

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Chief Financial Officer



Gordon M. McDonald  
Deputy Chief Financial Officer

Office of Budget and Planning

February 24, 2014

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004-3001

**SUBJECT: Response to Council's Request for Additional Information for the Office of Budget and Planning's FY 2013 and FY 2014 Performance Oversight Hearing**

Dear Chairman Mendelson:

Enclosed are our responses to the additional information requested in the February 14<sup>th</sup> letter from the Committee of the Whole in preparation for the Office of Budget and Planning's Spending Performance Oversight hearing scheduled for Friday, February 28, 2014.

If you have any questions about this information, please contact me at 202-727-1239.

Sincerely,

Gordon McDonald  
Deputy Chief Financial Officer  
Office of Budget and Planning

Enclosures

cc: Jeff DeWitt, Chief Financial Officer  
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer  
Jennifer Budoff, Budget Director, Council of the District of Columbia  
Renee J. Johnson, Legislative/Press Assistant, Committee of the Whole

February 14, 2014

Gordon McDonald, Deputy Chief Financial Officer  
Office of Budget and Planning  
Office of the Chief Financial Officer  
1350 Pennsylvania Ave, NW Suite 203  
Washington DC, 20004

Dear Mr. McDonald:

The Committee on the Judiciary has finalized the schedule for performance oversight hearings for the agencies under its purview. The performance oversight hearing for the Office of the Budget and Planning (OBP) is scheduled for **Friday February 28, 2014 at Noon in Room 412 of the John A. Wilson Building**. In preparation for the hearing, the Committee sent an initial round of questions to your agency on January 15, 2014. In addition to those questions, the Committee requests your agency provide responses to the questions below no later than close of business Monday, **February 24, 2014**.

Please submit a hard copy and an electronic copy of your responses, and please avoid the use of attachments unless specifically requested. If you need to discuss any of the questions, please contact Renee Johnson, Legislative Assistant, at 724-8092.

Office of the Chief Financial Officer's  
Office of Budget and Planning  
**(2<sup>nd</sup> Round) Performance Oversight Questions and Answers**  
**FY 2012, FY 2013, and FY 2014 to date**

*Submitted to the Council, February 24, 2014*

**Q1.** Please provide the name of each OCFO/OBP employee who was or is on administrative leave in FY 2013, and thus far in FY 2014. In addition, for each employee identified, please provide: (1) their position; (2) a brief description of the reason why they were placed on leave; (3) the dates they were on administrative leave; (4) whether the leave is paid or unpaid; and (5) the current status.

**A1.** No OBP employee was placed on administrative leave in FY 2013 or FY 2014 to date.

**Q2.** How many grievances if applicable, have been filed by labor unions against OBP management? Please list each of them by year, FY 2011 - FY 2014 (to date), and by union, if more than one union. Give a brief description of each grievance, and the outcome as of March 1, 2013.

**A2.** None.

**Q3.** Please provide a list of all procurements specifically for OBP for FY 2013 and FY 2014. Give a brief explanation of each. Exclude from this answer credit card purchases.

**A3.**

Procurement for FY 2013 and FY 2014 to date		
	Procurement FY 2013	Amount
1	Cable Service (COMCAST)	\$83.04
2	FY 2014 NASBO Annual Dues (OCFO employees)	\$4,900.00
3	Printing and Production of FY 2014 Budget Books	\$58,989.00
4	Blanket Purchase Order for Courier Service	\$281.00
5	Registration Fees for 2 OBP employees to attend NASBO fall meeting	\$400.00
6	Registration fee for 11 OBP employees to attend GFOA-Washington Metro Area Annual conference	\$1,120.00
7	Registration Fee for 3 OBP employees to attend GFOA fall Quarterly Meeting	\$105.00
8	Office supplies	\$18,400.00
9	Leasing of two copy machines from SHARP (for FY 2013)	\$19,369.00

10	Annual Subscription to Federal Funds Information for States (FFIS)	\$12,200.00
11	Three 42" Monitor for conference rooms	\$1,841.21
12	Local Travel (metro farecards and taxi service)	\$2,142.00
		<b>\$119,830.25</b>
	<b>Procurement FY 2014 as of February 15, 2014</b>	<b>Amount</b>
1	Cable Service (COMCAST)	\$87.12
2	Leasing of two copy machines from SHARP for FY 2014	\$19,369.00
3	Blanket Purchase Order for Courier Service	\$750.00
4	Printing and Production of FY 2015 Budget Books	\$75,000.00
5	Registration fee for 9 OBP employees to attend GFOA-WMA Annual Conference	\$1,440.00
6	Office Supplies	\$6,255.76
7	Contract for One QuarkXPress personnel for budget production help (March 12-April 3. 2-14)	\$13,750.00
8	Two Dell 24" Monitors	\$699.29
		<b>\$117,351.17</b>

**Q4.** Please provide in table format a list (in descending order by value of contract) of all OBP contracts in effect as of FY 2014, including the name of the contractor, purpose of the contract, and the total dollar amount of the contract.

**A4.** OBP has one contract with Balmar for production and printing of the District's FY 2015 Budget documents and CDs for \$75,000.

**Q5.** Please provide a chart showing OBP's approved budget and actual spending, by program, for FY 2013 and FY 2014 to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures for FY 2013 and FY 2014 to date.

**A5.** See attachment A.

**Q6.** Please list each policy initiative of OBP during FY 2013 and FY 2014 to date. For each initiative, please provide:

- a) A detailed description of the initiative;
- b) The total number of FTEs assigned to the initiative; and
- c) The amount of funding budgeted to the initiative.

**A6.** OBP had no policy initiatives for which it received specific funding or FTEs.

**Q7.** How has OBP improved its timeliness of reporting as well as improve on the agency's timeliness of certain budget adjustments. (Please explain.)

**A7.** OBP greatly improved the timing of its reports during FY 2013. Many of our reports are now published (and posted to the OCFO's web site) within a few weeks of the close of the relevant period in the financial system. As you saw over the past year, even our reprogramming and intra-District reports, the ones that cannot come directly from the financial system but must be compiled, were released much closer to the financial period end than our FY 2012 reports were.

We have also improved timeliness of budget adjustments. Grant budget modifications are approved weekly on a set schedule. Reprogrammings can sometimes take longer to process because of the information required, but we are striving to reduce turnaround time as much as possible.

**Q8.** In OBP's first round performance responses, you stated that the Budget Management and Planning System (BMAPS) entire project is on hold pending further review by the new CFO. When do you anticipate him to complete this review? What are the options should the agency decides not to continue with this project?

**A8.** The CFO is committed to implementing the SOAR Replacement Project (DCSRP) – SOAR and Budget Modernization. He will be performing an assessment of the DCSR project over the next two to four months and will develop an implementation plan to ensure that the project is successfully implemented.

We will continue to use the Budget Formulation Application (BFA) as the budget system of record. The hope is that additional budgeting modules can be added to the BFA to optimize its performance as a budget formulation tool. For instance, we will work towards adding a financial plan module that would allow the user to work with "real-time" budget data and eliminate errors typically found when using spreadsheets to manage large amounts of data.

**Q9.** Please describe any initiatives your agency implemented within FY 2013 and FY 2014 to date to improve the internal operation of the agency or the interaction of the agency with other agencies and outside parties. Please describe the results, or expected results, of each initiative.

**A9.** Our Budget Administration group, working with the OCFO's Chief Information Officer, is improving the "Table 5" for the FY 2015 budget book, that is, the table itemizing the changes from the prior year's approved budget to the current year's proposed budget. With these improvements, it should be simpler to (a) tie the budget changes in this table to the budget changes by program or Comptroller Source group in other tables, and (b) trace transfers (movement of budget for some purpose from one agency to another) between the two affected agencies.

Our capital improvements program (CIP) team worked with the Office of Finance and Treasury (OFT) to create and implement a new data model used to perform the requisitions for bond-backed budget expenditures and the subsequent drawdown of bond balances from escrow to replenish cash. The model provides new reports for use in tracking bond series data and spend-downs that can be used in response to questions from Bond Counsel and the IRS.

Our CIP team is also leading an effort and working with a group of District stakeholders to create a mechanism to ensure that we can track, report, and take appropriate action as District owned and controlled real property assets change use. Because the District issues tax-exempt, long-term bonds to finance the purchase of much of its capital improvement program assets, we need to monitor how the assets are used. The tax-exempt status of these issuances can be negatively impacted if the usage of these assets changes from District to private (i.e. D.C. Public Schools (DCPS) to Public Charter Schools) or if the District receives revenue from private entities for the use of the assets (Boy Scouts paying to hold meetings in a DCPS facility once a week). The Property Use and Tracking System (PUTS) will provide reports as changes occur, and the CIP team will provide the information to OFT for their action at the time we submit the bond requisition to them.

**Q10.** What efforts has OBP made in the past year to increase transparency? Explain.

**A10.** We have made several such efforts:

- As noted above, we now post on the OCFO's web site all the reports we publish, and for most reports we have gone back and posted everything for FY 2012 as well.
- We are taking the initiative to post updates to the current-year budget, with explanations, to the web site.
  - For example, in March we posted a detailed table showing the different Local budget changes for each agency between the Approved FY 2013 Budget and the proposed Supplemental Budget – including reprogrammings, Contingency Reserve allocations, and Local budget reserve carryovers to date, as well as the items in the Supplemental. Our Financial Status reports each month also include changes from the Approved Budget to the current Local budget by category of change. Previously, one could see the changes to the current-year budget in the Financial Plan, but only by appropriation title, and with no reasons supplied for various changes.
  - Also, because the FY 2014 Approved Budget differs from the FY 2014 Proposed Budget sent to Congress, we have posted a table with the Approved Budget numbers as well as tables detailing the differences from the Proposed Budget.
- We are working closely with D.C. Public Schools (DCPS) finance and program staff to develop a budget chapter for DCPS that will provide new levels of detail that many have asked for in recent years. We hope this chapter will meet the needs of all stakeholders.

**Q11.** Please identify any legislative requirements that the agency lacks sufficient resources to fully implement.

**A11.** None.

**Q12.** Please describe any other successes or challenges experienced by the agency during FY 2013 and to date in FY 2014 not already discussed.

**A12.** The federal government shutdown at the beginning of FY 2014 was our biggest challenge over the past 12 months. As you know, we worked closely with the Mayor and the City Administrator to manage the Contingency Reserve to allow the District government to stay open despite the lack of an FY 2014 appropriation. We also kept in close contact with Council's budget office regarding the allocations to date. This was an excellent example of all parts of the government working together to address a complicated legal and financial issue created by the District's requirement to obtain congressional budget authority.

**Q13.** Has the Inspector General issued any report on your agency's activities within the last 3 years? If yes, please provide a copy of the report and note what actions have been taken to address the recommendations made by the Inspector General.

**A13.** No.

**Q14.** Did OBP receive any FOIA requests in FY 2013? If yes, please list.

**A14.** Any FOIA requests come to us through the OCFO's Office of the General Counsel (OGC). We have assisted OGC on a number of occasions, and we often provide budgetary data or other portions of a response while others in the OCFO respond to other parts of the overall request.

**Q15.** (a) Please attach copies of the required small business enterprise (SBE) expenditure report for fiscal years 2012 or 2013; and

(b) D.C. Official Code § 2-218.53(b) requires each District agency to submit supplemental information with their annual small business enterprise (SBE) expenditure report, including: a description of the activities the agency engaged in to achieve their fiscal year SBE expenditure goal; and a description of any changes the agency intends to make during the next fiscal year to achieve their SBE expenditure goal. According to the D.C. Auditor, your agency was not compliant with these requirements. Why? Have you now submitted the required information for fiscal year 2012? Fiscal year 2013?

**A15.** This response is for the OCFO as a whole rather than OBP: The OCFO has submitted the required reports for FY 2012 and FY 2013 into the DSLBD Quickbase. We contacted the Office of the DC Auditor and were informed that we do not need to submit a report to the Office of the DC Auditor separately.

Thank you for your attention to this matter.

Sincerely,

Phil Mendelson, Chairman

PM/rj