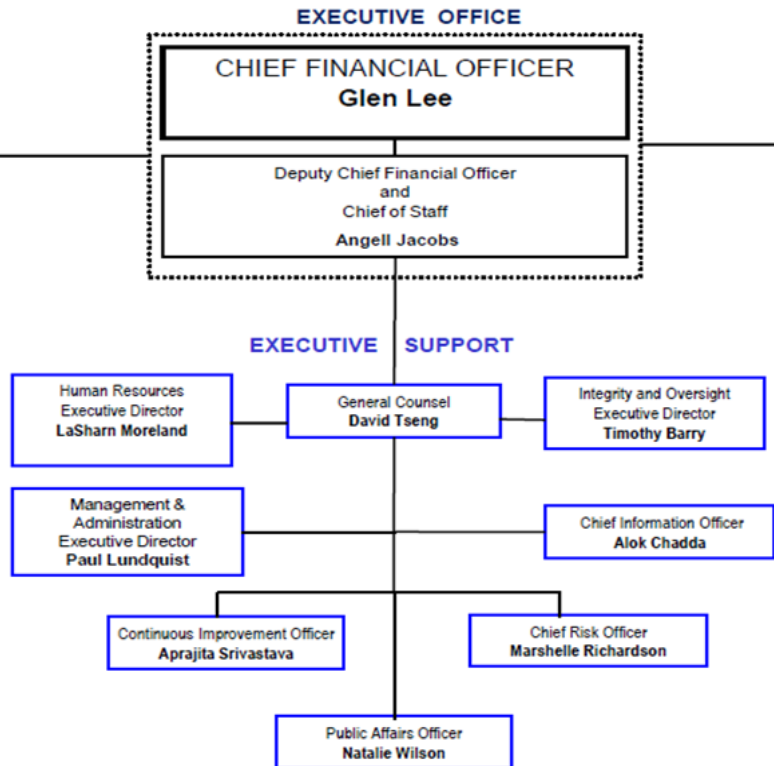


# Overview of the Office of the Chief Financial Officer

## CENTRAL FINANCIAL OPERATIONS - Deputy CFOs

- Office of Budget and Planning (OBP)  
Eric Cannady
- Office of Finance and Treasury (OFT)  
Carmen Pigler
- Office of Financial Operations and Systems (FOS)  
Kimberly Williams
- Office of Revenue Analysis (ORA)  
Fitzroy Lee
- Office of Tax and Revenue (OTR)  
Keith Richardson

## Government of the District Columbia Office of the Chief Financial Officer Organizational Chart



## AGENCY FINANCIAL OPERATIONS - Associate CFOs

- Economic Dev. and Regulation  
Leroy Clay III
- Government Operations  
Angelique Hayes Rice
- Government Services  
George Dines
- Human Support Services  
Delicia Moore
- Public Safety and Justice  
David Garner
- Education  
Paris Saunders
- United Medical Center (Not-for-Profit Hospital Corporation)  
Lillian Chukwuma
- Lottery and Gaming  
Frank Suarez Executive Director
- EventsDC  
Henry Mosley

## Agency Fiscal Officers

- DOB: Enyew Godie  
D/CPI/ABC/VOTA: Rebecca Berry  
D/DCI/MP/TP/RWC: Beth Spooner  
D/IS/CA/ID/PHV: Dereje Belay  
D/MPED/D/LBD: Curtis Lewis  
O/P/PC: Gurmeet Scoggins  
O/CT/ME/OZ/R/P/TAC: Casandra Fields  
O/P: Doris Benson
- E/OM/D/CHR: James Hurley  
D/CPL: Cheryl Pacana  
D/S: Antonette Hudson-Beckham  
OAG: Natalie Mayers  
DOE: Shilonda Wiggins  
O/FR/M/OCP/ORM: Alemayehu Akas  
O/CA/D/ACL/BE: Paul Blake  
O/CTO: Phil Peng  
O/SA: Thanh Huynh  
O/CA: Hussein Aden
- DOOE: Lazaro dela Cruz  
DOOT: Calvin Skinner  
DMV: Ronald Pleasant  
DFW: Perry Fitzpatrick
- C/PSA: Justin Kocca  
D/DG/OOR: Anthony Young  
DHQ: Hayden Bernard  
D/BI/D/M/H/G: Adran Reid  
D/CH/OHR: Adreana Deane  
D/HCP: Darin Shaffer  
D/PR: Rosemarie Chee-Wah  
D/YR/M/ODD/H/He Office: Antonio Baxter  
HEX: Marjorie Edmonds  
(HEX is an Independent Agency)
- DOC: Anthony Norman  
FEMD: Dan Proudfoot  
MPD/C/CC: Freshwest Deresso  
OCME: Patrice Mason  
OUC: Doug Kemp  
HSEMA: John Nitz  
D/PS: Sabrena Cornelius
- UDC: Roy Layne  
D/CP/CSB: Shavonne Smith, Financial Mgr  
D/CP/PS: Olive Savory  
O/SE: Shavonne Smith
- OLG: Craig Lindsey

## Why The OCFO Exists

“To ensure that the District of Columbia, the capital city of the United States, remains financially strong and sustainable to the benefit of all who live, work, visit, and do business here.”

- OCFO Value Statement

*“Each day, I will strive to provide the highest standard of service to the residents, businesses, visitors, and the government of the District of Columbia by being:*

*S - Service Driven with a Strong Work Ethic*

*M - Motivated and Mission Focused*

*A - Accountable*

*R - Respectful of My Customers and Co-workers*

*T - Trustworthy and Team-Focused*

*E - Empowered to Achieve Excellence*

*R - Results Oriented*





## OCFO Core Functions

The Independent Office of the Chief Financial Officer:

- Provides independent revenue estimates
- Certifies budgets are balanced
- Evaluates fiscal impacts of all legislation
- Monitors revenues and spending
- Ensures Financial statements are fairly represented
- Reviews all economic development projects
- Issues all debt, manages all cash and investments, and oversees credit ratings
- Oversees tax collections and lottery
- Manages financial personnel and activities (budget, accounting, and payroll functions) in all agencies and component units





## OCFO Annual Agency Outputs

▪ Tax Returns Processed (all tax types)	1,239,885
▪ Tax Refunds Processed (all tax types)	409,754
▪ Taxpayer Calls Answered	362,677
▪ Written Correspondence Answered	106,111
▪ Deeds Recorded	17,122
▪ Properties Assessed (Commercial and Residential)	208,026
▪ Property Assessment Appeals-1st Level	12,084
▪ Delinquent Payments Collected	\$260,834,000



## OCFO Annual Agency Outputs (Cont.)

▪ Wires and ACH Transactions Processed	3,980,751
▪ Gross CCU Debt Collected	\$45,525,124
▪ Total Debt Outstanding <sup>1</sup>	\$12,404,040,000
▪ Fiduciary Programs Managed <sup>2</sup>	\$5,788,739,865
○ OPEB Fund: \$1,843,482,002	
○ 401(a): \$1,430,364,300	
○ 457(b): \$1,310,980,887	
○ 529 College Savings: \$1,109,557,376	
○ UDC Endowment: \$53,978,812	
○ DC Library Trust: \$1,859,365	
▪ Value of Unclaimed Property Returned	\$34,347,846
○ Claims Processed: 5,592	
▪ Payroll Payments Issued <sup>3</sup>	1,044,447
▪ Bank Reconciliations	4,644
▪ W-2s Issued (CY 2023)	47,457
▪ 1099s Issued (1099 MISC, 1099 NEC, 1099R, and 1098-F) CY2023	8,766
▪ Approximately 115 fiscal impact studies were issued during calendar year 2023, in addition to numerous other studies, reports, and analyses (including proposal estimates for the Tax Revision Commission)	

1. Total debt outstanding as of September 30, 2023

2. Fund balances as of September 30, 2023

3. This number represents the total of checks/ACH employees received from the District for the calendar year. The number is extracted from the support for the Form 941 which is populated using the U.S. Summary Report generated by PeopleSoft after each payroll processing is completed. Does not include checks generated during the year-end off-cycle payroll runs.



## Strategic Objectives

### 7 Strategic Objectives:

1. Improve Customer Service
2. Create a Culture of Continuous Improvement
3. Improve Transparency and Quality of Information
4. Effectively Manage Risk and Prevent Fraud
5. Implement Quality Financial Systems
6. Develop, Attract, and Retain High Quality Employees
7. Manage a Fair and Equitable System to Fully Collect District Revenues



## Agency Accomplishments

- Implemented Phase 1 of the District Integrated Financial System (DIFS) on time and within budget.
- District's financial statements completed on time
- 27<sup>th</sup> consecutive year of unmodified “clean” audit opinion
- Maintained high bond ratings
  - General Obligation bond rating of Aaa by Moody's and AA+ by Fitch and Standard and Poor's; Income Tax Secured bond rating of AAA by Standard and Poor's, Aa1 by Moody's and AA+ by Fitch providing the lowest possible cost of borrowing for the District



## Agency Accomplishments (Cont.)

- Issued a total of \$820.2 million in General Obligation bonds in FY23 to pay capital expenditures and refinance outstanding debt
  - ✓ New money issuance generated \$653.1 million in bond proceeds to fund capital projects
  - ✓ Refunding issuance generated \$21.7 million in debt service savings
- Updated Long-Range Capital Financial Plan
  - ✓ \$14.08 billion of total identified capital needs, \$10.51 billion addressed in current CIP (FY 2024-2029), with \$3.57 billion of remaining unfunded capital needs.
  - ✓ \$1.4 billion of unfunded needs has been identified as deferred maintenance that can be funded as early as FY 2033 if no additional capital projects are added before addressing current unmet needs.



## Agency Accomplishments (Cont.)

### Expanded Taxpayer Outreach and Communication

- OTR's Customer Service, Real Property, and Clean Hands Units conducted outreach events targeting taxpayers and fee payers regarding:
  - Refundable credits, such as the Earned Income Tax Credit and the Schedule H property tax credit
  - The process for obtaining a Certificate of Clean Hands
  - How to properly report rental income
  - Business tax basics— including how to use MyTax.DC.gov, the importance of registration, common tax types, and common mistakes
- Communications efforts – Improved abilities to inform taxpayers of tax liabilities and specific deadlines through the use of mytax.dc.gov.
- Supplemental Call Center Support



## Ongoing Initiatives in 2024

### Improve Taxpayer Experience and Efficiency

- Implementation of Cloud-based Contact Center as a Service (CaaS). Multi-channel capabilities (voice, email, chat, social media, and SMS) will increase client service levels. Contract award expected in Spring of 2024.
- Expanded offerings on mytax.dc.gov (ex: QR code, documentation submission, electronic filings, etc.)
- Mobile Assessor Data Collection. Contract awarded this year will increase assessor productivity and provide more immediate updates to the Computer-Aided Mass Appraisal (CAMA) System.



## Ongoing Initiatives in 2024

### Value-Based Culture Initiatives

*Professional Development Program* will launch later this year. Course offerings include:

- About the OCFO
- An In-Depth Review of Personnel Policies and Procedures
- Collaboration & Teamwork
- Continuous Improvement for Professionals
- Critical & Analytical Thinking
- Mastering Effective Communication
- Navigating Personal & Professional Change
- Unleashing Your Potential
- What It Means To Be Empowered





## Ongoing Initiatives in 2024

### Implementation of District Integrated Financial Systems (DIFS)

- When fully implemented DIFS replaces systems for:
  - ✓ Accounting, budget management, and financial reporting
  - ✓ Payment processing
  - Budget development in progress
- SOAR system was obsolete, without support, and at substantial risk of failure
- Oracle cloud-based financial system replaces functionalities of SOAR and will replace the existing budget system
- Go-live of financial system occurred October 3, 2022
- Budget formulation implementation timeline still under development
- To date, DIFS has processed over 320,000 payments for over \$20 billion



## Ongoing Initiatives in 2024

### DIFS Implementation Status

- Phase 1 - implemented on-time and on-budget
- Financial systems implementations are difficult and complex
- Full stabilization takes several years
- Fit gap and remediation efforts currently underway



## Ongoing Initiatives in 2024

Focus on 3 areas:

### 1. Business Process Redesign

- Pcard Process – Initial design led to inefficient approval and reconciliation processes. Resulted in a Significant Deficiency in the FY 2023 audit. Remediation efforts are in progress to streamline the process and resolve the finding.

### 2. System configuration and operation

- Procure to Pay – Partnering with OCP and OCTO to improve the user experience through redesign of the “end to end” process and creating a more seamless integration between PASS and DIFS

### 3. Training

- Selecting a robust training platform to support user training and knowledge retention



**QUESTIONS?**