

**TESTIMONY OF JENNY REED, POLICY ANALYST  
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**At the Public Hearing on the  
Fiscal Year 2011-2012 Performance Oversight Hearing  
For the Office of the Chief Financial Officer's Office of Budget and Planning  
District of Columbia Committee of the Whole  
February 24, 2012**

Chairman Brown and members of the Committee, thank you for the opportunity to speak today. My name is Jenny Reed, and I am a Policy Analyst 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.

A transparent budget — one that provides accurate, clear and timely information — is critical to helping the public understand how its tax dollars are being spent, and to enable the public and elected officials to hold the District accountable for the delivery of services. I am here today to testify on improvements the Office of Budget and Planning has made to the District's budget over the past year, and also to provide suggestions for ways to improve budget transparency for the public over the next year.

The Office of Budget and Planning (OBP) has made two notable improvements to the District's budget over the past year that have helped improve budget transparency for the public.

- The CFO has added more detailed spending information to CFO Info. CFO Info is the CFO's online tool that allows the public access to more detailed budget information. Since last year, OBO has added detailed spending detail on federal funds to CFO info which allows users to see which federal funds, and how much, were spent on programs within an agency — something that cannot currently be done by looking through the published budget books.
- The CFO released the Current Services Funding Level (CSFL) budget for FY 2013 earlier in the year. This year, OBP released the CSFL in mid-February, nearly two months ahead of its release in the previous year. In previous years the CSFL had been released usually within one week of the Mayor's proposed budget which did not give the public much time to analyze this critical information. Releasing the CSFL earlier in the year allows the Council and members of the public a better opportunity to see how costs are expected to change from year to year and what the current gap between revenues and expenditures is expected to be.

That said, improving the transparency of the District's budget requires ongoing attention and initiatives. For the coming year, we believe the following changes would be particularly helpful.

- **CFO Info.** CFO Info was launched in 2010 and provides online detail about DC’s budget. This tool is useful because it allows users to drill down into a particular part of the budget that is of interest and also allows the CFO to expand the amount of budget information that is available online. For example, CFO Info already contains greater spending details on special purpose funds, federal funds, the capital budget, and agency spending through the current fiscal year. However, CFO Info could be improved by expanding the amount of budget information available and also making it more accessible and transparent.

- **Expand table 40 in the Operating Appendices so activities can be tracked by funding source.** It would be useful if the public could see not only how programs are funded, by funding source (such as local, federal, or special purpose), over time, but also how activities are funded, by funding source, over time. Table 40 in the operating appendices currently displays this information only at the broad program level, but not at the activity line-item level.
- **Make CFO Info more user-friendly.** OBP has put a significant amount of budget information online in CFO Info and it has the potential to be an incredibly rich and useful source of budget information for the public. However, in its current format it can be difficult to navigate, especially for a user who many not be very familiar with budget terms or how the budget is organized.

For example, it isn’t easy to directly find a particular agency because CFO Info is organized by appropriation title — and many people do not know which agencies are in which appropriation title. It is also difficult to figure out the steps to determine how much an agency spent on a particular program or activity in a given year. Most often, programs and services are the areas that the public are concerned about. There is a *Tips* section with great how-to videos yet they don’t cover how a user gets to a program or service.

DCFPI suggests that OBP convene a working group of stakeholders over the summer to talk through improvements that could be made to the layout, navigation, and user-friendliness of CFO Info.

- **Improved and expanded budget detail at the activity level.** The activity level detail of the budget is critical for budget transparency because this is where most of the programs and services that are delivered to the public are found. As agencies went through the process of restructuring into a division-based budgeting structure in FY 2011, the redefinition, reorganization, and further breakout of activities was intended to take place in the FY 2012 budget. With the change in administration and large budget shortfalls, it is not surprising that agencies haven’t had a chance to make those changes to their activities.

We are hopeful however that for the FY 2014 budget OBP and Mayor’s Budget Office can help agencies redefine and further expand their activity level detail in the budget in order to provide the public with greater spending detail that better matches the actual programs and services the agency delivers. We also suggest that they consider reaching to the public to find out what programs and services would be useful to display in the budget.

- **Current Services Budget.** The current services budget provides a look at how much is needed for the government to fund the same programs and services in the upcoming fiscal year as it funds in the current fiscal year. This information can be very useful for the public because they can see how costs are expected to change from year to year and what the current gap between revenues and expenditures is expected to be.

However, the current services budget provides limited information; largely looking at the total change in funding by agency from the previous fiscal year to the current fiscal year. Previously, the CFO issued a very detailed baseline budget that walk through how an agency's budget would change from year to year including detail on changes to personal services, non-personal services, and fixed costs.

It would improve transparency substantially if the current services budget included the change in current services funding by agency, division, and activity and if it included some short narrative on why funding amounts increased or decreased in each agency.

Thank you for the opportunity to testify. I am happy to answer any questions.