

Government of the District of Columbia  
**FY 2004 Proposed Budget  
and Financial Plan**

***Education, Public Safety and  
Opportunity for All***

Submitted to the

Congress of the United States

by the

Government of the District of Columbia

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**District of Columbia Government**

For the Fiscal Year Beginning

**October 1, 2002**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the District of Columbia for its annual and capital budget for the fiscal year beginning October 1, 2002.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria of a policy document, a financial plan, an operational guide and a communications device.

The award is the third in the history of the District of Columbia, and is valid for a period of one year. The Office of Budget and Planning will submit the FY 2004 Budget and Financial Plan for consideration by GFOA, and believes the FY 2004 Proposed Budget and Financial Plan continues to conform to the GFOA's requirements.



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# Government of the District of Columbia

**Anthony A. Williams**  
Mayor

**John A. Koskinen**  
City Administrator

**Kelvin J. Robinson**  
Chief of Staff

**Herbert R. Tillery**  
Deputy Mayor for Operations

**Margret Nedelkoff Kellems**  
Deputy Mayor for Public Safety and Justice

**Carolyn N. Graham**  
Deputy Mayor for Children, Youth, Families, and  
Elders

**Eric W. Price**  
Deputy Mayor for Planning and Economic  
Development

**Natwar M. Gandhi**  
Chief Financial Officer

## Members of the Council

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Chairman

Harold Brazil .....At Large  
David A. Catania .....At Large  
Carol Schwartz .....At Large  
Phil Mendelson .....At Large  
Jim Graham .....Ward 1  
Jack Evans .....Ward 2  
Kathleen Patterson .....Ward 3  
Adrian Fenty.....Ward 4  
Vincent B. Orange Sr. ....Ward 5  
Sharon Ambrose.....Ward 6  
Kevin P. Chavous .....Ward 7  
Sandra Allen .....Ward 8



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## Executive Office of the Mayor

**Gregory M. McCarthy**  
Deputy Chief of Staff for Policy  
and Legislative Affairs

**Noel Bravo**  
Special Assistant and  
Senior Advisor for Budget and Finance

## Council of the District of Columbia

**Arte Blitzstein**  
Council Budget Director

## Office of the Chief Financial Officer

**Lucille Dickinson**  
Chief of Staff

**N. Anthony Calhoun**  
Deputy Chief Financial Officer  
Office of Finance and Treasury

**Julia Friedman**  
Deputy Chief Financial Officer  
Office of Research and Analysis

**Anthony F. Pompa**  
Deputy Chief Financial Officer  
Office of Financial Operations and Systems

**Phil Brand**  
Deputy Chief Financial Officer  
Office of Tax and Revenue

## Associate Chief Financial Officers

**Steward Beckham**  
Public Safety and Justice

**Barbara Jumper**  
Governmental Direction and Operations

**Pamela D. Graham**  
Government Services

**Henry Mosley**  
Economic Development and Regulation

**Deloras Shepherd**  
Human Support Services





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# Office of Budget and Planning

**Humberto O. Molina, Jr.**  
Deputy Chief Financial Officer

**Gordon M. McDonald**  
Associate Deputy Chief Financial Officer

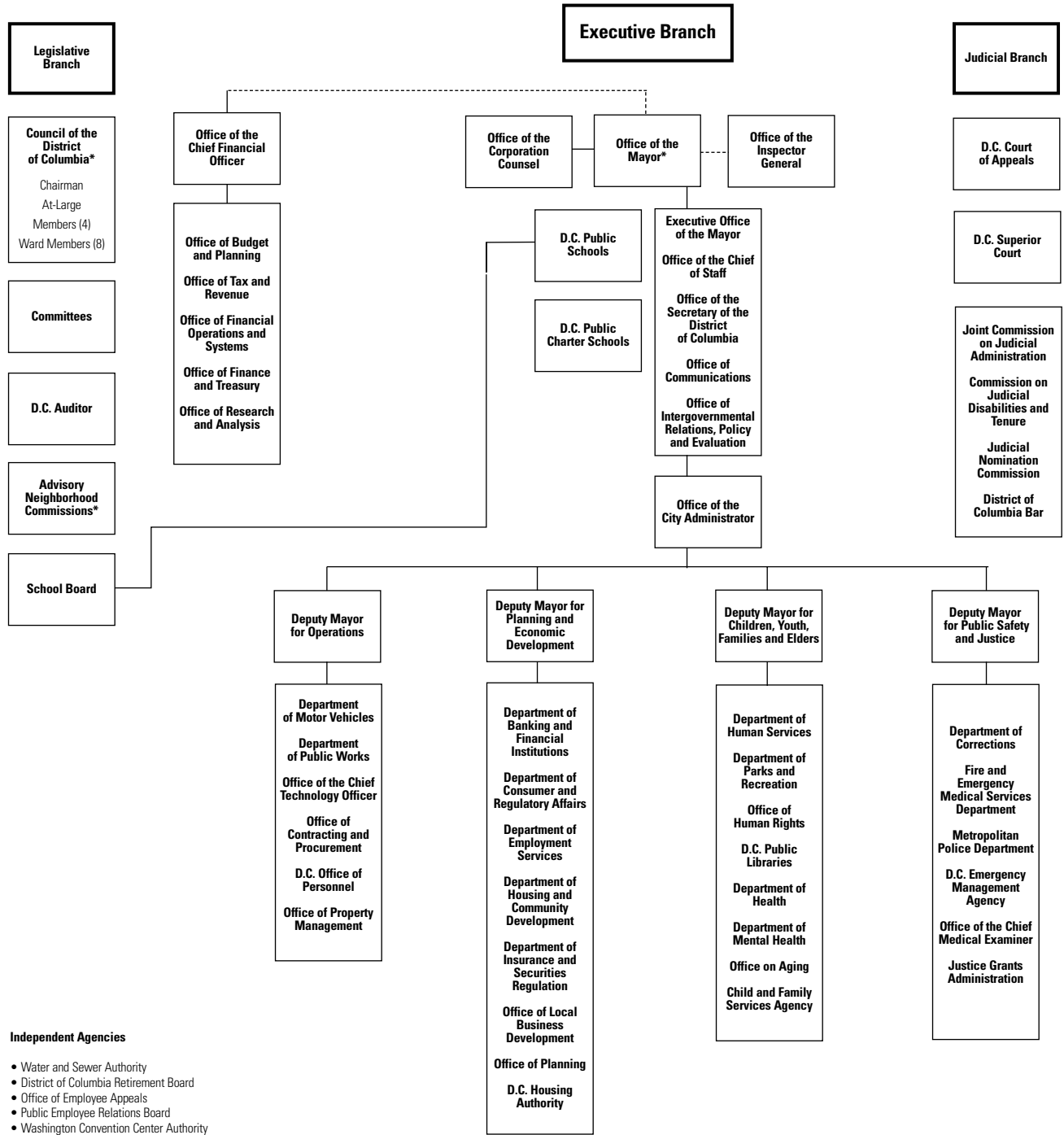
Sohaila Alemi  
Dallas Allen  
Teri Allen  
Gary Ayers  
Monica Brown  
Walter Cooke  
John Craig  
Charlotte David  
Randolph David  
Rasheed Dawodu  
Blaise DeFazio  
John S. DeMott  
Anthony Devassy  
Amina Elzeneiny  
Walter Fraser  
Alicia Gadsden  
Sherrie Greenfield  
Cynthia Gross  
Eric Harvey  
Omar Herzi  
David Hines  
Carla Jackson  
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Darryl Miller  
Freeman Murray  
Margaret Myers  
Randall Myers  
Sharon Nelson  
John Nitz  
Sunday Okparaocha  
Jason Orlando  
Carlotta Osorio  
John Parham  
William Powell  
Ana Reyes  
Mike Richard  
Patrick Richard  
Sam Ruma  
James Spaulding  
Sue Taing  
Renee Waddy  
Lakeia Williams  
Louise Wyatt  
Henry Wong  
Hyong Yi

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# Organization Chart, Government of the District of Columbia



## Independent Agencies

- Water and Sewer Authority
- District of Columbia Retirement Board
- Office of Employee Appeals
- Public Employee Relations Board
- Washington Convention Center Authority
- Housing Finance Agency
- Public Defenders Services
- Pretrial Services Agency
- D.C. Lottery and Charitable Games Control Board
- Board of Library Trustees
- University of the District of Columbia Board of Trustees
- D.C. Sports and Entertainment Commission
- Office of the People's Counsel

\* Elected officials

## Charter Independent Agencies

- Zoning Commission
- D.C. Public Schools
- Public Charter Schools
- Public Service Commission
- Board of Elections and Ethics

## Regional Bodies

- Metropolitan Washington Council of Governments
- National Capital Planning Commission
- Washington Metropolitan Area Transit Authority
- Washington Metropolitan Area Transit Commission
- Washington Metropolitan Airports Authority



# **Transmittal Letter**







ANTHONY A. WILLIAMS  
MAYOR

June 2, 2003

The Honorable George W. Bush  
President of the United States  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear President Bush:

On behalf of the 570,000 residents of the District of Columbia, I transmit the proposed *FY 2004 Budget and Financial Plan: Education, Public Safety, and Opportunity for All*.

This budget proposes \$5.6 billion in total funding and supports 33,867 full-time equivalent (FTE) staff. This change represents a 2.1 percent funding increase from the FY 2003 approved budget, and an increase of 233 FTEs. In local funds, this budget proposes \$3.8 billion in funding and supports 26,245 FTEs. This local budget change represents a 6.4 percent funding increase over the FY 2003 approved budget and a decrease of 150 FTEs.

### **A Continued Record of Sound Fiscal Management**

As you know, cities and states across the nation are facing the worst budgetary challenge of the last 60 years, and the District is no exception. Due to the national economic downturn, the District experienced a decline in revenues of approximately \$370 million in the first half of FY 2003. This decline equates to a 10 percent loss in our local operating budget. Because the economy has not yet recovered, these challenges continued into FY 2004, and the District began formulation of this budget with a projected gap of \$114 million.

In facing these challenges, however, the District not only continues its record of sound fiscal management; we also achieved a level of responsible and conservative budgeting found only among the most financially prudent governments. As a result, the FY 2004 budget transmitted today is balanced, in the current and future years. In addition, the District's leaders balanced this budget entirely through budget reductions. No tax increases were enacted, and not one dollar of the \$250 million in cash reserves was used.

Just as significant is the fact that this budget protects core services. In times of tight resources, some would set their goals aside in order to weather the storm, but I believe the opposite must be done. In these difficult times, we must focus on our goals more than ever so that we may protect them and continue making progress towards achieving them.

The proposed FY 2004 budget reflects this approach by focusing resources in the areas of highest priority for our residents. These are (1) education programs, which includes early childhood education and adult literacy; (2) public safety, which includes providing greater police presence in communities and a vastly improved 911 emergency communications system; and (3) opportunity for all, which includes the housing, employment, and health care needed for all residents to become productive and healthy members of the community and economy. In order to protect these priorities, however, some reductions had to be made in other areas of the budget.

### **Sacrifices Made to Preserve Budgetary Balance**

In many instances, the District was able to reduce spending by using existing funds more wisely. However, in other areas significant sacrifices were required. Most notable among these is the deferral of key infrastructure investments. In FY 2003, the District eliminated funding for \$250 million in approved capital construction, including transportation investments, recreation facilities, and important technology investments. An additional \$100 million of funding for such projects was eliminated in FY 2004.

In making these sacrifices the District preserved existing funding for existing schools and libraries but could allocate no new funding for the next phase of modernization. As a result, current 10-year plans for renovating neglected schools and libraries must be scaled back dramatically, leaving a major challenge for the education of our children. This sacrifice, coupled with even greater reductions in roads, bridges, and other buildings, present one of the greatest challenges that the District faces today.

Is this challenge purely the result of our national economic woes? In fact, it is not. Even during times of economic growth, the District cannot support the level of investment required to compensate for the many decades of neglect from which our infrastructure has suffered. However, this is true not because of any factor under the District's control, but because of the uniquely unfair constraints placed on the District's tax base by the federal government.

### **Federal Constraints on Revenue Collection Resulting in Structural Imbalance**

The federal government requires that the District provide services like a state; but unlike every other state in the nation, the District is prohibited by the President and Congress from collecting a non-resident income tax. As a result, the District must fund budget expenditures far greater than the revenues provided through a reasonable level of taxation. Faced with this clash between expenditure needs and revenue capacity, the



District has maintained a balanced budget through several strategies that have provided solvency in the short term, but cannot be maintained. These strategies are:

- *Producing service improvements within existing constraints.* The District has aggressively improved service delivery through more focused use of existing resources. Having capitalized on the major opportunities for such efficiencies, however, the District cannot expect to solve its structural imbalance through this strategy.
- *Taxing local residents and businesses at extraordinary levels.* With a severely limited tax base, the District has had no choice but to rely on local residents and businesses to provide revenues for government services, resulting in many tax rates that far exceed those of peer jurisdictions.
- *Deferring spending on critical infrastructure and services.* At present, the District is deferring each year hundreds of millions of dollars in critical investments. These include funding for school buildings, transportation systems, water and sewer projects, economic development, and social services.

Although these strategies have temporarily addressed the imbalance between expenditures and revenues, they cannot be employed much longer. The overtaxing of our citizens and deferral of critical investments continues to damage the viability of the District as a place to live and operate a business. As a result, the financial and operational recovery underway will falter and the District will lose the important ground that it and its federal partners have worked to gain.

In specific terms, the amount of the structural imbalance is estimated to be approximately \$400 million per year. This estimate has been thoroughly analyzed and documented by the Rivlin Commission, the Brookings Institution and McKinsey and Company. To independently assess this matter, Congress has requested that the U.S. General Accounting Office conduct a full-scale analysis. Upon release of this study, the District remains very hopeful that the President and Congress will act assertively to remove the federal barriers that prevent the District from investing in critical service improvements and maintaining a balanced budget.

In addition to this matter of finances, the District also faces a procedural barrier in the federal appropriations process. The following section discusses this barrier and a proposal to address it.

### **Disruptions Resulting from Federal Review of the District's Budget**

Unlike any other state or local jurisdiction in the nation, the District must have its locally-raised revenues appropriated to it through an act of Congress. Aside from the obvious issues related to government by consent of the governed, this process creates major

disruptions in the delivery and improvement of basic government services. Specifically, there are several key reasons why the President and Congress should change the current process:

1. *The federal system deliberately provides localities with budget flexibility to respond to local needs.* Because local governments provide front-line services, they must have the ability to quickly adapt to changing circumstances. At present, the federal government requires the District to formulate its budget a year in advance in order to accommodate the federal review process. This greatly limits the effectiveness of District programs in responding to changing needs within the city.
2. *Congressional delays disrupt planned service improvements.* Virtually every year, Congress fails to approve the District's budget by the beginning of the fiscal year. In recent history, the average Congressional delay has been almost three months, *which is almost a full quarter of the fiscal year.* During these delays (Continuing Resolution periods), critical new investments cannot be funded.
3. *Mid-year budget reallocations require an act of Congress, and disrupt service delivery.* As discussed, local governments need the flexibility to respond to rapid changes in their needs. The District is not allowed to significantly reallocate funds to meet changing needs without an act of Congress.
4. *Program managers must "use or lose" funding at the end of each year.* Congressional approval for spending expires at the end of the year, which punishes program managers who save funds by not allowing them to use those funds for other purposes.
5. *The federal government can still provide oversight to the District under a different process.* The Constitution requires Congress to oversee the District as the nation's capital, but does not require congressional approval of the District's budget. Under a streamlined budget process, Congress can provide all necessary oversight through passage of laws and appropriation of federal funds to federal priorities in the District.

Last January, the President's statement in favor of budget autonomy for the District was transmitted to the Congress, and greatly appreciated by the District. At present, the House and Senate oversight committees on the District of Columbia are developing legislation that would begin the process of reforming the federal approval process for the District's budget. As Congress pursues passage of this legislation, the District looks to the President to actively support a change that will remove the impediments to the District's continued financial and operational recovery.

### **A Critical Decision for the President and Congress**

The tremendous fiscal discipline exercised in developing the FY 2004 budget demonstrates that even in the most difficult of circumstances, the District manages its finances responsibly. In fact, recent months have seen many state and local governments have been placed on a credit watch by bond rating agencies. In contrast, the District has recently had our outlook raised to "positive. As Wall Street agencies consider upgrading our bond rating over the coming months, we remain hopeful that our discipline will contribute to a favorable review.

Likewise, as Congress and the President review the relationship between the District and federal governments in the coming months, we are hopeful that our strong and sustained performance will contribute to the removal of the barriers posed by current federal oversight. The outcome of your consideration will, one way or another, profoundly affect the future course of the government and residents of the District. Therefore, on behalf of these residents, I strongly encourage you to support the District in affecting the changes needed to complete our financial and operational recovery.

Sincerely,

A handwritten signature in black ink that reads "Anthony A. Williams". The signature is written in a cursive, flowing style.

Anthony A. Williams  
Mayor



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# **How to Read the Budget and Financial Plan**



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# How to Read the Budget and Financial Plan

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The FY 2004 Proposed Budget and Financial Plan serves as a communications tool for policy priorities, agency operations, program/organizational structures, and performance measures. More important, the budget book also is a financial plan that provides information concerning sources of revenue and the use of funds.

It forecasts economic and financial conditions, current and planned long-term debt financing, policy decisions, and other important financial information to operate the District's government. These elements are essential for the sound management of public resources and accurate financial reporting.

*How to Read the Budget* describes the sections of this budget volume that define the budget priorities for the District. These sections are consistent with the National Advisory Council on State and Local Budgeting Recommended Budget Practices that call for a presentation of information that provides the reader with a guide to government programs and organizational structure. Additionally, these sections are consistent with the Government Finance Officers Association's standards for the Distinguished Budget Presentation Award.

The FY 2004 Budget and Financial Plan volume is organized into three sections:

**Special Chapters** – These narrative chapters provide general budget and financial information, including financial plans, revenues, expenditures and other budget related initiatives of the District that serve to inform the reader, at a high level, on the state of the District's finances.

**Agency Chapters** – These describe the budgets for all the District's agencies by appropriation title. Appropriation titles categorize the general areas of services provided by the District on behalf of its citizens. Examples include Public

Safety and Justice and Economic Development and Regulation.

**Appendices** – Documents such as the Budget Support Act that explain and execute the budget are here.

Note: In some cases, financial information will not sum to totals due to rounding.

## Special Chapters

### Introduction: FY 2004 Proposed Budget and Financial Plan

This presents a descriptive and graphic summary of the budget and financial plan. It describes the FY 2004 budget development process, describes the sources and uses of public funds, discusses the beginning and ending fund balance, and provides an overview of key priorities for FY 2004.

### Strategic Budgeting

This chapter describes the initiatives that the District is undertaking to improve how it budgets and manages its resources. It describes the District's efforts and progress in performance-based budgeting (PBB), the District's initiative to align resources with results, benchmarking, performance measurement, and strategic business planning. In the FY 2004 proposed budget, 34 agencies representing 83 percent of the total bud-

get are presented as PBB agencies. PBB will greatly improve the District's ability to make policy and funding decisions based on anticipated results and improve the District's ability to hold program managers accountable for achieving results.

### **Financial Plan**

This summarizes planned revenues and expenditures for FY 2004-2007. The chapter includes financing sources and uses and the assumptions used to derive the short-term and long-term economic outlook. It assesses the impact of budgetary decisions on the financial health of the District.

### **Revenue**

This presents the revenue projections certified by the Chief Financial Officer. This chapter also addresses the District's revenue sources, its economy, and the revenue outlook through FY 2007.

### **Operating Expenditures**

This describes the District's local expenditures in recent years and future projections. It analyzes expenditures between FY 1998 and 2002, both by agency and by expense category such as personnel, supplies, or fixed costs. Finally, it discusses expenditure projections in FY 2005 through 2007, based on the proposed FY 2004 budget, as presented in the financial plan.

### **Agency Budget Chapters**

Agency chapters are designed to explicitly illustrate the resources available, what the resources are spent on, and what is achieved with them. Chapters are grouped by appropriation title and contain the following sections:

- Header Information
  - > Agency name and code
  - > Website address
  - > FY 2004 proposed operating budget table
- Introduction
  - > Agency mission
  - > Strategic result goals
  - > "Did you know..." table
- Financial Information

- > "Where the Money Comes From"
- > "How the Money is Allocated" (includes Full-Time Equivalent Employment Levels)
- Program Information
  - > Program/Organizational Chart
  - > Program Funding (PBB agencies only)
  - > Program Descriptions
  - > Key Result Measures (PBB only)
- Performance Accountability Plan
  - > Performance measures (non-PBB agencies only)

Changes from the previous year include:

- The term Special Purpose Revenue Funds has replaced the term Other Funds or O-Type Funds.
- Revised funding source table is based on a revised fund structure. The General Fund is composed of Local and Special Purpose Revenue Funds. Federal Resources include Federal Grants, Medicaid, and Federal Payments. Private resources and Intra-District Funds make up the balance of the District's Gross Funds Budget. Definitions for these terms can be found in the Glossary.
- Due to the rolling implementation of PBB, the year of implementation will impact the amount of performance information presented for an agency. Please keep in mind the following:
  - > Non-PBB agencies - Performance data for FY 2001 through 2005.
  - > PBB Phase I agencies - Performance data for FY 2003 through 2005.
  - > PBB Phase II agencies - Performance data for FY 2004 and 2005. (Note: D.C. Public Schools, which is a Phase II agency, will show data from FY 2002 through 2005).
- Each performance measure will have one of the following notations:
  - > N/A - Measure did not exist.
  - > Number - Measure did exist and data is available for that year.
  - > Dash - Measure did exist, but no data is available.
- Program charts for PBB agencies will now include activity level information.

The remaining sections continue from the previous year adjusted only in content to match the new fiscal reality facing the District and its agencies. These sections include:

- An introductory section at the beginning of each narrative. This includes a chart depicting operating and capital funding (if applicable), the agency's mission statement and strategic goals.
- A “Did You Know” chart that presents interesting facts about the agency. While not integral to understanding an agency's FY 2004 budget, it does present useful information that informs and provides greater context for understanding an agency and its budget.
- A “Where the Money Comes From” chart. This revenue table shows the sources of funding -- Federal, Local, Private, and Other funds.
- A How the Money is Allocated section. This section includes an expenditure table by object class (or the reporting level) and a funding narrative that describes overall budget and FTE variances from the prior year and other significant changes at the object class level.

To help the reader navigate the agency narratives with ease, a sample Department of Employment Services FY 2004 narrative immediately follows.



Agency Website address

Agency code

(CFQ)

# Department of Employment Services

www.does.dc.gov

Agency name

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$54,10365	\$68,780,132	-6.9

The mission of the Department of Employment Services (DOES) is to provide planning, development, and employment-related services to residents of the Washington Metropolitan area so that they can achieve workplace economic stability.

This shows the agency's FY 2003 approved budget, the FY 2004 proposed budget and the variance from FY 2003 to FY 2004.

The Department of Employment Services serves as the primary vehicle for the District of Columbia to develop a world-class workforce, as well as a work environment that supports a sound economic foundation for families, individuals and the community. It accomplishes this by planning, developing, and administering effective and efficient employment and employment-related services. These services include employment and training opportunities, labor market information, timely benefit payments to eligible unemployed individuals and injured workers, counseling and supportive services, and promotion of healthy and productive work

places. The agency plans to achieve the following:

This describes the agency's mission and purpose.

- Establish a 90 percent technology (IT) system and redundancy within 12 percent reduction in current and future paper document usage and storage; establish a data warehouse that incorporates 80 percent of current separate databases; and provide electronic access to services for 75 percent of customers (target date: end of FY 2005).
- Develop succession/knowledge retention plans for 50 percent of defined mission-critical functions and continue to provide training programs for at least 20 percent of the department's workforce per year to ensure that personnel have the skills and abilities to successfully fulfill agency objectives (target date: end of FY 2005).
- Enhance employability and reduce the skill gap between available capabilities through a the entered-employment cent increases in preparation an annual su

These are the agency's strategic result goals to be accomplished within two to three years.

## Did you know...

Telephone: (202) 724-1234

In FY 2002, the department expanded the One-Stop Career Center system by opening the Business Improvement District (BID) Center, the A. Philip Randolph/DOES Satellite Center, and the Business Resource Center.

In FY 2002, the Passport-to-Work youth summer program successfully placed 6,032 District youth in summer jobs.

The Unemployment Compensation Modernization Act was passed by the City Council in June 2002. This legislation will enhance and streamline service delivery to unemployed District residents.

Facts about the agency.

## Where the Money Comes From

Table CF0-1 shows the sources of funding for the Department of Employment Services.

Table CF0-1  
**FY 2004 Proposed Operating Budget, by Revenue Type**  
 (dollars in thousands)

	2001	2002	2003	2004	% Chg	% Chg
Local Fund	12,289	8,419	10,739	11,368	628	5.9
Special Purpose Revenue Fund	14,196	15,527	21,806	20,771	-1,035	-4.7
<b>Total for General Fund</b>	<b>26,485</b>	<b>23,946</b>	<b>32,545</b>	<b>32,139</b>	<b>-406</b>	<b>-1.2</b>
Federal Grant	33,737	47,679	54,947	49,242	5,705	-10.4
<b>Total for Federal Resources</b>	<b>33,737</b>	<b>47,679</b>	<b>54,947</b>	<b>49,242</b>	<b>5,705</b>	<b>-10.4</b>
Private Grant Fund	-164	-215	109	0	-109	-100.0
<b>Total for Private Funds</b>	<b>-164</b>	<b>-215</b>	<b>109</b>	<b>0</b>	<b>-109</b>	<b>-100.0</b>
Other Revenue	7,600	7,912	7,809	7,400	-409	-5.2
<b>Total</b>	<b>7,600</b>	<b>7,912</b>	<b>7,809</b>	<b>7,400</b>	<b>-409</b>	<b>-5.2</b>
<b>Total Operating Budget</b>	<b>62,658</b>	<b>79,321</b>	<b>95,440</b>	<b>88,780</b>	<b>-6,660</b>	<b>-6.9</b>

This presents the agency's total operating budget from each funding source (local revenue, federal and private grants, other revenue and Intra-District). A comparison is presented, of the FY 2001 Actual, FY 2002 Actual, FY 2003 Approved, FY 2004 Proposed budget and the change from FY 2003.

occupations

resents a reduction of 4 FTEs from FY 2003.

Resolution

Reduction of 4 FTEs represents the transfer of

Standard Bureau

Office of Occupational, Safety and Health

in workers'

(OSH) function to the Office of the Risk

Management

Management

Management

: A net decrease of \$280,050 in regular pay

Management

represents the fact that some positions within

comprehensive increase of 10 percent increase in wage hour audits; and a 10 percent increase in safety consultations (to date: end of FY 2000).

### Gross Funds

The proposed budget is \$88,780,132, representing a decrease of 6.9 percent from the FY 2003 Gross Funds Budget of \$95,440,366. There are 612 FTEs for the agency, an increase of 12 FTEs over the FY 2003.

### General Fund

**Local Funds:** The proposed Local budget is \$11,367,677, an increase of \$108,428 over the FY 2003 Approved Budget of \$10,739,249. The change includes \$100,000 transferred to the State Education Office (SEO) for educational licensure function and \$209,977 to the Office of the Risk Management for OSH function. There are 35 FTEs funded by local sources, which rep-

### Local Funds

This describes the local dollars associated with the agency and the FTEs supported by the fund. Local dollars consist of both tax and nontax revenues that are not earmarked for particular purposes and are allocated to fund District programs.

2004

- A net reduction of \$15,808 in additional gross pay is to cover the expected overtime pay in FY 2004. Of this amount, a reduction of \$2,000 reflects the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management.
- A net reduction of \$14,032 in fringe benefits

FY 2004 Proposed Budget and Financial Plan



## How the Money is Allocated

Tables CF0-2 and 3 show the FY 2004 proposed budget for the agency at the Comptroller Source Group level (Object Class level) and FTEs by fund type.

Table CF0-2

### FY 2004 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	2002	2003	2004	2005	2006	2007
11 Regular Pay - Cont Full Time	20,799	23,277	23,292			
12 Regular Pay - Other	1,941	787	2,396			
13 Additional Gross Pay	581	253	394			
14 Fringe Benefits - Our Personnel	3,822	4,054	4,095			
15 Overtime Pay	0	418	0			
<b>Subtotal Personal Services (PS)</b>	<b>27,142</b>	<b>28,789</b>	<b>30,188</b>			
20 Supplies And Materials	490	822	663	555	38	-14.8
30 Energy, Comm. And Bldg Rentals	745	-133	233	224	-9	-4.0
31 Telephone, Telegraph, Telegram, Etc	849	1,061	1,118	1,041	-78	-6.9
32 Rentals - Land And Structures	1,555	1,640	7,265	7,358	93	1.3
33 Janitorial Service	388	1	0	0	0	0.0
34 Security Service	754	1,125	1,036	1,321	285	27.6
40 Other Services And Charges	8,388	10,992	15,668	8,428	-7,241	-46.2
41 Contractual Services - Other	3,575	3,137	0	0	0	0.0
50 Subsidies And Transfers	18,651	29,672	35,915	38,056	3,849	-10.4
70 Equipment & Equipment Rental	4,622	2,275	2,393	1,556	-87	35.0
<b>Subtotal Nonpersonal Service (NPS)</b>	<b>40,516</b>	<b>50,532</b>	<b>65,292</b>	<b>52,950</b>	<b>-11,732</b>	<b>-18.0</b>
<b>Total Proposed Operating Budget</b>	<b>67,658</b>	<b>79,321</b>	<b>95,480</b>	<b>83,780</b>	<b>-6,600</b>	<b>-6.9</b>

This lists the agency's expenditures for two prior years, the current year, and upcoming fiscal year at the Comptroller Source Group (Object Class) level.

- due to an increase of \$25,156 for step/grade increases in prior year and a reduction of \$39,790 reflects the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management
- A net increase of \$15,200 in overtime pay represents a reallocation from additional gross pay to cover expected overtime payments in FY 2004. A decrease of \$2,000 reflects the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management
- A net increase of \$700 in supplies to meet the agency needs. A decrease of \$2,000 reflects

- the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management
- A net increase of \$600,360 in fixed costs to meet the OFRPM estimate. Of this increased amount, \$752,407 represents OFRPM increase to fixed costs, a decrease of \$20,000 for OSH transfer and a reduction of \$73,000 reflects gap-closing measures for FY 2004.
- A net increase of \$10,171 in other services and charges reflects increased obligations. Of this amount, a reduction of \$6,000 represents OSH transfer and \$11,002 for FY 2004 gap-closing measures.
- A net increase of \$105,002 in subsidies and transfers reflects increased obligations. Of this

Department of Employment Services

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Table CR-3

**FY 2004 Full-Time Equivalent Employment Levels**

	FY 2002	FY 2003	FY 2004	FY 2003	FY 2004	FY 2004
Local Fund	42	115	38	35	-4	-10.3
Special Purpose Revenue Fund	120	116	157	152	-5	-3.3
<b>Total for General Fund</b>	<b>162</b>	<b>231</b>	<b>195</b>	<b>187</b>	<b>-8</b>	<b>-4.7</b>
<b>Federal Revenues</b>						
Federal Grant	327	274	365	387	22	5.9
<b>Total for Federal Revenues</b>	<b>327</b>	<b>274</b>	<b>365</b>	<b>387</b>	<b>22</b>	<b>5.9</b>
<b>Intra-District Funds</b>						
Intra-District Fund	1	5	38	38	-1	-2.3
<b>Total for Intra-District Funds</b>	<b>1</b>	<b>5</b>	<b>38</b>	<b>38</b>	<b>-1</b>	<b>-2.3</b>
	<b>490</b>	<b>510</b>	<b>600</b>	<b>612</b>	<b>12</b>	<b>1.9</b>

This lists the agency's FTEs for two prior years, the current year, and upcoming fiscal year by fund type.

... represent  
... funding  
... Office.  
... equipment  
... Of this  
... amount, a decrease of \$20,000 is for FY  
... 2004 gap closing measures and \$10,000 is  
... for OSH transfer.

**Special Purpose Revenue Funds.** The proposed budget is \$20,770,904, a decrease of \$1,034,645 from the FY2003 Approved Budget of \$21,805,549. There are 152 FTEs funded by Special Purpose sources, representing a decrease of 5 FTEs from FY 2003. Funding sources are: \$5,000,000 from the worker's compensation trust fund, \$12,370,904 for the administration of the worker's compensation, \$1,000,000 for penalties and interest from the unemployment insurance fund, and \$2,400,000 from the "Reed Act Fund".

Changes from the FY 2003 Approved Budget are:

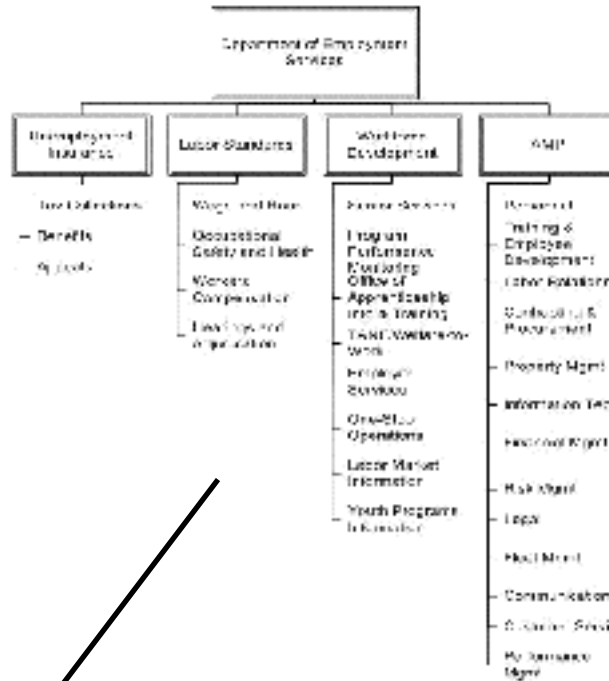
- An increase of \$1,102,174 in regular pay, regular pay other, and fringe benefits fringe benefits to support the annualized effect of 4 percent salary increase effective January 2002, and 4 percent effective April 2003 based on the negotiated pay increases.

- An increase of \$64,995 in overtime pay to fund the expected overtime payments in FY 2004.
- A reduction of \$63,055 serves as a reallocation to overtime pay to cover the expected overtime payments in FY 2004.
- An increase in subsidies and transfers of \$20,000 to provide support for salary adjustments in personal services.
- An increase of \$10,750 in supplies to support 10 positions in personal services.
- A net increase of \$551,995 in fixed costs to support the local portion of the recommended CRRF estimates.
- A reduction of \$2,380,354 in other services represents the exclusion of \$2,000,000 in Surcharge budget (budgeted in this category in FY 2003) and reduction of Interest and Penalties budget from \$2,000,000 to \$1,000,000. This decrease has been offset by

**Special Purpose Revenue Funds**  
This discusses funding associated charges for services that are retained by the agency to cover the cost of the service provided, such as. refuse collection fees.



Figure CR0-1  
**Department of Employment Services**



**Program chart**  
 This displays the structure of the agency. The chart shows the name of the program areas within the agency. Each agency has at least one program area.

the safety of the workplace is ensured. In FY 2002, Labor Standards successfully transitioned safety and health risk management on proactive risk to concrete program also complete. Completion of 2004. The Labor enforcement of the District's wage-hour laws for the benefit of private sector employees, assuring that private sector employees are paid at least the mandated minimum wage, overtime (when required), and all earned and promised wages.

**Occupational Safety and Health (OSHA)** provides inspections, consultations, investigations, training, and program assistance to private sector

employees so that they can identify and correct hazardous and dangerous workplace conditions.

**Workers Compensation** provides claims processing, informal dispute resolution, insurance coverage compliance monitoring and related services to private sector injured workers, employees, insurance carriers and other stakeholders in order to provide equitable compensation to persons sustaining work-related injuries.

**Hearings and Administrative Law** and the District's responsibilities and according to

**Key Initiatives**

**Standard Programs**

- Complete implementation of the Workers' Compensation web-based information system

**(Not Shown)**  
 The performance accountability plan articulates the goals of each agency and includes performance measures to demonstrate progress against these goals.