GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Jeffrey S. DeWitt
Chief Financial Officer

February 23, 2018

The Honorable Jack Evans
Chairman
Committee on Finance & Revenue
Council of the District of Columbia
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 106
Washington, DC 20004

Dear Chairman Evans:

This is in response to your letter, dated January 30, 2018, regarding questions for the upcoming public oversight hearing on the FY 2017 and FY2018 performance of the Office of the Chief Financial Officer scheduled for Wednesday, February 28. Responses to the questions posed in your letter are attached for your review.

If you require additional information, please feel free to contact me.

Sincerely,

Jeffrey S. DeWitt

Jeffrey S. DeWitt

Attachments

FY 2017 & FY 2018 Oversight Questions
Office of the Chief Financial Officer (OCFO)

1. Please provide a complete, up-to-date organizational chart and current Schedule A. For each division within the agency include, either attached or separately, an explanation of the roles and responsibilities for each division and subdivision.
   - Please include a list of the employees (name and title) for each subdivision and indicate any vacant positions.
   - Please provide a narrative explanation of any organizational changes made during the previous year.
   - Please provide a complete, up-to-date position listing for your agency, which includes the following information:
     - Title of position;
     - Name of employee or statement that the position is vacant, frozen, unfunded, or proposed;
     - Date employee began in position;
     - Salary and fringe benefits, including the specific grade, series, and step of position; and
     - Job status (continuing/term/temporary/contract)

   Please list this information by program and activity. Please provide an excel spreadsheet of the schedule A.

   RESPONSE

   Please see **Attachment 1A**, comprised of organizational charts covering all of the OCFO agency administrations. Additional detail on each of the agency positions may be found on **Attachment 1B** - Schedule A. The fringe benefits rate will vary for each employee and may change throughout the course of the year depending upon individual circumstances.

2. For the new positions added in FY 2018 please provide position numbers, titles, dates each position was posted/advertised and dates these positions were filled (or status if not currently filled): 10.0 FTEs additional staff to Office of Finance and Treasury's programs Unclaimed Property and Central Collections Units; 10.5 FTE's to support two revenue generating initiatives in the Office of Tax and Revenue (recover District Property Taxes through expanding accountability of homestead program via national database use; and partnering with local banks to increase the effectiveness of the levy process to secure payments from delinquent taxpayers).

RESPONSE

Please see **Attachment 2**, which details the recruitment status for each of 23 new FTEs included in the FY 2018 Operating Budget. Six of the 23 are filled. Eight of the vacant positions are funded by Special Purpose Revenue (SPR) in the Office of Finance and Treasury (OFT): six are for the Central Collection Unit which will expand their operations upon the award of a new collections contract which was protested, and two in the Asset Management Unit which will be funded upon the approval of revised legislation to be included in the Budget Support Act. Seven of the vacancies are in the Office of Tax and Revenue: four are in the final stages of the hiring process and will work on the initiative to collect delinquent tax revenue through bank attachments, while the other three are on track to be on board when the new contract for Homestead Deduction Match is awarded.

3. For all new hires in FY 2017 or FY 2018 to date, how many were District residents at the time of hiring? How many became District residents within six months of their start date? Please also indicate for all new positions (*reference the position/list from budget*) created for FY 2018, how many of these positions have been filled, and of those positions filled how many were by district residents? For positions created in 2018 and are still vacant as of January 1, 2018 please provide a status of hiring efforts.

RESPONSE

While we encourage employees to reside in the District, in FY 2017 and FY 2018 to date, 35 employees were District residents at the time of hire. The OCFO does not track changes in employee residency. Please see the response provided to question 2 regarding the status of hiring efforts.

4. Please provide a summary update of OCFO University, and classes offered.

RESPONSE

Please see **Attachment 4**.

5. Please provide an update on the Appraiser Education and Certification Program for real property tax appraisal staff.

RESPONSE

The Appraiser Education and Certification Program has been active since July 2016. Thirty-two staff members have received one of the following three categories of designation: District Assessment Specialist I, District Assessment Specialist II, and Certified District Assessor. The initial twenty-four designees are preparing to go through the re-certification process and have successfully completed the minimum requirement of thirty hours of appraisal education within the last twenty-four months.

6. What is the status of the RFP for the Appeals Tracking system that would integrate with the CAMA system? What is the status of the project (to include the expected completion date? *(You had previously mentioned an RFP was issued 12/2015 and cancelled on October 25, 2016 after only one response was received and deemed too expensive to pursue; and since that time a larger vendor list was developed and a new timeline of contract award in October, 2017).*

RESPONSE

New market research was conducted for the Appeal Tracking Services RFP and the scope of work revised to incorporate enhanced system requirements. Funding has been identified and the RFP will be posted the 2nd quarter of FY 2018. Deployment of the system is anticipated for FY 2019, with implementation for 1st level Administrative Appeals for TY 2020 assessments.

7. Please list each contract, procurement, lease, and grant ("contract") awarded, entered into, extended and option years exercised, by your agency during FY 2017 and FY 2018, to date. For each contract, please provide the following information, where applicable:

- The name of the contracting party;
- The nature of the contract, including the end product or service;
- The dollar amount of the contract, including budgeted and actual amounts spent;
- The term of the contract;
- Whether the contract was competitively bid;
- The name of the agency's contract monitor and the results of any monitoring activity; and
- Funding source.

RESPONSE

Please see **Attachment 7**, which provides the information requested for the contracts that are issued by the OCFO and paid for from the agency's budget. All of the listed contracts were competitively bid unless otherwise indicated. The listing shows all agency contracts issued in FY 2017 and FY 2018 to date as well as contracts issued previously but still active. The "Current Value" indicates the current year value or most recent option period value, including the value of any contract modifications. In some cases, this is a "Not to Exceed" amount.

8. Please provide the status of any and all contracts related to the Central Collections Unit, including contracts issued, pending, or awaiting approval.

RESPONSE

The District currently has four active contracts that provide central collections to the District. They include Industrial Bank which provides collections for the Department of Motor Vehicles (DMV), Nationwide Recovery Services which provides collections for United Medical Center (UMC), ConServe which provides **primary** delinquent debt collections for the University of the District of Columbia (UDC), and Williams and Fudge which provides **secondary** delinquent debt collections for the UDC. A contract for centralized collection services for UMC, UDC, and DMV remains in the procurement process as a result of a protest filed with the Contract Appeals Board.

9. Please provide a status update on the contract for Prepaid Debit Card Services (CFOPD-16-R-003). Did all existing prepaid card programs convert before the end of Fiscal Year 2017?

RESPONSE

The contract for Prepaid Debit Card Services was awarded, effective February 7, 2017. All existing District prepaid card programs were converted to the new contractor before the end of FY 2017.

10. I would like to commend you on many of the Strategic Initiatives implemented from your 2014 and 2017-2021 Strategic Plan. Please provide a written summary update using the chart below on actions taken in FY 2017 and FY 2018, to date, to continue to implement and further evaluate elements of the OCFO Strategic Plan. How many ideas and solutions to problems were proposed through the smarterocfo portal? Please complete the following chart to assist in providing this information:

Strategic Initiative	Actions Taken in FY 2017	Actions Planned/Scheduled for FY 2018

RESPONSE

Please see **Attachment 10** for updates on the strategic initiatives.

To date, 152 ideas and solutions have been submitted through the OCFO SMARTER Portal.

11. Additionally, have many proposals or ideas have been received through the employee "See It, Own It, Solve It, Do It" portal? What is the average number of days for a response to be provided to an idea received? What is the goal for responding to ideas?

RESPONSE

To date, 152 ideas and solutions have been submitted through the OCFO SMARTER Portal. For each idea, an employee receives a system generated email notification of receipt within 24 hours. The Continuous Improvement Officer reviews and either accepts the idea submission or provides feedback to the employee within 10 business days of submission date. The goal for each idea review is to ensure the recommendation will provide maximum value to the OCFO enterprise by improving processes, increasing engagement, streamlining operations and fostering a culture of continuous improvement. Idea Management software is used to systematically capture, review, process and evaluate ideas, with a goal of turning the best ideas into practical, innovative solutions to OCFO challenges.

12. Please provide a narrative description of the status of implementation of all your IT systems, including systems you are partnering with other agencies on (please designate which agency is the lead), as well as SOAR and MITS. Include in your response, the telephone call center upgrade (including status of Phase II and date of completion), and the CCU accounts receivable system. Additionally, please include in your response an update on MITS Phase 3, and what remains outstanding.

RESPONSE

Please see **Attachment 12**.

13. Please identify all electronic databases maintained by your agency, including the following:
    - A detailed description of the information tracked within each system;
    - The age of the system and any discussion of substantial upgrades that have been made or are planned to the system; and
    - Whether the public can be granted access to all or part of each system.

RESPONSE

Please see **Attachment 13**.

14. Please provide a chart showing your agency's approved budget and actual spending, by division, for FY 2017 and FY 2018, to date. In addition, please describe any variance between fiscal year appropriations and actual expenditures.

RESPONSE

Please see **Attachment 14A and 14B**.

15. Please list any reprogramming requests, in or out of the agency, which occurred in FY 2017 or FY 2018, to date. For each reprogramming, please list the total amount of the reprogramming request, the original purposes for which the funds were dedicated, and the new use of funds.

RESPONSE

Please see **Attachment 15**.

16. Please provide a complete accounting for all intra-District transfers received by or transferred from the agency during FY 2017or FY 2018, to date.

RESPONSE

Please see **Attachments 16A and 16B**.

17. Please identify any special purpose revenue accounts maintained by, used by, or available for use by your agency during FY 2017or FY 2018, to date. For each account, please list the following:
    - The revenue source name and code;
    - The source of funding;
    - A description of the program that generates the funds;
    - The amount of funds generated by each source or program in FY 2017and FY 2018, to date; and
    - Expenditures of funds, including the purpose of each expenditure, for FY 2017and FY 2018, to date.

RESPONSE

Please see **Attachment 17**.

18. Please provide a list of all projects for which your agency currently has capital funds available. Please include the following:
    - A description of each project;
    - The amount of capital funds available for each project;
    - A status report on each project, including a timeframe for completion; and
    - Planned remaining spending on the project.

RESPONSE

Please see **Attachment 18**.

19. Please provide a complete accounting of all federal grants received for FY 2017and FY 2018, to date.

RESPONSE

The OCFO does not have any grants awarded directly to the agency. However, the administrative costs of food stamps distribution through debit cards is covered by the Supplemental Nutrition Assistance Program (SNAP) awarded to the Department of Human Services (DHS). Expenses are recorded for this activity in fund 8200 within the OCFO's Office of Finance and Treasury. An annual MOU is signed between the OCFO and DHS. For these grant funded activities, a total of $361,916.01 was expensed in FY 2017 and a budgeted amount of $425,000 is projected for FY 2018.

20. Please provide a description of and update on the Property Use Tracking System (PUTS). Is the project formally completed?

RESPONSE

Please see the chart below.

Project Name	Number	Total Budget Authority	Expenditures	Current Allotment Balance
Property Use Tracking System (PUTS)	PUT14C	$0.655 M	$0.571 M	$0.084 M
Description: The PUTS system provides the central tracking mechanism of all requests for change in use, acquisition and, disposition of all District property. The system helps ensure that proposed actions are within compliance of IRS rules on private use activities for those situations where assets have been financed using tax exempt bonds.				
Comments: This project is owned and implemented by the Department of General Services (DGS), but the OCFO uses the data for reporting on District facility use and related facility tax-exempt bond borrowing to ensure compliance with IRS rules.				
Status: This project began in 2015. The basic system is in place and the remaining budget will be used for an enhancement.				

21. Please provide an update on the Replacement Schedule for Capital Assets and the CARSS model.

RESPONSE

Capital Asset Replacement Scheduling System (CARSS)

As part of the FY 2015 Budget Support Act, the Council included a requirement for the OCFO to develop a Replacement Schedule for Capital Assets and report on it in October of each year. The OCFO's Strategic Plan includes an initiative to develop a long-range capital financing plan for the District. In order to accomplish the goals of the BSA and the Strategic Plan, it was critical to first create a centralized database of all District-owned assets and their respective conditions so that a calculation of the costs to maintain or replace those assets could be performed. To determine the total cost for the District to maintain these assets, and better understand the total capital needs, a comprehensive review of all government agencies' capital and asset maintenance requirements was completed with each project scored and ranked to ensure that the highest priority projects were funded. These needs were analyzed in the Capital Asset Replacement Scheduling

System or CARSS. This allowed for a more comprehensive view of the District's capital asset health and allowed the total capital needs of the District to be better quantified.

Current Status

The OCFO continues to refine CARSS to include a greater level of detailed information on individual assets of the District. In fact, more than 96% of all District-owned assets are now captured in CARSS, including all land, buildings, roads and streets, and vehicles. The system contains full condition assessments on all city-owned vehicles and similar condition assessments are being performed on all other District assets. Additionally, work continues to add the remaining District-owned assets to the system, as well as those of other component agencies of the District, such as EventsDC, UMC, UDC and HFA. CARSS forms the basis to develop the District's capital improvement plan (CIP) as part of the budget process and to determine the cost of deferred maintenance for current assets.

The District's 2017 Long-Range Capital Financial Plan Report, which was delivered to the Council in October 2017, identifies the cost of the city's unfunded capital infrastructure needs over the current 6-year capital improvement plan period, as well as highlighting the financial challenges posed by WMATA and opportunities for public-private partnerships to address some of the District's infrastructure needs. The current 6-year CIP funds approximately $6.7 billion of capital needs, but it also shows that there is some $4.2 billion in additional unfunded capital needs ($1.9 billion in deferred maintenance and $2.3 billion in unfunded new projects) over that period. The report also shows that if the District adheres to the new paygo legislation that was adopted as part of the FY2018 BSA, that all unfunded capital needs identified in the report can be met by FY 2028.

Project Name	Number	Total Budget Authority	Expenditures	Current Allotment Balance	Reprogramming in FY 2017 or FY 2018?
Capital Asset Replacement Scheduling System (CARSS)	EQ9ATC	$ 2.994	$ 1.902 M	$ 1.092	Yes, FY 2018. $7,500 was reprogrammed to the operating budget to pay for non-capital eligible expenditures (conference fees).
Status: This project began in June of 2015. The basic system will be complete from a capital perspective at the end of this fiscal year. The remaining budget will be used to further enhance the system and the reporting.					
Comments: There is no out-year capital budget planned. All planned future expenditures will be system maintenance and operating expenses.					

22. Please identify any legislative requirements that the agency lacks sufficient resources to properly implement. Please identify any statutory or regulatory impediments to your agency's operations.

RESPONSE

The OCFO is able to manage legislative, statutory, and regulatory requirements within agency resources.

23. Please list all regulations for which the agency is responsible for oversight or implementation. Please list by chapter and subject heading, including the date of the most recent revision.

RESPONSE

- Title 1, Chapter 4, Freedom of Information, January 7, 2005
- Title 1, Chapter 8, District of Columbia Employees Travel and Related Expenses, November 21, 1986
- Title 1, Chapter 9, Audit Standards for Governmental Organizations, Programs, Activities, and Functions, July 18, 1980
- Title 1, Chapter 11, Guidelines of the Board of Review for Anti-Deficiency Violations, May 11, 2007
- Title 1, Chapter 17, District of Columbia – Payment to Vendors (This also includes the Quick Payment Act regulations), November 18, 1988
- Title 1, Chapter 48, Investment of Public Funds: Repurchase Agreements, September 6, 1985
- Title 1, Chapter 56, Review and Approval of Information Technology Procurements, December 17, 2004
- Title 6, Chapter B26, Defined Contribution Pension Plan, Revised April 21, 2006
- Title 9, Chapter 1, Income And Franchise Taxes, February 3, 2017
- Title 9, Chapter 2, Inheritance And Estate Taxes, April 18, 1997
- Title 9, Chapter 3, Real Property Taxes, December 23, 2016
- Title 9, Chapter 4, Sales And Use Taxes, November 3, 2017
- Title 9, Chapter 5, Tax On Recordation Of Deeds, May 9, 2014
- Title 9, Chapter 6, Real Property Transfer Tax, March 15, 2013
- Title 9, Chapter 7, Personal Property Tax, April 18, 1997
- Title 9, Chapter 8, Motor Vehicle Fuel Tax, April 18, 1997
- Title 9, Chapter 9, Taxation Of Motor Fuel Consumed By Interstate Buses, April 18, 1997
- Title 9, Chapter 10, Cigarette Taxes, April 18, 1997
- Title 9, Chapter 11, Qualified High Technology Company, March 8, 2002
- Title 9, Chapter 20, Real Property Tax Appeals Commission, July 5, 2013
- Title 9, Chapter 30, Disposition Of Unclaimed Property, April 18, 1997
- Title 9, Chapter 31, Foreclosure Sale Of Real Property, November 1, 1968
- Title 9, Chapter 35, Gross Receipts Tax, September 25, 1987

- Title 9, Chapter 37, Estate Tax, April 18, 1997
- Title 9, Chapter 38, Central Collection Unit, March 1, 2013
- Title 9, Chapter 40, Tax Amnesty Program, April 18, 1997
- Title 9, Chapter 41, Toll Telecommunication Service Tax, April 7, 1989
- Title 9, Chapter 42, General Administration, March 23, 2012
- Title 9, Chapter 44, Bulk Sales, May 26, 2017
- Title 9, Chapter 99, Definitions, August 3, 1990
- Title 19, Chapter 8, Public Library, September 21, 2007
- Title 30, Chapter 5, Lottery Ticket, March 6, 2015
- Title 31, Chapter 11, Public Vehicles for Hire Consumer Service Fund, January 8, 2016

24. Please list each new program implemented by the agency during FY 2017 and FY 2018, to date, including the "Homestead Deduction Match" and "Tax Liability Bank Attachment" (both referenced as new for FY 2018). For each initiative please provide:
    - A description of the initiative;
    - The funding required to implement the initiative; and
    - Any documented results of the initiative, including additional revenue realized.

RESPONSE

Programs and initiatives in the OCFO Strategic Plan are discussed in the answer to question 10, and systems initiatives and IT projects are discussed in the answers to questions 6, 12, 13, 18, 20, 21, 31, and 32. The OTR initiatives referenced are described in **Attachment 24**. Also noteworthy are recent OCFO initiatives in the Office of Pay and Retirement Services (OPRS) and the Office of Finance and Treasury (OFT), which are also highlighted in **Attachment 24**.

25. Please explain the impact on your agency of any legislation passed at the federal level during the past year, to date that significantly affect agency operations or revenue collections. Please also comment on what effect, if any, does the elimination of certain tax expenditures—such as the Long-term care insurance deduction and the district and federal government pension exclusions, as well as the personal exemption have on District taxpayers in each of the tax brackets for TY2017 and TY 2018?

RESPONSE

Chief Financial Officer Jeffrey DeWitt will be providing a briefing at the February 27, 2018 Mayor-Council breakfast on the impact of the Tax Cuts and Jobs Act of 2017 ("TCJA") on the District. This briefing will include a discussion of the impact of the TCJA on revenue collections and any agency operations as well as any effect of the elimination and/or expansion of various tax expenditures, including the suspension of the personal exemption, as a result of the TCJA. The long-term care insurance deduction and the District, federal and military retirement exclusion were eliminated for tax years beginning January 1, 2015 and were not impacted by the TCJA.

26. Please provide a list of all MOUs in place for your agency during FY 2017.

RESPONSE

Please see **Attachment 26**.

27. Please list and describe any ongoing investigations, audits, or reports on your agency or any employee of your agency; or any investigations, studies, audits, or reports on your agency or any employee of your agency that were completed during FY 2017or FY 2018, to date. Please reference where any audits or reports are located on the OCFO website, where applicable.

RESPONSE

Please see **Attachment 27**.

28. Please list all task forces and/or commissions that the Chief Financial Officer or senior management are members of, and please list the designee (if applicable).

RESPONSE

- Events DC (formerly the Convention Center and Sports Authority)-—Jeffrey DeWitt and Wharton Berger
- Destination DC—Wharton Berger
- D.C. Retirement Board—Jeffrey Barnette
- Not For Profit Hospital Board—Angell Jacobs
- Board of Review of Anti-Deficiency Violations—Angell Jacobs (Chair) and Timothy Barry
- Emergency Preparedness Council—Brenda Proctor, Timothy Barry, James Glymph
- Single Audit Oversight Committee—Timothy Barry (Chair)
- Open Government Task Force—David Tseng

29. Please provide a list of all studies, research papers, and analyses ("studies") the agency requested, prepared, or contracted for during FY 2017. Please state the status and purpose of each study. Please also identify/reference the tax preference analysis performed in 2017 and what is under review for 2018, as well as provide a copy of your most recent Office of Tax and Revenue Ratio Report.

RESPONSE

Please see **Attachment 29**.

30. Please provide a list of our Financial Advisors as of February of 2018.

RESPONSE

Financial Advisors 2018

- Acacia Financial Group, Inc.
- CSG Advisors, Inc.
- Estrada Hinojosa & Co., Inc.
- Hilltop Securities, Inc.
- PFM Financial Advisors, LLC
- Public Resources Advisory Group

31. Please provide an update on the Real Property Tax Administration electronic (online) Income & Expense (I&E) Report system, to include number of users as compared to number of filers, updates to the TY2018 season; and any updates to changes made to the apartment model to better reflect the impact of subsidized and rent controlled apartments, as well as improvements to the website. Please provide an update on information and data exchange efforts with the Department of Housing and Community Development (DHCD), any and all stakeholder meetings and changes made as a result of those discussions.

RESPONSE

We requested calendar year 2016 Income and Expense (I&E) reports from approximately 8,500 commercial property owners, resulting in 3,235 I&E online filings. This represents 38% of all filers, an increase of 116% from the previous calendar year. The improvement in online filing, while impressive, is still below the desired level of participation. The overhead of extracting the data from paper filing, the susceptibility of the data entry error by a third-party vendor, and delay in receiving the data from the vendor make mandating electronic filing of I&E through legislation imperative.

RPTA held a round table discussion with affordable housing developers and other stakeholders in the District of Columbia on December 7, 2017. This forum allowed us to discuss in detail steps that have been taken to address taxpayers' concerns regarding the assessment of affordable housing. RPTA has outlined areas of improving the assessment to better reflect their assessment in a way that is consistent with market value of these assets. As a result of this meeting, RPTA put more weight on actual income and expense reported by owners as a better indication of the property performance, as opposed to market rate apartments that aggregate financial data points from multiple properties to establish market rates.

The Apartment I&E form was modified to allow property owners to report the number of subsidized and rent controlled apartments existing within their property, along with the corresponding rents. Typically, affordable multi-family properties are valued by utilizing income approach but we recently expanded our cost schedule form (see **Attachment 31**) to include subsidies on newly constructed affordable housing which are initially valued using the cost approach, especially when they are 65% completed and are recorded on the assessment roll. The reported subsidies are now factored into the valuation of newly developed affordable housing properties.

RPTA and DHCD held a conference call on September 20, 2017 to establish clear channels for data exchange that are pertinent to assessment of affordable housing with RPTA. DHCD expressed to us their apprehension about sharing information deemed confidential, therefore we have not received any data or information that is helpful in valuation of affordable housing from DHCD. RPTA and DHCD will work with our legal counsels to explore a legal framework for information sharing that will not violate either party's responsibilities to taxpayers' confidential information.

Income and expense reporting is crucial to properly identify and value affordable housing projects. However, many affordable housing project owners do not render complete income and expense information or they provide inconsistent data on their I&E submission. RPTA will continue to work with stakeholders to overcome this challenge.

32. Please provide an update on implementation of the following initiatives previously referenced (response to Q31 of FY2016/FY2017 performance oversight) for the Real Property Assessment Division designed to improve business/assessment processes:

- Additional staffing including status of Chief Appraiser
- Implementation of an employee-led CAMA improvement team, and the status of a CAMA software upgrade to a more user-friendly version
- New technology for field work and RPTAC hearings, including the status of the FY18 program enhancement in order to move forward with this effort
- Appeals tracking system and electronic records retention and the status of procurement, which was projected to occur in early FY2018
- Updates to oblique aerial photography, which were completed in January of 2017. Was delivery by the vendor in time for the TY2018 valuations? If not, please explain why.
- Replacement of the real property billing system
- Status of enterprise resource planning of appeals and litigation process?

RESPONSE

- **Additional staffing including status of Chief Appraiser**

  1. Chief Appraiser: A new Chief Appraiser was selected in February 2018 with a start date of February 20.
  2. CAMA/GIS Specialist: This is a newly created position that is currently under recruitment.
  3. Appeals and Litigations Program Analyst: This is a newly created position under classification review.
  4. Commercial Appraiser in the Appeals and Litigations Unit: Interviews currently being conducted.

- **Implementation of an employee-led CAMA improvement team, and the status of a CAMA software upgrade to a more user-friendly version.**

  The employee-led CAMA improvement team concluded their assessment of the current Vision CAMA functionalities and reported their findings to the management team. Most of the issues identified are related to the stability of RPTA's most recent version of its CAMA system. Their findings were communicated to the vendor. The vendor has experienced an unusually high turnover rate that has impacted the availability of dedicated technical staff. We are evaluating this new development and keeping in perspective the upgrades recommended by the CAMA improvement team.

- **New technology for field work and RPTAC hearings, including the status of the FY18 program enhancement in order to move forward with this effort.**

  RPTA will begin to develop a scope of work ahead of FY 2019 Program Enhancement that will request funding for the procurement. The Mobile Assessment Technology enhancement will provide real time updates to property records in Vision® CAMA. This solution will increase accuracy of property record management and property appraisal models, which in turn will increase assessment data accuracy and work flow efficiency.

  Estimated Cost: Year 1 – $200,000; Year 2 and thereafter – $92,000/year

  Appraiser staff continue to have access to CAMA, MRIS, CoStar and other tools and applications through VPN access for RPTA and Superior Court mediation sessions. With the addition of two more appraisers to the Litigation and Appeals Unit, RPTA has requested two additional laptops for remote access.

- **Appeal tracking system and electronic records retention and the status of procurement, which was projected to occur in early FY2018.**

  See question #6.

- **Updates to oblique aerial photography, which were completed in January of 2017. Was delivery by the vendor in time for the TY2018 valuations? If not, please explain why.**

  The oblique aerial image flights concluded in January 2017 and the vendor delivered the images prior to TY 2018 Administrative (1st level) Appeal. The aerial image is compatible and fully integrated with our CAMA system. It is anticipated that the Office of the Chief Technology Officer will continue to engage Pictometry for future delivery of aerial oblique images to RPTA.

- **Replacement of the real property billing system**

  On October 18, 2017, the OCFO kicked off an RFP support service and requirements gathering contract with Gartner Consulting. The contract includes providing the OCFO with the following deliverables:
  1) Preliminary List of Vendors that Meet the Needs Identified
  2) FIT Gap Analysis Document Related to Each Vendor
  3) Solicitation Document, including: Evaluation Criteria; Functional and Non-Functional Requirements; Requirement Traceability Matrix; Interfaces.

  Real property assessment and taxation involves many operational activities that are distinct from individual-based taxes (e.g., income, sales, etc.). This Real Property Tax System project presents a significant opportunity for the District to make gains in operational quality and efficiency through the adoption of a modern, digital-era system. To ensure that the unique characteristics of real property taxes are addressed, work-to-date has involved a comprehensive review of current and future state business processes, with a wide range of stakeholders and subject matter experts. Gartner has conducted 18 current state workshops and 14 future state workshops to date, resulting in 57 workflows on the following topics:
  - Recorder of Deeds
  - Maps and Title
  - Property Appraisal
  - BIDs and Special Assessment
  - Exemptions
  - Homestead and Special Programs
  - Tax Roll
  - Customer Service
  - Billing and Adjustments
  - Appeals
  - Payments
  - Apportionment
  - Tax Sale
  - Delinquency/Bankruptcy
  - Parcel Management
  - Legal
  - Reports/Analytics

  Additional ongoing activities include:
  - **Functional and Technical Requirements Drafting:** The extraction, analysis, and synthesis of Functional and Non-Functional Requirements based on the workshops described above—these will be presented for vendor response through the fair, public-procurement process.
  - **Market Research with Vendor Reference Site Visits:** Market research is underway, including an initial market scan and demos of market-leading vendors' product functionality and implementation with several cities, provinces, and

counties. Additional information has been gained by engaging directly with vendor clients, including: Fairfax, VA; New York City, NY; Victoria, British Columbia; and a scheduled visit to Beaufort, SC in March.

The Gartner team has completed almost 50% of the project plan to date, and is on target to release the RFP document **by March 29, 2018**. Based on this RFP release date, the expected vendor proposal reviews, analysis and selection is projected to be completed in time to appear on the D.C. Council meeting agenda in September of this year. Planned selection dates include:

- Vendor Proposals due May 23, 2018
- Vendor Selection expected by July 6, 2018
- D.C. Council Approval expected September 11, 2018

- **Status of enterprise resource planning of appeals and litigation process?**

  RPTA and OAG continue to have a dialogue about the overlapping processes of managing 3rd level appeals filed with D.C. Superior Court. The latest implementation of a new case filing system at the court resulted in RPTA and the Office of the Attorney (OAG) establishing a cloud solution to monitor over 1,000 TY 2017 3rd level appeals filed last September. A frame work for a robust enterprise solution will be developed by RPTA and OAG this fiscal year, paving the way to request acquisition of the enterprise solution for FY 2019 program enhancement.

33. Regarding Real Property third level of appeal, please list and provide a description of all initiatives/improvements to work on the backlog of cases with the Office of the Attorney General at DC Superior Court. Are there any legislative changes necessary? - if so, please describe each and provide necessary language to change the D.C. Official Code.

RESPONSE

The backlog of cases has largely been resolved through the dedicated effort of RPTA in close consultation with the OAG. RPTA processed over 1,100 Final Settlement Agreements since January 2017, resulting in just as many court-ordered refunds. RPTA continues to work diligently with OAG to address the fewer than 100 pending cases that need to be processed. As a result, no immediate legislative changes are necessary. In the longer term, stakeholders may wish to consider whether third-level appeals should continue to be directed to the D.C. Superior Court or whether they should instead be directed to the Office of Administrative Hearings or a similar body. Such a legislative change may be considered in conjunction with other possible changes to the assessment calendar.

34. Please provide a status update of any internal reviews of private alleys going to tax sale. You had previously mentioned looking at use codes (93 – false vacant, and 94 – vacant within zoning limits) and pulling those square/lots from the tax sale. What else can we do? What would need to happen for private portions of otherwise public alleys to be acquired by the city and turned into an entirely public alley?

RESPONSE

OTR will exclude use codes 93 (false vacant) and 94 (vacant within zoning limits) from future tax sales starting with the July 2018 annual tax sale.

Partnering with the District Department of Transportation (DDOT) could be highly beneficial to identify alleys and other areas of interest. RPTA will engage DDOT and schedule a brainstorming session to exchange ideas as to how we can better identify such parcels. OAG will likely play a key role with "Eminent Domain" cases as needed.

35. What amount was collected for Combined Reporting FY 2017(TY 2016) returns, and how does it compare to the FY 2016(TY 2015) returns?

RESPONSE

The amount collected for TY 2016 returns (primarily received in FY 2017 was $111.9 million, compared to $151.6 million for TY 2015 (primarily received in FY 2016). The TY 2015 amount is significantly higher than what was reported at this time last year ($57 million) due to additional/late filings received for this period after March 2017.

36. Regarding Exempt Property Use filings, for the April 1, 2016 and April 1, 2017 deadline, how many properties were required to file under D.C. Official Code § 47-4702? How many were required to file under D.C. Official Code § 47-1007? How many properties eligible for an exemption did not file by the deadline? How many properties requested an extension? Are there any properties still outstanding (i.e. that did not file by the deadline or request an exemption) If so, please provide name, address, square and lots and ward? How many properties had their status revoked (include name, address, square and lot numbers and ward)? Are properties able to complete this form and file electronically?

RESPONSE

Exempt Property Use Report (FP-161) Filings

Year Filed	§47-1007 (Part I)	§47-4702 (Part II)	Late Filers	Extentsions	Non-Filers	Revoked
2016	2,585	188	356	17	309	3
2017	2,598	188	367	23	301	0

Are properties able to complete this form and file electronically?

RPTA and the Tax Systems Group (TSG) plan to develop an online e-filing solution that allows remote access and submission of the FP-161 form for exempt property. Technical requirements gathering and design will begin this FY 2018. Full implementation and deployment of the electronic system is anticipated in FY 2019.

37. Please provide a breakdown of sales tax collections by type for FY 2017 or TY 2017 where applicable (and indicate which) with a comparison of collections for FY or TY 2016. Please include a breakout for all items collected under "retail".

RESPONSE

$m	Retail	Liquor	Restaurants	Hotel	Parking	Total
FY2016	538.2	62.0	397.5	273.1	72.4	1,343.1
FY2017	540.2	64.8	426.2	315.0	74.2	1,420.4

38. For FY 2018 real property tax assessments, please provide a neighborhood assessment breakdown for all four property classes. Which classes saw a decline, and what is the comparison to assessments from last year for each class?

RESPONSE

The TY 2019 reassessment is still under review. The results will be reported prior to the statutory deadline of mailing the assessment notices.

39. Please provide a status update of Recommendation #5 of the District of Columbia Housing Tax Expenditure Review, and the results of TSG's analysis. *(reference: 2015/2016 performance follow up Q10)*

RESPONSE

A technical solution has been provided by the OCFO's Office of the Chief Information Officer, Tax Systems Group, to expand the exempt categories. After further review, it was determined that new exempt categories are not needed to perform the Housing Production Trust Fund review. A more comprehensive solution requires a new system, and we are in the process of acquiring and finalizing the RFP for modernization of real property billing.
Following is the current list of exempt categories and the number of properties in each category:

#	Exempt Category	Count
1	DC-EXEMPT	4214
2	E0 - LOW INCOME	1229
3	E1 - RELIGIOUS	1397
4	E2 - EDUCATIONAL	600
5	E3 - CHARITABLE	558

6	E4 - HOSPITALS	22
7	E5 - LIBRARIES	3
8	E6 - FOREIGN GOVT.	638
9	E7 - CEMETERIES	26
10	E8 - MISC. EXEMPT	1176
11	E9 - METRO EXEMPT	446
16	US - FED EXEMPT	3021
	Total	13330

40. Residents routinely contact the Council requesting assistance after third-party collection agencies contact them stating that they were noncompliant in payment of District taxes. In each of these cases, the resident was able to reach out to OTR and show proof of payment, and were then informed to "ignore the letters." Despite being told such by OTR, the residents are *again* contacted by the collection agencies about continued noncompliance. Why is this a recurring issue with OTR and tax payers? With what third-party collection agency does OTR work? How does OTR communicate with this vendor about these issues? What is being done by OTR to ensure this does not occur in the future? What correspondence is provided by OTR or the third party collection venders to confirm the obligation has been met?

RESPONSE

The OTR currently contracts with two third-party collection agencies to collect delinquent taxes. These companies, RSI and Muni Services, are assigned delinquent tax accounts based on the age of the debt. Prior to an account being assigned to an outside agency the taxpayer has received three notices, one of which is certified, showing the amount of debt owed to the District. If the taxpayer has contacted OTR, the account will remain in-house for collection. If OTR has not been contacted by the taxpayer, the account is assigned to the first vendor, RSI. RSI has approximately six months to collect. If no collection is achieved by RSI, the taxpayer's account is assigned to Muni Services, the second vendor.

After the initial placement, the outsource vendors are provided with a weekly update file reporting changes to the outsourced accounts. When a tax period is satisfied, an updated record is sent to the vendors reporting a balance of $.00. If a change is made to an account's collection status (i.e., bankruptcy, hardship etc.), an update is provided to the vendor indicating a $.00 balance. Once the tax period is reported with no balance due, the next weekly file will not show the closed or recalled period. The vendors close any tax period reported with no liability. A monthly reconciliation is performed with files received from both vendors each month. If we discover an erroneous record in their inventory, we send a correction in the next weekly file. The updated files are sent electronically on Friday each week. When an account is paid in full the taxpayer will receive a statement from OTR stating that the obligation has been satisfied.

41. With respect to Schedule H, how many standalone Schedule H returns were submitted in TY 2015? How many Schedule H returns were denied in TY 2015? Please provide the number of returns with a Schedule H, and amount claimed in TY 2015, District-wide, for filers claiming the property tax credit for renting and owning property. How many of the Schedule H returns for TY 2015 have a federal adjusted gross income of the tax filing unit (line 1 of the Schedule H form) that is different from the federal adjusted gross income on the taxpayer's federal tax return? Please also provide the average amount of difference for Schedule H returns that have a difference between the two amounts.

RESPONSE

Schedule H

	Year	Count	
Standalone Schedule	2016	692	
Denied Standalone Schedule	2016	8	
		Count	Total Property Tax Credit Claimed
D-40 Returns With a Sch H	2016	30,874	$24,488,867.00
Part A (Rent)	2016	25,197	$20,247,478.00
Part B (Own)	2016	5,677	$ 4,241,389.00
Sch H where Federal AGI (D-40 line 3) not equal to Sch H Tax Filing Unit			
	Count	Average Difference*	
Part A (line 1)	748	$ 4,774.02	
Part B (line 8)	481	$14,229.58	

*For both Part A and Part B, the average difference represents that the Federal Adjusted

Gross Income of the Tax Filing Unit is greater than Federal Adjusted Gross Income on D-40, Line 3.

42. Please provide the number of returns with a Schedule H in TY 2015 and TY 2016, by zip code and the AGI brackets provided below. Please show the filing status, AGI, tax, amount of property tax credit, and refund or amount due.

- $10,000 and lower;
- $10,001 -- $20,000;
- $20,001 -- $50,000;
- $50,001 -- $75,000;
- $75,001 -- $100,00; and
- $100,000 and higher

Additionally, please provide the number of returns with a Schedule H, and amount claimed, in TY 2015 and TY 2016, District-wide, by the following age-breakdowns:

- 21 and younger;
- 22-39;
- 40-49;
- 50-69; and
- 70 and older.

RESPONSE

Please see **Attachment 42**.

43. Please provide the Committee with an updated Debt Statement chart. This should contain our GO obligations, income tax bonds, COPs, TIF and PILOT debt, other tax-supported debt, as well as other debt.

RESPONSE

Please see **Attachment 43**.

44. Please provide a status update on the use of commercial paper issuances in FY 2017 or FY2018 to date.

RESPONSE

In December 2017, the Office of Finance and Treasury (OFT) closed a $200 million revolving credit facility (the 2017 Notes). To date, the District has drawn $67 million through the facility to fund capital projects. OFT anticipates closing a $300 million commercial paper facility in March of 2018.

45. The District has steadily increased the amount of debt used to fund school modernization. What is the impact of this debt on the District's finances? Are there any adjustments or modifications to the manner in which this money is borrowed that should be considered (and have not been to date?)

RESPONSE

Since the beginning of the school modernization program in 2008, the District has spent approximately $3.4 billion on new school construction and refurbishment. The FY 2017 Approved Budget included $392 million for DCPS capital project spending, and the FY 2018 Approved Budget includes $289 million for DCPS capital projects. These capital projects are financed as part of the District's larger overall capital improvement program (CIP). The debt issued for school modernization, as part of the larger CIP, has been issued prudently within the District's statutory debt limit.

46. Please provide a status update on the new contract manager for the 529 college savings plan and ABLE accounts. How much in fees are 529 and ABLE accounts charged each year? What are the fees for? Where can residents go to find out information about ABLE accounts and how to open one?

RESPONSE

Ascensus College Savings, Newton, MA, is the new program manager for the DC College Savings Plan and the DC ABLE Program, as of March 27, 2017. Ascensus manages 35 college savings plans in 19 states and the District of Columbia. They also manage 13 state ABLE plans. Ascensus manages over 4.2 million accounts with $98 billion in assets under management.

As of February 7, 2018, the DC College Savings Plan assets were $574.7 million. The total number of District resident accounts were 18,898 (76%) and non-District resident accounts equaled 5,832 (24%). There are two sets of fees associated with the Plan, an Annual Asset Based Fee and an Annual Maintenance Fee. The Annual Asset Based Fees range from 0.15% to 0.80%. Participants do not pay an enrollment fee. The Annual Maintenance fee is $10 for District residents and $15 for non-District residents. In FY 2017, investment expenses were $2.1 Million (0.39%) on assets of $534.4 Million. You can learn more about and enroll in the program on-line at www.dccollegesavings.com.

DC ABLE was announced in the Summer of 2017. There are now ten DC ABLE accounts. The Program has six investment options ranging from conservative to aggressive and a checking account option. Participants pay an Asset Based Fee and a Quarterly Administrative Fee. The Asset Based Fees range from 0.34% to 0.37%. The Quarterly Administrative Fee is $13.75 for DC Residents and $15 for non-DC Residents. District residents can learn more about the DC ABLE Program by visiting the website at dc.savewithable.com.