

Testimony of

The Hon. Kathy Patterson
District of Columbia Auditor

Prepared for the

Council of the District of Columbia
Committee of the Whole

Public Hearing on the
FY 2023 Budget for the Office of the D.C. Auditor
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Virtual via Zoom
The John A. Wilson Building
1350 Pennsylvania Ave., N.W.
Washington, DC 20004

Good afternoon, Chairman Mendelson and members of the Committee of the Whole. I am Kathy Patterson, the District of Columbia Auditor. I greatly appreciate the opportunity to discuss the budget for the Office of the D.C. Auditor (ODCA) for Fiscal Year 2023. I will also use this opportunity to recommend changes to the ODCA budget that could be included in the FY 2022 supplemental budget and provide my perspective on provisions in the proposed FY 2023 budget based on recent audits undertaken by the office.

My staff and I continue to work primarily remotely and are available via email or telephone to respond to any questions. I will begin with a discussion of our current year budget.

ODCA FY 2022 Budget

Mr. Chairman, as we discussed during the ODCA performance hearing last month, ODCA received funding this fiscal year to stand up a new unit within ODCA, a Deputy Auditor for Public Safety, based on recommendations by the Police Reform Commission and legislation you introduced earlier this Council period. According to my agency fiscal officer, that amount includes \$755,000 in personal services funding in anticipation of beginning to hire for that unit. Because of the timing and the fact that the legislation will not likely be enacted until later this year, I would recommend reserving funding for the salary for a new Deputy Auditor for the fourth quarter of FY 2022 and considering a transfer of the bulk of the personal services dollars in the supplemental budget for FY 2022 assuming there are priority uses to which you and colleagues would want to put that funding. My recommendation in response to the question you raised during the performance hearing would be to reallocate \$700,000 from ODCA's personal services budget for FY 2022.

Proposed Budget for FY 2023

The Mayor's proposed FY 2023 budget submitted to the Council last week included the full funding amount ODCA had requested through the Council's Office of the Secretary, or \$7,676,064 and a total of 40.6 FTEs. This would cover what I had estimated as full-year funding for a new Deputy Auditor for Public Safety to include eight professional staff members in addition to the Deputy Auditor: audit supervisor, senior auditor, senior analyst, senior investigator and four auditor/analysts.

I do want to be clear that these were recommendations on my part based on reviewing staffing in other comparable offices, and I would look to a newly appointed Deputy Auditor with extensive law enforcement and law enforcement oversight experience to develop the final staffing structure for the new unit within ODCA. I would want that individual to work with me to determine the extent to which the unit is integrated into or in some ways separate from the rest of ODCA on issues such as whether the unit needs its own legal counsel and/or communications professional.

The proposed budget also includes costs for the new space ODCA anticipates moving into late in the summer, located at 1331 Pennsylvania Avenue N.W. We are in the process of finalizing all

of the decisions necessary for building out the space that will house the office. I note that while we are not going to be moving into the Wilson Building, we will face Pennsylvania Avenue and so will have the John A. Wilson Building in view!

I believe that the proposed budget is commensurate with continuing the high-quality audit work we have provided including staff-generated reports and a healthy number of reports in which we have contracted with firms based on their specific subject matter expertise.

Removing Audit Mandates

During the performance hearing last month, Mr. Chairman, you asked about continuing to enhance the ability of ODCA to take on high priority projects by eliminating some of what may be out of date mandates for audits included in the D.C. Code. We would greatly appreciate another look at some of the required audits and recommend their removal as statutorily required projects. I include as an attachment to this testimony a list of such mandates we would like to see removed, and another shorter list of one-time audits that have been fulfilled and which you may want to also address through legislation. We would be happy to work with the Committee on actual legislative language to amend the Code consistent with the lists we are providing.

ODCA Audit Recommendations and the FY2023 Budget

Mr. Chairman I would like to touch on a few areas in the Mayor's proposed budget that relate to recommendations we have made in recent audits, including a new D.C. jail, improved 911 services, and improving education data collection and use.

A New D.C. Jail

The District's elected leaders have been discussing the need for a new jail since I served on the D.C. Council. More recently, in 2012 then-Mayor Gray talked about building a justice center that would include a new jail and new police administrative building. A District Public Safety Master Plan, initiated by Mayor Gray but completed in 2015, recommended that such a facility be built in Southwest. In 2016 Mayor Bowser's team began work on a public-private partnership that would build a new jail and issued a request for proposals. The FY 2017 Capital Improvements Plan (CIP) allocated funding for the design phase of a new facility "to replace the Central Detention Facility and the Central Treatment Facility...designed to detain sentenced felons as convicted under the District of Columbia Official Code." I include with my testimony the website page on the new correctional facility still listed publicly as a project of the Office of Public-Private Partnerships. The project description states, "The Department of Corrections will seek the design, build, finance, and maintenance (DBFM) of a new corrections center that consolidates existing Correctional Treatment Facility (CTF) and Central Detention Facility (CDF) located at 1901 D Street, Southwest." The webpage notes this was "last updated October 2, 2017."

Last week Mayor Bowser released her proposed budget. The PowerPoint slides presented to you and to the public include this statement: "The FY 2023 budget includes \$251 million to

build a new annex to the District’s Correctional Treatment Facility that will provide a new modernized facility.” But as you know, Mr. Chairman, the FY 2023 budget does NOT include \$251 million to build a new facility. The FY 2023 budget includes just a half a million dollars in more planning funds. The funds for actual construction—that in fact do add up to \$251 million—are not proposed to be made available for five more years.

In 2019 ODCA published an audit on conditions of confinement at the D.C. Jail¹ that concluded that the District needs a new jail—the same conclusion reached by every other study conducted in recent memory. The CIP is now before the Council and perhaps the Council will take a leadership role in securing the new facility that everyone knows is needed and needed today and not another five years from now.

OUC Enhancements in Proposed Budget

ODCA published a searing review of the city’s 911 operations in October,² documenting a host of leadership and management problems. One of the issues our public safety expert consultants identified was a lack of sufficient supervision on the call taker floor. Given that finding and our recommendation for additional supervisory staffing, I was pleased to see personnel enhancements included in the proposed budget for the Office of Unified Communications (OUC). I have not done a thorough crosswalk among the confusion of local, special purpose revenue, and COVID funding to net out the staffing increases, but the agency summary in the budget book shows a net increase of 31 FTEs for the agency as a whole. And the budget text states the following:

The proposed Local funds budget for OUC reflects an increase of \$5,911,646 and 57.0 FTEs across multiple divisions to enable the District to restore and expand its 9-1-1 operations. This adjustment supports the hiring of additional staff to address inadequate coverage for 9-1-1 call taking and dispatching and allows for sufficient qualified staff on duty to provide quality service to the public and local emergency services.

This is good news in terms of the Executive complying with ODCA recommendations and, more importantly, good news for the concerns repeatedly expressed by Advisory Neighborhood Commissioners and others in the community about the need for a strong, effective, and accurate emergency response system. We have also moved forward with the follow-up audit on our recommendations for the 911 operations at the OUC which we discussed when we released the audit in October. We will have two reports at roughly six months and 12 months following the original audit publication as part of our recommendation compliance efforts also conducted by the team of public safety experts at Federal Engineering.

Public Education Data Initiatives

Your amendments to the Budget Support Act approved last year, Mr. Chairman, included a directive to the Office of the State Superintendent of Education (OSSE) to produce a plan to

¹ [Poor Conditions Persist at Aging D.C. Jail; New Facility Needed to Mitigate Risks](#), February 28, 2019.

² [District’s 911 System: Reforms Needed to Meet Safety Needs](#), October 19, 2021.

address high priority education data needs. It required OSSE to submit a plan by March 14 describing how OSSE would collect data on courses, credits, and grades, a collection that will be especially helpful to the nearly 2,000 District high school students who transfer schools each year—and who are more likely to be students who are Black, “at-risk,” individuals with disabilities, and/or homeless. The plan was required to describe how OSSE would improve the District’s Statewide Longitudinal Data System (SLDS) to conform with national standards on data capacities, including the ability to link standard data elements longitudinally and across all public schools, and how to develop and implement an early warning system using statewide data from all public schools to proactively identify students at risk of dropping out of high school.

The Council also required a detailed cost analysis and implementation timeline for each component in the data plan. It was my understanding from earlier testimony before the Committee of the Whole that the State Superintendent intended to move forward with the course collection initiative, but I have not yet seen the plan that was to have been provided to the Council by March 14 and have not had a response from your staff on whether you have received that plan. I had hoped to see not just the plan, but the required cost estimates, and funding specifically allocated in the OSSE budget to support that critical progress. In the education data audit,³ we did not document what building a course collection would cost, but there would be significant cost, and we did recommend using the School Courses for the Exchange of Data (SCED) Classification System as provided in National Forum on Education Statistics guidance to enable coordination with other jurisdictions and preclude the need to develop a separate independent set of definitions.

Because OSSE received a roughly 15% budget increase in FY 2022 over the previous year, and in addition has received significant amounts of federal COVID funding, it seemed reasonable that they would move forward on the course collection this fiscal year. If that is not currently in the works and as you consider your own priorities for the FY 2022 supplemental budget, I recommend pursuing these ongoing data issues with the OSSE leadership when that agency is before the Committee of the Whole for its budget hearing and providing any additional funds necessary in the FY 2022 supplemental budget. If that does not prove feasible I recommend providing and earmarking the necessary funding in the FY 2023 budget.

Upcoming Audits

I would like to close by reviewing some of the work we will be completing the remainder of this fiscal year in addition to projects I have already mentioned like the 911 follow-up. We recently signed a new contract with RSM US LLP for our next school modernization audit that will look at what happens at a modernized school after the ribbon cutting. The firm will look at what took place following the completion of the modernization of Roosevelt High School. They will review project contracts with the prime and subcontractors and the computerized maintenance management system data from the date of project completion through January 21, 2022, covering the provisions of the warranties and equipment manuals across disciplines including

³ [Measuring What Matters: More and Better Data Needed to Improve D.C. Public Schools](#), March 10, 2021.

roofing, plumbing, HVAC, electrical. We have been considering this kind of after-action audit for some time based on our earlier school modernization audits and based, also, on Councilmember and community concerns across schools, recreation center, and library modernizations. While this project will look closely at one school where there have been issues with new systems working properly, it is our intention that the review help identify ways in which the District can improve the accountability for construction projects far more broadly.

We anticipate this work will be completed in the current fiscal year but if it does require extension into Fiscal 2023 we will have sufficient funding to accommodate the ongoing work. And our ability, now, to carryover unspent funds ensures we will be able to complete each such project we undertake.

We are completing negotiations on an audit that will look at the District's spending of the first major round of COVID funding from the CARES Act, with a CPA firm based in New York that has extensive experience with COVID audits for other states and cities.

Our in-house work will include publishing the first of several reports from our legislative audit on the implementation of the NEAR Act. The first report to be completed later this spring will cover several initiatives in that landmark act including the Pathways program, the Office of Neighborhood Safety and Engagement's violence interrupter program, and the Hospital Violence Interruption Program. Additional reports will cover the other major elements of the NEAR Act.

Another audit team is completing the fieldwork on a project on police termination cases which follows the report we published two years ago on settlements and judgments in the District. That report found that the Metropolitan Police Department lead other agencies in the dollar amount of settlements and judgments attributed to personnel cases. We are in the fieldwork phase of a review of the legislative requirements for our own independent Department of Forensic Sciences and the extent to which the requirements both reflect best practices and whether they have been met. We are looking at how the District's nursing homes fared during COVID. We are auditing the Department of Transportation's work on Vision Zero, in large measure in response to repeated requests from the community. And we have initiated a performance audit of the Department of Health's Office of Health Equity.

Mr. Chairman, that concludes my testimony and I would be happy to answer any questions. Thanks very much.

Attachments: Table on statutory changes proposed; webpage on a new correctional facility

Statutory Changes Proposed by ODCA, March 22, 2022

Audit Topic	D.C. Code Citation	Occurrence	Rationale
Audit of Agency Performance Plans	§ 1-614.14(c)	annually	ODCA does this regularly as part of other audits.
Privatization contracts	§ 1-614.14(c)	annually	Because major contracts come before the Council this could be left for specific Council requests on any problematic contracts.
MPD 1 st Amendment activities	§ 5-333.12(d)	annually	Surveillance has changed due to use of social media
DC Water – sufficiency review for bonds	§ 34-2202.09(h) & § 34-2202.07(f)	Upon notification by DC Water	This is outdated. ODCA was informed by DC Water several years ago that they no longer issue bonds via the DC gov, but now do so independently, if needed. Additionally, the bonds referred to in the relevant Code sections have been fully paid.
Lottery accounts and transactions	§ 36-601.19	“regular”ly	The lottery contracts for an annual independent financial statement.
School Modernization	§ 38-2973.05	Annually (type of audit varies)	Greater discretion would permit a wider range of construction audits
RPTAC	§ 47-825.01a(j)(2)	Every 3 years	Can be discretionary
Public Vehicles-for-Hire Consumer Service Fund	§ 50-301.20(j)	Every 3 years	Can be discretionary
Outdated Audits in Code	D.C. Code Citation	Occurrence	Rationale
Fair Election Program (election cycle Nov 2018-Nov 2020)	§ 1-1163.32j(b)	One-time	Completed
Evaluation of summer youth jobs program in FY2016	§ 32-242(g)(5)	One-time	Completed
Reporting requirements of Fair Criminal Records Screening (18 months after Dec 2014)	§ 32-1345(c)	One-time	Completed
PERAA	§ 38-193		ODCA portion is complete. Code needs clarification.

Project Profile: Corrections Center



Project Background: The Department of Corrections will seek the design, build, finance, and maintenance (DBFM) of a new corrections center that consolidates existing Correctional Treatment Facility (CTF) and Central Detention Facility (CDF) located at 1901 D Street, SE. The new facility must be able to accommodate the current inmate population, with the flexibility to efficiently adjust for future populations during the lifetime of the facility. This secure environment must include various support services and inmate treatment-related programs and activities (e.g., counseling, substance abuse treatment, education, job training, recreation, religion, work assignments, health and dental care, food service and laundry, among others). The new facility could be located on the existing site or another property owned by the District government or a third party, but continuous availability during the transition between facilities is critical. The DOC's administrative offices, which are currently housed in the Reeves Center located at 2000 14th Street, NW could also be consolidated into the new facility for more efficient operations to house approximately 80 staff in 20,000 sq. ft. Additionally, the District is considering the potential to house more inmates currently held in out-of-state facilities managed by the Federal Bureau of Prisons.

District Agencies:

- Department of Corrections (DOC)
- Department of General Services (DGS)

Status: Community engagement will be conducted and feedback will be incorporated into the project requirements before OP3 begins procurement.

(Last Updated 10/2/2017)

<https://op3.dc.gov/page/project-profile-corrections-center>

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