

**TESTIMONY OF JENNY REED, POLICY ANALYST
DC FISCAL POLICY INSTITUTE**

**For the Public Oversight Roundtable on
Improving Transparency: Open Government in the District
District of Columbia Committee on Government Operations and the Environment
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Chairwoman Cheh and members of the Committee, thank you for the opportunity to speak today. My name is Jenny Reed, and I am a Policy Analyst with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with a particular emphasis on policies that affect low- and moderate-income residents.

I am here today to testify on transparency improvements that we hope will be made to two critical areas of DC government: the DC budget and agency performance data. Too often today, it is difficult or impossible to determine what actual services are being funded each year due to major gaps in how budget information is put together and then shared with the public. And a serious shortage of meaningful performance data means we often don't know what the District is getting for the money it spends.

A lack of budget transparency can have serious consequences. The most recent example came just two weeks ago when homeless service providers learned days before the new fiscal year — and the start of the coldest months of the year — that their budgets were being cut by up to 30 percent. Yet, because of a lack of budget transparency, no one—advocates, providers, or the DC Council—had any idea the cuts were coming or why.

These cuts remained hidden in the DC budget for two main reasons.

Many important programs and services lack funding detail. Currently, the DC budget uses a “performance based” budget structure that lumps many important programs and services into often arbitrary line items. This makes it difficult to track how funds are spent on real programs and services. For example, homeless services is just one line item in the DC budget, despite the fact that over \$50 million is spent on variety of critical services including tens of millions to The Community Partnership (TCP) which provides funding to non-profits to provide both shelter and support services to the District's homeless. Yet, despite the fact that this is a critical service, you cannot find TCP's budget anywhere in DC's budget.

Very little information is provided on federal grant expenditures. Federal grants, particularly federal block grants, play an important role in funding many critical programs

and services. Yet, the DC budget lacks important details on how these grants are spent on programs and services and whether or not there is unused or carryover funding available.

For example, the District receives \$92 million annually in Temporary Assistance to Needy Families (TANF) funds and sometimes has additional carryover monies available to spend. The TANF block grant is then spent on a variety of programs including cash assistance, job training and homeless services, to name a few. Yet, there is nothing in the DC budget to show how much TANF carryover, if any, will be spent or what programs and services the TANF block grant will be spent on.

If The Community Partnership had been its own line item and fully reflected what it received from all funding sources in prior years, potential cuts would have been clearer and could have been addressed. Therefore, the following changes should be made to the DC budget to improve its transparency and help prevent future cuts like these from going unnoticed:

Switch from a performance-based to a program-based budget structure. The DC budget structure should be changed to better match how programs and services are delivered to the public. Organizing the budget line items in this way, often called program-based budgeting, can help the public more easily track how funds are spent.

Greater detail should be provided on the use of federal funds. In order to be able to better track federal funds and how they are spent on various programs, the DC budget should include a section of detailed tables that list the proposed funding level for the federal grants, the amount of carryover funding available, and which programs the federal funding will be spent on. Table 1 (see next page) provides an example of how this information could be displayed.

This highlights the need for greater access to budget detail. Currently, publicly available tables are limited to those in the budget book, which are restricted due to space limitations in the published volumes. In the electronic age, this is no longer a constraint. DC could put more detailed budget tables online or better yet develop a database that users could search to generate their own budget tables. There currently is a searchable database available — CFO Source/Solve — but not to the public. If CFO Source/Solve could not be made available to the public, then there is no reason that an alternative searchable database cannot be made public available.

These three steps are just a few examples of how we can improve the transparency of the DC budget. Last January, DCFPI issued a paper on “10 Ways to Improve the Transparency of the DC Budget” that goes into more detail on these and other important steps that can be taken. This paper is attached to my testimony.

TABLE 1: ONE POSSIBLE FORMAT FOR DISPLAYING FEDERAL FUNDING INFORMATION IN THE DC BUDGET

Revenue Source Name	FY 2009 Budget Request	FTE's		
Ryan White Care Act Title II	\$10,932	13.7		
Description: To improve the quality, availability, and organization of health care and support services for individuals with HIV/AIDS and their families. Includes the AIDS Drug Assistance Program earmark, which provides HIV-related prescription medications to uninsured and underinsured individuals living with HIV/AIDS.				
Sources		Actual FY 2007	Budget FY 2008	Proposed FY 2009
Beginning Balance		X,XXX	X,XXX	X,XXX
Revenues		X,XXX	X,XXX	X,XXX
Grant Match		X	X	X
Maintenance of Effort		X	X	X
Sources Total		\$XX,XXX	\$XX,XXX	\$XX,XXX
Program/Activity Uses				
(3010) HIV/AIDS Support Services		XXX	XXX	XXX
(3015) HIV/AIDS Policy and Planning		X	X	X
(3020) HIV Health & Support Services		X,XXX	X,XXX	X,XXX
(3030) HIV/AIDS Data and Research		X	X	X
(3040) Prevention and Intervention Services		X,XXX	X,XXX	X,XXX
(3052) Communicable Disease		X	X	X
(3060) Drug Assistance Program (ADAP)		XXX	XXX	XXX
(3070) Grants and Contracts Management		XXX	XXX	XXX
(3090) HIV/AIDS Housing and Supportive Services		X	X	X
Uses Total		\$X,XXX	\$X,XXX	\$X,XXX
Ryan White Care Act Title II Total		\$X,XXX	\$X,XXX	\$X,XXX

Once a budget is adopted, it often is hard to assess how effectively taxpayer dollars are being spent due to a lack of basic service level data for every agency.

Currently, DC provides an assortment of service level data, but the information is not well organized or clear in many cases, and availability of data for certain agencies is very limited.

- The DC Office of Planning publishes a biennial report, called Indices, which contains a wealth of data on District services including housing, public works, human services, and government finance, just to name a few. And while the data is displayed in a transparent manner, it is only reported every two years, and until just recently, was only available in print for a fee.
- OCTO has started a data catalog which provides data from a number of agencies and for a number of programs, some in real time. Yet, OCTO's catalog is not

comprehensive, with many critical programs and services not included. For example, the Human Services Category provides many lists of locations of service providers, but hardly any detail on how many people are receiving the actual services.

- Lastly, every agency is required to develop an annual “performance plan.” The FY 2010 performance plans list some caseload data for a select number of agencies. In some instances however, the caseload data is limited to broad categories and not broken out for specific services. For example, the performance plan for CFSA lists three caseload measures, the total CFSA population, the total CFSA population receiving out-of-home services and in-home services. It would be more useful for the public to see the caseload data broken out for specific services that CFSA provides, such as foster care or rapid housing.

Moreover, much of the basic service level data for agencies is not reported in any of these sources. Yet, agencies often track and collect an enormous amount of data on the services they provide — both for internal use and for federal grant reporting. A more transparent and accountable approach would be to provide the public access to basic service level data for every agency in one central location.

To ensure transparency, one agency should take responsibility for ensuring that key information on services is organized in one central website and that the measures include a brief explanation to help the public interpret them. To make the information easily accessible to the public, each agency could also report their key service data on the homepage of their website.

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