

Chapter 5

Government Operations & Finances

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GOVERNMENT OPERATIONS AND FINANCES

DEPARTMENT OF HUMAN RESOURCES

The DC Department of Human Resources (DCHR) is organized into seven administrations which all report to the Office of the Director (OOD).

The Office of the Director (OOD)

This office provides executive management and recruitment; policy direction; strategic and financial planning; public relations; resource management; support for DCHR and consultation to the Mayor and members of the Cabinet on human resource issues. OOD manages and distributes work assignments and coordinates the overall agency operations to ensure the attainment of the agency's goals and objectives. The Office of the Director is comprised of the following divisions:

Recruitment and Staffing

Assists the District government in its efforts to attract, develop and retain a well-qualified, diverse workforce. Provides staffing and recruitment support to subordinate agencies delegated recruitment and selection authority as well as other subordinate agencies and independent agencies; and conducts recruitment.

Policy and Compliance

This division contains the following two divisions:

- **Policy:** Responsible for researching, analyzing, formulating, developing and distributing a wide range of legal, regulatory, and procedural documents concerning the District government's personnel management program, including amendments to the Comprehensive Merit Personnel Act and the DC Personnel Regulations (Title 6B of the District of Columbia Municipal Regulations.) Provides oversight and advice in the area of Employee Relations
- **Compliance:** Conducts criminal background investigations of District government employees, applicants and volunteers. Provides drug and alcohol testing services for employees and applicants, as required. This administration also investigates complaints of violations to the District's Residency Preference regulations for employment.

Legal

Provides legal advice to the Director, agency management, administrators, and staff on a variety of complex legal issues in order to accomplish DCHR's mission. Additionally, the team provides legal advice and guidance to both subordinate and independent agencies within the District government regarding matters involving personnel and employment law, and provides litigation support to the Office of the Attorney General in a variety of pending legal matters.

Benefits and Retirement

Responsible for the service delivery of the District's benefits programs and policies to approximately 32,000 benefits eligible employees and retirees. This includes plan management, contracting, and communication of all health, voluntary and retirement programs. Additionally, the group is responsible for the oversight and monitoring of the Police and Firefighters Retirement Relief Board (PFRRB). The PFRRB hears and rules on optional, disability and survivor cases pertaining to sworn personnel of the Metropolitan Police Department, Fire and Emergency Medical Services Department, U.S. Park Police, and the U.S. Secret Service.

Compensation and Classification

Provides position management, classification and performance management assistance to District of Columbia government agencies. Establishes official classifications and descriptions, designs and implements pay schedules, and develops classification/compensation/performance management policies, procedures and regulations. Provides expert advice to District government agencies in the areas of classification, total compensation, administration of pay schedules, merit pay, compensation and classification policies, performance management systems, FLSA and recruitment/retention issues. Provides assistance to HR Advisors and management on various performance appraisal and reward systems.

Workforce Development

Provides a range of training and professional development activities, as well as Emerging Leadership Programs to District employees.

- **Training and Professional Development:** Provides

a variety of training and professional development courses that are intended to nurture and grow District employees in the following areas:

- ♦ **Workplace Essentials:** Includes, but not limited to the areas of customer service, communication and analytical reasoning.
- ♦ **Organizational Skills:** Includes current events and issues facing today's organizations.
- ♦ **Information Systems and Technology:** Provides employees with basic computer literacy skills, advanced systems and program skills. An online training component provides employees with the opportunity to take basic and advanced courses over the Web at times convenient to them.
- ♦ **Human Resources Development:** Courses are specifically designed to help managers and supervisors understand and manage their HR responsibilities.
- ♦ **Professional Development:** Courses are seminars to help employees stay current or advance in their careers.
- ♦ **Management and Leadership Development:** Includes foundational elements of Management and Applied Learning.
- ♦ **Emerging Leaders Programs:** Directly aligned with DCHR's strategic objectives, the following programs were established:
 - ♦ **Certified Public Manager (CPM):** Designed to enhance the skills of the District government's managers and provide them with the tools to be more effective leaders. This nationally accredited CPM program is administered by DCHR through a strategic partnership with The George Washington University. The program consists of approximately 300 hours of graduate-level instruction. Graduates of the Certified Public Manager program will also earn a Green Belt certification in Six Sigma, a methodology which is an integrated, disciplined, proven approach for improving business performance.
 - ♦ **Capital City Fellows (CCF) Program:** A mayoral initiative to attract recent graduates of master's degree programs in public administration, public policy, urban planning and related fields to work for the city of Washington, DC Candidates

compete for three (3) 6 month rotations in different city agencies.

- ◆ District Leadership Intern Program (DLP): A leadership program that is designed to provide tomorrow's leaders with the knowledge, tools, skills, and experiences that can be readily applied to their future challenges and pursuits, whether personal or professional. The program takes a holistic approach to developing its Interns, providing a wide range of stimulating and developmental activities.
- ◆ One City High School Internship Program (OCHSIP): A partnership between the DC Department of Employment Services and the DC Department of Human Resources, designed to

provide District high school students with structured internship opportunities and mentoring relationships. OCHSIP strives to provide students with the opportunity to gain meaningful work experience through a paid internship, learn and develop skills, attitudes and the commitment necessary to succeed in today's world of work, interact with dynamic working professionals in a positive work environment, and develop a better understanding of public service careers while earning time and grade qualifications with District Government.

Business Operations Group

The Business Operations Group (BOG) provides opera-

tional support for the Department of Human Resources, through the development and execution of strategic plans and business process audits, analyses, measurements and improvements. BOG supports the definition and implementation of human capital technology solutions, as well as manages the delivery of customer service.

Active Employee Demographics

Tables 5.1 and 5.2, Figure 5.1.

Table 5.1. DC Government Active Employees by Race/Ethnicity

Race/Ethnicity	FY2011		FY 2012		FY 2013*	
	# Employees	Percent	# Employees	Percent	# Employees	Percent
White non-Hispanic	4,728	13.5%	5,461	17.1%	5,373	16.4%
Black non-Hispanic	19,124	54.7%	20,467	63.7%	20,246	62.1%
Asian or Pacific Islander	450	1.3%	521	1.6%	593	1.8%
American Indian/Alaskan Native	106	0.3%	76	0.2%	77	0.2%
All Other	239	0.7%	223	0.7%	208	0.6%
Not Specified	9,478	27.2%	4,409	13.7%	5,121	15.7%
Hispanic	787	2.3%	977	3.0%	1,059	3.2%
Total	34,912	100.0%	32,134	100.0%	32,677	100.0%

*FY 2013 information gathered on 6/25/2013

Source: DC Department of Human Resources

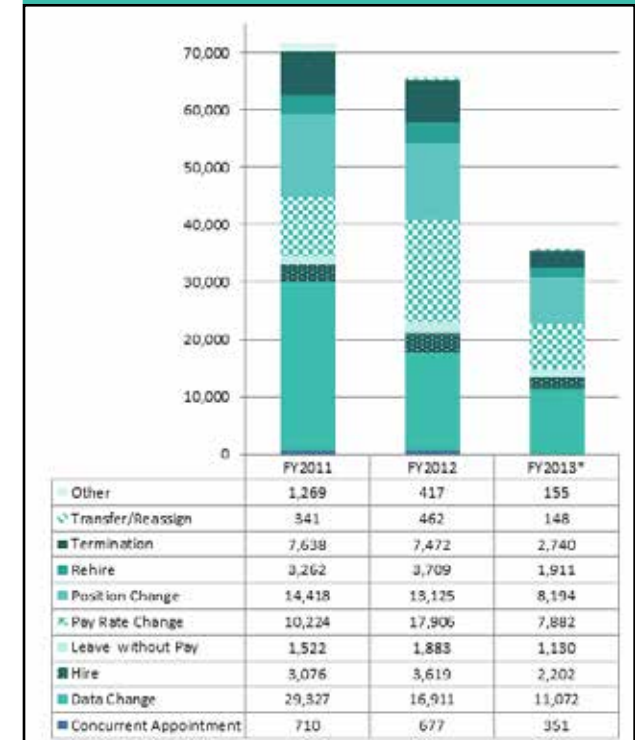
Table 5.2. DC Government Active Employees by State Residency

State	FY2011		FY 2012		FY 2013*	
	# Employees	Percent	# Employees	Percent	# Employees	Percent
District of Columbia	13,639	42%	13,723	43%	14,043	43%
Maryland	15,271	47%	15,085	47%	15,213	47%
Virginia	2,846	9%	2,936	9%	3,037	9%
Other	528	2%	390	1%	384	1%
Total	32,284	100%	32,134	100%	32,677	100%

*FY 2013 information gathered on 6/25/2013

Source: DC Department of Human Resources

Figure 5.1 Personnel Actions Completed



*FY 2013 information gathered on 6/25/2013

Source: DC Department of Human Resources

OFFICE OF THE CHIEF FINANCIAL OFFICER

The mission of the Office of the Chief Financial Officer (OCFO) is to enhance the fiscal and financial stability, accountability, and integrity of the District government.

The OCFO is primarily responsible for:

- Overseeing and directly supervising the financial and budgetary functions of the District government
- Operating and maintaining a coordinated financial management system to budget, collect, control, and properly account for more than \$13.6 billion in annual operating and capital funds
- Preparing the District's annual budget, representing the District in the federal appropriations process, and monitoring budget performance during the fiscal year
- Borrowing on behalf of the District, collecting receipts, making payments, administering financial transactions for the District, and investing the District's funds
- Administering and enforcing the District's tax laws, collecting revenue for the District, and recording deeds and other written instruments affecting a right, title, or interest in real or personal property in the District
- Developing, implementing and monitoring the District's accounting policies and systems and producing the audited Comprehensive Annual Financial Report (CAFR)
- Forecasting revenue for the District government, developing fiscal impact statements for proposed legislation, performing tax expenditure analysis, and providing advice on economic development matters

The OCFO organization consists of: Central Financial Operations, Agency Financial Operations, and Chief Financial Officers for Independent Agencies, each of which is discussed briefly below.

- **Central Financial Operations.** Deputy Chief Financial Officers report directly to the District's Chief Financial Officer (CFO) and manage the following central financial operations:
 - ♦ Office of Budget and Planning - prepares, monitors, analyzes, and executes the District's budget, including operating, capital, and enterprise funds, in a manner that ensures fiscal integrity

and maximizes service to taxpayers

- ♦ Office of Finance and Treasury - manages the cash and other liquid assets of the District government; coordinates payments to vendors and service providers; accepts payments for services and taxes; manages District borrowings and debt repayment; invests cash not needed for immediate disbursement; maintains relationships with the investment community; and manages the 529 College Savings Plan, the 457 Deferred Compensation and the 401(a) Defined Contribution Plans
- ♦ Office of Financial Operations and Systems - establishes and maintains accountability, discipline and integrity within the District's financial processes by ensuring that standardized accounting practices, procedures, systems, and internal controls are embedded throughout the District's financial operations; produces the CAFR; and administers the District's payroll and retirement systems
- ♦ Office of Tax and Revenue - administers and enforces the District's tax laws, collects revenues for the District, and records deeds and other written instruments affecting a right, title, or interest in real or personal property
- ♦ Office of Revenue Analysis - forecasts revenue for the District government, develops fiscal impact statements for proposed legislation, and performs tax expenditure analysis.
- **Agency Financial Operations.** Agency financial operations are divided into clusters which are aligned, for the most part, with the District's major appropriation titles as presented in the annual budget. Associate Chief Financial Officers (ACFOs), who report directly to the District's CFO, manage agency financial operations. They serve as the District CFO's key representatives to the City Administrator, Deputy Mayors, Agency Directors and program staff in order to manage the District's finances and the government's programmatic priorities. The ACFOs manage the following financial clusters:
 - ♦ Economic Development and Regulation - includes the Department of Insurance, Securities, and Banking; the Department of Consumer and Regulatory Affairs; the Department of Housing and Community Development, the Office of the

People's Counsel, the Public Service Commission; and the Office of the Deputy Mayor for Planning and Economic Development

- ♦ Government Operations - includes the Office of the Attorney General, the Office of the Chief Technology Officer, the Office of Contracts and Procurement, the Office of Finance and Resource Management, the Office of Risk Management, the Department of Employment Services, the Department of General Services, the DC Public Library, Office of the City Administrator, and the Executive Office of the Mayor
- ♦ Government Services - includes the Department of Motor Vehicles, the Department of Public Works, the Department of the Environment, and the Department of Transportation
- ♦ Human Support Services - includes the Child and Family Services Agency, the Department of Disabilities Services/Office of Disability Rights, the Department of Health, the Department of Healthcare Finance, the Department of Human Services, the Department of Mental Health, the Department of Parks and Recreation, the Department of Youth Rehabilitation Services, and the DC Health Benefit Exchange Authority
- ♦ Public Safety and Justice - includes the Department of Corrections, the Fire and Emergency Medical Services Department, the Metropolitan Police Department, the Office of the Chief Medical Examiner, DC Emergency Management Agency and the Office of Unified Communications,
- ♦ Education – includes the DC Public Schools, the Office of the State Superintendent of Education, the DC Public Charter School Board, and the University of the District of Columbia.
- **Chief Financial Officers for Other Agencies.** The Agency Chief Financial Officers for the following agencies report directly to the District's CFO:
 - ♦ Not-for-Profit Hospital Corporation
 - ♦ Events DC (formerly the Washington Convention and Sports Authority beginning in 1999)
- In the case of the DC Lottery and Charitable Games Board, the Executive Director reports directly to the District's CFO.

Budget and Accounting Overview

Budget Process

During the first quarter of each fiscal year, agencies begin the budget formulation process for the upcoming fiscal year. In March of each year, pursuant to Section 442 of the Home Rule Act, the Mayor submits an operating budget for the upcoming fiscal year to the Council for review and approval. A financial plan for the District's capital projects is also submitted. The Council holds public hearings and adopts the budget through passage of a Budget Request Act (BRA). The Mayor may not submit and the Council may not adopt any budget which presents expenditures and other financing uses that exceed revenues and other financing sources. After the Mayor approves the adopted budget, it is forwarded to the President of the United States and the U.S. Congress for approval. The U.S. Congress holds public hearings and enacts the District's budget through passage of an appropriations bill, which is signed into law by the President.

The legally adopted budget is the annual Appropriations Act passed by the U.S. Congress and signed by the President. The Appropriations Act authorizes expenditures at the agency level and by appropriation title, such as Public Safety and Justice, Human Support Services, or Public Education. If an Appropriations Act is not passed by Congress by October 1, the start of the new fiscal year, the District operates under a Continuing Resolution passed by the U.S. Congress and signed by the President, a temporary funding measure that keeps federal agencies and the District operating. In some years, a year-long Continuing Resolution is in effect instead of an Appropriations Act.

The District may reallocate budgeted amounts in accordance with the District's Home Rule Act, its reprogramming process and the Appropriations Act. In addition, during the course of each fiscal year, the OCFO updates the revenue estimates within which the District operates. The District must reduce its expenditures to maintain a balanced budget if revenues fall during the fiscal year, and it may under certain conditions increase its budget if revenues increase. The OCFO facilitates all changes to the budget, in accordance with the policy priorities of the Mayor and the Council.

Budgetary Control

The District maintains budgetary controls designed to formulate its budget and monitor compliance with expenditure limitations contained in the annual Appropriations Act. The District uses the Budget Formulation Application (BFA), which is an on-line system, to manage the budgeting process. Agencies enter their line-item budget requests into the BFA and their entries form the basis of the data used in the budgeting process. The budget submissions are then reviewed by the OCFO for compliance with applicable laws. The Mayor then reviews the budget, makes policy decisions, ensures the budget is balanced to the OCFO's revenue forecasts and submits the Mayor's proposed budget to the Council. The Council conducts oversight hearings and reviews, makes changes, approves a balanced budget, and submits the BRA to the Mayor for signature. If the Mayor approves the BRA, the Mayor sends the budget request to the President for transmittal to the Congress. The proposed budget, as it is contained in the BFA database, is assigned specific accounting attributes and is uploaded into the District's accounting system of record, which establishes the budget authority for each recipient. The budget authority provided in the system of record is then reconciled by the OCFO to ensure it matches the levels approved by the Appropriations Act. The budget levels are also reviewed by the auditor during the District's annual audit to ensure compliance with federally approved amounts and that all budget adjustments are properly documented and approved.

Specific reporting requirements have been established to enhance the District's budgetary control policies and practices. Consistent with DC Official Code § 47-355.04, Agency Heads and Agency Fiscal Officers jointly submit a monthly spending plan for the fiscal year to the District's CFO by October 1 of each fiscal year. In addition, pursuant to DC Official Code § 47-355.05, the CFO is to submit quarterly reports to the Council and the Mayor that present each agency's actual expenditures, encumbrances, and commitments, each by source of funds, compared to the agencies' approved spending plans. This report is required to be accompanied by the OCFO's observations regarding spending patterns and steps being taken to ensure that spending remains within the approved budget. These reports are used by the District's Board of Review for Anti-Deficiency Violations to review cases of overspending.

The District uses encumbrance accounting as a means of strengthening budgetary controls and financial reporting. Under this method of accounting, contracts and other commitments for the expenditure of funds are recorded in order to reserve the relevant appropriated amount that will be needed for the expenditure. Thus, the recording of encumbrances is a valuable tool used by the District to ensure that expenditures are within the amounts budgeted.

Basis of Accounting

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). All governmental funds use the modified accrual basis of accounting, which requires revenues to be recognized when they are susceptible to accrual (that is when they become measurable and available). Expenditures are recorded when the related fund liability is incurred.

The District's government-wide financial statements, proprietary fund statements, and pension and private purpose trust fund statements are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The pension trust and Other Postemployment Benefit (OPEB) trust funds recognize additions to net assets from participants' contributions when due, District contributions when due and a formal commitment for payment has been made, net investment income as earned, and expenditures for benefits and refunds when due and payable. The private purpose trust fund recognizes additions to net assets when participants' contributions are received.

Internal Controls

Internal control is defined as a process, effected by an entity's governing board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in one of the following categories: (a) efficiency and effectiveness of operations; (b) reliability of financial reporting; and (c) compliance with applicable laws and regulations. Reasonable assurance is defined as a high, but not absolute, level of assurance or confidence about whether the financial statements are free of misstatement (whether caused by error or fraud.) The District's management is responsible for establishing and maintaining adequate internal controls designed to ensure that the assets of the District are protected from loss, theft

or misuse and to ensure that adequate accounting data are processed and summarized to allow for the preparation of financial statements in conformity with GAAP. The greatest challenge in establishing and maintaining adequate internal controls is ensuring that the control framework developed by management is comprehensive—that is, broad enough to achieve its intended purpose. The District has established a sufficiently comprehensive framework that includes the following five components:

- A favorable control environment, one in which those working in the organization possess the necessary individual attributes, including integrity, ethical values, and competence of the highest levels.
- Continuing risk assessments, processes used to identify, analyze, and manage risks that may threaten the entity’s ability to operate efficiently and effectively.
- Design and implementation of effective control activities, control policies and procedures which are developed and implemented to ensure that management’s planned actions to mitigate risks are successfully executed.
- Effective information and communication, methods and systems used to disseminate information needed to conduct, manage, and control an organi-

zation’s operations.

- On-going monitoring, review of the effectiveness of controls to timely make the necessary modifications, when warranted.

Accounting System

The District’s accounting system of record is the System of Accounting and Reporting (SOAR). As such, SOAR-generated data is the District’s “official” financial/accounting data. SOAR is used to record District transactions with taxpayers, grantors, other governmental entities, vendors, suppliers, contractors and the general public, including the collection and receipt of taxes, fees for services, grant funding, transfers, funding from other sources, as well as expenditures. The system of record is used to generate the data needed for CAFR preparation.

The District’s accounting system is organized and maintained on a fund basis. The types of funds used are determined in accordance with GAAP, and the number of funds established within each type is guided by the minimum number of funds principle and sound financial management practices.

SOAR is designed to satisfy a wide variety of financial re-

porting needs, and provides for the establishment and use of unique codes (accounting attributes) to distinguish the various “pools” of funding within agencies. Agency budgets are “loaded” in SOAR using each respective agency’s established SOAR structure and the appropriate objects (expenditure/expense categories.) As transactions are recorded in the system, financial data may be aggregated into financial and managerial reports at various levels of detail (State Fund, GAAP Fund, Appropriated Fund, Fund Detail, Agency or some combination of these elements).

Summary of Government Finances

The financial reporting of the District of Columbia consists of the primary government and its component units. The primary government is the District of Columbia government, which consists of all the agencies that make up its legal entity. The Water and Sewer Authority (WASA), Events DC, the Housing Finance Agency (HFA), the Not-For-Profit Hospital Corporation and the University of the District of Columbia (UDC) are the District’s component units. As component units, these entities are independent agencies for which the primary government is financial-accountable. The financial data for these component

Table 5.3. Condensed Statements of Net Assets FY 2010 Through FY 2012 (Dollar amounts in thousands)

	Governmental Activities			Business-type activities			Totals		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Current and other assets	3,453,157	3,964,874	4,266,717	364,234	339,309	324,372	3,817,391	4,304,183	4,591,089
Capital assets	9,228,531	9,815,312	10,424,959	4,827	478	480	9,233,358	9,815,790	10,425,439
Total assets	12,681,688	13,780,186	14,691,676	369,061	339,787	324,852	13,050,749	14,119,973	15,016,528
Long-term liabilities	8,174,105	8,723,811	9,164,291	29,218	22,912	16,381	8,203,323	8,746,723	9,180,672
Other liabilities	1,733,001	2,085,790	2,198,815	93,092	86,667	74,454	1,824,093	2,172,457	2,273,269
Total liabilities	9,907,106	10,809,601	11,363,106	122,310	109,579	90,835	10,029,416	10,919,180	11,453,941
Net assets:									
Invested in capital assets, net of related debt	2,437,385	2,534,538	2,872,272	4,827	478	480	2,442,212	2,535,016	2,872,752
Restricted	1,117,560	963,694	1,057,582	233,296	226,229	229,930	1,350,856	1,189,923	1,287,512
Unrestricted	(780,363)	(527,647)	(601,284)	8,628	3,501	3,607	(771,735)	(524,146)	(597,677)
Total net assets	2,774,582	2,970,585	3,328,570	246,751	230,208	234,017	3,021,333	3,200,793	3,562,587

Source: Office of the Chief Financial Officer

Table 5.4. Changes in Net Assets FY 2010 Through FY 2012 (Dollar amounts in thousands)

	Governmental Activities			Business-type activities			Totals		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Revenues:									
Program revenues:									
Charges for services	450,022	490,101	537,403	250,150	235,884	249,675	700,172	725,985	787,078
Operating grants and contributions	3,321,671	3,343,747	3,190,038	36,998	34,968	27,945	3,358,669	3,378,715	3,217,983
Capital grants and contributions	259,277	172,964	261,411	-	-	-	259,277	172,964	261,411
General revenues:									
Property taxes	1,877,264	1,803,691	1,945,071	-	-	-	1,877,264	1,803,691	1,945,071
Sales and use taxes	1,081,005	1,121,257	1,218,576	-	-	-	1,081,005	1,121,257	1,218,576
Income and franchise taxes	1,434,131	1,656,283	1,956,590	-	-	-	1,434,131	1,656,283	1,956,590
Other taxes	560,490	682,201	723,102	129,471	128,875	133,618	689,961	811,076	856,720
Non tax revenues	466,524	569,522	536,534	243,293	238,119	187,073	709,817	807,641	723,607
Total revenues	9,450,384	9,839,766	10,368,725	659,912	637,846	598,311	10,110,296	10,477,612	10,967,036
Expenses:									
Governmental direction and support	871,240	783,557	987,978	-	-	-	871,240	783,557	987,978
Economic development and regulation	374,149	370,592	353,618	-	-	-	374,149	370,592	353,618
Public safety and justice	1,563,505	1,521,863	1,490,423	-	-	-	1,563,505	1,521,863	1,490,423
Public education system	1,989,518	2,086,722	2,113,955	-	-	-	1,989,518	2,086,722	2,113,955
Human support services	3,677,405	3,889,812	3,925,613	-	-	-	3,677,405	3,889,812	3,925,613
Public works	497,027	489,304	587,002	-	-	-	497,027	489,304	587,002
Public transportation	243,668	257,703	221,339	-	-	-	243,668	257,703	221,339
Interest on long-term debt	324,319	356,164	397,216	-	-	-	324,319	356,164	397,216
Fiscal charges	-	-	-	-	-	-	-	-	-
Lottery and games	-	-	-	163,393	169,526	183,185	163,393	169,526	183,185
Unemployment compensation	-	-	-	480,976	413,552	344,913	480,976	413,552	344,913
Nursing home services	-	-	-	18,817	-	-	18,817	-	-
Total expenses	9,540,831	9,755,717	10,077,144	663,186	583,078	528,098	10,204,017	10,338,795	10,605,242
Special item	266,942						266,942		
Increase in net assets before transfers	(90,447)	84,049	291,581	(3,274)	54,768	70,213	(93,721)	138,817	361,794
Transfers in (out)	96,624	71,311	66,404	(96,624)	(71,311)	(66,404)	-	-	-
Change in net assets	273,119	155,360	357,985	(99,898)	(16,543)	3,809	173,221	138,817	361,794
Net assets - Oct 1	2,501,463	2,815,225	2,970,585	346,649	246,751	230,208	2,848,112	3,061,976	3,200,793
Net assets - Sept 30	2,774,582	2,970,585	3,328,570	246,751	230,208	234,017	3,021,333	3,200,793	3,562,587

Source: Office of the Chief Financial Officer

units are reported separately from the financial data of the primary government. The Tobacco Settlement Financing Corporation is presented as a blended component unit in the District's CAFR, as required by GAAP for state and local governments, because it provides services exclusively to the District, the District appoints all members of the corporation's governing board, and the District is able to impose its will on the corporation. The District of Columbia Housing Authority (DCHA) and the District of Columbia Courts are related organizations, because the District is not financially accountable for their operations.

In addition, the District is a participant with other local jurisdictions in Maryland and Virginia to plan, construct, finance, and operate a public transit system serving the Metropolitan Washington Area Transit Zone. In February 1967, the Washington Metropolitan Area Transit Authority (WMATA) was created to fulfill the stated purposes of the public transit system. The District does not have explicit measurable equity interest in the public transit system and therefore, does not include the financial activities of the system in its financial statements.

The District's financial condition and operating results for fiscal years 2010 through 2012 are presented in Tables 5.3 and 5.4.

Factors Affecting the District's Financial Position

The District, as the central urban location of a large metropolitan area, houses a disproportionately large share of the very poor and needy population. The District's overall poverty rate of 18.2 percent and child poverty rate of 28.3 percent are significantly higher than the U.S. average and that of neighboring counties including Arlington, Fairfax, Montgomery, and Prince George's. Unlike other urban jurisdictions, the District cannot pool resources across suburban areas to serve its urban poor. Yet, it must provide state-level services such as healthcare, housing and welfare largely through its own resources.

The District's service problems are exacerbated by the higher costs of service delivery. Labor costs in the District are 23 percent above the national average for public services, and the capital costs are 65 percent above the national average. This combination of a significant pop-

ulation in need of services and high costs of service delivery results in high expenditure needs for the District. Specifically, if the District were to offer a basket of public services that prevail as "average" among all the state and local governments, it would have to spend 31 percent more than the national average to deliver it.

In this environment of high expenditure needs, the District's tax base has been externally restricted through federal actions. First, the federal government prohibits the taxation of federal real property and does not provide a Payment in Lieu of Taxes to compensate for the revenue forgone from this prohibition. Second, the Home Rule Act prohibits the District from taxing nonresident income. In the District, this is a significant limitation in the income tax base as about 70 percent of the workers in the District are nonresidents. (About 25 percent of employed District residents work outside of the District).

These restrictions on the revenue collections imply that the District's residents and businesses must share all of the costs of public services, while the benefits generated by the District are shared by a much larger community. It also implies that under slower revenue growth scenarios, District services could become severely impaired.

Financial Outlook

Although the recession officially ended four years ago, the U.S. and local economies have yet to fully recover. In the District, federal government employment began to decline from increases that occurred during the recession. The private sector has been adding jobs, though job growth may now be slowing. The commercial real estate sector remains a bright spot as the commercial office vacancy rate is lower than many other similar urban areas and lower than the surrounding area. Wage growth has also increased, although the District's unemployment rate

remains above 8 percent and is projected to remain elevated relative to the historic average rate. District revenue collections have benefited from the economic recovery so far and, bolstered by stronger than expected growth in real property and individual income tax receipts this spring, revenue collections for the current fiscal year are higher than forecasted in February.

The federal government's presence provides an important element of stability to the District's economy, but the current debate over the size of federal government and the momentum in Congress to drastically reduce spending to bring down the deficit is a serious risk to both the District economy and that of the wider metropolitan area.

The District did fare better than many places throughout the recession. Population began growing again in the middle part of the decade. Housing was affected by the national collapse but sales of single family and condos have rebounded faster than other metropolitan areas. Prices are still below the peaks but the Washington DC metro area is one of the few metropolitan areas in the Case-Shiller housing price index that has had consistent positive growth recently. Commercial real estate has also outperformed expectations and the vacancy rate in the District is the lowest in the metropolitan area. The total assessed value of real property did not fall in FY 2011 as much as expected due to this strength, and real estate transaction taxes have been very strong in FY 2011 and FY 2012 though still have not returned to peak levels (Tables 5.5 and 5.6).

Table 5.5. Growth in Wages and Salaries in DC, the Washington Metropolitan area, and the U.S.: FY 2005 through FY 2012 (Percent change from prior year)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
District of Columbia	6.1%	5.5%	5.8%	4.8%	2.1%	4.3%	3.9%	2.1%
United States	5.3%	5.9%	6.2%	3.5%	-3.6%	0.4%	4.0%	3.1%
Washington Metropolitan Area	7.1%	5.9%	5.8%	4.1%	0.9%	3.2%	3.7%	2.1%

Source: Bureau of Economic Analysis. Metro area estimated by Moody's Analytics

Table 5.6. Revenue and Economic Indicators of the District of Columbia, FY 2003 through FY 2012

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY2011	FY2012	
Local source revenue (\$ 000) (before earmarks)	3,924,119	4,442,024	4,984,690	5,327,472	6,010,592	6,229,811	5,928,849	5,850,019	6,286,932	6,800,040	
Growth	5.5%	13.2%	12.2%	6.9%	12.8%	3.6%	-4.8%	-1.3%	7.5%	8.2%	
Employment	No. Of Employees in DC ('000)	665.9	671.4	680.3	686.2	691.7	702.7	701.6	709.1	723.2	730.0
	Growth	0.6%	0.8%	1.3%	0.9%	0.8%	1.6%	-0.2%	1.1%	2.0%	0.9%
	Employees in Gov't ('000)	231.1	230.4	233.6	233.4	230.7	234.3	238.7	245.0	248.4	243.3
	Growth	-0.2%	-0.3%	1.4%	-0.1%	-1.1%	1.6%	1.9%	2.6%	1.4%	-2.0%
Population	No. of DC Residents ('000)	569.3	567.9	567.5	570.2	574.1	579.9	590.8	603.4	617.2	630.6
	Change ('000)	-1.7	2.1	2.5	3.4	2.5	3.9	5.4	5.2	13.8	13.4
Single-family (SF) housing sales	No. of SF sales	5,700	5,867	5,372	4,275	3,873	3,267	3,821	4,543	4,377	4,353
	Growth	3.9%	2.9%	-8.4%	-20.4%	-9.4%	-15.6%	17.0%	18.9%	-3.7%	-0.5%
SF Housing sales prices	Median (Jan thru Sept) (\$ 000)	325	375	485	509	533	520	417	410	455	520
	Growth	18.6%	15.4%	29.3%	4.9%	4.7%	-2.4%	-19.8%	-1.8%	11.1%	14.3%
	Average (\$ 000)	397	470	592	686	669	672	564	544	602	629
	Growth	6.8%	18.4%	25.8%	15.9%	-2.5%	0.5%	-16.2%	-3.4%	10.5%	4.5%
Condo Sales	No. of condo sales	3,586	3,919	4,426	3,952	4,147	2,979	2,935	3,222	2,848	3,445
	Growth	17.0%	9.3%	12.9%	-10.7%	4.9%	-28.2%	-1.5%	9.8%	-11.6%	21.0%
Condo Sale Prices	Median (Jan thru Sept) (\$ 000)	260	320	375	358	354	365	357	369	362	380
	Growth	18.2%	23.1%	17.2%	-4.5%	-1.1%	3.1%	-2.3%	3.4%	-1.8%	5.0%
	Average (\$ 000)	277	334	407	416	407	411	408	415	419	425
	Growth	17.4%	20.6%	21.9%	2.2%	-2.2%	1.0%	-0.8%	1.9%	0.9%	1.6%
Commercial office space	Total inventory (million sq ft)	106.4	109.3	111.2	117.7	122.4	123.6	127.5	131.9	133.5	134.0
	Growth	1.9%	2.7%	1.7%	5.8%	4.0%	1.0%	3.1%	3.5%	1.2%	0.4%
	Vacancy rate (includes sublet)	6.7%	6.4%	6.1%	6.2%	5.8%	6.6%	10.2%	9.1%	8.7%	9.3%

Source: DC Office of the Chief Financial Officer, Office of Revenue Analysis. Data, other than revenue, from: BLS(employment); HIS Global Insight (population); Metropolitan Regional Information System (contract sales accessed through Greater Capital Area Association of Realtors); Delta Associates (commercial office space).

Individual Income Taxes

The adjusted gross income reported on the District's individual income tax returns was approximately \$23.9 billion for tax year 2011 (Table 5.7). The net taxable income reported was \$19.6 billion and personal income taxes were about \$1.3 billion for tax year 2011. Between 2001 and 2011, the average annual growth of adjusted gross income was 6.1 percent, while net taxable income and total personal income taxes average annual growth was 6.3 percent and 4.6 percent, respectively.

The individual income tax base consists of the income of individuals who maintain a permanent residence in the District at any time during the tax year and individuals who maintain a residence for a total of 183 or more days during the tax year. The District's tax base also includes the income of individuals who were members of the armed forces and listed the District as their home of record for either a part of or the full taxable year, as well as the spouse of an exempt military person or of any other exempt person such as a nonresident presidential appointee or an elected official.

Those individuals that are exempt from income tax in the District (and as such whose income is not included in the tax base) include elected officials of the federal government, presidential appointees subject to confirmation by the U.S. Senate, United States Supreme Court justices who are not domiciled in the District, employees of legislative staffs who are residents of the state of their elected official, and, of great importance, all persons who are em-

Table 5.7. District of Columbia Individual Income Tax Data

Tax Year	Total DC Adjusted Gross Income (\$M)	Percent Increase	Taxable Income (\$M)	Percent Increase	Income Tax Paid to DC (\$M)	Percent Increase
2001	13,958		11,409		877	
2002	13,402	-4.0%	10,823	-5.1%	807	-8.0%
2003	13,664	2.0%	11,084	2.4%	835	3.5%
2004	15,510	13.5%	12,755	15.1%	969	16.0%
2005	15,349	-1.0%	12,564	-1.5%	941	-2.9%
2006	20,481	33.4%	16,847	34.1%	1,188	26.3%
2007	22,545	10.1%	18,601	10.4%	1,235	3.9%
2008	21,095	-6.4%	16,558	-11.0%	1,123	-9.1%
2009	20,263	-3.9%	15,867	-4.2%	1,078	-4.0%
2010	22,531	11.2%	18,052	13.8%	1,198	11.2%
2011	23,891	6.0%	19,624	8.7%	1,311	9.4%

Source: DC Office of the Chief Financial Officer, Office of Revenue Analysis and Office of Tax and Revenue

ployed in the District but live outside of the District.

Of the 325,642 individual income tax returns filed for TY 2011, 61.0 percent were filed by single taxpayers, 19.0 percent by married filers, 17.5 percent by heads of household and 2.2 percent by dependent taxpayers (Table 5.8). A comparison of TY 2001 and TY 2011 finds that single filers increased by more than five percentage points and married combined separate increased by just over three percentage points. Conversely, head of household filers declined by 4.3 percentage points and married filing joint-

ly declined by 2.9 percentage points.

When the adjusted gross income (AGI) of tax filers for TY 2011 is examined by income level, among filers with income less than \$30,000, 61.8 percent are single filers and 24.5 percent are head of household filers (Table 5.9). Among filers with income more than \$100,000, 54.4 percent are married filers and 41.5 percent are single filers.

The average federal adjusted gross income filed by District taxpayers on their 2011 returns was \$82,132. In 2011,

Table 5.8. Percentage Distribution of District Income Tax Returns by Filing Status

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Returns	270,645	266,749	264,046	262,328	270,772	288,263	301,304	304,714	304,959	316,890	325,642
Single	55.6%	55.3%	55.5%	55.4%	57.2%	57.3%	58.6%	59.4%	60.3%	60.1%	61.0%
Head of Household	21.8%	22.3%	22.3%	21.8%	20.9%	20.0%	19.5%	18.7%	18.1%	18.4%	17.5%
Married Filing Separately	3.2%	3.0%	3.1%	3.1%	3.0%	2.9%	3.2%	3.1%	3.1%	3.1%	3.1%
Married Filing Combined Separate	5.6%	5.2%	5.4%	5.7%	7.2%	8.1%	7.9%	7.8%	8.3%	8.6%	8.7%
Married Filing Joint	10.2%	10.6%	10.5%	10.6%	8.5%	8.2%	7.7%	7.6%	7.5%	7.4%	7.3%
Dependent	2.9%	2.9%	2.8%	3.0%	2.9%	3.0%	2.8%	2.7%	2.2%	2.1%	2.2%
Not Identified or other	0.7%	0.6%	0.5%	0.5%	0.3%	0.6%	0.4%	0.6%	0.5%	0.3%	0.3%

Source: DC Office of the Chief Financial Officer, Office of Revenue Analysis and Office of Tax and Revenue, DC Statistics of Income

Table 5.9. Percentage Distribution of District Income Tax Returns by Filing Status and Income Level TY 2011

Income Range	Single	Head of Household	Married Filing Separate	Married Filing Combined Separate	Married Joint	Dependent	Other*
Under \$30,000	61.8%	24.5%	2.4%	0.8%	4.9%	5.1%	0.6%
\$30,000 - \$50,000	66.9%	20.9%	3.2%	2.7%	6.0%	0.2%	0.0%
\$50,000 - \$100,000	69.4%	11.7%	4.0%	7.5%	7.3%	0.0%	0.0%
\$100,000 and Over	41.5%	3.9%	3.5%	36.3%	14.6%	0.0%	0.2%

*Other includes domestic partner joint, domestic partner combined separate, and no specified filer type. Filer type is not specified in cases of filers who are not required to file a tax return because their income is below the filing threshold but do so to claim the property tax circuit breaker (schedule H) or to claim income taxes withheld.

Source: DC Office of the Chief Financial Officer, Office of Revenue Analysis and Office of Tax and Revenue, Statistics of Income

District residents paid \$1.3 billion in District income taxes and \$4.3 billion in federal income taxes. District residents paid on average \$15,960 per federal return in 2011, compared with the national average of \$10,590 or 50.7 percent more per taxpayer. For TY 2011 the District’s average federal tax was second only to Connecticut (\$17,681).

General Sales and Use Tax

Revenue from the District’s sales and use tax is collected using a six-tier structure (Table 5.10). Sales of tangible personal property and certain specified services are taxed at 6 percent. Sales of alcoholic beverages for consumption outside the premises are taxed at 10 percent. Sales of food and drinks for immediate consumption, the rental and leasing of motor vehicles and sales of prepaid phone cards are also taxed at 10 percent which includes an additional one-percent tax supporting Events DC. Parking and storage of vehicles are taxed at 18 percent beginning October 1, 2011, and tobacco products, except for cigarettes, premium cigars or pipe tobacco, are taxed at 12 percent. Transient accommodations are taxed at 14.5 percent (with 4.45 percent supporting Events DC).

From a policy perspective, the multiple rates allow the District to generate additional revenue from visitors through the higher rates on restaurant meals, hotel rooms, and parking. From an administrative standpoint, the multiplicity of rates with special exemptions provided in each category, complicates the administration of the sales tax for the Office of Tax and Revenue and adds to the compliance costs for businesses such as hotels and food stores

where transactions may involve several tax categories.

Portions of sales taxes have been earmarked for a variety of policy purposes. The transfer of sales tax revenue to Events DC was the first sales tax earmark. This transfer was \$101 million in FY 2012. In addition to the Events DC, sales taxes are also earmarked for Tax Increment Financing (TIF) projects, the Ballpark Fund, Healthy DC

Fund, WMATA, Healthy Schools, and Alcoholic Beverage Regulation Administration (ABRA). The sum of all transfers was \$197 million, 17.7% of total gross sales tax collections in FY 2012.

In FY 2013, gross sales tax revenue is expected to be \$1.17 billion. Revenue in FY14 is estimated at 1.2 billion.

Real Property Tax

The District taxes real property based on 100 percent of assessed value and bills taxpayers twice annually like many other jurisdictions throughout the United States. The District, also like many other jurisdictions, divides properties into separate tax classes depending on the use of the real property. Each class is taxed at a different rate. The real property taxable class types are residential, commercial, vacant and blighted (Table 5.12). The major difference, however, between the District and other jurisdictions is the extraordinarily large proportion of real property that is exempt from paying the District’s real property tax – amounting to roughly 56 percent of land area and 35 percent of total assessed value (Table 5.13). Tax-exempt properties primarily include those owned by

Table 5.10. Estimated Sales Tax Base, Collections and Transfers by Sales Tax Type, FY 2012 (Dollars in Millions)

	Retail	Liquor	Restau- rant	Other Tobacco	Parking	Hotel	Other Trans- fers	Total
Base	7,550	473	3,313	13	313	1,528		
Rate	6.0%	10.0%	10.0%	12.0%	18.0%	14.5%		
General Sales Tax Collec- tions (gross)	453.0	47.3	331.3	1.5	56.4	221.5		1,111.0
Transfer to Convention Center			33.1			68.0		(101.1)
Transfer to TIF							22.2	(22.2)
Transfer to Ballpark Fund							12.6	(12.6)
Transfer to Healthy DC Fund								0.0
Transfer to WMATA					56.4			(56.4)
Transfer to Healthy Schools							4.3	(4.3)
Transfer to ABRA							0.5	(0.5)
General Sales Taxes to Local Fund	453.0	47.3	298.2	1.5	0.0	153.5	(39.6)	913.9

Source: DC Office of the Chief Financial Officer

Table 5.11. General Sales and Use Tax Revenue, Fiscal Years 2012-2017 (Dollars in Thousands)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue Source	Actual	Estimate	Estimate	Projected	Projected	Projected
General Sales	1,111,044	1,155,485	1,190,149	1,229,145	1,277,765	1,328,265
Transfer to Convention Center	(101,093)	(108,616)	(111,874)	(115,540)	(120,110)	(124,857)
Transfer to TIF	(22,249)	(23,609)	(28,997)	(41,103)	(40,810)	(42,980)
Transfer to Ballpark Fund	(12,592)	(10,663)	(10,759)	(10,963)	(11,226)	(11,541)
Transfer to Healthy DC Fund	-	(214)	(428)	(428)	(428)	(854)
Transfer to WMATA (parking tax)	(56,395)	(58,930)	(60,698)	(62,686)	(65,166)	(67,742)
Transfer to Healthy Schools	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)	(4,266)
Transfer to ABRA	(460)	(460)	(1,170)	(1,170)	(1,170)	(1,170)
Total General Sales and Use Taxes (net)	913,989	948,727	971,957	992,989	1,034,589	1,074,855

Source: DC Office of the Chief Financial Officer, Office of Revenue Analysis and Office of Tax and Revenue

the federal government as well as properties owned by foreign governments, non-profit organizations, educational institutions and the District government.

Real Property Tax Base

The value of all real property in the District increased 4.12 percent from \$220.8 billion in 2011 to \$229.9 billion in 2012. The total value of all taxable commercial properties amounted to \$65.9 billion or 28.7 percent of all property in the District. The total value of all residential properties amounted to \$80.6 billion or 35 percent of all property in the District. The total value of all exempt properties amounted to \$83.4 billion or 36.3 percent of all property in the District.

In 2012, the total value of taxable commercial property increased 11.3 percent while taxable residential properties increased 0.7 percent. The value of all exempt property grew 2.3 percent. With 63.7 percent of the value of all real property in the District being taxable in 2012, the commercial sector accounted for 45.0 percent of the tax base and the residential sector accounted for 55.0 percent of the tax base. In tax year 2012, the District's total taxable real property had an assessed value of \$146.5 billion.

Real Property Tax Rates

The District's real property tax system divides taxable properties into four separate classes depending on the use of the real property, and each class is taxed at a different

rate. For tax year 2011, Class 1 properties were residential properties and taxed at a rate of \$0.85 per \$100 of assessed value. All Class 2 properties were subject to a split tax rate. The split tax rate for Class 2 properties was \$1.65 per \$100 of assessed value for the first \$3 million of assessed value, and \$1.85 per \$100 of assessed value for the portion of the assessed value exceeding \$3 million. The tax rate on Class 3 properties, which are vacant unimproved property, was \$5 per \$100 of assessed value. Beginning with Tax Year 2011, a new Class 4 classification was added with a rate of \$10 per \$100 of assessed value for blighted property.

Lottery and Charitable Games

The DC Lottery and Charitable Games Board (the Lottery) was originally established by Public Law 3-172 as an independent agency of the District of Columbia and subsequently became a part of the Office of the Chief Financial Officer pursuant to the Home Rule Act section 424(a). In accordance with applicable law, the Lottery is responsible for generating revenues through the sale of lottery products and is required to remit monthly gaming revenues less prizes, operating expenses, and a reserve not to exceed 2% of annual prize payments to the District's General Fund. Since the Lottery's establishment in 1982, transfers to the District's General Fund have totaled approximately \$1.7 billion. The Lottery's annual transfer to the General Fund remains a vital component of the District's economy, benefiting District residents, suburban commuters, and tourists. The General Fund supports services such as education, parks and recreation, public safety, housing, and senior and child services. The Lot-

Table 5.12. Real Property Tax Classifications and Rates, Fiscal Years 2002-2013

Property Tax Class	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009*	FY 2010	FY 2011	FY 2012	FY 2013
Class One (Residential)	\$0.96	\$0.96	\$0.96	\$0.96	\$0.92	\$0.88	\$0.85	\$0.85	\$0.85	\$0.85	\$0.85	\$0.85
Class Two (Commercial)												
Rate for 1st \$3 Million Assessed Value	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65
Rate for Assessed Value Over \$3 Mill.	-	-	-	-	-	-	-	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85
Class Three (Vacant Property)	-	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$10.00	\$10.00	\$5.00	\$5.00	\$5.00
Class Four (Blighted Property)	-	-	-	-	-	-	-	-	-	\$10.00	\$10.00	\$10.00

*Beginning in FY 2009 Class Two properties are subject to a split tax rate. The tax rate for the 1st \$3 million in assessed value is taxed at a rate of \$1.65 per \$100 of assessed value and the additional assessed value (in excess of \$3 million) is taxed at a rate of \$1.85 per \$100 of assessed value.

Source: DC Office of Revenue Analysis

Table 5.13. Assessment Trends, 2004-2012 (dollars in thousands)

Property Tax Class	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007	Tax Year 2008	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012
Residential Property*	32,701,220	49,982,554	58,090,888	73,126,786	81,400,361	84,544,053	81,862,427	80,063,402	80,598,880
Commercial Property	33,752,889	36,905,213	40,400,447	51,748,487	61,557,827	68,495,502	68,254,862	59,224,100	65,903,077
Total Taxable	66,454,109	86,887,767	98,491,335	124,875,273	142,958,188	153,039,555	150,117,289	139,287,502	146,501,957
Tax Exempt	43,234,068	43,219,725	59,664,865	57,690,545	67,869,520	81,211,121	82,113,504	81,528,158	83,399,263
Total Value (Including Exempt)	109,688,177	130,107,492	158,156,200	182,565,818	210,827,708	234,250,676	232,230,793	220,815,660	229,901,220
Tax Exempt as a % of Total Value	39.40%	33.20%	37.70%	31.60%	32.20%	34.70%	35.40%	36.90%	36.30%

*Note: Assessed value is 100 percent of estimated actual value.

(1) After deduction of homestead exemption and credits against tax for 2004-2007. (2) Does not reflect the 2004 and 2005 Cap Assessment of 12% for Class 1 with Homestead Exemptions. (3) Does not reflect the 2006 - 2012 Cap Assessment of 10% for Class 1 with Homestead Exemptions. (4) After deduction of homestead exemption for 2008 - 2012.

Source: DC Office of Tax and Revenue

tery directly benefits players by paying out a significant percentage of annual sales in prize money. It also pays commissions to retailers licensed to sell DC Lottery game products.

The Lottery offers 12 games including: DC3, DC4, DC5, Powerball, Mega Millions, Keno, Hot Lotto, DC Daily Six, DC Raffle, Race 2 Riches, Fast Play and Instant Tickets, which are discussed below.

DC3 - DC Three is a daily three-digit game in which players may wager 50 cents or \$1 with nine ways to win prizes ranging from \$25 to \$500. Sales totaled \$53,070,000 in 2012 and \$53,383,000 in 2011. Prizes amounted to \$26,707,000 in 2012 and \$26,395,000 in 2011. Net proceeds to the District's General Fund totaled \$17,040,000 in 2012 as compared to \$17,075,000 in the prior year.

DC4 - DC Four is a daily four-digit game with a fixed payout. Players may wager 50 cents or \$1 for a chance to win seven different ways. Ticket sales totaled \$65,668,000 in 2012 and \$65,368,000 in 2011. In 2012 and 2011, prizes totaled \$32,433,000 and \$32,711,000, respectively. Transfers to the District's General Fund totaled \$22,589,000 in 2012 and \$21,615,000 in 2011.

DC5 - DC Five, which was launched effective July 19, 2009, is a daily five-digit game with a fixed payout. Players may wager 50 cents or \$1 for a chance to win thirteen different ways. Players select a number within the range 00000 to 99999. Tickets may be purchased for the next draw or up to seven consecutive draws for the mid-day

and nightly drawings. Players also have the option for advance day play, allowing them to place a bet for a specific day in the future. Ticket sales totaled \$15,098,000 in 2012 and \$12,877,000 in 2011. Prizes and agent/retailer commissions were \$8,179,000 in 2012 and \$5,905,000 in 2011. In 2012, DC Five generated \$5,189,000 in transfer to the General Fund; in 2011, the amount of transfer to the General Fund generated by this game totaled \$5,590,000.

Powerball - The Powerball game is a five out of fifty-nine plus one out of thirty-nine online lottery game that pays a grand prize on an annuitized pari-mutuel basis or as a cash lump sum payment and all other prizes on a fixed basis. All annuitized prizes are paid in thirty annual graduated installments. The Powerball game is sponsored by the Multi-State Lottery Association (MUSL), a conglomerate of thirty states, the District of Columbia and Virgin Islands, that combines resources and sales to offer larger jackpots. Party lotteries pool their sales and other resources, but otherwise account for operations separately. The prize structure matrix for the game was last changed effective January 4, 2009. Powerball sales totaled \$17,136,000 in 2012 and \$13,923,000 in 2011. The Multi-State Lottery Association and Mega Millions conglomerates agreed to allow respective member states to cross sell tickets in January 2010. The increment in ticket sales can be attributed to the number of higher jackpots that increased player participation and sales volume. Prizes amounted to \$7,927,000 in 2012 and \$6,548,000 in 2011. The increase in ticket sales contributed to an increase in the transfer to the General Fund, which rose to \$6,576,000 in 2012 from \$5,075,000 in 2011.

Mega Millions - The Mega Millions game is a five out of fifty-six plus one out of forty-six online lottery game that pays a grand prize or a cash lump sum payment and all other prizes on a fixed basis. All annuity prizes are paid in twenty-six annual installments. The Mega Millions game is sponsored by the Mega Millions Group, a conglomerate of twelve states, and participating MUSL members that combine resources and sales to offer larger jackpots. All Mega Millions transactions of the Lottery are handled through the MUSL. Party lotteries pool their sales and other resources, but otherwise account for operations separately. The Lottery began selling Mega Millions tickets effective January 31, 2010. Mega Millions sales totaled \$10,628,000 in 2012 and \$8,685,000 in 2011. Prizes amounted to \$5,413,000 in 2012 and \$4,480,000 in 2011. Ticket sales offset by overall operating costs resulted in a transfer to the District's General Fund of \$3,595,000 in 2012 and \$2,585,000 in 2011.

Keno - Keno is a 10/20/80 game with fixed prizes. Players choose to play from 1 to 10 spots, with each spot having a different prize structure. Players select twenty numbers from a field of 80 numbers. Draws are held every four minutes during valid game times. Payouts range from \$5 to \$100,000. Tier 1 prizes start as a fixed payout and transition to pari-mutuel payouts when the number of winners per draw exceeds 10. The game is supplemented by Keno Spin which features a multiplier option to the game's prizes. The Keno game is offered at all agent/retailer locations. Keno sales totaled \$12,478,000 in 2012 and \$11,545,000 in 2011. Prizes increased to \$8,095,000 in 2012 from \$7,362,000 in 2011. Transfers to the Dis-

trict's General Fund increased to \$2,303,000 in 2012 from \$2,165,000 transferred in 2011.

Hot Lotto - Hot Lotto is a five out of thirty-nine plus one out of nineteen online lottery game that pays a grand prize, at the election of the player at time of ticket purchase, either on an annuitized pari-mutuel or cash option basis. All other prizes are paid on a fixed basis. Prizes are expensed at the rate of 50.0% of sales intake less lapsed prizes. The Hot Lotto game is sponsored by the MUSL. The initial jackpot starts at \$1 million and drawings are held every Wednesday and Saturday. Party lotteries pool their sales and other resources, but otherwise account for operations separately. Hot Lotto sales amounted to \$2,747,000 in 2012 and \$3,324,000,000 in 2011. This decrease in ticket sales resulted from lower jackpots. Transfers to the District's General fund totaled \$1,432,000 in 2012 and \$1,210,000 in 2011.

DC Daily Six - The DC Daily Six game is a six out of thirty-nine numbers online lotto type game that pays fixed prize payouts ranging from \$1 to \$250,000. Players receive two boards (set of six numbers) for \$1. Drawings are held nightly seven days a week and players can purchase tickets for the next draw only or the next draw and up to 42 consecutive drawings in predetermined increments. The Division 1 prize payout is fixed for the first four winners. If the number of winners exceeds four then all Division 1 winners share the maximum payout of \$1 million. Payouts for Divisions 2 through 6 are fixed. Ticket sales for the DC Daily Six game were discontinued effective November 22, 2010. This game was replaced by the Race 2 Riches game in the lottery's portfolio of games.

RACE 2 RICHES - Race 2 Riches is an interactive horseracing game with the opportunity to win up to \$1,000. Drawings or races are held every four minutes seven days a week during regular operating hours. The Race 2 Riches game was launched effective November 23, 2010. Ticket sales totaled \$7,143,000 in 2012 and \$3,675,000 in 2011. Prizes totaled \$4,881,000 in 2012 and \$2,494,000 in 2011. Transfers to the General Fund increased to \$1,070,000 in 2012 from \$470,000 in the prior year.

FAST PLAY - Fast Play games are a series of instant-style games printed and played through agents'/retailers' on-line terminals. Fast Play tickets have a variety of games and each ticket is randomly drawn from a separate pool

of tickets. Ticket cost and prizes vary depending on the version of the game played. Prizes are set at a fixed payout level. The player asks the agent/retailer for a specific type of Fast Play game and the ticket is generated at that terminal. The player knows immediately whether he/she is a winner or not. Fast Play games were launched effective April 3, 2011. Sales totaled \$5,724,000 in 2012 and \$2,085,000 for the approximate six months of operation in 2011. Transfers to the District's General Fund in 2012 and 2011 were \$892,000 and \$385,000, respectively.

DC Raffle - The DC Raffle game is a promotional game designed to run for certain intervals of time and to generate a maximum number of tickets to be sold. Tickets are printed in a sequentially numbered order, which serves as the bet. Each player wagers a set sum for a ticket and chance to win fixed prizes. There were no ticket sales in 2012 and 2011.

Instant Games - Instant or "scratch" games are designed to allow a player the opportunity to determine if he/she is an instant winner at the time of ticket purchase. The

price of tickets and prize structure are determined before the production of tickets. Instant ticket sales totaled \$59,940,000 in 2012 and \$56,106,000 in 2011. Prizes in 2012 totaled \$39,668,000 in 2012 and \$37,584,000 in 2011. Transfers to the District's General Fund increased to \$5,709,000 in 2012 from \$5,700,000 in the prior year.

Lottery Agents - The Lottery sells its lottery products at a variety of local businesses including, but not limited to, gas stations, hardware stores and supermarkets. The Lottery works closely with business owners to develop customized plans designed to grow their businesses overall, as well as ticket sales. The Lottery paid \$16,404,000 and \$14,769,000 in agent commissions in 2012 and 2011, respectively.

General Fund Transfers

In 2012, the Lottery transferred \$66,404,000 to the District's General Fund. The amount of the Lottery's transfer in 2011 was \$62,175,000 (Table 5.14).

Table 5.14. Revenues, Expenses, and Changes in Net Assets: FY 2008-2012 (Dollar amounts in thousands)

	2008	2009	2010	2011	2012
Operating revenues:					
Gaming revenues	252,721	245,370	230,159	231,749	249,675
Operating expenses:					
Prizes	135,060	128,058	118,932	125,860	137,313
Agent commissions	15,782	15,316	14,478	14,769	16,404
Contractor fees	17,783	16,085	12,767	11,277	11,764
Advertising	4,618	4,900	5,148	5,684	5,743
Administration	9,599	12,132	11,918	11,767	11,765
Amortization and depreciation	139	134	150	169	196
Total operating expenses	182,981	176,625	163,393	169,526	183,185
Operating income	69,740	68,745	66,766	62,223	66,490
Non-operating revenues - interest and dividends	628	79	25	20	22
Income before transfers	70,368	68,824	66,791	62,243	66,512
Transfer to District General Fund	(70,300)	(68,775)	(66,750)	(62,175)	(66,404)
Change in net assets	68	49	41	68	108
Net assets, beginning of the year	3,753	3,821	3,870	3,911	3,979
Net assets, end of the year	3,821	3,870	3,911	3,979	4,087

Source: DC Lottery Audited Financial Statements for Fiscal Years 2008-2012

PARTNERSHIP AND GRANTS

The Mayor's Office of Partnerships and Grant Services (OPGS) mission is to enhance the capacity of District government agencies, community and faith-based organizations, and nonprofits to identify, apply, and secure resources that advance the Mayor's top public policy priorities.

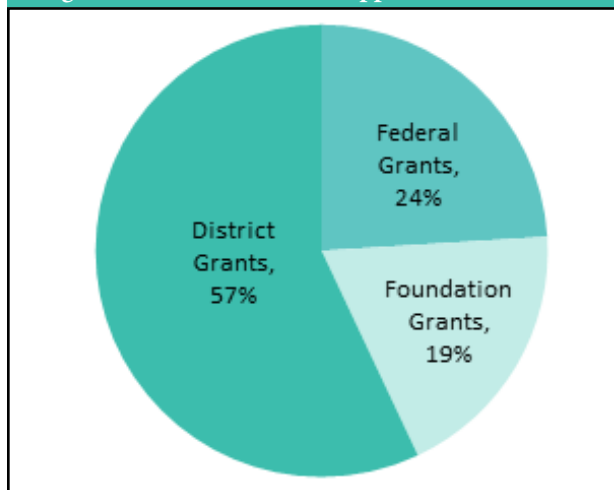
In order to accomplish this mission, OPGS provides services to the agencies of the District of Columbia, as well as to individuals and organizations that provide services to District residents. Our core focus areas include: grant and resource development, capacity building, donation solicitation and management, and partnership facilitation.

Grant and Resource Development

OPGS serves as the DC Government's central clearing-house of information and support related to new competitive Federal grants. We accomplish this through the following activities and programs:

- Training District agencies, community and faith-based organizations, and nonprofit grant seekers to use searchable grant databases and other resource development sources.
- Disseminating Federal and Local Notices of Funding Availability (NOFAs) via the OPGS website. OPGS posted 316 competitive grant announce-

Figure 5.2 Source of Grant Opportunities in FY11

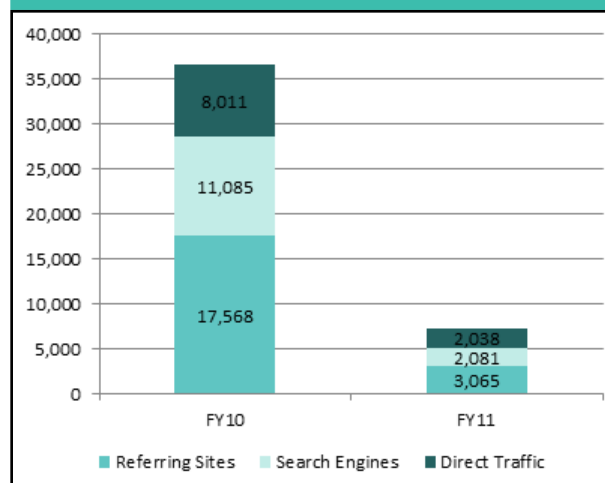


Source: Partnership and Grant Services (OPGS)

ments representing nearly \$2.7 billion in total funding opportunities in FY11. At the end of FY 2011 nearly 5800 subscribers received the weekly Funding Alert.

- Researching Federal and foundation funding opportunities that District agencies, non-profits and faith based organizations are eligible to pursue. During FY 2011, 24% of the grants posted in the weekly Funding Alert were Federal opportunities while 19% were foundation grants. The remaining 57% were District funding opportunities (Figure 5.2).
- Maintaining a public website with a wide variety of easy to use resource development information, in consultation with the District's Office of the Chief Technology Officer (OCFO). Figure 5.3 shows OPGS website traffic during FY2010 and FY2011.
- Serving as the District's State Single Point of Contact (SPOC) for all federal grant programs covered by Executive Order 12372. This program provides opportunities for local units of government to learn about and comment on selected projects affecting their jurisdictions. Table 5.15 shows the number of SPOC applications processed by OPGS from 2010 to 2012.

Figure 5.3 Website Traffic Sources Overview, FY10 and FY11



Source: Partnership and Grant Services (OPGS)

Table 5.15. Number of POC Applications Processed

Fiscal Year	2010	2011	2012
Number of Applications	321	238	205

Source: Partnership and Grant Services (OPGS)

Capacity Building

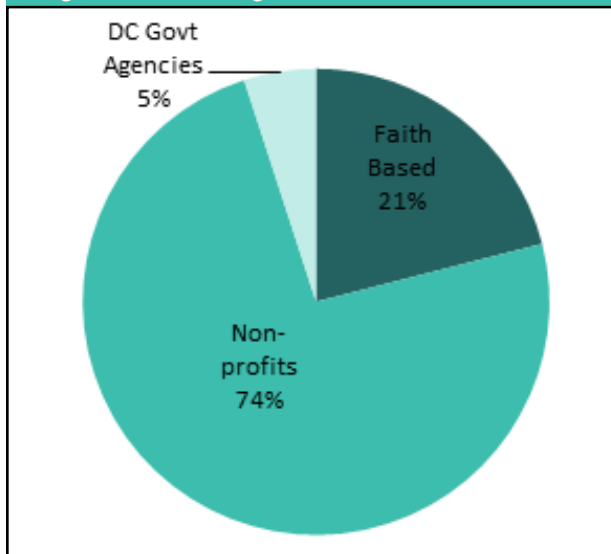
OPGS provides training and support for District-based government agencies, 501(c) (3) nonprofits, community-based organizations, and faith-based organizations. Beneficiaries of our services learn program development and grant management skills.

- Strengthening Communities Fund (SCF) - is a two year capacity building program to give local non-profit, community and faith based organizations that provided workforce development services the knowledge and tools to build their capacity and maximize support for District residents. 10 of 23 SCF participants successfully completed this intensive two-year capacity building program.
- Grantwriting Workshop - OPGS hosted this 10 week program designed for both the novice and experienced grant seekers. This course combined expert instruction, with practical exercises to take the participants step-by-step through the development stages of grant writing including instructions on the statement of need, goals and objectives, logic models, project evaluation, staffing, project budgeting,



The Strengthening Communities Fund Graduates pose with Willie Jolley (far right) the keynote speaker, OPGS staff and supporters during the ceremony in the Penthouse at the Bank of America Building across from the White House.

Figure 5.4 Percentage of GIRC Visits FY11



Source: Partnership and Grant Services (OPGS)

locating funding sources, and writing grant proposals. 22 local government and nonprofits representatives participated in the training. The training sessions are available on OPGS' website.

- Grants Information Resource Center (GIRC) - provides technical assistance on researching online competitive grant and other related resource devel-

Table 5.16. Training Attendance Data for FY2011

Type of Training	Date of training	Number of Participants
DC Agency Donations Training Webinar	February 25, 2010	18
DCPS Donations Training Webinar	March 4, 2010	43
New Donations Management System Webinar	March 19, 2010	N/A
New Donations Management System Webinar	April 22, 2010	N/A
Donations Management Training for DCPS Library Specialist	June 10, 2010	24
DC Agency Staff Training	March 10, 2011	53
DC Agency Staff Training	August 8, 2011	56

Source: Partnership and Grant Services (OPGS)

opment information to District nonprofits, community and faith-based organizations, and government grantseekers. In FY 2011, OPGS assisted 107 grant-seeking customers from 75 District organizations. Figure 5.4 shows a breakdown of the organizations that were serviced by OPGS in FY2011.

Donation Solicitation and Management

The Office of Partnerships and Grant Services administers the donation solicitation management process for District agencies, departments, and offices including DCPS, which

Table 5.17. Top Five Donations Made in FY 2010-2011

Agency	Donor	Date Approved	Description	Value
District of Columbia Public Schools (DCPS)	DC Public Education Fund	April 23, 2010	In kind donation of external consulting, materials, equipment and staff to support DCPS' central initiatives as well as school-based projects	\$4,833,777.00
Department of Transportation (DDOT)	Union Station Redevelopment Corporation	August 30, 2011	Financial donation to support the replacement of ten escalators at Union Station.	\$4,270,500.00
Department of Employment Services (DOES)	Microsoft Corporation	April 23, 2010	In kind donation of 11,250 eLearning vouchers to support DOES' job-training programs	\$3,375,000.00
DCPS	DC Public Education Fund	December 2, 2009	In kind donation of resources such as external consulting, materials, equipment and staff to support DCPS' central office initiatives as well as school-based projects	\$3,176,768.00
DCPS	DC Public Education Fund	November 30, 2010	Donation of resources, including consulting, materials, equipment, and staff to support DCPS central office initiatives as well as school based projects.	\$868,768.00

Source: Partnership and Grant Services (OPGS)

are subject to the Rules of Conduct Governing Donations to the District Government (Mayors' Memorandum 2012-3 dated May 16, 2012). We accomplish this through the following:

- Reviewing all donation solicitation applications and approve as appropriate.
- Preparing quarterly donation reports for publication on OPGS' website and in the DC registry.
- Providing donation management training to District government employees.

In FY2010, OPGS processed and approved \$15,292,317.04 in donations of which \$508,651.96 were financial donations and \$14,783,665.08 were in-kind donations. In FY2011, OPGS processed and approved \$11,857,300.74 in donations of which \$5,965,300.74 were financial donations and \$5,891,977.05 were in-kind donations.

OPGS staff held seven training sessions for DC agencies and DC Public Schools staff to better acquaint them with the District government's donations process in FY 2011. Each training session provided a step-by-step account of OPGS' new online donations management system, the OAG's legal sufficiency review of donation requests, the completion of all donation agreements, the OCFO's procedures for depositing financial contributions, and several donation training scenarios. Table 5.16 shows training attendance data.

Partnership Facilitation

OPGS facilitates the establishment of collaborative philanthropic relationships or partnerships between the District government, individual donors, nonprofits, private, and public sector entities. We accomplish this through the following:

- Collaborating with local government agencies to identify more opportunities to serve District residents and service providers.
- Communicating with District agencies to maximize their resources and increase programs beneficial to community programs.
- Developing relationships with global entities that can expand the knowledge-base and capacity of District agencies and nonprofit service providers.
- Cultivating potential corporate giving and donor interests on behalf of programs serving the District government.

Annual Public Private Partnership Conference - the Office of Partnerships and Grant Services convenes an annual all day Public Private Partnership Conference in partnership with the Center for Nonprofit Advancement. The purpose of the conference is to encourage and facilitate multi-sector partnerships and provide a comprehensive day of learning and networking for leaders from around the Washington Metropolitan Area. Local and regional grant-making, grant-seeking, and service providing experts facilitate the many workshops and share best practices that are used to establish and sustain partnerships. They also provide a variety of capacity building tips to enhance fund raising, financial management, strategic planning, and collaboration methods.

OPGS celebrated its 11th Annual Public-Private Partnership Conference entitled, Collaboration During an Era of Uncertainty, at the Walter E. Washington Convention Center on August 25, 2011. 350 service providers from the Greater Washington Metropolitan Region attend the 11th annual Public-Private Partnership Conference.

OPGS supported the Department of Small and Local Business Development's (DSLBD) STEP grant proposal process leading to \$548,116 in funding from the SBA - Office of International Trade in September 2011. The grant supports the Mayor's efforts to raise the number of DC small business exporters and value of those currently exporting. DSLBD and several EOM directors, including OPGS, are aligning their resources to assist local small businesses to become more competitive in the global market.

OPGS became an Associate Member of the Washington Regional Association of Grantmakers (WRAG) in FY11. This partnership allows OPGS to collaborate with WRAG's working and affinity groups, expand its professional development, and build stronger relationships with the philanthropic community. OPGS is also partnering with WRAG and the University of Maryland's Center for Philanthropy and Nonprofit Leadership to host a WRAG Philanthropy Fellow. The program offers the opportunity for fellows to gain professional experience at OPGS.

OFFICE OF THE CHIEF TECHNOLOGY OFFICER

The Office of the Chief Technology Officer's (OCTO's) mission is to direct the strategy, deployment, and management of DC Government technology with an unwavering commitment to I.T. excellence, efficiency, and value for government, residents, businesses and visitors. OCTO is the central technology organization of the District of Columbia Government. OCTO develops, implements, and maintains the District's technology infrastructure; develops and implements major enterprise applications; establishes and oversees technology policies and standards for the District; provides technology services and support for District agencies, and develops technology solutions to improve services to businesses, residents, and visitors in all areas of District government.

Agency Objectives and Initiatives

Below are the agency objectives for the current fiscal year and the major initiative to attain them:

Objective 1: Provide and maintain a ubiquitous, reliable, and secure computing environment for the government as well as residents, businesses, and visitors. *Initiatives:* a) Set a platform for consolidation and optimization of city-wide IT development operations into OCTO's portfolio to support a more centralized IT Governance Model; b) Upgrade and maintain technology for DC Public Schools; c) Continue to consolidation of DC.Gov websites into a single content management system to provide better access to government services and information for residents, businesses, and visitors; d) Implement Data Center Consolidation Initiative (DCCI) plan to consolidate and virtualize critical application service environments; and e) Deploy new solutions to maintain a secure computing environment and protect the District's business operations against cyber-attacks and malicious software propagated through the Internet.

Objective 2: Lower the cost of government operations and enhance service through innovative technologies. *Initiatives:* a) Offer Service Oriented Application (SOA) based middleware for use across the District; b) Provide simple, global access to data and useful presentations to both internal government customers and the public; c) Provide

direct oversight of District-wide IT budget formulation by Cluster; d) Collect, analyze and report on District-wide IT spend by Agency cluster with SmartBuyer Program to ensure that the District receives the best value and price for its purchases; and e) Implement a standardized model to provide Cloud computing services to the District agencies.

Objective 3: Embrace information technology best practices and ensure high quality service delivery of technology projects. *Initiatives:* a) Expand a robust set of technology reviews and IT standards to more agencies with Technology Review Board (TRB) to support District government operations; b) Issue standards and best practices for mobile application development; c) Partner with Metropolitan Police Department (MPD), Office of the Chief Medical Examiner (OCME) and Department of Health (DOH) to create a Consolidated Forensics Lab (CFL); d) Partner with DC Sentencing Commission to Implement a New Management Information System to Integrate with the new Justice Data Exchange Standards; and e) Ensure that the District of Columbia's IT assets, resources and personal data are secure by establishing and enforcing Information Security Policies and Procedures.

Objective 4: Provide leadership to enhance the delivery of services and to fuel technology innovation and adoption for the residents, businesses and visitors of the District. *Initiatives:* a) Implement <http://grade.dc.gov/> to improve customer service to District residents (One City Action 3.8.1); b) Implement a Digital Inclusion Strategy for the District of Columbia; c) Expand DC-NET's 100-gigabit network (One City Action 1.2.3); d) Extend Wireless hotspots across the city and build a robust wireless core to enhance wireless connectivity across the District Government (SUSTAINABILITY and 5-Year Economic Development Strategy 3.5); e) Enhance the delivery of services to District agencies and residents with mobile platform for DC.Gov as well as geospatial maps and applications; and f) Support the Office of the Deputy Mayor of Planning and Economic Development on the IT Design for the St. Elizabeth's Innovation Center.

Key Accomplishments

Fiscal Year 2010

- Created new infrastructure and software implementation of Accela Automation version 7.01 to be used

as a citywide platform for Permitting and Licensing applications

- Created Lead DC application to hire principals for the District of Columbia Public Schools (DCPS)
- Enhanced Out of Boundary Lottery application so that parents were able to better identify schools outside their children's regular school boundaries who had available seats
- Implemented the Asset Management module of DCPS Destiny software application
- Provided IT support for the Mayor's FY10 Summer Youth Employment Program (SYEP)
- Developed DC Grants Made database to track District-wide grant spend down rates
- Worked with various agencies including the Office of the Attorney General (OAG) to issue an RFP and evaluate vendor proposals for the FOIA Automation project
- Created DCPS Online Menu application to provide menus and nutritional information for all schools in DCPS so that parents/constituents can now access school menu and nutritional information online
- Created DCPS School Scorecards to serve as a tool that will give parents, school staff, and the community helpful and comprehensive information about the performance of each DC public school
- Made Certified Business Enterprise (CBE) Online legislative changes for the Department of Small and Local Business Development (DSLBD) so that veteran-owned and local manufacturing firms can receive preference points when trying to become CBEs in the District
- Implemented the Student Behavior Tracking process module of the CAASS software for DCPS
- Established a framework for rolling out ACH transactions as an online payment option for the Office of the Chief Financial Officer (OCFO)
- Used the IQ application to streamline internal business efforts for the Chief Office of the DC Metropolitan Police Department (MPD)
- Established a data feed from the IQ application to feed the Customer Service section of the Citywide Data Warehouse TrackDC website
- Released enhanced versions of the Web-based Children at Risk (WCHARI) application for the Office of the Deputy Mayor for Education (DME)/DCPS
- Upgraded PeopleSoft, the District's Human Resources and Capital Management application with

the new version of 9.0

- Provided a 99% uptime for PeopleSoft and PASS, the District's Procurement application
- Upgraded Quality Center from version 9.0 to 10.0 and Load Runner from version 8.2 to 9.5
- Supported 17 agencies for testing covering 43 PeopleSoft, 11 PASS and 58 Web Applications releases
- Supported 13 agencies on SharePoint and Configuration Management
- The data sets grew to over 450 in Data Catalog <http://data.dc.gov/>, a winning site of 2009 Innovations in American Government Award in Urban Policy by the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University. This is the first initiative in the country that makes virtually all current district government operational data available to the public in its raw form rather than in static, edited reports. Some of the data added in FY10 included data sets such as District Quarterly Payments To All Vendors by CBE Status for FY10, Police Complaint - Examiner Decisions, Completed Construction Projects 2009, DC Department of Consumer and Regulatory Affairs's (DCRA's) Vacant Property November 2009 Exempt From Registration Fee, Taxicab and limousine Owner/Operator information.
- The total number of datasets downloaded using Data Catalog in FY10 is more than 1.9M, well exceeding the goal of 400,000 for the fiscal year.
- The national recognized Citywide Data Warehouse (CityDW) has also worked closely with the National Association of State Chief Information. (NASCIO) to create national models and best practices for data catalogs based on the DC model.
- At the request of the City Council, CityDW built and launched the public version of TrackDC <http://track.dc.gov/> which is a dashboard that provides to the public an easy way to access to agency budget, personnel, spending, KPIs, news, agency profiles, agency data and more.
- The program added new features and data to the internal version of TrackDC <http://track.dc.gov/> in FY10. The new version included: Stimulus Funds (amount awarded and expended), Mayor's Communication Unit Requests, action items, KPIs, Agency news and allows agencies to report issues, achievements and updates up to agency executives, the Office of the City Administrator (OCA) analysts and the City Administrator.

- Added new features to the American Recovery and Reinvestment Act (ARRA) Reporting application based on the new requirements from the federal government. The <https://reporting.dc.gov/> provides access to the Prime/Sub-recipients and vendors to track and report expended ARRA funds and submit project resource names and expended hours.
- Worked with the Child and Family Services (CFSA) and Department of Mental Health (DMH) to create a reporting environment for each agency and supported those environments during the fiscal year
- Awarded \$1.5 million in ARRA funds for Broadband Mapping and Planning. This money will be used to map broadband availability and promote broadband adoption
- DC GIS utilization increased by 30% in FY 2009 to over two billion database calls 2,181,153,517 database calls
- Published new more detailed and accurate topographic data for the District. This data more accurately maps flood plains, building heights, and generally aids planning/development decisions
- Launched a retail site finder with the Washington DC Economic Development Partnership
- Launched a "Green Map" with District Department Environment including many new environmental layers
- Launched new trash day application with Department of Public Works. Residents put in their address and get back their trash collections day(s)
- In coordination with the Department of General Services (DGS), DC-Net provided relocation of users to the following new and renovated locations: Southwest Waterfront (2000 users), 1200 1st Street (1000 users), 4056 Minnesota Ave, NE (500 users), St. Elizabeths (700 users), 810 1st Street NE (500 users), Consolidated Forensic Lab (360 users).
- DC-Net infrastructure enhancements included call center solutions, LAN infrastructure upgrades, and Wi-Fi campus-wide deployments
- Deployed call center solutions at OAG, DCRA, the Department of Employment Services (DOES), the Department of Health (DOH), and the Public Service Commission (PSC)
- The University of the District of Columbia campus-wide Wi-Fi; 1 GB fiber connectivity at the Walter E. Washington Convention Center, the Verizon Center, and area hotels and Wi-Fi coverage of Chinatown/Penn Quarter area in support of the Micro-

soft Conference; Wi-Fi coverage across the National Mall; Wi-Fi coverage at Eastern Market.

- In response to the need for affordable broadband in underserved areas of the city, the DC Community Access Network (DC-CAN) will deliver cost effective, value-added broadband services to community anchors—primarily in the city's economically distressed areas—and create points of interconnection and provide middle mile services for last mile service providers to deliver affordable broadband access to residents and businesses in these areas.
- Introduced unified messaging and WebEx web conferencing managed services on Unified Communications platform
- In an unsolicited award, the National Association of Telecommunications Officers and Advisors (NATOA) named DC-Net 2010 Community Broadband Fiber Network of the Year.
- Generated W2s out of PeopleSoft (2009 tax year will be the first year full W2 features utilized out of PeopleSoft)
- Optimized and serviced approximately 20,000 computers over the summer for DC Public Schools
- Deployed Internet Explorer (IE) 8 and Office 2007 to approximately 30,000 computers
- Achieved a 96% score on the agency's Key Performance Indicator (KPI) for resolution support within 4 hours
- Provided E-Rate oversight to DCPS to ensure the flow of disbursements to vendors and reimbursement to DCPS continues.
- Oversaw the deployment of 2,240 Wireless Access Points and the structured wiring of 17 schools, filing for E-Rate benefits of more than \$5 million
- Achieved 9.9% cost reduction, beating target OCTO KPI of 5% cost avoidance / reduction on addressable technology spending

Fiscal Year 2011

- Migrated all applications managed/developed by OCTO Application Solutions out of OCTO Data Center 2
- Architected and provided platform for FileNet 4.5
- Submitted broadband data to US Department of Commerce and Federal Communications Commission
- Published wire line broadband adoption data by Census Tract
- Upgraded Snow Vehicle Tracking system for DDOT

and DPW

- Published upgraded 911 map with the Office of the Unified Communications (OUC)
- Initiated service to community anchors on DC-CAN and construction of the core ring. Ongoing planning of Broadband Technology Opportunities Program (BTOP) funded project dedicated to bringing information availability to underserved areas of DC with the primary focus being wards 5, 7, and 8. This project has identified 291 sites for connectivity to DC-Net's fiber optic platform that fall into the categories of education, public safety, health care, public housing, and community anchor locations
- Development of public/private partnerships with last mile ISPs spurring broadband adoption in underserved Wards
- Development of health, public safety, and federal government cloud service offerings leveraging new OCTO data center
- Deployed Phase 1 of VOIP Solution at The Office of Personnel Management (OPM) for scalable, converged voice architecture that provides high availability, collaboration, presence, corporate directory and mobility
- Continued to provide Tier 2/3 Support for 34,000 PeopleSoft users
- Performed system changes implemented in support of DCHR Classification and Compensation reform project
- Further developed proposed testing criteria for 4G technology in DC test bed as part of partnership with National Institute of Standards and Technology (NIST); drafted and submitted request to the Federal Communications Commission (FCC) for flexibility to partner with electric utilities to support sustainable business model for 4G public safety network; held round of briefings with all six states in Federal Emergency Management Agency (FEMA) Region III to begin planning process for regional network
- Finalized arrangement with Protected Services at DGS to consolidate and maintain credentialing operations; completed development of new security laminate; completed move of DC One Card system to new data center
- Improved the timely submission reports for federal grants
- Held the second DC Community Broadband Summit event to energize and coordinate the digital in-

clusion community; neared design completion for public education campaign to raise awareness of the digital divide issue and resources in the District

Fiscal Year 2012

- As a recipient of the national "Champion of Change" award, the DC Community Access Network continued to progress during FY12 with 72 fiber miles deployed and 92 community anchors interconnected. This 100 gigabyte platform and associated access to information and opportunity has become a valued resource of the underserved areas of our nation's capital.
- The IT Staff Augmentation (ITSA) Program earned a Computerworld Laureate Medal for economic development and recognition by Excellence.gov in 2012. ITSA provided 354 IT contractor professionals to 26 agencies throughout the city, while also reducing costs by \$6.2MM and delivering 97.7% of the spend through District Certified Business Enterprises (CBEs).
- Migrated 46 DC.Gov agency websites to the District's new open source web system and developed 12 new websites including the Mayor's grade.dc.gov site. All migrated sites have updated content and were designed with a citizen-centric orientation to improve resident access to District government information and services.
- Coordinated the Broadband Technology Opportunities Program (BTOP) grant awards to the District of Columbia of more than \$27 million in American Recovery and Reinvestment Act (ARRA) funding for broadband delivery to community anchor institutions such as charter schools, health clinics, non-profits, public housing, a citywide network of computer education centers and computer training programs for underserved residents in Wards 5, 7, and 8. As of the end of FY12, the BTOP grants had:
 - 6,850 trained participants
 - 1,764 new household subscribers
 - 184 Community Anchor Institutions (CAIs), including 120 new and 64 upgraded CAIs
- Launched the new 311 map application which allows the public to see 311 service requests by location, date (2 days, 7 days and 30 days) and status, making it easier for District residents to track service requests online. The data shown for service requests on this application are automatically accessed and updated every hour Monday through Sunday. By clicking on a service request icon on the

map, users can view complaint type, request created date, responsible agency and status of the service (open, closed, or open overdue).

- Implemented <http://grade.dc.gov/> as part of the One City Action Plan, a first of its kind government website through which certain District agencies are graded on their service to the public on the basis of comments made online, positive and negative, either via surveys located on the new website, Twitter, or other social media.
- Developed "OUC Remedy Dashboard" for Office of the Unified Communications (OUC) to address their ever increasing need to see data related to their Remedy helpdesk tickets as they move through the resolution process. The data captured throughout the resolution process, and its subsequent analyzing and display via the dashboard, assists OUC in their effort to provide better customer service by using performance management that is data-driven.
- Implemented the e-Sourcing module of the District's Procurement application which allows vendors to submit bids on-line and allows DC Agencies to manage contracts in electronic format. This implementation of new module in PASS has allowed for converting contracts in paper form to electronic format making it easy to manage the contract life-cycle. The major benefit of this implementation is reduced cycle time of procurement in DC.
- Maintained several critical mapping databases including Master Address Repository, Basemaps Layers, Street Centerlines, and other layers as it is essential that the 911 system have the most accurate and up-to-date address and mapping information available
- Implemented the Commercial Driver License Information System (CDLIS) 5 Modernization changes successfully to the application and website of the District of Columbia Division of Motor Vehicles (DCDMV). This was an initiative by the American Association of Motor Vehicle Agency (AAMVA) to transition the Central Site to newer technology. The AAMVA also had included several functional improvements and enhancements with CDLIS Modernization with impact to both the CDLIS Central Site and other CDLIS users. The District was one of the fewer US jurisdictions that were able to implement the CDLIS 5 Modernization initiative before the mandated date of implementation January 30th 2012.
- Established a Technical Review Board (TRB) to uni-

fy OCTO systems and techniques in a cross-functional team that provides process, discipline and centralized oversight of technology projects, processes, platforms, delivery, technology standards and development methods and operational practices. A high level of inter-program partnership began with the advent of the TRB for OCTO specifically. It positions the agency for its proper role of city-wide technology oversight, direction, innovation, management and efficiency and enable better planning and cost controls.

- Validated citywide cost avoidance at \$2.1 million on a total IT spend by OCTO's Smartbuyer program. In partnership with Office of Contracts and Procurement (OCP) and the City Administrator, the Smartbuyer program reviews technology procurements and contracts to ensure that the District obtains the best price and value.
- Partnered with OUC in the use of the Mobile Technology Lab (MTL) to roll out OUC's Smart911 initiative. OCTO participated in a total of 10 events hosted by the Metropolitan Police Department (MPD), the DC Homeland Security and Emergency Management Agency (HSEMA), and community groups across the District and engaged with residents to promote the advantages of utilizing broadband technology.
- Established its first Digital Inclusion Center, in partnership with the Mayor's Office on Returning Citizen Affairs (ORCA), for returning citizens at the University of District of Columbia Community College (UDC-CC) Shadd Campus and completed the second center at Riggs LaSalle recreation center.
- Migrated and consolidated several District agencies (DOES, DHCD, CFSA and DGS) to the OCTO datacenters, resulting in lower operational and maintenance costs, as these agencies no longer had to support and maintain their own disparate/silo datacenter. The datacenter consolidation effort is an ongoing effort which has significantly lowered the District's server footprint. In FY12 alone this effort has resulted in the decommissioning of three agency operated datacenters and migration of over 300 servers to OCTO's 'greener' datacenters, resulting in a net savings for the District.
- Completed the migration of over 4000 mailboxes for DCPS. The old DCPS environment was on stand-alone Exchange 2003 servers, with minimal redundancy options. Since the migration to Exchange 2007, they are now part of the DC Gov Ex-

change cluster, and have multiple layers of redundancy across the District's datacenters. The entire migration process was transparent to the end user, who did not lose access or connectivity to their mail services via Exchange, Blackberry or Mobile Computing.

- Orchestrated a relocation of administrative office personnel from 11 DCPS sites to alternative locations and reinstated full continuity of service in virtually transparent deployments. DC-NET completed the network upgrade for a total of 20 schools this summer. This massive undertaking allowed both structural and IT upgrades to be completed during the summer months and ensured fully enhanced educational facilities when the teachers and children were moved back for the fall semester. DC-NET also significantly improved wireless coverage at a number of DCPS schools through various initiatives.
- Deployed new solutions to detect and automate the discovery of new and emerging malware that continues to threaten network security for the district. In addition, The Citywide Information Security (CWITS) team also deployed an enhanced solution to mitigate inbound Denial of Service (DDOS) attacks on the District's Internet infrastructure to maintain continuous internet connectivity for all District agencies.
- Implemented two significant Program Product Update Packages (PPUP - a homegrown software packaging and distribution method) to the Mainframe environment. The team installed, customized, tested, and then flawlessly migrated into two sets of Development and Production Environments PPUP11 and then PPUP13. PPUP11 and PPUP13 were based on ZOS R11 and ZOS R13 operating systems respectively. Each PPUP contained 124 upgraded software products. As a result, all of District's mainframe software had the latest release levels based on industry standards.
- Deployed DDOT Transit Subsidy Program (TSP) via DC One Card for DCPS students. This has resulted in improved benefits for students and parents, and an annualized program savings of nearly \$1,000,000 for DDOT.

Fiscal Year 2013

- Provide 2013 Presidential Inauguration planning and support with a great level of technology partnership between the Federal Government and District Government. Efforts include high level of mapping

and web maintenance support as well as a collaborative effort from both the Infrastructure and Applications teams to create the most robust readiness capabilities in the OCTO Critical Operations Center to monitor and respond aggressively and quickly to system anomalies, cyber threats, and outages.

- Deliver a Virtual Computing Platform to District Agencies
- Provide project and grant management of more than \$27 million in American Recovery and Reinvestment Act (ARRA) funding for broadband delivery to community anchor institutions such as charter schools, health clinics, non-profits, public housing, a citywide network of computer education centers and computer training programs for underserved residents in Wards 5, 7, and 8.
- Promote and publicize economic development technology innovation
- Add data to the <http://track.dc.gov/> government transparency application as directed by stakeholders
- Maintain the over 500 datasets and continue to add additional data to the DC Data Catalog
- Continue to pursue and manage digital divide activities, including support for public education, computer training, and low-cost broadband access to under-served communities
- Launch a new web-based High School Online Application (HSOA) for the DC Public Schools that allows incoming high school students to apply to one or more of the six specialized high schools in the district by filling out a single online application and rate each selected school in the order of preference
- Plan and orchestrate the new office move for OCTO at 200 I Street SE
- Facilitate the security audit and accreditation for Federal Information Security Management Act (FISMA) compliancy
- Apply technology and innovation to the management of OCTO workforce and promote a more cohesive and positive agency culture
- Provide bi-annual maps of broadband availability and adoption in the District leveraging American Recovery and Reinvestment Act (ARRA) funding and demonstrate improvement of Broadband Adoption
- Participate in meetings and conferences to promote OCTO's involvement in the community
- Add Citywide Information Technology Software Licensing & Governance Office

- Maintain on-going Health Insurance Portability and Accountability Act (HIPAA)
- Launch the One City Action Plan website which provides updates on the District’s progress in meeting the plan’s goals • Redesign DC.Gov Home Page
- Develop the Fire and EMS Department (FEMS) Situational Awareness 911/KPI Dashboard to allow FEMS to view 911 data related to response time performance and also relates to the KPIs of FEMS
- Upgrade Geospatial Infrastructure to enhance effectiveness, reduce costs and expand the interoperability of Citywide GIS System
- Add the scanning capability for vehicle related transactions in the Department of Motor Vehicles’s (DCDMV) Destiny application so the DMV users can scan and archive the required documents provided by the customer during vehicle related transactions
- Develop the Driver Digital Image Interface for DMV and release it to the Metropolitan Police Department (MPD). This interface provides a digital image of a driver on demand from MPD and improves the ability of law enforcement personnel to identify drivers to ensure public safety.
- Help ensure 99.95% uptime for all OCTO-supported applications
- Partner with HSEMA (and a third party vendor) to issue the first PIV-I (Personal Identity Verification-Interoperable) cards for DC Government

Program Descriptions

OCTO has the following seven divisions:

Application Solutions

Application Solutions provides innovative, efficient, and cost-effective application development for the District government and District residents. This division applies standard application development practices to guarantee on-time and on-budget delivery of both custom-built and some selected standard, off-the-shelf software packages.

This division contains the following 9 activities:

- Application Implementation – provides project management, application development, application implementation, technical consultations, and application maintenance and support for District agencies to enhance information flow and responsiveness to citizens and to make government more

efficient;

- Web Maintenance – establishes, maintains, and implements standards, guidelines, policies, and procedures for maintaining the DC.Gov web portal, which is used by hundreds of thousands of District residents, businesses, and visitors. The team provides centralized content management and fee-for-service webmaster support for District agencies;
- Filenet – centralizes IT infrastructure support for the various electronic and paper records throughout the District. It provides system administration, maintenance, and application support for agencies using Filenet and Kofax applications. It is a repository for electronic content;
- Applications Quality Assurance – implements industry best practices for independent software testing, configuration management, database support, application integration, and enterprise content management; assures that deployed applications and tools meet standards set by OCTO; and tests applications for high quality and industry standards for functionality, performance, and capacity planning;
- DMV Application Solutions – provides system development, maintenance and new functional enhancements for Department of Motor Vehicles’ (DMV’s) business applications, which support vehicle registration, driver’s license/identification cards, dealer tags, residential parking permits, insurance verification, adjudication, and law enforcement services with on-site and back-office services, the DMV web portal, and mobile application development;
- DC Geographic Information System (GIS) – provides critical geospatial data to District government agency staff within public safety, economic development, education, transportation, city planning and operations areas. Maintaining accurate geospatial data and reliable systems and applications (and other customer services) improves quality and maximizes the efficiency of District government services through the application of geospatial technology. The program also serves the general public by publishing and sharing geospatial data freely to the fullest extent possible with appropriate privacy and security protections;
- Procurement Application Services – supports the Office of Contracting and Procurement by maintaining and enhancing the Procurement Automated Support System (PASS), which enables purchasing, receiving of goods, and contract compliance for all District agencies (including the District of Co-

lumbia Public Schools); and delivers a centralized workflow for the procurement function of the District government;

- Human Resource Application Services – operates the Human Capital Management technology used by all District employees and the DC Department of Human Resources (DCHR). Maintains and upgrades the system and delivers new functionality as needed to expand and enhance the human resources management and payroll system that serves all District employees; and
- Data Transparency and Accountability – collects, analyzes, and publishes government data for easy consumption for both the government and the general public. This program operates a series of applications and data reporting services as a centralized hub for the exchange of citywide data; specialized data sets requested by agencies; and web-accessible “transparency data” on government operations for the public, the Office of the City Administrator, and District agencies.

Program Management Office

Program Management Office provides management, business consulting services, and business application support to agencies to effectively develop and maintain new technology applications and improve service delivery through effective integration of technology solutions.

This division contains the following 3 activities:

- Agency Technology Oversight and Support – consists of multiple management and program management type functions, including agency relationship management and business services, project management, and enterprise contracts. The agency relationship management function acts as the point of contact between all agencies and OCTO and enhances District technology projects with partnership across agency Information Technology (IT) representatives to ensure IT project alignment, cost efficiency, and success. The project management function provides review and approval of IT projects as part of the Project Initiation Phase and during the project life cycle to improve the quality, consistency and performance of IT projects. The enterprise contract function reviews District-wide technology contracts for cost avoidance opportunities;
- Strategic Investment Support – provides program budget coordination and identifies and monitors the agency’s ongoing priorities and critical new capital investments. The services are provided through

routinely generating reliable cost metrics and performance analysis, benchmarking, profitability models, and undertaking value-added activities that support overall strategic decision-making and mission performance. This activity provides end users with insight and understanding to make optimal decisions and transform data into strategic and profitable business goals; and

- Regional and Community Technology Initiatives – provides digital divide outreach and coordination in support of OCTO’s objective to bridge the digital divide and develops specialized public events, services, and campaigns for engagement with the general public on Digital Inclusion initiatives.

Shared Infrastructure Services

Shared Infrastructure Services provides the technology infrastructure foundation for the entire District government’s enterprise technology, including a vast high speed digital network, wireless networking services, telecommunications services, database management, messaging and collaboration services, Cloud services and hosted applications, Citywide IT security services, desktop support and management, mainframe and financial system hosted environments, Network Operations Center, a Security Operation Center, disaster readiness services, inter-government cooperative services, data center-based mainframe services, and state-of-the-art IT systems.

This division contains the following 7 activities:

- Mainframe Operations – provides reliable, secure and efficient computing environments with sufficient resource capacity to meet the information processing requirements of the mainframe applications in OCTO’s data centers; and sustains the mainframe hardware and software that support mission-critical applications used by DMV, Department of Employment Services, Office of the Chief Financial Officer, and University of the District of Columbia;
- Data Center Facilities – maintains the premises for OCTO’s data center sites, including facilities operations and upgrade, resource allocation and access control, power management, site security, with consideration for environmentally-friendly solutions;
- Server Operations – provides operational support 24 hours per day, 7 days per week of District government mission-critical systems and applications, the DC.Gov portal, associated databases, virtual infrastructure (private cloud), enterprise storage systems, and business continuity and disaster recovery

for all the supported environments;

- Telecommunications Governance – manages a portfolio of approved vendors and contract vehicles to purchase telecommunications products and services, complying with procurement guidelines, and works with all District agencies to monitor and certify telecommunications inventories (e.g. landlines, cellular devices, pagers, data circuits) to best manage overall telecommunications operations;
- DC Network Operations Center – provides around-the-clock monitoring of critical data, wireless and voice network components, along with server and web applications, for the District government; also provides after-hours and weekend call center services that support multiple agencies;
- Email (Citywide Messaging) – provides collaborative email services engineering, operations management, and modernization for entirety of the District government; manages mobile messaging systems engineering and operations; delivers over one million email messages daily to 39,000 electronic mailboxes throughout the District government; completes more than 450 Freedom of Information Act searches per year; implements and manages Citywide Active Directory and Identity Management systems for all user logins; manages centralized LDAP systems for specialized application authentication; and creates specialized mobility solutions; and
- DC-Net - supplies a fiber-optic telecommunications platform serving as the core foundation and primary backbone conduit of all technology and telecommunications services used by over 35,000 District employees and manages secure voice, video, and data services throughout the District, supporting District agencies including public schools, public libraries, community centers, health clinics, public safety agencies, administrative offices, and District government public Wi-Fi networks.

Information Security

Information Security is responsible for the citywide information security platform and policies as well as credentialing for District employees.

This division contains the following 2 activities:

- Information Security – deploys an effective information security architecture that mitigates technical vulnerabilities in the District Wide Area Network serving District agencies, provides a secure network environment for all District government buildings,

and ensures compliance with health information security regulations; and

- Identity Management System – manages the District’s credentialing system used by employees and residents. Technology Support Services – provides support 24 hours per day, 7 days per week, for OCTO-supported applications and hardware throughout the District government. IT ServUs provides support of desktop products and services to District agencies with certified technicians who apply industry best practices and industry-level software tools, combined with service-level agreements that provide solutions for all end-user computer needs.

Technology Support Services

Technology Support Services allows OCTO to provide around-the-clock support for applications and hardware across the District government. This division contains the following one (1) activity:

- IT ServUs provides around-the-clock support of desktop products and services for District agencies with certified technicians who apply industry best practices with industry-level software tools, combined with service-level agreements to provide solutions for all end-user computer needs.

Agency Management

Agency Management provides executive leadership, administrative support and works to ensure that OCTO programs have the necessary resources and required tools to achieve operational and programmatic results. This division is standard for all agencies using division-based budgeting.

Agency Financial Operations

Agency Financial Operations provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This division is standard for all agencies using division-based budgeting.

CABLE TELEVISION

Our Mission

The mission of the Office of Cable Television (OCT) is to: (1) Regulate the provision of “cable service” in the District of Columbia (as that term is defined by the District’s cable television laws); (2) Protect and advance the cable service-related interests of the District and its residents; and (3) Produce and cablecast live and recorded video and other programming by way of the District’s public, educational and government (PEG) cable channels. To accomplish this mission, OCT regularly engages in the following functions (among others):

- OCT regulates the District’s cable service providers by enforcing applicable federal and District cable television laws and regulations (including existing District Cable Franchise Agreements);
- OCT establishes cable franchise agreements between cable service providers and the District, and it ensures compliance with those franchise agreements;
- OCT works to facilitate harmonious relationships between District cable service providers and their customers by mediating disputes and enforcing applicable customer service regulations;
- OCT facilitates open access to the District Government through the operation of its government cable channels, TV-13 and the District of Columbia Network (DCN), and its educational cable channel, District Knowledge Network (DKN);
- OCT works to create and maintain an economic and regulatory environment that promotes competition in the cable television industry in the District; and
- OCT works to attract the deployment and maintenance of advanced cable services in the District.

Our Vision

To create a viable cable market through competition and craft content that educates, informs and entertains.

Our Values

- Dedicated to serving as a communications portal between the District Government and its residents.
- Committed to accountability, excellence and responsive and respectful customer service.
- Embrace professional and personal development, teamwork and diversity.

Our Future

OCT will complete its relocation to a 30,525-square foot District government owned facility - located at 1899 9th Street NE - in 2014. OCT’s new headquarters will feature two television production studios (standard definition and high definition), editing suites, meeting space and administrative offices; and will allow OCT the opportunity to invest capital for its current and future technology needs.

OCT Quick Facts

OCT consists of three separate divisions that handle programming, regulatory and operational functions.

- The Programming division is responsible for providing 24-hour programming on TV-13, DCN and DKN which includes DC Council hearings, mayoral press conferences, District of Columbia Public Schools’ programming, community events and public service announcements/profile videos for many District of Columbia government agencies.
- Under the administrative structure and supervision of the DC Office of the Attorney General, the Regulatory division is primarily responsible for planning legal strategies, protecting the interests of District consumers and advising agency staff on matters having legal implication.
- The Operations division provides leadership, direction and oversight over all administrative functions in support of the agency.

District Government Channels

- TV-13 provides gavel-to-gavel coverage of the live and recorded activities of the District of Columbia Council and its various committees.
- DCN provides information regarding the many programs, services and opportunities made available by the District of Columbia government including



Mayoral press conferences, agency policy statements and current discussions on the future of the District of Columbia.

- DKN serves as a vital tool aimed toward bridging the digital divide between the faculty, students and parents by providing high-quality educational programming that fosters and encourages student learning and achievement, as well as, promotes community wellness through utilizing online resources, video-on-demand and video conferencing.

Online Presence

OCT’s website (<http://oct.dc.gov>) makes the Council of the District of Columbia’s hearings available over the internet for real-time and on-demand viewing. A comprehensive assemblage of Executive Office of the Mayor (EOM) programming and other productions are also available via OCT’s video-on-demand service.

OCT can also be found on Facebook (<facebook.com/OCTDC>), Twitter (<twitter.com/OCTDC>) and YouTube (<youtube.com/OCTDC>).

Customer Service

- The District of Columbia is at the forefront of providing its citizens with direct cable competition in its market and is one of the few markets in the country with three cable television providers (Comcast, RCN and Verizon FiOS).
- OCT provides customer service and franchise oversight services for District cable subscribers and for the District government to ensure they receive reliable services that comply with District and federal laws and regulations.
- OCT has successfully promulgated customer service regulations that protect District cable subscribers and guarantee levels of customer service from the District’s cable television providers.



ALCOHOL BEVERAGE REGULATION ADMINISTRATION

Mission

The Alcoholic Beverage Regulation Administration (ABRA) issues and renews licenses that enable qualified businesses to sell and serve alcoholic beverages. ABRA monitors compliance with ABC laws and takes appropriate enforcement action when licensees violate these laws. When appropriate, ABRA proposes new laws regulating the manufacture, distribution, and sale of alcoholic beverages in the District. ABRA also offers education programs that help ABC establishments prevent underage individuals from purchasing and consuming alcohol.

Summary of Services

ABRA's Licensing Division issues new and renewal licenses to liquor stores, grocery stores, restaurants, hotels, nightclubs, and other establishments that manufacture, distribute, sell, or serve alcoholic beverages in the District of Columbia. The Enforcement Division conducts regulatory and voluntary agreement compliance inspections, underage compliance checks, and joint investigations as needed with the Metropolitan Police Department, the Fire and Emergency Medical Services Department, the Office

of Tax and Revenue, the Department of Consumer and Regulatory Affairs, and others; and conducts various inspections associated with licensing and adjudicatory processes such as final, compliance, placard, special event, and financial audit investigations. The Adjudication Division provides administrative support for the Alcoholic Beverage and Control (ABC) Board actions and adjudicatory hearings. Records Management provides files, documents, and database information to ABRA staff, the ABC Board, and the general public so that they can receive accurate information and files. The program also provides certification services, responds to and tracks Freedom of Information Act requests, and responds to subpoena requests.

Accomplishments

- ABRA conducted 1,056 compliance checks at licensed establishments.
- ABRA conducted 8,589 regulatory inspections and investigations in FY12.
- ABRA registered 66 licensees under the Daylight Savings Time Act of 2011.

Agency Management

Objective 1: Number of inspections, investigations, and monitoring activities conducted by Enforcement Division.

- Initiative 1.1: Number of inspections, investigations, and monitoring activities conducted by En-

forcement Division.

- This initiative was fully achieved. The Enforcement Division of ABRA has exceeded the number of inspections by focusing on the safety and welfare of the public as well as and the establishments' compliance with the law. ABRA investigators conducted 8,589 regulatory inspections and investigations during FY 2012. The Enforcement Division's success in exceeding the goal of 7,000 regulatory inspections and investigations can be contributed to fewer vacancies in the Enforcement Division. In previous years, the Enforcement Division has suffered from a higher vacancy rate and therefore affected the amount of inspections completed.

Objective 2: Amount of revenue generated by ABRA licenses.

- Initiative 2.1: Amount of revenue generated by ABRA licenses.
 - This initiative was fully achieved. The Licensing Division of ABRA exceeded the goal of collecting \$3,700,000 by \$498,389.00. ABRA contributes this increase to a continuing healthy growth of establishments that sell alcohol in the District.

Objective 3: Amount of revenue generated by ABRA fines.

Table 5.18. Key Performance Indicators – Details

Measure Name	FY2011 YE Actual	FY 2012 YE Target	FY 2012 YE Revised Target	FY 2012 YE Actual	FY 2012 YE Rating	Budget Program
1.1 Number of inspections, investigations, and monitoring activities conducted by Enforcement Division.	7,304	7,000	NA	8,589	122.70%	ENFORCEMENT
2.1 Amount of revenue generated by ABRA licenses.	4,904,276	3,700,000	NA	\$4,198,390	113.47%	LICENSING
3.1 Amount of revenue generated by ABRA fines.	365,780	290,000	NA	\$573,000	197.59%	ADJUDICATION
4.1 Total number of citations issued.	349	250	NA	430	172%	ENFORCEMENT
5.1 Number of one-day and substantial change permits issued within 15 days or less.	94	90	NA	96.67%	107.41%	LICENSING
6.1 Number of new licenses and permits issued.	1,507	1,000	NA	1,918	191.80%	LICENSING
7.1 Number of establishments inspected to ensure compliance with underage drinking laws.	939	700	NA	1,056	150.86%	ENFORCEMENT

Source: DC Alcoholic Beverage Regulation Administration

- Initiative 3.1: Amount of revenue generated by ABRA fines.
 - ♦ This initiative was fully achieved. The Adjudication Division of ABRA is responsible for collection activity related to fines. ABRA exceeded the target of \$290,000 by \$283,000 for a total collection of \$573,000. ABRA contributes the success of exceeding this goal to closer monitoring of citation payments and ensuring collection of payments from prior fiscal years.

Objective 4: Total number of citations issued.

- Initiative 4.1: Number of citations issued by the Enforcement Division
 - ♦ This initiative was fully achieved. The Enforcement Division of ABRA is responsible for issuing citations and achieving this fiscal year's goal of issuing 250 citations. ABRA actually issued 430 citations for the fiscal year and exceeded the goal by 180 citations. This was achieved by the end of the fourth quarter for this fiscal year and is contributed to having fewer vacancies in the Enforcement Division.

Objective 5: Number of one-day and substantial change permits issued within 15 days or less.

- Initiative 5.1: Number of one-day and substantial change permits issued within 15 days or less.
 - ♦ This initiative was fully achieved. The success of achieving this initiative was the Licensing Division's Contact Representatives processing and ensuring the submitted information for the permits was complete which contributed to a faster turnaround time.

Objective 6: Number of new licenses and permits issued.

- Initiative 6.1: Number of new licenses and permits issued.
 - ♦ This initiative was fully achieved. The success of this initiative is contributed to the number of licenses that ABRA issues on an annual basis. This initiative was accomplished by licensing specialists communicating effectively both verbally and in writing with applicants regarding documents needed for license issuance.

Objective 7: Number of establishments inspected to ensure compliance with underage drinking laws.

- Initiative 7.1: Number of establishments inspected to ensure compliance with underage drinking laws.
 - ♦ This initiative was fully achieved. The success of achieving this initiative is attributed to a grant from the Justice Grants Administration to financially assist the agency in monitoring underage drinking in the District. Through the grant, ABRA was able to utilize minors from the National Capital Coalition to Prevent Underage Drinking to assist in monitoring compliance with preventing underage drinking.