

**TESTIMONY OF JENNY REED, RESEARCH ASSOCIATE  
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**For the Public Hearing on  
Fiscal Year 2009 Budget Request Act of 2008  
The Office of the Chief Financial Officer's Office on Budget and Planning  
District of Columbia Committee of the Whole  
April 4, 2008**

Chairman Gray and members of the Committee, thank you for the opportunity to speak today. My name is Jenny Reed, and I am a Research Associate with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents. I am here today to testify about the lack of transparency in the Mayor's FY 2009 Proposed Budget and Financial Plan and suggest ways to improve upon it.

A government's budget is the key indicator of its real priorities. The budget process allows for public debate on how limited public resources are allocated to best serve residents' interests, and the final product, the budget itself, is a reflection of this public debate. However, the lack of transparency in a budget can limit the effectiveness of this debate and result in a budget that does not ultimately reflect the priorities of the public. A transparent budget — one that provides accurate, clear, and timely budget information — is critical to promoting a healthy discussion of budget priorities, enabling the DC Council to perform its agency oversight functions, and empowering residents to hold public officials accountable for the delivery of public services.

Mayor Fenty's proposed budget includes changes in the format of budget documents that we believe were intended to provide a clearer budget, with the addition of the new funding tables and key performance indicators. Yet a significant amount of information was left out of the budget, resulting in a budget that is still difficult to digest. The new format removes the descriptions of programs and activities that had appeared in prior budgets. It fails to provide much-needed narratives to describe policy initiatives that are highlighted only in table format and continues to lack *quality* key performance indicators (and numerical goals). These omissions make it difficult to track and determine the progress and/or changes that have occurred in the agencies themselves and their budgets.

Based on the lack of budget transparency we have seen, DCFPI has the following recommendations to improve the transparency of future budget proposals:

1. **The District's internal budget-tracking tool, CFO Source, should be made publicly available.** The CFO has developed a powerful on-line tool to allow users to examine budget information at a detailed level. Yet CFO Source is available only to a small number of government officials and not to the public. The Mayor could work with the CFO to allow them to prepare a public version of CFO Source.

2. **Actual programs and services provided by each agency should be made transparent.** DC budget documents consistently fail to show many programs that DC residents and advocates care most about as line items in the budget. Often these programs – as understood by DC residents – are actually part of larger agency budget categories and therefore do not show up as separate “line items” in the budget. This makes it hard to know if programs many of us care about are getting more, less, or the same amount of money over time. Additionally, narrative descriptions of the programs and activities should clearly and fully describe the services provided and/or changes made to them. One example that shows the lack of detail on programs is the Summer Youth Employment Program (SYEP), a very important program to community members. The SYEP is combined with many other activities into a single line item and so it is impossible to track the expenditures and progress the program has made.
3. **Program performance measures should be clear, relevant, and cover the most important aspects of the agency’s services.** Moreover, these key performance measures should be directly connected to the agencies budgets in a meaningful way.
4. **Each agency should be required hold a briefing for the public on the day, or within a few days, of the release of the Mayor’s proposed FY 2009 budget.** Due to a lack of transparency in many agency budgets, residents and advocates have difficulty understanding the impacts of proposed funding levels. This in turn makes it difficult to prepare testimony for budget oversight hearings. This problem could be addressed if the agency director and agency finance office led a briefing for the public, after the release of the Mayor’s budget but prior to the oversight hearings.
5. **Each Council committee should post to the Council website the questions submitted to agencies with regard to both performance and budget oversight hearings, as well as the answers provided by the agencies.** Committees often submit very important budget and performance-related questions to agencies in advance of performance and oversight hearings. The answers provided by agencies can be very critical to understanding agency operations and use of their budgets. The Committee on Health has committed to posting both questions and answers on the committee chair's website. All committees should be required to follow this practice.
6. **A Budget Transparency Task Force**, which includes members of the public, should be established within the next few months so recommendations to improve the District’s budget transparency can be produced and implemented starting with the FY 2010 budget cycle.

We strongly believe that these recommendations will significantly improve District’s budget transparency and accountability. District residents deserve access to transparent information about how the District government spends their tax dollars. Thank you for the opportunity to offer testimony. I am happy to answer any questions.