

# (AT0) OFFICE OF THE CHIEF FINANCIAL OFFICER

## **MISSION**

The Office of the Chief Financial Officer (OCFO) provides financial management services to the government and the people of the District of Columbia to sustain long-term fiscal and economic viability.

## **BACKGROUND**

In accordance with the independent status of the District's Chief Financial Officer, the OCFO exercises independent control and management oversight over the District's financial systems, including SOAR, the Modernized Integrated Tax System (MITS), CFOSolve, and all other related and subsidiary systems. The OCFO is charged with the responsibility for maintaining and operating the District's independent financial systems to support the Mayor, the Council, and Congress. In recognition of the need to limit capital borrowing and curtail the increase in the overall level of Debt Service, the OCFO has made the commitment to maintain the current approved funding level.

## **CAPITAL PROGRAM OBJECTIVES**

The OCFO maintains the integrity and reliability of the District's financial systems by maintaining independence in its relationships with program staff and assuring that systems modifications are transparent and auditable. This is accomplished by ensuring the financial systems can be maintained and supported by the OCFO workforce. This is a core function and cannot be outsourced to outside vendors or other parts of the government.

## **RECENT ACCOMPLISHMENTS**

Highlights of our achievements include the District receiving and maintaining the first AAA rating for Income Tax Secured Revenue Bonds from the major rating agencies, an unprecedented 18th year of budget surplus, and the Comprehensive Annual Financial Report (CAFR) submitted with an unqualified opinion and no material weaknesses.

In August of last year, the CFO presented his strategic plan. The plan encompasses 24 strategic initiatives supporting 7 key objectives. Two capital projects, MITS and the replacement of the SOAR system, are included in the plan as strategic initiatives.

**Elements on this page of the Agency Summary include:**

- **Funding Tables:** Past budget allotments show the allotment balance, calculated as allotments received to date less all obligations (the sum of expenditures, encumbrances, intra-District advances and pre-encumbrances). Agencies are allowed to encumber and pre-encumber funds up to the limit of a capital project’s budget authority, which might be higher than allotments received to date. For this reason, a negative balance on a projectsheet does not necessarily indicate overspending or an anti-deficiency violation. A negative balance is permitted in this calculation of remaining allotment authority.
- **Additional Appropriations Data (\$000):** Provides a summary of the budget authority over the life of the project. The table can be read as follows:
  - › **Original 6-Year Budget Authority:** Represents the authority from the fiscal year in which budget was first appropriated through the next 5 years.
  - › **Budget Authority Thru FY 2020 :** Represents the lifetime budget authority, including the 6 year budget authority for FY 2015 through 2020
  - › **FY 2015 Budget Authority Revisions:** Represents the changes to the budget authority as a result of reprogramming, redirections and rescissions (also reflected in Appendix F) for the current fiscal year.
  - › **6-Year Budget Authority Thru 2020 :** This is the total 6-year authority for FY 2015 through FY 2020 including changes from the current fiscal year.
  - › **Budget Authority Request for 2016 through 2021 :** Represents the 6 year budget authority for 2016 through 2021
  - › **Increase (Decrease) :** This is the change in 6 year budget requested for FY 2016 - FY 2021 (change in budget authority is shown in Appendix A).
- **Estimated Operating Impact:** If a project has operating impacts that the agency has quantified, the effects are summarized in the respective year of impact
- **FTE Data (Total budget in FTE Table might differ from actual budget due to rounding):** Provides the number for Full Time Equivalent (FTE) employees approved as eligible to be charged to capital projects by, or on behalf of, the agency. Additionally it provides the total budget for these employees (Personal Services), the non personnel portion of the budget in the agency’s capital plan and, the percentage of the agency CIP budget from either expense category.
- **Facility Location Map:** For those agencies with facilities projects, a map reflecting projects and their geographic location within the District of Columbia.

(Dollars in Thousands)

Phase	Funding By Phase - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
(01) Design	21,807	21,807	0	0	0	0	0	0	0	0	0	0
(02) SITE	8,720	8,720	0	0	0	0	0	0	0	0	0	0
(03) Project Management	15,226	15,226	0	0	0	1,500	0	0	0	0	0	1,500
(04) Construction	21,326	21,326	0	0	0	0	0	0	0	0	0	0
(05) Equipment	259,816	233,050	523	2,493	23,749	0	0	6,000	10,000	18,500	10,000	44,500
(06) IT Requirements Development/Systems Design	40,417	11,970	6,319	107	22,022	14,000	11,000	6,000	0	0	0	31,000
<b>TOTALS</b>	<b>367,311</b>	<b>312,098</b>	<b>6,842</b>	<b>2,600</b>	<b>45,771</b>	<b>15,500</b>	<b>11,000</b>	<b>12,000</b>	<b>10,000</b>	<b>18,500</b>	<b>10,000</b>	<b>77,000</b>

Source	Funding By Source - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
GO Bonds - New (0300)	342,563	289,203	6,761	2,600	43,998	15,500	11,000	0	0	0	10,000	36,500
Pay Go (0301)	480	480	0	0	0	0	0	12,000	10,000	18,500	0	40,500
Equipment Lease (0302)	9,151	7,515	69	0	1,567	0	0	0	0	0	0	0
Alternative Financing (0303)	15,117	14,900	12	0	206	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>367,311</b>	<b>312,098</b>	<b>6,842</b>	<b>2,600</b>	<b>45,771</b>	<b>15,500</b>	<b>11,000</b>	<b>12,000</b>	<b>10,000</b>	<b>18,500</b>	<b>10,000</b>	<b>77,000</b>

Additional Appropriation Data			Estimated Operating Impact Summary							
First Appropriation FY		1998	Expenditure (+) or Cost Reduction (-)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Year Total
Original 6-Year Budget Authority		202,413								
Budget Authority Thru FY 2015		442,311	IT	1,200	120	120	120	120	120	1,800
FY 2015 Budget Authority Changes		0	<b>TOTAL</b>	<b>1,200</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>1,800</b>
Current FY 2015 Budget Authority		442,311	<b>Full Time Equivalent Data</b>							
Budget Authority Request for FY 2016		444,311	Object	FTE	FY 2016 Budget	% of Project				
Increase (Decrease)		2,000	Personal Services	0.0	0	0.0				
			Non Personal Services	0.0	15,500	100.0				

# TO0-CIM01-CAPITAL INFRASTRUCTURE PLANNING MODEL-REPORTING

**Agency:** OFFICE OF THE CHIEF FINANCIAL OFFICER (AT0)  
**Implementing Agency:** OFFICE OF THE CHIEF TECHNOLOGY OFFICER (TO0)  
**Project No:** CIM01  
**Ward:**  
**Location:** 1100 4TH ST  
**Facility Name or Identifier:** TECHNOLOGY  
**Status:** New  
**Useful Life of the Project:** 10  
**Estimated Full Funding Cost:**\$1,500,000

## Description:

The new project will provide better information on current capital projects as well as future capital and infrastructure needs. The project will identify funding needs to maintain current infrastructure; the capacity of different funding options; and the impact of policies on the District's debt cap and pay-as-you-go levels. The project will identify the need for alternative financial options such as public/private partnerships and infrastructure trusts.

The project will require a facilities maintenance plan for the District's assets and master plans for the Washington Metropolitan Area Transit authority (WMATA), District Department of Transportation (DDOT) and other large capital infrastructure programs.

## Justification:

The project will identify funding needs to maintain current infrastructure; the capacity of different funding options; and the impact of policies on the District's debt cap and pay-as-you-go levels. The project will identify the need for alternative financial options such as public/private partnerships and infrastructure trusts.

## Progress Assessment:

This is a new project.

## Related Projects:

N/A

(Dollars in Thousands)

Phase	Funding By Phase - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
(03) Project Management	0	0	0	0	0	1,500	0	0	0	0	0	1,500
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>

Source	Funding By Source - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
GO Bonds - New (0300)	0	0	0	0	0	1,500	0	0	0	0	0	1,500
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,500</b>

## Additional Appropriation Data

First Appropriation FY	
Original 6-Year Budget Authority	0
Budget Authority Thru FY 2015	0
FY 2015 Budget Authority Changes	0
Current FY 2015 Budget Authority	0
Budget Authority Request for FY 2016	1,500
Increase (Decrease)	1,500

## Estimated Operating Impact Summary

Expenditure (+) or Cost Reduction (-)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
No estimated operating impact							

## Milestone Data

	Projected	Actual
Environmental Approvals		
Design Start (FY)		
Design Complete (FY)		
Construction Start (FY)		
Construction Complete (FY)		
Closeout (FY)		

## Full Time Equivalent Data

Object	FTE	FY 2016 Budget	% of Project
Personal Services	0.0	0	0.0
Non Personal Services	0.0	1,500	100.0

# AT0-CSP08-INTEGRATED TAX SYSTEM MODERNIZATION

**Agency:** OFFICE OF THE CHIEF FINANCIAL OFFICER (AT0)  
**Implementing Agency:** OFFICE OF THE CHIEF FINANCIAL OFFICER (AT0)  
**Project No:** CSP08  
**Ward:**  
**Location:** DISTRICT-WIDE  
**Facility Name or Identifier:** INFORMATION TECHNOLOGY  
**Status:** Developing scope of work  
**Useful Life of the Project:** 10  
**Estimated Full Funding Cost:**\$65,420,000

## Description:

This project will completely modernize and refine the District's tax systems to bring them in line with industry best practices and add new functionality in the areas of compliance, collections, case management, individual, business and property tax collection; and processing and accounting. The tax system modernization will be achieved in stages to replace individual components starting with the case management module, real property system, and eventually the core tax management system.

This project represents a modernization of the Integrated Tax System (ITS). The current system will require a technology refresh, particularly on the reporting and middle-ware tools, to take advantage of web-based technologies that were not available when the system was installed. This will require replacement of the SAND and the Crystal server-based systems currently in use for report and query building as well as supporting platform software and related applications. This investment will allow the core underlying system to remain in place, while simplifying maintenance requirements and allowing for further consolidation of servers and reduced bandwidth requirements.

## Justification:

The first phase is to replace the real property tax module, to address and reduce the risk of fraud and mismanagement by leveraging superior internal controls and industry best practices implemented in the replacement system. In addition, the new case management system will provide intelligent case analytics; and review and analysis abilities that will result in increased tax compliance and collections, further resulting in increased revenues. The implementation of the Phase 1 will result in the capture of new tax revenue that will be recognized as Paygo transfers from the general fund to the capital fund in the amount of \$6.0 million in FY2010. This capital budget will help to offset the project costs.

## Progress Assessment:

The project is currently in the planning phase and high-level designs of all the different projects within the modernization initiative are being developed. The District's project manager for this effort has been hired. Currently, requirements are being collected for the case management and real property tax system modules.

## Related Projects:

ELC CSP09 - ITS Modernization - Master Lease

(Dollars in Thousands)

Phase	Funding By Phase - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
(06) IT Requirements Development/Systems Design	34,420	8,521	6,096	107	19,696	14,000	11,000	6,000	0	0	0	31,000
<b>TOTALS</b>	<b>34,420</b>	<b>8,521</b>	<b>6,096</b>	<b>107</b>	<b>19,696</b>	<b>14,000</b>	<b>11,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,000</b>

  

Source	Funding By Source - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
GO Bonds - New (0300)	34,420	8,521	6,096	107	19,696	14,000	11,000	0	0	0	0	25,000
Pay Go (0301)	0	0	0	0	0	0	0	6,000	0	0	0	6,000
<b>TOTALS</b>	<b>34,420</b>	<b>8,521</b>	<b>6,096</b>	<b>107</b>	<b>19,696</b>	<b>14,000</b>	<b>11,000</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,000</b>

## Additional Appropriation Data

First Appropriation FY	2007
Original 6-Year Budget Authority	21,500
Budget Authority Thru FY 2015	65,420
FY 2015 Budget Authority Changes	0
Current FY 2015 Budget Authority	65,420
Budget Authority Request for FY 2016	65,420
Increase (Decrease)	0

## Estimated Operating Impact Summary

Expenditure (+) or Cost Reduction (-)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
No estimated operating impact							

## Milestone Data

	Projected	Actual
Environmental Approvals		
Design Start (FY)	01/01/2009	
Design Complete (FY)	01/01/2010	06/01/2010
Construction Start (FY)	06/01/2010	
Construction Complete (FY)	07/30/2019	
Closeout (FY)	07/30/2019	

## Full Time Equivalent Data

Object	FTE	FY 2016 Budget	% of Project
Personal Services	0.0	0	0.0
Non Personal Services	0.0	14,000	100.0

# AT0-BF301-SOAR MODERNIZATION

**Agency:** OFFICE OF THE CHIEF FINANCIAL OFFICER (AT0)  
**Implementing Agency:** OFFICE OF THE CHIEF FINANCIAL OFFICER (AT0)  
**Project No:** BF301  
**Ward:**  
**Location:** DISTRICT-WIDE  
**Facility Name or Identifier:** INFORMATION TECHNOLOGY  
**Status:** Under construction  
**Useful Life of the Project:** 10+  
**Estimated Full Funding Cost:** \$82,105,000

## Description:

This project will implement major enhancements and improvements to the District's General Ledger System by replacing and modernizing key components of the current R-STARS system with a modern web-based system utilizing industry best practices.

## Justification:

The project will achieve a full system upgrade of all major components of the District's General Ledger system. The current District General Ledger system is based on 20 year old technology. Supporting this technology is becoming ever more complicated since the resources and skill-sets needed to support a mainframe based system are not easily available. Moreover, the current General Ledger system lacks functionality found in modern systems necessary to support real-time financial management and allow the OCFO to provide greater integration with other key District systems such as the cash management system, budgeting systems, Human Resources and Payroll systems, and the tax systems.

## Progress Assessment:

The project budget was first allotted in FY 2007, and all requirements assessment activities have been completed. The CFO is fully committed to a successful effort as part of his strategic plan. However, given the magnitude of the effort it will require, and the resources needed to successfully implement the Modernization of the Integrated Tax System (MITS), we must focus our efforts on initiating one major IT initiative at a time. Given the return on our investment, the MITS project is being initiated first. The SOAR and BFA replacement project will begin about 18 months from now – or about September 2016.

## Related Projects:

All core financial systems in the District are tightly integrated and interrelated. The OCFO is in the process of modernizing and implementing all core financial systems to bring these systems in line with current industry trends and District stakeholder needs

(Dollars in Thousands)

Phase	Funding By Phase - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
(05) Equipment	37,605	12,910	384	2,490	21,822	0	0	6,000	10,000	18,500	10,000	44,500
<b>TOTALS</b>	<b>37,605</b>	<b>12,910</b>	<b>384</b>	<b>2,490</b>	<b>21,822</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>10,000</b>	<b>18,500</b>	<b>10,000</b>	<b>44,500</b>

  

Source	Funding By Source - Prior Funding					Proposed Funding						
	Allotments	Spent	Enc/ID-Adv	Pre-Enc	Balance	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Yr Total
GO Bonds - New (0300)	37,126	12,430	384	2,490	21,822	0	0	0	0	0	10,000	10,000
Pay Go (0301)	480	480	0	0	0	0	0	6,000	10,000	18,500	0	34,500
<b>TOTALS</b>	<b>37,605</b>	<b>12,910</b>	<b>384</b>	<b>2,490</b>	<b>21,822</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>10,000</b>	<b>18,500</b>	<b>10,000</b>	<b>44,500</b>

## Additional Appropriation Data

First Appropriation FY	2007
Original 6-Year Budget Authority	20,487
Budget Authority Thru FY 2015	81,605
FY 2015 Budget Authority Changes	0
Current FY 2015 Budget Authority	81,605
Budget Authority Request for FY 2016	82,105
Increase (Decrease)	500

## Estimated Operating Impact Summary

Expenditure (+) or Cost Reduction (-)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	6 Year Total
	IT	1,200	120	120	120	120	120
<b>TOTAL</b>	<b>1,200</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>1,800</b>

## Milestone Data

	Projected	Actual
Environmental Approvals		
Design Start (FY)		
Design Complete (FY)	03/30/2011	
Construction Start (FY)	09/30/2011	
Construction Complete (FY)	10/01/2020	
Closeout (FY)	05/01/2021	

## Full Time Equivalent Data

Object	FTE	FY 2016 Budget	% of Project
Personal Services	0.0	0	0.0
Non Personal Services	0.0	0	0.0